

BREMOND INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL AND  
COMPLIANCE REPORT  
FOR THE YEAR ENDED  
AUGUST 31, 2025



SINGLETON, CLARK  
& COMPANY, PC CERTIFIED PUBLIC ACCOUNTANTS



**BREMOND INDEPENDENT SCHOOL DISTRICT  
ANNUAL FINANCIAL AND COMPLIANCE REPORT  
FOR THE YEAR ENDED AUGUST 31, 2025**

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## CERTIFICATE OF BOARD

Bremond Independent School District  
Name of School District

Robertson  
County

198-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one)  approved \_\_\_\_\_ disapproved for the year ended August 31, 2025, at a meeting of the Board of Trustees of such school district on the 16 day of DECEMBER, 2025.

Nikki Screens

Signature of Board Secretary

Randy Yamouli

Signature of Board President

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

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## **FINANCIAL SECTION**

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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Trustees of  
Bremond Independent School District

### **Report on the Audit of the Financial Statements**

#### ***Opinions***

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bremond Independent School District (the "District"), as of and for the year ended August 31, 2025, 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 financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof and the respective budgetary comparison for the General Fund 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

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

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 generally accepted auditing standards and *Government Auditing Standards* will always detect a material misstatement when it exists.

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

### ***Supplementary Information***

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining and individual nonmajor fund financial statements are presented for purposes of additional analysis and are not a required part of the basic financial statements.

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

#### ***Other Information***

Management is responsible for the other information included within the annual report. The other information comprises exhibits required by the Texas Education Agency which present property tax collection and receivable information, budget-to-actual comparisons for the Child Nutrition Fund and Debt Service Fund, and information related to expenditure levels of selected state funding allotments. Our opinions on the basic financial statements do not cover this other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 October 31, 2025 on our consideration of Bremond Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

October 31, 2025

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**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

## **MANAGEMENT'S DISCUSSION AND ANALYSIS**

In this section of the Annual Financial and Compliance Report, we, the managers of Bremond Independent School District (the “District”) discuss and analyze the financial performance of the District for the fiscal year ended August 31, 2025. Please read this information in conjunction with the District’s basic financial statements, which follow this section.

### **FINANCIAL HIGHLIGHTS**

- The District’s net position for governmental activities decreased by \$491,611 as a result of this year’s current operations, to end at (\$1,231,399).
- Total governmental funds of the District (the General Fund plus all Special Revenue Funds, the Capital Projects Fund, and the Debt Service Fund) reported an overall fund balance increase of \$6,828,079, to end at \$9,256,793.
- The General Fund of the District reported a fund balance decrease of 465,349 for the year, to end at \$997,511.

### **OVERVIEW OF THE FINANCIAL SECTION**

The Financial Section is the most substantial part of this Annual Financial and Compliance Report. It consists of the independent auditor’s report, management’s discussion and analysis (this section), a set of basic financial statements with required note disclosures, and finally, required supplementary information and other supporting statements and schedules as applicable.

#### Independent Auditor’s Report

State law requires the District’s financial statements to be audited by an independent certified public accountant each year. The primary purpose of the annual audit is for the auditor to express an opinion as to whether the financial statements of the District appear to be free from material misstatement. The audit is required to be conducted 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 District received an *Unmodified* opinion on its financial statements this year.

#### Management’s Discussion and Analysis

The Management’s Discussion and Analysis (MD&A) section of the report is intended to introduce the financial statements and to provide discussion and analysis regarding the financial performance of the District during the year. The MD&A is written by management of the District and provides for a less formal presentation of the financial activities of the District than is found within the basic financial statements themselves.

#### Basic Financial Statements

The Basic Financial Statements consist of a series of financial statements and required note disclosures. These statements include government-wide financial statements which present the District in a consolidated and long-term manner using full-accrual accounting similar to that of a business enterprise, and fund financial statements which present a more detailed view of the District using a more short-term view and traditional modified-accrual governmental accounting. These financial statements are followed with detailed notes which provide narrative explanations and additional data for full disclosure of information.

**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**Required Supplementary Information**

The previously discussed Management's Discussion and Analysis section is considered to be required supplementary information, however, the governmental reporting framework requires that it be presented before the financial statements. When applicable, additional required supplementary information must follow the financial statements. Within this financial report, the District presents required schedules related to its participation in the Teacher Retirement System of Texas and the Texas Public School Retired Employees Group Insurance Plan.

**Combining and Individual Fund Statements and Schedules**

The combining statements provide detailed information about the District's nonmajor funds. While the primary financial statements present the nonmajor funds in a consolidated manner, the combining statements list all of the nonmajor funds separately, each in its own column. In addition, this section also includes schedules required by the Texas Education Agency to report tax collection information and budget to actual information for the District's child nutrition and debt service functions.

**OVERVIEW OF THE FEDERAL AWARDS SECTION**

**Report on Internal Controls and Compliance**

In accordance with *Government Auditing Standards*, the auditor is required to consider the internal controls the District has in place over financial reporting and whether any noncompliance with rules, laws, and regulations was noted during the audit. This report describes the scope of the testing of internal control and compliance, however, it does not provide an opinion on the effectiveness of internal control or on compliance.

**Schedule of Findings and Questioned Costs**

The Schedule of Findings and Questioned Costs provides an overall summary of auditor results, including identification of the type of opinion on the financial statements, whether any significant deficiencies or material weaknesses in internal controls were observed by the audit firm, and whether any material noncompliance was noted.

**Reporting the District as a Whole**

***The Statement of Net Position and the Statement of Activities***

The analysis of the District's overall financial condition and operations begins with the government-wide financial statements which immediately follow this section. The government-wide financial statements include the Statement of Net Position and the Statement of Activities. The primary purpose of these financial statements is to show whether the District is better off or worse off as a result of the year's activities. The Statement of Net Position includes all the District's assets, deferred outflows, liabilities, and deferred inflows at the end of the year while the Statement of Activities includes all the revenues and expenses generated by the District's operations during the year. These apply the accrual basis of accounting which is the basis used by private sector companies.

All of the current year's revenues and expenses are taken into account regardless of when cash is received or paid. The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received from students from outside the District and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by the State of Texas in equalization funding processes (general revenues). All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years.

**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

The Statement of Net Position and the Statement of Activities report the District's net position and changes in net position. The District's net position (the difference between assets, deferred outflows, liabilities, and deferred inflows) provides one measure of the District's financial health. Over time, increases or decreases in the District's net position are one indicator of whether its financial health is improving or deteriorating. To fully assess the overall health of the District, however, you should consider nonfinancial factors as well, such as changes in the District's average daily attendance or its property tax base and the condition of the District's facilities.

In the Statement of Net Position and the Statement of Activities, school districts divide up their financial activities as follows:

- **Governmental activities** – School districts report basic services here, including the instruction of students, counseling, co-curricular activities, child nutrition services, transportation, maintenance, community services, and general administration. Property taxes, state block grants based on student attendance and demographics, and other state and federal grants finance most of these activities.
- **Business-type activities** – School districts may charge a fee to "customers" to help it cover all or most of the cost of services it provides for child care programs or other activities that closely model a business venture.

Our school district reported governmental activities this year, however, we did not engage in business-type activities.

### **Reporting the District's Most Significant Funds**

#### ***Fund Financial Statements***

The fund financial statements follow the government-wide statements and provide detailed information about the most significant funds of the District, not the District as a whole. Laws and regulations require the District to establish separate funds, such as for grants received from the state and federal government, money received from bond issues for capital projects, or for money raised specifically for debt service purposes, in order to clearly display financial accountability for use of these funds.

School districts use two different kinds of funds for operations, governmental funds and proprietary funds, which use different accounting approaches.

- A school district will use *governmental funds* to account for basic services. These use modified accrual accounting (a method that measures the receipt and disbursement of cash and all other financial assets that can be readily converted to cash) and report balances that are available for future spending. The governmental fund statements provide a detailed short-term view of the District's general operations and the basic services it provides. We describe the differences between governmental activities (reported in the Statement of Net Position and the Statement of Activities) and governmental funds in reconciliation schedules following each of the fund financial statements.
- A school district will use *proprietary funds* to account for the activities for which it charges users (whether outside customers or other units of the District). Proprietary funds use the same accounting methods employed in the Statement of Net Position and the Statement of Activities. In fact, when a district utilizes enterprise funds, (one category of proprietary funds) these are the business-type activities reported in the government-wide statements but they contain more detail and additional information, such as cash flows. Internal service funds (the other category of proprietary funds) report activities that provide supplies and services for a district's other programs and activities, such as a district's self-insurance programs.

**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**The District as Trustee**

***Reporting the District's Fiduciary Responsibilities***

The District is the trustee, or fiduciary, for money raised by student activities and alumni scholarship programs. All of the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages that follow the governmental fund and proprietary fund financial statements. We exclude these resources from the District's other financial statements because the District cannot use these assets to finance its operations. The District is however responsible for applying sound financial internal controls over these funds and for ensuring that these resources are used for their intended purposes.

**GOVERNMENT-WIDE FINANCIAL ANALYSIS**

The following analysis focuses on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net position of the District's governmental activities decreased from (\$739,788), as restated, to (\$1,231,399). Unrestricted net position – the part of net position that can be used to finance day-to-day operations without constraints established by debt covenants, enabling legislation, or other legal requirements – was (\$2,988,274) at August 31, 2025.

**Table I  
BREMOND INDEPENDENT SCHOOL DISTRICT  
NET POSITION**

	(Restated)		
	Governmental Activities 2025	Governmental Activities 2024	Change
Current & Other Assets	\$ 11,119,366	\$ 3,156,423	\$ 7,962,943
Capital Assets	8,193,981	6,621,405	1,572,576
<b>Total Assets</b>	<b>19,313,347</b>	<b>9,777,828</b>	<b>9,535,519</b>
Deferred Outflows of Resources	1,499,800	1,372,126	127,674
Current Liabilities	1,465,885	324,478	1,141,407
Long-Term Liabilities	18,568,987	9,701,657	8,867,330
<b>Total Liabilities</b>	<b>20,034,872</b>	<b>10,026,135</b>	<b>10,008,737</b>
Deferred Inflows of Resources	2,009,674	1,863,607	146,067
<b>Net Position:</b>			
Net Investment in Capital Assets	415,876	878,053	(462,177)
Restricted	1,340,999	1,049,871	291,128
Unrestricted	(2,988,274)	(2,667,712)	(320,562)
<b>Total Net Position</b>	<b>\$ (1,231,399)</b>	<b>\$ (739,788)</b>	<b>\$ (491,611)</b>

**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**Table II  
BREMOND INDEPENDENT SCHOOL DISTRICT  
CHANGES IN NET POSITION**

	(Restated)		
	Governmental Activities	Governmental Activities	
	2025	2024	Change
<b>Revenues:</b>			
Program Revenues:			
Charges for Services	\$ 90,157	\$ 90,490	\$ (33)
Operating Grants & Contributions	770,878	1,647,138	(876,260)
<b>General Revenues:</b>			
Maintenance & Operations Taxes	2,383,547	2,291,607	91,940
Debt Service Taxes	1,057,409	975,443	81,966
State Aid - Formula Grants	3,543,650	3,848,243	(304,593)
Grants & Contributions not Restricted	30,289	-	30,289
Investment Earnings	127,248	125,804	1,444
Miscellaneous	47,834	190,619	(142,785)
<b>Total Revenue</b>	<b>8,051,012</b>	<b>9,169,344</b>	<b>(1,118,332)</b>
<b>Expenses:</b>			
Instruction	4,186,251	4,749,178	(562,927)
Instructional Resources & Media Services	57,513	71,164	(13,651)
Curriculum & Instructional Staff Development	23,381	33,178	(9,797)
School Leadership	373,663	497,265	(123,602)
Guidance, Counseling, & Evaluation Services	79,078	102,282	(23,204)
Health Services	91,510	107,242	(15,732)
Student Transportation	288,757	314,296	(25,539)
Food Services	469,303	554,189	(84,886)
Extracurricular Activities	422,318	782,659	(360,341)
General Administration	651,426	674,317	(22,891)
Facilities Maintenance and Operations	1,413,527	1,082,988	330,539
Security and Monitoring Services	88,403	89,410	(1,007)
Data Processing Services	171,229	165,628	5,601
Debt Service	139,870	155,493	(15,623)
Payments to Fiscal Agent of SSA	86,394	86,538	(144)
<b>Total Expenses</b>	<b>8,542,623</b>	<b>9,465,827</b>	<b>(923,204)</b>
<b>Change in Net Position</b>	<b>(491,611)</b>	<b>(296,483)</b>	<b>(195,128)</b>
<b>Net Position at 9/1/24 and 9/1/23</b>	<b>(739,788)</b>	<b>(443,305)</b>	<b>(296,483)</b>
<b>Net Position at 8/31/25 and 8/31/24</b>	<b>\$ (1,231,399)</b>	<b>\$ (739,788)</b>	<b>\$ (491,611)</b>

**BREMOND INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

## **THE DISTRICT'S FUNDS**

As the District completed this annual period, the General Fund reported an ending fund balance of \$997,511, which is \$465,349 less than last year's total of \$1,462,860. The decrease in fund balance is primarily attributable to greater than originally anticipated expenditures related to Instruction.

The District's Debt Service Fund reported an ending fund balance of \$1,240,623 which is \$305,785 greater than last year's total of \$934,838. This fund balance increase is the result of greater than originally anticipated Local & Intermediate Sources and State Program Revenues. The purpose of the Debt Service Fund is to provide for the payment of bond principal and interest payments as it becomes due.

The District's Capital Projects Fund reported an ending fund balance of \$6,984,730. The Capital Projects Fund was established to record the issuance of \$9,270,000 Series 2025 Unlimited Tax School Building Bonds

The District's other governmental funds reported combined ending fund balances of \$33,929. This combined balance is \$2,913 more than the previous year. The primary reason for this change in the combined fund balance was the increase in fund balance of the District's Campus Activity Funds.

Over the course of the year, the Board of Trustees generally revises the District's budget based on financial updates provided by management of the District. These amendments involve moving funds from programs that did not need all the resources originally appropriated to them to programs with resource needs, or to react to originally unforeseen circumstances, such as unanticipated new revenues or unavoidable new costs. Budget amendments made during the year to the Local & Intermediate Sources and State Program revenue line items and the Instruction and General Administration expenditure function line items of the General Fund budget were considered significant.

## **CAPITAL ASSET AND DEBT ADMINISTRATION**

### **Capital Assets**

As of August 31, 2025, the District had \$8,193,981 (net of accumulated depreciation) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

A summary of the ending balances of capital assets by major category for both 2025 and 2024 is as follows:

	Governmental Activities		Governmental Activities	Change
	2025	2024		
Land	\$ 81,380	\$ 81,380	\$ -	
Construction in Progress	967,808	-	967,808	
Buildings	27,796,285	26,356,709	1,439,576	
Furniture and Equipment	2,321,496	2,287,261	34,235	
Right to Use Lease Assets	236,998	236,998	-	
Total	31,403,967	28,962,348	2,441,619	
Less Accumulated Depreciation	(23,209,986)	(22,340,943)	(869,043)	
Capital Assets, Net of Depreciation	<u>\$ 8,193,981</u>	<u>\$ 6,621,405</u>	<u>\$ 1,572,576</u>	

**BREMONT INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**Debt**

At year-end, the District had \$15,039,087 in bonds and other long-term debt outstanding versus \$6,050,299 last year. The increase is attributable to the District's issuance of a \$9,270,000 Series 2025 Unlimited Tax School Building Bond during the year ended August 31, 2025.

A summary of the ending balances of long-term debt by type for both 2025 and 2024 is as follows:

	Governmental Activities	Governmental Activities	Change
	2025	2024	
Bonds Payable	\$ 14,942,900	\$ 5,915,707	\$ 9,027,193
Right to Use Lease Assets Payable	96,187	134,592	(38,405)
<b>Total</b>	<b>\$ 15,039,087</b>	<b>\$ 6,050,299</b>	<b>\$ 8,988,788</b>

**ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES**

The District's elected and appointed officials considered many factors when setting the fiscal year 2025- 2026 budget and tax rates. Those factors include property values, changes in enrollment, the economy, projections of future budget years, and legislative mandates. The District has adopted a General Fund budget of \$6.7 million for the 2025-2026 fiscal year. This reflects an approximate increase of \$350,000 in budgeted expenditures from the fiscal year 2024-2025 adopted budget to fiscal year 2025-2026.

For the 2025-2026 budget year, the District has decreased its maintenance and operations tax rate at \$0.66540 per hundred of taxable value. The District adopted a debt service tax rate of \$0.33107 for the 2025-2026 budget year in order to fund required debt payments in the coming year. The combined tax rate of the District for the 2025-2026 budget year is \$0.99647 per hundred of taxable value.

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances and to show the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the District's Business Office, at Bremond Independent School District, 601 West Collins Street, Bremond, Texas 76629, or by calling (254) 746-7145.

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## **BASIC FINANCIAL STATEMENTS**

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2025**

	Primary Government
Data	1
Control	Governmental
Codes	Activities
<b>ASSETS</b>	
1110 Cash and Cash Equivalents	\$ 10,759,197
1225 Property Taxes Receivable, net	332,049
1240 Due from Other Governments	28,120
Capital Assets:	
1510 Land Purchases and Improvements	81,380
1520 Buildings and Improvements, net	6,837,062
1530 Furniture and Equipment, net	195,096
1550 Right to Use Assets, net	112,635
1580 Construction in Progress	967,808
1000 Total Assets	<u>19,313,347</u>
<b>DEFERRED OUTFLOWS OF RESOURCES</b>	
1700 Deferred Outflows-Bond Refundings	276,252
1705 Deferred Outflows-Pension	727,013
1706 Deferred Outflows-OPEB	496,535
Total Deferred Outflows of Resources	<u>1,499,800</u>
<b>LIABILITIES</b>	
2110 Accounts Payable	1,082,196
2140 Interest Payable	22,970
2160 Accrued Wages Payable	327,700
2200 Accrued Expenses	31,707
2300 Unavailable Revenue	1,312
Noncurrent Liabilities:	
2501 Due Within One Year	1,032,582
2502 Due in More Than One Year	14,814,076
2540 Net Pension Liability	1,534,528
2545 Other Post-Employment Benefits Liability	1,187,801
2000 Total Liabilities	<u>20,034,872</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>	
2605 Deferred Inflows-Pension	523,979
2606 Deferred Inflows-OPEB	1,485,695
Total Deferred Inflows of Resources	<u>2,009,674</u>
<b>NET POSITION</b>	
3200 Net Investment in Capital Assets	415,876
Restricted for:	
3820 Federal & State Programs	10,136
3850 Debt Service	1,330,863
3900 Unrestricted	(2,988,274)
3000 Total Net Position	<u>\$ (1,231,399)</u>

The notes to the financial statements are an integral part of this statement.

**BREMOND INDEPENDENT SCHOOL DISTRICT  
STATEMENT OF ACTIVITIES  
FOR THE YEAR ENDED AUGUST 31, 2025**

	1	Program Revenues			Net (Expense) Rev. & Changes in Net Position	
		3		4	6	
		Operating Charges for Services	Grants and Contributions	Primary Gov. Governmental Activities		
Data						
Control						
Codes		Expenses	Services	Contributions		
<b>Primary Government:</b>						
GOVERNMENTAL ACTIVITIES:						
11 Instruction	\$ 4,186,251	\$ -	\$ 271,469	\$ (3,914,782)		
12 Instructional Resources & Media Services	57,513	-	1,189	(56,324)		
13 Curriculum & Instructional Staff Development	23,381	-	-	(23,381)		
23 School Leadership	373,663	-	7,593	(366,070)		
31 Guidance, Counseling, & Evaluation Services	79,078	-	1,673	(77,405)		
33 Health Services	91,510	-	2,023	(89,487)		
34 Student Transportation	288,757	-	3,158	(285,599)		
35 Food Services	469,303	65,828	242,261	(161,214)		
36 Extracurricular Activities	422,318	24,329	4,229	(393,760)		
41 General Administration	651,426	-	16,157	(635,269)		
51 Facilities Maintenance and Operations	1,413,527	-	9,380	(1,404,147)		
52 Security and Monitoring Services	88,403	-	78,685	(9,718)		
53 Data Processing Services	171,229	-	25,555	(145,674)		
72 Interest on Long-Term Debt	139,870	-	107,506	(32,364)		
93 Payments to Fiscal Agent of SSA	86,394	-	-	(86,394)		
TG Total Governmental Activities:	8,542,623	90,157	770,878	(7,681,588)		
TP TOTAL PRIMARY GOVERNMENT:	<u>\$ 8,542,623</u>	<u>\$ 90,157</u>	<u>\$ 770,878</u>	<u>(7,681,588)</u>		
General Revenues:						
Taxes:						
MT Property Taxes, Levied for General Purposes				2,383,547		
DT Property Taxes, Levied for Debt Service				1,057,409		
SF State Aid - Formula Grants				3,543,650		
GC Grants and Contributions, not Restricted				30,289		
IE Investment Earnings				127,248		
MI Miscellaneous				47,834		
Total General Revenues				<u>7,189,977</u>		
CN Change in Net Position				(491,611)		
NB Net Position -- Beginning (Restated)				(739,788)		
NE Net Position -- Ending				<u>\$ (1,231,399)</u>		

The notes to the financial statements are an integral part of this statement.

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**AUGUST 31, 2025**

		10	50	60
Data		General Fund	Debt Service Fund	Capital Projects Fund
Control				
Codes				
<b>ASSETS</b>				
1110	Cash and Cash Equivalents	\$ 1,070,092	\$ 1,243,114	\$ 8,283,293
1220	Property Taxes - Delinquent	268,679	100,269	-
1230	Allowance for Uncollectible Taxes (Credit)	(26,870)	(10,029)	-
1240	Due from Other Governments	28,120	-	-
1260	Due from Other Funds	217,546	-	1,179
1000	Total Assets	<u>\$ 1,557,567</u>	<u>\$ 1,333,354</u>	<u>\$ 8,284,472</u>
<b>LIABILITIES</b>				
2110	Accounts Payable	\$ -	\$ -	\$ 1,082,196
2160	Accrued Wages Payable	312,745	-	-
2170	Due to Other Funds	-	1,179	217,546
2200	Accrued Expenditures	5,502	-	-
2300	Unavailable Revenue	-	1,312	-
2000	Total Liabilities	<u>318,247</u>	<u>2,491</u>	<u>1,299,742</u>
<b>DEFERRED INFLOWS OF RESOURCES</b>				
2600	Deferred Inflows-Unavailable Revenues	241,809	90,240	-
	Total Deferred Inflows of Resources	<u>241,809</u>	<u>90,240</u>	<u>-</u>
<b>FUND BALANCES</b>				
	Restricted for:			
3450	Federal or State Funds Restricted	-	-	-
3470	Capital Acq. and Contractual Oblig.	-	-	6,984,730
3480	Retirement of Long-Term Debt	-	1,240,623	-
	Committed for:			
3510	Construction	452,788	-	-
3545	Other Committed Fund Balance	150,929	-	-
3600	Unassigned Fund Balance	393,794	-	-
3000	Total Fund Balances	<u>997,511</u>	<u>1,240,623</u>	<u>6,984,730</u>
4000	Total Liabilities, Deferred Inflows, and Fund Balances	<u>\$ 1,557,567</u>	<u>\$ 1,333,354</u>	<u>\$ 8,284,472</u>

The notes to the financial statements are an integral part of this statement.

		98
		Total
Other Funds	Governmental Funds	
\$ 50,298	\$ 10,646,797	
-	368,948	
-	(36,899)	
-	28,120	
-	218,725	
<b>\$ 50,298</b>	<b>\$ 11,225,691</b>	
\$ -	\$ 1,082,196	
14,955	327,700	
-	218,725	
1,414	6,916	
-	1,312	
<b>16,369</b>	<b>1,636,849</b>	
-	332,049	
-	<b>332,049</b>	
10,136	10,136	
-	6,984,730	
-	1,240,623	
-	452,788	
23,793	174,722	
-	393,794	
<b>33,929</b>	<b>9,256,793</b>	
<b>\$ 50,298</b>	<b>\$ 11,225,691</b>	

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**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2025**

		1
<b>3000C1</b>	<b>Total Fund Balances - Governmental Funds</b>	\$ 9,256,793
1	Capital assets used in governmental activities are not current financial resources and, therefore, are not reported in the governmental funds.	
	Governmental capital assets	\$ 31,403,967
	Less accumulated depreciation	<u>(23,209,986)</u> 8,193,981
2	Long-term liabilities are not due and payable in the current period and, therefore, are not reported in the funds.	
	Bonds payable, including unamortized premiums	(14,942,900)
	Deferred charges on refunding	276,252
	Right to use lease assets payables	(96,187)
	Compensated absences	(807,571)
	Net pension liability	(1,534,528)
	Net OPEB liability	<u>(1,187,801)</u> (18,292,735)
3	Accrued interest on long-term debt related to governmental fund activities is not due and payable in the current period and, therefore, not reported in the governmental funds.	(22,970)
4	Deferred outflows and inflows of resources related to pensions and other post-employment benefits are applicable to future periods and, therefore, are not reported in the funds.	
	Deferred outflows of resources related to pensions	727,013
	Deferred inflows of resources related to pensions	(523,979)
	Deferred outflows of resources related to OPEB	496,535
	Deferred inflows of resources related to OPEB	<u>(1,485,695)</u> (786,126)
5	Property taxes are recognized as revenue in the governmental funds when collected, but recognized on the Statement of Activities in the year levied. Therefore, property taxes receivable, net of allowance for uncollectible accounts, is added to the Statement of Net Position for governmental activities.	332,049
6	The District uses an Internal Service Fund to charge the costs of certain activities, such as the provision of workers compensation insurance, to other individual funds. Even though the Internal Service Fund is a proprietary fund, the assets and liabilities of this fund are added to the Statement of Net Position for governmental activities.	87,609
<b>3000A1</b>	<b>Net Position of Governmental Activities</b>	<u><u>\$(1,231,399)</u></u>

The notes to the financial statements are an integral part of this statement.

**BREMONT INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	10	50	60
General Fund	Debt Service Fund	Capital Projects Fund	
<b>REVENUES</b>			
5700 Local and Intermediate Sources	\$ 2,480,503	\$ 1,120,108	\$ 5,281
5800 State Program Revenues	3,897,801	107,506	-
5900 Federal Program Revenues	-	-	-
5020 Total Revenues	<u>6,378,304</u>	<u>1,227,614</u>	<u>5,281</u>
<b>EXPENDITURES</b>			
0011 Instruction	3,733,925	-	-
0012 Instructional Resources & Media Services	53,205	-	-
0013 Curriculum & Instructional Staff Development	20,763	-	-
0023 School Leadership	348,284	-	-
0031 Guidance, Counseling & Evaluation Services	74,394	-	-
0033 Health Services	85,547	-	-
0034 Student Transportation	262,167	-	-
0035 Food Services	-	-	-
0036 Extracurricular Activities	380,813	-	-
0041 General Administration	605,080	-	-
0051 Facilities Maintenance and Operations	880,468	-	-
0052 Security and Monitoring Services	907	-	-
0053 Data Processing Services	143,335	-	-
0071 Debt Service - Principal	38,405	775,000	-
0072 Debt Service - Interest	5,815	146,829	-
0081 Facilities Acquisition and Construction	-	-	2,882,635
0093 Payments to Fiscal Agent of SSA	86,394	-	-
6030 Total Expenditures	<u>6,719,502</u>	<u>921,829</u>	<u>2,882,635</u>
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(341,198)</u>	<u>305,785</u>	<u>(2,877,354)</u>
<b>OTHER FINANCING SOURCES (USES)</b>			
7911 Capital-Related Debt Issued	-	-	9,270,000
7915 Transfers In	-	-	-
7916 Premium or Discount on Issuance of Bonds	-	-	592,084
8911 Transfers Out	<u>(124,151)</u>	<u>-</u>	<u>-</u>
7080 Total Other Financing Sources (Uses)	<u>(124,151)</u>	<u>-</u>	<u>9,862,084</u>
1200 Net Change in Fund Balance	<u>(465,349)</u>	<u>305,785</u>	<u>6,984,730</u>
0100 Fund Balance - Beginning	<u>1,462,860</u>	<u>934,838</u>	<u>-</u>
3000 Fund Balance - Ending	<u>\$ 997,511</u>	<u>\$ 1,240,623</u>	<u>\$ 6,984,730</u>

The notes to the financial statements are an integral part of this statement.

		98
		Total
Other Funds	Governmental Funds	
\$ 73,525	\$ 3,679,417	
94,351	4,099,658	
425,606	425,606	
<u>593,482</u>	<u>8,204,681</u>	
180,515	3,914,440	
-	53,205	
-	20,763	
-	348,284	
-	74,394	
-	85,547	
-	262,167	
432,240	432,240	
4,784	385,597	
-	605,080	
-	880,468	
78,685	79,592	
18,496	161,831	
-	813,405	
-	152,644	
-	2,882,635	
-	86,394	
<u>714,720</u>	<u>11,238,686</u>	
(121,238)	(3,034,005)	
-	9,270,000	
124,151	124,151	
-	592,084	
-	(124,151)	
<u>124,151</u>	<u>9,862,084</u>	
2,913	6,828,079	
31,016	2,428,714	
<u>\$ 33,929</u>	<u>\$ 9,256,793</u>	

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**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES,**  
**EXPENDITURES, AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

<b>1200C3 Total Net Change in Fund Balances – Governmental Funds</b>	\$ 6,828,079
1 Governmental funds report the portion of capital outlay for capitalized assets as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation expense.	
Expenditures for capitalized assets	\$ 2,441,619
Less current year depreciation	<u>(869,043)</u>
	1,572,576
2 Repayment of principal on bonds, notes, leases and SBITA is an expenditure in the governmental funds, but this expenditure is removed from the Statement of Activities and these repayments instead reduce long-term liabilities on the Statement of Net Position.	813,405
3 Issuance of long-term debt increases current financial resources to governmental funds, but this increase is not shown on the Statement of Activities and instead increases long-term liabilities on the Statement of Net Position.	(9,862,084)
4 Since long-term debt is not recorded in governmental funds, amortization of related issuance premiums and discounts is also not recorded.	59,891
5 The change in accrued interest due on long-term debt issued for governmental activities does not affect current financial resources and therefore is not reported in the governmental funds.	(16,422)
6 Property taxes are recognized as revenue in the governmental funds when collected but recognized on the Statement of Activities in the year levied. Therefore the uncollected amount of the current year levy is added to current year property tax revenue on the Statement of Activities.	(14,159)
7 Governmental funds report pension contributions as expenditures. However, pension contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net pension liability measurement date. In addition, the change in the net pension liability, adjusted for changes in deferred pension items, is reported as pension expense in the Statement of Activities.	(66,429)
8 Governmental funds report OPEB contributions as expenditures. However, OPEB contributions are reported as deferred outflows of resources on the Statement of Net Position if made after the net OPEB liability measurement date. In addition, the change in the net OPEB liability, adjusted for changes in deferred OPEB items, is reported as OPEB expense in the Statement of Activities.	245,354
9 The District uses an Internal Service Fund to charge the costs of certain activities, such as the provision of workers compensation insurance, to other individual funds. Even though the Internal Service Fund is a proprietary fund, this fund is consolidated with the governmental activities column on the Statement of Activities.	24,038
10 Amortization of deferred charges on the refunding of bonds does not affect current financial resources and therefore is not reported in the governmental funds.	(30,695)
11 The decrease in compensated absences does not affect current financial resources and therefore is not reported in the governmental funds.	(45,165)
<b>CNB1 Change in Net Position of Governmental Activities</b>	<u><u>\$ (491,611)</u></u>

The notes to the financial statements are an integral part of this statement.

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**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – GENERAL FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes		Budgeted Amounts		(GAAP BASIS)	Variance With Final Budget
		Original	Final		
<b>REVENUES</b>					
5700	Local & Intermediate Sources	\$ 2,810,000	\$ 2,521,252	\$ 2,480,503	\$ (40,749)
5800	State Program Revenues	3,597,016	4,291,593	3,897,801	(393,792)
5900	Federal Program Revenues	45,000	-	-	-
5020	Total Revenues	6,452,016	6,812,845	6,378,304	(434,541)
<b>EXPENDITURES</b>					
Current:					
0011	Instruction	3,378,677	3,778,145	3,733,925	44,220
0012	Instructional Resources & Media Svcs.	52,764	54,142	53,205	937
0013	Curriculum & Instructional Staff Dev.	28,400	22,600	20,763	1,837
0023	School Leadership	392,420	349,305	348,284	1,021
0031	Guidance, Counseling & Evaluation Svcs.	72,855	76,214	74,394	1,820
0033	Health Services	88,909	87,252	85,547	1,705
0034	Student Transportation	285,250	263,250	262,167	1,083
0036	Extracurricular Activities	384,930	381,424	380,813	611
0041	General Administration	534,121	612,085	605,080	7,005
0051	Facilities Maintenance & Operations	866,085	881,522	880,468	1,054
0052	Security and Monitoring Services	4,000	3,500	907	2,593
0053	Data Processing Services	147,217	149,614	143,335	6,279
Debt Service:					
0071	Principal on Long Term Debt	71,685	71,685	38,405	33,280
0072	Interest on Long Term Debt	5,815	5,815	5,815	-
Intergovernmental:					
0093	Payments to Fiscal Agent of SSA	70,000	87,000	86,394	606
6030	Total Expenditures	6,383,128	6,823,553	6,719,502	104,051
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	68,888	(10,708)	(341,198)	(330,490)
<b>OTHER FINANCING SOURCES (USES)</b>					
8911	Transfers Out	(95,000)	(124,151)	(124,151)	-
7080	Total Other Financing Sources (Uses)	(95,000)	(124,151)	(124,151)	-
1200	Net Change in Fund Balances	(26,112)	(134,859)	(465,349)	(330,490)
0100	Fund Balance-September 1 (Beginning)	1,462,860	1,462,860	1,462,860	-
3000	Fund Balance-August 31 (Ending)	\$ 1,436,748	\$ 1,328,001	\$ 997,511	\$ (330,490)

The notes to the financial statements are an integral part of this statement.

BREMOND INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF NET POSITION  
 PROPRIETARY FUNDS  
 AUGUST 31, 2025

		Governmental Activities
Data		
Control		Internal
Codes		Service Fund
<b>ASSETS</b>		
1110	Cash and Cash Equivalents	\$ 112,400
1000	Total Assets	<u>112,400</u>
<b>LIABILITIES</b>		
Current Liabilities:		
2200	Accrued Expenditures	24,791
2000	Total Liabilities	<u>24,791</u>
<b>NET POSITION</b>		
3900	Unrestricted Net Position	87,609
3000	Total Net Position	<u>\$ 87,609</u>

The notes to the financial statements are an integral part of this statement.

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	Governmental Activities Internal Service Fund
<b>OPERATING REVENUES</b>	
5700 Local and Intermediate Sources	\$ 40,937
5020 Total Revenues	<u>40,937</u>
<b>OPERATING EXPENSES</b>	
6400 Other Operating Costs	<u>16,899</u>
6030 Total Expenses	<u>16,899</u>
1300 Change in Net Position	24,038
0100 Total Net Position - Beginning	<u>63,571</u>
3300 Total Net Position - Ending	<u>\$ 87,609</u>

The notes to the financial statements are an integral part of this statement.

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BREMONT INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF CASH FLOWS  
 PROPRIETARY FUNDS  
 FOR THE YEAR ENDED AUGUST 31, 2025

	Governmental Activities	Internal Service Fund
Data		
Control		
Codes		
<b><u>Cash Flows from Operating Activities</u></b>		
Cash Received from User Charges	\$ 40,937	
Cash Payments to Suppliers	(20,497)	
Net Cash Provided by (Used for) Operating Activities	<u>20,440</u>	
Net Increase (Decrease) in Cash and Cash Equivalents	20,440	
Cash and Cash Equivalents at the Beginning of the Year	91,960	
Cash and Cash Equivalents at the End of the Year:	<u>\$ 112,400</u>	
<b><u>Reconciliation of Operating Income (Loss) to Net Cash</u></b>		
<b><u>Provided by (Used for) Operating Activities</u></b>		
Operating Income (Loss):	\$ 24,038	
Effect of Increases and Decreases in Current		
Assets and Liabilities:		
Increase (Decrease) in Accrued Expenses	<u>(3,598)</u>	
Net Cash Provided by (Used for) Operating Activities	<u>\$ 20,440</u>	

The notes to the financial statements are an integral part of this statement.

BREMOND INDEPENDENT SCHOOL DISTRICT  
 STATEMENT OF FIDUCIARY NET POSITION  
 FIDUCIARY FUNDS  
 AUGUST 31, 2025

		865
	Custodial	
Data	Fund	
Control		Student
Codes		Activity Fund
<b>ASSETS</b>		
1110 Cash and Cash Equivalents		\$ 112,888
1000 Total Assets		<u>112,888</u>
<b>NET POSITION</b>		
Restricted for:		
3800 Individuals and Organizations		112,888
3000 Total Net Position		<u>\$ 112,888</u>

The notes to the financial statements are an integral part of this statement.

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Data	865	Custodial
Control		Fund
Codes		Student
<hr/>		
<b>ADDITIONS</b>		<b>Activity Fund</b>
Contributions:		
5750 Fundraising Activities	\$ 159,494	
5020 Total Contributions	<hr/> 159,494	
Total Additions	<hr/> 159,494	
<b>DEDUCTIONS</b>		
6400 Other Operating Costs	164,103	
6030 Total Deductions	<hr/> 164,103	
1200 Net Increase/(Decrease) in Fiduciary Net Position	(4,609)	
0100 Net Position - Beginning	<hr/> 117,497	
3000 Net Position - Ending	<hr/> \$ 112,888	

The notes to the financial statements are an integral part of this statement.

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**BREMOND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

## **1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES**

### **The Financial Reporting Entity**

This report includes those activities, organizations and functions related to Bremond Independent School District (the “District”), which are controlled by or dependent upon the District’s governing body, the Board of Trustees (the “Board”). The Board, a seven member group, is the level of government having governance responsibilities over all activities related to public elementary and secondary school education within the jurisdiction of the District. Since the District receives funding from local, state, and federal government sources, it must comply with the requirements of the entities providing those funds. However, the District is not included in any other governmental “reporting entity” as defined by Statement No. 14 of the Governmental Accounting Standards Board (GASB), since Board members are elected by the public and have decision making authority. Furthermore, there are no legally separate organizations, known as “component units”, included within the reporting entity.

The accounting policies of the District comply with the rules prescribed by the Texas Education Agency (TEA) in its Financial Accountability System Resource Guide (FASRG). These accounting policies conform to generally accepted accounting principles applicable to state and local governments.

### **Government-wide and Fund Financial Statements**

The government-wide financial statements (i.e. the Statement of Net Position and the Statement of Activities) report information on all of the nonfiduciary activities of the District. The effect of interfund activity has been removed from these statements. Governmental activities, which are supported by taxes and intergovernmental revenues, are reported separately from business-type activities, which rely on fees and charges for support. Currently however, the District has no business-type activities.

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. Direct expenses are those that are clearly identifiable with a specific function. 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 and 2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as general revenues.

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. Major individual governmental funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting, and Financial Statement Presentation**

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Custodial funds have no measurement focus. 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. Amounts reported as program revenues include 1) charges to customers or applicants for goods, services, or privileges provided and 2) operating grants and contributions. Internally dedicated resources are reported as general revenues rather than as program revenues. Likewise, general revenues include all taxes. As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements.

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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 government considers revenues to be available if they are collected within sixty days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recorded only when payment is due.

Major revenue sources considered susceptible to accrual include state and federal program revenues and property taxes. No accrual for property taxes collected within sixty days of year end has been made as such amounts are deemed immaterial; delinquent property taxes at year end are reported as deferred inflows of resources within the governmental fund financial statements.

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. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

### **Major Funds and Fund Types**

The District reports the following major governmental funds:

The General Fund includes financial resources that are not required to be reported separately in another fund. It is a budgeted fund, and any unrestricted fund balances are considered to be resources available for current operations.

The Debt Service Fund includes debt service taxes and other revenues collected to retire bond principal and to pay interest due. It is a budgeted fund.

The Capital Projects Fund is used to account for the construction, improvement and renovation of school buildings in the District along with the acquisition of land and equipment. This fund is budgeted on a project basis rather than annually. This fund was not reported as a major fund for the year ended August 31, 2024 as this fund was not utilized in the prior fiscal year.

Additionally, the District reports the following fund types:

Special Revenue Funds are governmental funds which include resources restricted, committed, or assigned for specific purposes by a grantor or the Board. Federally financed programs where unused balances are returned to the grantor at the close of specified project periods are accounted for in these funds.

Internal Service Funds are proprietary funds used to account for activities such as workers' compensation self-insurance, self-funded health insurance, and employee health savings accounts. The District utilizes an Internal Service Fund to account for its participation in a workers' compensation shared risk pool.

Custodial Funds are fiduciary funds used to account for resources held for others in a custodial capacity. The District utilizes this fund type to account for funds held on behalf of student clubs and organizations.

### **Budgetary Information**

Budgets are prepared annually for the General Fund, the Child Nutrition Fund, and the Debt Service Fund on the modified accrual basis, which is consistent with generally accepted accounting principles. A formal budget is prepared by the end of August and is adopted by the Board at a public meeting after public notice of the meeting has been given no earlier than the 30th day or later than the 10th day before the public hearing.

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The legal level of control for budgeted expenditures is the function level within the budgeted funds. Amendments to the budget are required prior to expending amounts greater than the budgeted amounts at the function level. Budgets are controlled at the departmental or campus level, the same level at which responsibility for operations is assigned. The budget was monitored by the administration throughout the year and amendments were brought to the Board as needed.

**Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources, and Net Position or Fund Balance**

Investments - The District's investment policies and types of investments are governed by Section 2256 of the Texas Government Code ("Public Funds Investment Act"). The types of investments allowed under the Public Funds Investment Act are detailed in Note 2 - Deposits and Investments. The District's management believes that it complied with the requirements of the Public Funds Investment Act and the District's investment policies. The District accrues interest on temporary investments based on the terms and effective interest rates of the specific investments. Temporary investments throughout the year consisted of investments in external investment pools, which are recognized at amortized cost, and money market accounts.

Inventories - Inventories are generally not recorded in the General Fund or Child Nutrition Fund due to amounts of expendable supplies held or purchased food not being deemed material. When inventories are recorded, they are charged to expenditures when consumed. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the inventory does not represent "available expendable resources."

Capital Assets - Capital assets, which include land, buildings and improvements, construction in progress, furniture and equipment, and vehicles are reported in the governmental activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of at least \$5,000 and a useful life of greater than one year. Such assets are recorded at historical cost, if purchased, or estimated fair value at the date of donation, if donated. The costs of normal maintenance and repairs that do not add to the value of the assets or materially extend assets lives are not capitalized. Capital assets (other than land and construction in progress) are depreciated using the straight line method over the following estimated useful lives: buildings and improvements - fifteen to thirty years, furniture and equipment - three to twenty years, and vehicles - five to ten years.

Prepaid Items - 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. Prepaid items are charged to expenditures when consumed. When prepaid items are recorded, they are charged to expenditures when the value represented by the prepaid item has been used. Amounts recorded are offset by a fund balance classification titled "nonspendable" which indicates that the prepaid item amount does not represent "available expendable resources."

Ad Valorem Property Taxes - Delinquent taxes, when received, are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectibles within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

Accumulated Sick Leave Liability - The State of Texas (the "State") has created a minimum sick leave program consisting of five days of sick leave per year with no limit on accumulation and transferability among districts for every person regularly employed in Texas public schools. Each district's local Board is required to establish a sick leave plan. Local school districts may provide additional sick leave beyond the state minimum.

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Pensions - The fiduciary net position of the Teacher Retirement System of Texas (“TRS”) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS’s fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits - The fiduciary net position of the Teacher Retirement System of Texas TRS Care Plan (TRS-Care) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment 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.

Deferred Outflows and Deferred Inflows of Resources - The District complies with GASB Statement No. 63, *Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position*, which provides guidance for reporting the financial statement elements of deferred outflows of resources, which represent a consumption of the District’s net position that is applicable to a future reporting period, and deferred inflows of resources, which represent the District’s acquisition of net position applicable to a future reporting period.

The District complies with GASB Statement No. 65, *Items Previously Reported as Assets and Liabilities*, which establishes accounting and financial reporting standards that reclassify, as deferred outflows of resources or deferred inflows of resources, certain items that were previously reported as assets and liabilities and recognizes, as outflows of resources or inflows of resources, certain items that were previously reported as assets and liabilities.

Fund Balance/Deficit - The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds.

Statement of Cash Flows - For purposes of the statement of cash flows when Proprietary Funds are used, cash and cash equivalents include demand deposits.

Fair Value Measurements - The District adopted GASB Statement No. 72, *Fair Value Measurement and Application*, which defines fair value as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction. Fair value accounting requires characterization of the inputs used to measure fair value into a three-level fair value hierarchy as follows below:

- Level 1 inputs are based on unadjusted quoted market prices for identical assets or liabilities in an active market the entity has the ability to access
- Level 2 inputs are observable inputs that reflect the assumptions market participants would use in pricing the asset or liability developed based on market data obtained from sources independent from the entity
- Level 3 are unobservable inputs that reflect the entity’s own assumptions about the assumptions market participants would use in pricing the asset or liability developed based on the best information available

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There are three general valuation techniques that may be used to measure fair value:

- Market approach - uses prices generated by market transactions involving identical or comparable assets or liabilities
- Cost approach - uses the amount that currently would be required to replace the service capacity of an asset (replacement cost)
- Income approach - uses valuation techniques to convert future amounts to present amounts based on current market expectations

**Data Control Codes**

The Data Control Codes shown on the financial statements refer to the account code structure prescribed by the FASRG. TEA requires school districts to display these codes in their financial statements to ensure accuracy in building a state-wide data base for policy development and funding plans.

**2. DEPOSITS AND INVESTMENTS**

The Public Funds Investment Act authorizes the District to invest in funds under a written investment policy, which is approved annually by the Board. The primary objectives of the District's investment strategy for operating and custodial funds, in order of priority, are safety, investment liquidity, and maturity sufficient to meet anticipated cash flow requirements. The primary objective of the District's investment strategy for Debt Service and Capital Projects Funds is sufficient investment liquidity to meet related obligations.

The District is authorized to invest in the following investment instruments provided that they meet the guidelines established in the investment policy:

- Obligations of, or guaranteed by, governmental entities
- Certificates of deposit and share certificates
- Fully collateralized repurchase agreements
- Securities lending programs
- Banker's acceptances
- Commercial paper
- No-load money market mutual funds and no-load mutual funds
- Guaranteed investment contracts as an investment vehicle for bond proceeds
- Public funds investment pools

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the School Depository Act. The depository bank deposits for safekeeping and trust with the District's agent approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance. Therefore the District is not exposed to custodial credit risk.

Under the depository contract, the District, at its own discretion, may invest funds in time deposits and certificates of deposit provided by the depository bank at interest rates approximating United States Treasury Bill rates.

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At August 31, 2025, the carrying amount of the District's deposits was \$489,535 and the bank balance was \$1,936,617. The District's deposits with financial institutions at August 31, 2025 and during the year ended August 31, 2025 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name. The deposits were collateralized in accordance with Texas law and the District maintains copies of all safekeeping receipts in the name of the District.

The District maintains a cash pool consisting of demand deposits. The combined pool is available for use by most Special Revenue Funds. If a fund overdraws its share of the pool, the overdraft is reported as an interfund payable in that fund. The offsetting interfund receivable is reported in the General Fund.

The following is disclosed regarding coverage of combined balances on the date of highest deposit:

- a) Name of depository bank: South Star Bank, Texas
- b) The amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$2,099,574.
- c) The largest cash, savings and time deposit combined account balance amounted to \$1,936,581 and occurred during the month of August 2025.
- d) Total amount of FDIC coverage at the time of highest combined balance was \$250,000.

Investments held at August 31, 2025 consisted of the following:

Investment Type	Fair Value	Weighted Average Maturity (Days)	Standard & Poor's Rating
<b>Local Government Investment Pools:</b>			
Lone Star Investment Pool	\$ 10,382,550	1	AAA
Total Investments	<u><u>\$ 10,382,550</u></u>		

The District had investments in one external local governmental investment pool at August 31, 2025, consisting of the Lone Star Investment Pool (First Public). Due to their liquidity, investments have been presented with Cash and Cash Equivalents on the financial statements.

**Lone Star (First Public)**

The Corporate Overnight Fund is a fund within the Lone Star Investment Pool. Its objective is to maintain a stable \$1.00 per share net asset value (NAV), while it provides the highest possible rate of return. The fund represents one of three Texas public investment funds sponsored by the Texas Association of School Boards (TASB). The other funds--Government Overnight Fund and Corporate Overnight Plus Fund--also maintain S&P Global ratings. The Lone Star Investment Pool was created pursuant to the Interlocal Cooperation Act of the State of Texas as an investment vehicle for local school districts and other public entities. The funds within Lone Star Investment Pool are not registered mutual funds under the Investment Company Act of 1940, and are not available to individual investors.

The Lone Star Investment Pool is sponsored by TASB. The investment advisers to the pool are American Beacon Advisors and Standish. First Public LLC provides administrative and distribution services to the pool and State Street Bank is the custodian for all pool assets. In addition, CAPTRUST Financial Advisors monitors the pool's operations and performance and. reports its findings to First Public and the board of trustees for the Lone Star Investment Pools.

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Credit Risk - Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized agencies are designed to give an indication of credit risk. At August 31, 2025, investments were included in local governmental investment pools with ratings from Standard & Poor's in compliance with the District's investment policy.

Custodial Credit Risk - Deposits are exposed to custodial credit risk if they are not covered by depository insurance and the deposits are uncollateralized, collateralized with securities held by the pledging financial institution, or collateralized with securities held by the pledging financial institution's trust department or agent but not in the District's name.

Investment securities are exposed to custodial credit risk if the securities are uninsured, are not registered in the name of the District, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name. At August 31, 2025, the District was not exposed to custodial credit risk.

Concentration of Credit Risk - Concentration of credit risk is the risk of loss attributed to the magnitude of a government's investments in a single issuer. Information regarding investments in any one issuer that represents five percent or more of the District's total investments must be disclosed under GASB Statement No. 40, excluding investments issued or explicitly guaranteed by the U.S. government. At August 31, 2025, the District had 100% of its investments in local governmental investment pools.

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the District's investment policy requires that maturities will not exceed the weighted average maturity of 180 days for any internally created pool fund group and one year from the time of purchase for any other individual investment. The Board may specifically authorize a longer maturity for a given investment, within legal limits. The District considers the holdings in the local governmental investment pools to have a one day weighted average maturity due to the fact that the share position can usually be redeemed each day at the discretion of the shareholders, unless there has been a significant change in value. At August 31, 2025, investments were included in local government investment pools which have a weighted average maturity of one day.

### **3. PROPERTY TAXES**

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code (the "Code") which established a county-wide appraisal district and an appraisal review board in each county in the State. The Robertson Central Appraisal District (the "Appraisal District") is responsible for the recording and appraisal of all property in the District. Under the Code, the school board sets the tax rates on property and the Robertson County Tax Assessor/Collector provides tax collection services. The Appraisal District is required under the Code to assess property at 100% of its appraised value. Further, real property must be reappraised at least every three years. Under certain circumstances, taxpayers and taxing units, including the District, may challenge orders of the Appraisal Review Board through various appeals and, if necessary, legal action.

Property taxes are levied as of October 1 in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes and penalties and interest that are ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period, including those property taxes expected to be collected during a 60 day period after the end of the District's fiscal year. The assessed value at January 1, 2024, upon which the October 2024 levy was based was \$357,787,351. The District levied taxes based on a combined tax rate of \$0.9645 per \$100 of assessed valuation for local maintenance (general governmental services) and debt service.

**BREMOND INDEPENDENT SCHOOL DISTRICT  
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**4. DUE FROM/TO OTHER GOVERNMENTS**

The District participates in a variety of federal and state programs from which it receives grants to partially or fully fund certain activities. The District also receives entitlements from the State through the School Foundation and Per Capita Programs. Grants and entitlements are recorded as revenue when earned, therefore at year end amounts earned but not yet received in cash may be recorded as due from the grantor government. Amounts already received in cash but not yet earned are recorded as due to the grantor government.

A summary of amounts recorded as Due From/Due To Other Governments in the basic financial statements as of August 31, 2025 are summarized below:

Due From Other Governments:

	General Fund
Governmental Activities:	
Foundation & Per Capita Entitlements	\$ 28,120
Total - Governmental Activities	<u><u>\$ 28,120</u></u>

**5. INTERFUND RECEIVABLES, PAYABLES, AND TRANSFERS**

During the course of operations, the individual funds of the District may engage in temporary borrowings of money between one another to meet liquidity needs. These interfund receivables and payables are recorded on the balance sheet of the loaning fund as "Due from Other Funds" and on the balance sheet of the borrowing fund as "Due to Other Funds". Amounts are repaid when funds are available in the borrowing fund.

Individual funds may also make payments between one another which are intended to be permanent and therefore not repaid. These transactions are recorded on the statement of revenues, expenditures, and changes in fund balance as "Transfers Out" for the paying fund and "Transfers In" for the receiving fund.

During the year, the General Fund transferred \$124,151 to the Child Nutrition Fund to provide for supplemental financing needs.

The composition of interfund balances as of August 31, 2025 was as follows:

Receivable Fund	Payable Fund	Amount
General Fund	Capital Projects Fund	\$ 217,546
Total General Fund		<u>217,546</u>
Capital Project Fund	Debt Service Fund	1,179
Total Capital Project Fund		<u>1,179</u>
Grand Total		<u><u>\$ 218,725</u></u>

**BREMOND INDEPENDENT SCHOOL DISTRICT  
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**6. CAPITAL ASSETS**

Capital asset activity for the year ended August 31, 2025 was as follows:

	Beginning Balance 9/1/24	Additions	Retirements	Ending Balance 8/31/25
<b>Governmental Activities:</b>				
Capital Assets, not Being Depreciated:				
Land	\$ 81,380	\$ -	\$ -	\$ 81,380
Construction in Progress	- -	967,808	- -	967,808
Total Capital Assets, not Being Depreciated	81,380	967,808	- -	1,049,188
Capital Assets, Being Depreciated:				
Buildings and Improvements	26,356,709	1,439,576	- -	27,796,285
Furniture and Equipment	2,287,261	34,235	- -	2,321,496
Right to Use Lease Assets	236,998	- -	- -	236,998
Total Capital Assets, Being Depreciated	28,880,968	1,473,811	- -	30,354,779
Less Accumulated Depreciation for:				
Buildings and Improvements	(20,206,851)	(752,372)	- -	(20,959,223)
Furniture and Equipment	(2,057,129)	(69,271)	- -	(2,126,400)
Right to Use Lease Assets	(76,963)	(47,400)	- -	(124,363)
Total Accumulated Depreciation	(22,340,943)	(869,043)	- -	(23,209,986)
Governmental Activities Capital Assets, Net	<u>\$ 6,621,405</u>	<u>\$ 1,572,576</u>	<u>\$ - -</u>	<u>\$ 8,193,981</u>

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

Function	Depreciation Allocation
Instruction	\$ 470,485
Instructional Resources & Media Services	6,257
Curriculum & Instructional Staff Development	2,442
School Leadership	40,957
Guidance, Counseling & Evaluation Services	8,749
Health Services	10,060
Student Transportation	30,830
Food Services	50,830
Extracurricular Activities	45,345
General Administration	71,156
Facilities Maintenance and Operations	103,541
Security and Monitoring Services	9,360
Data Processing Services	19,031
<b>Totals</b>	<b>\$ 869,043</b>

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
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**7. BONDS, NOTES, AND OTHER LONG-TERM LIABILITIES**

Governmental activities long-term debt obligations at August 31, 2025 consisted of the following:

<u>General Long-Term Debt Description</u>	<u>Outstanding at August 31, 2025</u>
<b><u>Bonds Payable</u></b>	
\$7,705,000 Series 2016 Unlimited Tax Refunding Bonds due in remaining annual installments of \$465,000 to \$570,000 through February 15, 2034; interest at 0.0% to 4.0%.	\$ 4,655,000
\$9,270,000 Series 2025 Unlimited Tax School Building Bonds due in remaining annual installments of \$425,000 to \$840,000 through February 15, 2040; interest at 4.0% to 5.0%.	9,270,000
<b><u>Right to Use Lease Assets Payable</u></b>	
\$174,000 Right to Use Lease Asset Payable, with UBEO of East Texas for Copier machines, issued 2023, due in remaining monthly installments of \$2,910 through August 2028; interest at 5.0%	96,187
<b>Total General Long-Term Debt</b>	<b><u>\$ 14,021,187</u></b>

The following is a summary of changes in long-term liabilities for the year ended August 31, 2025:

Type	Outstanding			Outstanding		Due in One Year
	9/1/24	Additions	Deletions	Adjustments	8/31/25	
<b>Bonds Payable:</b>						
General Obligation & Refunding Bonds	\$5,430,000	\$9,270,000	\$ (775,000)	\$ -	\$13,925,000	\$ 890,000
Premium on Issuance of Bonds	485,707	592,084	(59,891)	-	1,017,900	-
<b>Total Bonds Payable</b>	<b>5,915,707</b>	<b>9,862,084</b>	<b>(834,891)</b>	<b>-</b>	<b>14,942,900</b>	<b>890,000</b>
<b>Other Long-Term Liabilities:</b>						
Right to Use Lease Assets Payable	134,592	-	(38,405)	-	96,187	30,764
Compensated Absences*	762,406	-	-	45,165	807,571	111,818
<b>Total Other Long-Term Liabilities</b>	<b>896,998</b>	<b>-</b>	<b>(38,405)</b>	<b>45,165</b>	<b>903,758</b>	<b>142,582</b>
<b>Total Governmental Activities</b>	<b>\$6,812,705</b>	<b>\$ 9,862,084</b>	<b>\$ (873,296)</b>	<b>\$ 45,165</b>	<b>\$ 15,846,658</b>	<b>\$ 1,032,582</b>

\* The change in compensated absences liability is presented as a net change.

For the general obligation bonds, the District has pledged as collateral the proceeds of a continuing, direct annual tax levied against taxable property within the District. The Texas Education Code generally limits issuance of additional ad valorem tax bonds if the tax rate needed to pay aggregate principal and interest amounts of the District's tax bond indebtedness would exceed \$0.50 per \$100 of assessed valuation of taxable property within the District.

On August 27, 2025, the District issued Unlimited Tax School Building Bonds, Series 2025 totaling \$9,270,000 with a related premium in the amount of \$592,084 for the purpose of funding various capital projects throughout the District.

Annual principal installments for outstanding bonds vary each year. The debt service requirements to maturity for general obligation bonds as of August 31, 2025 are as follows on the next page.

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Year Ended August 31,	Bonds Payable			Total Requirements
	Principal	Interest		
2026	\$ 890,000	\$ 532,167		\$ 1,422,167
2027	935,000	507,650		1,442,650
2028	965,000	475,450		1,440,450
2029	995,000	441,900		1,436,900
2030	1,030,000	406,037		1,436,037
2031-2035	5,220,000	1,408,550		6,628,550
2036-2040	3,890,000	479,000		4,369,000
<b>Total</b>	<b>\$ 13,925,000</b>	<b>\$ 4,250,754</b>		<b>\$ 18,175,754</b>

## **8. RIGHT TO USE LEASE ASSETS**

Leases are defined by the general government as the right to use an underlying asset. As lessee, the District recognizes a lease liability and an intangible right to use lease asset at the beginning of a lease unless the lease is considered a short-term lease or transfers ownership of the underlying asset. Right to use lease assets are measured based on the net present value of the future lease payments at inception, using the weighted average cost of capital, which approximate the incremental borrowing rate. Remeasurement of a lease liability occurs when there is a change in the lease term and/or other changes that are likely to have a significant impact on the lease liability.

The District calculates the amortization of the discount on the lease liability and report that amount as outflows of resources. Payments are allocated first to accrued interest liability and then to the lease liability. Variable lease payments based on the usage of the underlying assets are not included in the lease liability calculations but are recognized as outflows of resources in the period in which the obligation was incurred.

The debt service requirement for right to use lease assets payable as of August 31, 2025 are as follow:

Year Ended August 31,	Right to Use Lease Assets Payable			Total Requirements
	Principal	Interest		
2026	\$ 30,764	\$ 4,156		\$ 34,920
2027	32,338	2,582		34,920
2028	33,085	903		33,988
<b>Total</b>	<b>\$ 96,187</b>	<b>\$ 7,641</b>		<b>\$ 103,828</b>

## **9. COMPENSATED ABSENCES**

### **A. General Information**

The District has a compensated absences policy that awards 5 state and 5 local days to each applicable full-time employee annually each fiscal year. State days are accrued beyond the fiscal year in which they are awarded and can be used by employees in future years. Local days do not accrue. There is no limit to the amount of state days that an employee can accrue. The District's policy does not allow for cash payment for any unused leave.

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**B. Accrued Compensated Absences**

The District's Compensated Absences Liability represents only days that accumulate beyond one fiscal year, are for services already rendered, and are considered more likely than not to be utilized or paid in cash.

The District has recorded a restatement for the year ended August 31, 2025 to recognize a beginning balance of \$762,406 related to compensated absences and reported an ending liability balance of \$807,571 for the year ended August 31, 2025. Of this ending balance, the District considers \$111,818 to be due within 1 year. For more information regarding the District's restatement, see Note 22 to the financial statements of this report. For more information regarding the District's Compensated Absences Liability balances for the years ending August 31, 2024 and August 31, 2025 and the changes therein, see Note 7 to the financial statements of this report.

**C. Changes in Liabilities**

There were no significant changes to the District's policies or rates of usage for the year ended August 31, 2025.

**D. Methods and Assumptions**

The District determines the Compensated Absences Liability by calculating each employee's accrued days as of the balance sheet date and multiplying those days by the employee's daily rate. Extended costs not eligible for cash payment as of the balance sheet date are then analyzed for long-term usage rates based on the best available historical data. The District applies a First-in, First-Out (FIFO) flow assumption as it relates to compensated absences. Once a usage rate is calculated, a percentage of days that are awarded and subsequently go entirely unused is estimated and applied against the gross Compensated Absences Liability to calculate a net Compensated Absences Liability. The District then analyzes the best available historical data to estimate near-term usage rates in order to determine the estimated current portion of the liability.

**E. Expense Recognition**

The changes in the Compensated Absences Liability in a fiscal year are recognized as expense and reported as an adjustment in accordance with Governmental Accounting Standards Board Statement No. 101 – *Compensated Absences*. This adjustment represents the net change which includes additions and deletions to the District's Compensated Absences Liability. Additions include state and local days awarded to existing employees annually as well as previously accrued state days that follow new employees to the District which were originally awarded at other Texas independent school districts. Deletions to the Compensated Absences Liability include days that are utilized during the fiscal year.

**10. TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN**

**A. Pension Plan Description**

The Teacher Retirement System of Texas (TRS or System or Plan) is a public employee retirement system (PERS) that is a multiple-employer, cost-sharing, defined benefit pension plan with a special funding situation. The Plan is administered by the Board of Trustees of TRS. Information regarding the Board of TRS and its composition can be found within the separately issued TRS Annual Comprehensive Financial Report. That report may be obtained online at [www.trs.texas.gov](http://www.trs.texas.gov); by writing to TRS at 1000 Red River Street, Austin, Texas, 78701-2698; or by calling (512) 542-6592.

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Benefits are established or amended under the authority of the Texas Constitution, Article XVI, Section 67 and by the Legislature in the Texas Government Code, Title 8, Subtitle C. The Board of Trustees does not have the authority to establish or amend benefits.

**B. Benefits Provided**

TRS provides retirement, disability, and death benefits. Membership in the Plan includes 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 exempt from membership under Texas Government Code, Title 8, Section 822.002.

State law requires the plan to be actuarially sound in order for the legislature to consider a benefit enhancement, such as a supplemental payment to retirees. The pension became actuarially sound in May 2019 when the 86th Texas legislature approved the TRS Pension Reform Bill (SB12) that provided gradual contribution increases from the state, participating employers, and active employees for the fiscal years 2019 through 2024. In addition, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

**One-Time Stipends**

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time \$7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time \$2,400 stipend to eligible annuitants age 70 to 74.

**Cost-of-Living Adjustment**

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

**C. Contributors to the Plan**

Contributors to the Plan include active members, employers, and the State of Texas as the only non-employer contributing entity. The State is also the employer for senior colleges and universities, medical schools, and other entities, including TRS. In each respective role, the State contributes to the plan in accordance with State Statutes and the General Appropriations Act.

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The number of participating employers during fiscal year 2024 are disclosed in the following table:

<u>Participating Employers</u>	
Independent School Districts	1,020
Charter Schools (open enrollment only)	199
Community and Junior Colleges	50
Senior Colleges and Universities	48
Regional Service Centers	20
Medical Schools	9
Educational Districts	2
State Agency	1
<b>Total</b>	<b>1,349</b>

Plan membership as of August 31, 2023 is shown in the following table. Because the actuarial valuation was based on a roll forward from fiscal year 2023 (see Section F), the Plan membership counts are as of August 31, 2023.

<u>Pension Plan Membership</u>	
Inactive plan members or beneficiaries currently receiving benefits	489,921
Inactive plan members entitled to but not yet receiving benefits	558,758
Active plan members	953,295
	<b>2,001,974</b>

The Average Expected Remaining Service Life (AERSL) of 5.6451 years is based on membership information as of the beginning of the fiscal year.

#### D. Contributions

Contribution requirements are established or amended pursuant to the following state laws:

- Article 16, Section 67 of the Texas Constitution requires the legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent of the aggregate annual compensation paid to members of the System during the fiscal year.
- Government Code section 821.006 prohibits benefit improvements if it increases the amortization period of TRS' unfunded actuarial liability to greater than 31 years or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

As the non-employer contributing entity, the State of Texas contributes to the retirement system the current employer contribution rate times the aggregate annual compensation of all members of the Plan during the fiscal year, reduced by the employer contributions described below.

All participating employers and the State of Texas, as the employer for senior colleges, universities, and medical schools, are required to pay the employer contribution rate in the following situations.

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- On the portion of a 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, private, local or non-educational and general 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 percent of the state contribution rate for certain instructional or administrative employees and 100 percent of the state contribution rate for all other employees.

Contribution rates and amounts for active employees, participating employers, and the State of Texas for the current and prior fiscal year are shown on the next page.

<u>Contribution Rates</u>	<u>2024</u>	<u>2025</u>
Members	8.25%	8.25%
Employer	8.25%	8.25%
State of Texas (NECE)	8.25%	8.25%
<u>Contribution Amounts</u>		
Members	\$ 341,104	\$ 348,577
Employer	142,195	146,524
State of Texas (NECE)	267,695	275,283

Employers are also required to pay surcharges in the following cases:

- All public schools, charter schools and regional education service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

#### E. Net Pension Liability

Components of the Net Pension Liability of the Plan as of August 31, 2024 are disclosed below:

<u>Components of Pension Liability</u>	<u>Total</u>
Total Pension Liability	\$ 271,627,434,294
Less: Plan Fiduciary Net Position	<u>(210,543,258,495)</u>
Net Pension Liability	<u>\$ 61,084,175,799</u>
Net Position as Percentage of Total Pension Liability	77.51%

#### F. Actuarial Methods and Assumptions

##### Roll Forward

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total pension liability to August 31, 2024.

The total pension liability is determined by an annual actuarial valuation. The actuarial methods and assumptions were selected by the Board of Trustees based upon analysis and recommendations by the System's actuary. The Board of Trustees has sole authority to determine the actuarial assumptions used for the Plan.

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

The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners 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 long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense, and inflation) are developed for each major asset class.

These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024 are summarized in the chart below:

Asset Class	Target Allocation %**	Long-Term Expected Geometric Real Rate of Return*	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.4%	1.0%
Non-U.S. Developed	13.0%	4.2%	0.8%
Emerging Markets	9.0%	5.2%	0.7%
Private Equity*	14.0%	6.7%	1.2%
Stable Value			
Government Bonds	16.0%	1.9%	0.4%
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Absolute Return*	0.0%	4.0%	0.0%
Real Return			
Real Estate	15.0%	6.6%	1.2%
Energy, Natural Resources and Infrastructure	6.0%	5.6%	0.4%
Commodities	0.0%	2.5%	0.0%
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage			
Cash	2.0%	1.0%	0.0%
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation Expectation			2.4%
Volatility Drag****			-0.7%
Expected Return	<u>100.0%</u>		<u>7.9%</u>

\* Absolute Return includes Credit Sensitive Investments.

\*\* Target allocations are based on the FY2024 policy model.

\*\*\* Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023)

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

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The following table discloses the assumptions that were applied to this measurement period.

**Actuarial Methods and Assumptions**

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-Term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

**Discount Rate**

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the Legislature during the 2019 legislative session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. 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.

**G. Change of Assumptions Since the Prior Measurement Date**

The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

**H. Changes in Benefit Provisions Since Prior Measurement Date**

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs.

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This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

**I. Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption**

The following table presents the net pension liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

Sensitivity of the Net Pension Liability to the Single Discount Rate Assumption			
	1% Decrease 6.00%	Current Single Discount Rate 7.00%	1% Increase 8.00%
District's Proportionate Share of the Net Pension Liability:	\$ 2,451,030	\$ 1,534,528	\$ 775,141

**J. District Net Pension Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions, and Pension Expense**

The Net Pension Liability of the Plan as a whole was last measured as of August 31, 2024 and the total pension liability used to calculate the Net Pension Liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of the Plan's Net Pension Liability based on the District's contributions to the Plan relative to the contributions of all employers for the period September 1, 2023 through August 31, 2024.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net Pension Liability, as well as the State's proportionate share of the Net Pension Liability associated with the District.

	Measurement Date		
	8/31/23	8/31/24	Change
District's Proportion of the Collective Net Pension Liability	0.000028360000	0.000025121526	(0.000003238474)
District's Proportionate Share of the Net Pension Liability	\$ 1,948,219	\$ 1,534,528	\$ (413,691)
State's Proportionate Share of the Net Pension Liability Associated with the District	3,184,830	2,818,567	(366,263)
<b>Total Pension Liability</b>	<b>\$ 5,133,049</b>	<b>\$ 4,353,095</b>	<b>\$ (779,954)</b>

At August 31, 2025, Bremond Independent School District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 84,581	\$ 11,981
Changes in actuarial assumptions	79,231	10,622
Difference between projected and actual investment earnings	368,451	359,123
Changes in proportion and difference between the employer's contributions and the proportionate share of contributions	48,226	142,253
Contributions paid to TRS subsequent to the measurement date	146,524	-
<b>Total</b>	<b>\$ 727,013</b>	<b>\$ 523,979</b>

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The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions (not including the deferred contribution paid subsequent to the measurement date) will be recognized in pension expense as follows:

Measurement Year Ended August 31,	Pension Expense Amount
2025	\$ (3,917)
2026	149,397
2027	(5,097)
2028	(69,720)
2029	(14,153)
Thereafter	-

For the year ended August 31, 2025, Bremond Independent School District recognized pension expense of \$66,429 and revenue of \$336,866 for support provided by the State.

## **11. EMPLOYEE HEALTH CARE COVERAGE**

During the year ended August 31, 2025, employees of the District were covered by the state-wide health insurance plan, TRS Active Care. The District contributed \$300 per month per employee to the Plan, the State provided an additional \$75 per month per employee, and employees, at their option, authorized payroll withholdings to pay contributions or premiums for dependents. TRS manages TRS Active Care. The Plan is administered by Blue Cross Blue Shield of Texas while Express Scripts was assigned the prescription drug plan.

## **12. OTHER POST-EMPLOYMENT BENEFITS (OPEB) PLAN – TRS-CARE**

### **A. Plan Description**

The Texas Public School Retired Employees Group Insurance Program (TRS-Care) is a multiple-employer, cost-sharing, defined benefit OPEB plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

### **B. Benefits Provided**

TRS-Care provides health insurance coverage to retirees from public schools, charter schools, regional service centers, and other educational districts who are members of the TRS pension system. Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. TRS-Care Standard includes medical and prescription drug benefits. 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.

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The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at \$353,400,000 as of August 31, 2024.

**C. Contributors to TRS-Care**

Contributors to the plan include active and retired members, employers, and the State of Texas as the only non-employer contributing entity.

During fiscal year 2024, the number of participating employers are presented in the following table.

<u>Participating Employers</u>	
Independent School Districts	1,019
Open Enrollment Charter Schools	199
Regional Service Centers	20
Other Educational Districts	2
Total	<u>1,240</u>

TRS-Care plan membership as of August 31, 2023 is shown in the following table. Because the actuarial valuation was based on a roll-forward (See Section F), the counts are as of that date.

<u>TRS-Care Plan Membership</u>	
Active plan members	773,168
Inactive plan members currently receiving benefits	186,935
Inactive plan members entitled to but not yet receiving benefits	15,276
Total	<u>975,379</u>

The Average Expected Remaining Service Life (AERSL) of 9.4212 years is based on the membership information as of the beginning of the fiscal year.

**D. 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 participating employers are based on active employee compensation. The TRS Board does not have the authority to set or amend contribution rates.

At the inception of the plan, funding was projected to last 10 years through fiscal year 1995. The original funding was sufficient to maintain the solvency of the fund through fiscal year 2000. Since that time, appropriations and contributions have been established to fund the benefits for each successive biennium.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer.

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The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024.

The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>	<u>2024</u>	<u>2025</u>
Members	0.65%	0.65%
Employer	0.75%	0.75%
State of Texas	1.25%	1.25%
Federal/Private Funding*	1.25%	1.25%
<u>Contribution Amounts</u>		
Members	\$ 13,437	\$ 27,463
Employer	35,513	35,291
State of Texas (NECE)	51,682	48,579

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

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS. The TRS-Care surcharges for fiscal year 2024 totaled \$16,318,100.

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

TRS-Care Monthly 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	

#### E. Net OPEB Liability

Components of the Net OPEB Liability of the TRS-Care plan as of August 31, 2024 are disclosed in the following table.

<u>Components of OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 35,168,178,563
Less: Plan Fiduciary Net Position	(4,816,646,311)
Net OPEB Liability	<u><u>\$ 30,351,532,252</u></u>
Net Position as a Percentage of Total OPEB Liability	13.70%

The Net OPEB Liability increased by \$8.21 billion, from \$22.1 billion as of August 31, 2023, to \$30.4 billion as of August 31, 2024. The increase was primarily due to lowering the Medicare retiree premiums effective January 1 2025, and declines in the discount rate

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F. Actuarial Methods and Assumptions

Roll Forward

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2024.

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.

Demographic Assumptions

The rates of mortality, retirement, termination and disability incidence are identical to the assumptions used to value the pension liabilities of the Teacher Retirement System of Texas (TRS). The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

Mortality Assumptions

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 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-2021.

Election Rates

Normal Retirement - 62 percent participation rate prior to age 65 and 25 percent participation rate after age 65.  
Pre-65 retirees - 30 percent of pre-65 retirees are assumed to discontinue coverage at age 65.

Health Care Trend Rates

The initial medical trend rate was 6.75 percent for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 11 years.

Actuarial Methods and Assumptions

Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad Hoc Post-Employment Benefit Changes	None

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**Discount Rate**

A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. Since the plan is a pay-as-you-go plan, the single discount rate is equal to the prevailing municipal bond rate.

**G. Change of Assumptions Since the Prior Measurement Date**

The single discount rate changed from 4.13 percent as of August 31, 2023, to 3.87 percent as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

**H. Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption**

The following presents the Net OPEB Liability of the plan using the discount rate for 20-year, tax-exempt general obligation municipal bonds with an average AA credit rating, as well as what the Net OPEB liability would be if it were calculated using a discount rate that is one percentage point lower, 2.87 percent, or one percentage point higher, 4.87 percent, than the AA credit rate. The source for the rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Bond Buyer's "20-Bond GO Index", as of August 31, 2024.

Sensitivity of the Net OPEB Liability to the Single Discount Rate Assumption			
	1% Decrease 2.87%	Current Single Discount Rate 3.87%	1% Increase 4.87%
District's Proportionate Share of the Net OPEB Liability	\$ 1,411,163	\$ 1,187,801	\$ 1,007,321

**I. Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumptions**

The following presents the net OPEB liability of the plan 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 one percent lower or one percent higher than the assumed healthcare cost trend rate.

Sensitivity of the Net OPEB Liability to the Healthcare Cost Trend Rate Assumption			
	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's Proportionate Share of the Net OPEB Liability	\$ 967,288	\$ 1,187,801	\$ 1,475,152

**J. District Net OPEB Liabilities, Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEB, and OPEB Expense**

The Net OPEB Liability of the TRS-Care program as a whole was last measured as of August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The District was assigned a proportion of TRS Care's Net OPEB Liability based on the District's contributions to the program relative to the contributions of all employers for the period September 1, 2023 through August 31, 2024.

The table below presents a two-year comparison of the District's assigned proportion and resulting proportionate share of the collective Net OPEB Liability, as well as the State's proportionate share of the Net OPEB Liability associated with the District.

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

	Measurement Date			Change
	8/31/23	8/31/24		
District's Proportion of the Collective Net OPEB Liability	0.000042493000	0.000039134793		-0.000003358207
District's Proportionate Share of the Net OPEB Liability	\$ 940,733	\$ 1,187,801		\$ 247,068
State's Proportionate Share of the Net OPEB Liability Associated with the District	1,135,139	1,488,298		353,159
<b>Total OPEB Liability</b>	<b>\$ 2,075,872</b>	<b>\$ 2,676,099</b>		<b>\$ 600,227</b>

At August 31, 2025, Bremond Independent School District reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 227,662	\$ 592,777
Changes in actuarial assumptions	152,024	387,566
Difference between projected and actual investment earnings	1,139	4,465
Change in proportion and difference between the employer's contributions and the proportionate share of contributions	80,419	500,887
Contributions paid to TRS subsequent to the measurement date	35,291	-
<b>Total</b>	<b>\$ 496,535</b>	<b>\$ 1,485,695</b>

The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB (not including the deferred contribution paid subsequent to the measurement date) will be recognized in OPEB expense as follows:

Measurement Year Ended August 31,	OPEB Expense Amount
2025	\$ (240,944)
2026	(187,147)
2027	(182,966)
2028	(155,341)
2029	(125,363)
Thereafter	(132,690)

For the year ended August 31, 2025, Bremond Independent School District recognized OPEB expense of (\$245,354) and revenue of (\$193,451) for support provided by the State.

### **13. FRINGE BENEFITS PAID BY OTHER GOVERNMENTS**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care receives retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended August 31, 2025 and August 31, 2024, the subsidy payments received by TRS-Care on behalf of the District were \$30,072 and \$22,196, respectively.

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

#### **14. FUND BALANCES**

The District complies with GASB Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions*, which establishes fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. Those fund balance classifications are below.

**Nonspendable** - Amounts that cannot be spent because they are either not in a spendable form or are legally or contractually required to be maintained intact.

**Restricted** - Amounts that can be spent only for specific purposes because of constraints imposed by external providers, or imposed by constitutional provisions or enabling legislation.

**Committed** - Amounts that can only be used for specific purposes pursuant to approval by formal action by the Board.

**Assigned** - For the General Fund, the Board, or an official or body that has been delegated authority by the Board, may appropriate amounts that are to be used for a specific purpose. For all other governmental funds, any remaining positive amounts not previously classified as nonspendable, restricted or committed.

**Unassigned** - Amounts that are available for any purpose; these amounts can be reported only in the District's General Fund.

A detail of the fund balance amounts within each category is included on the governmental funds balance sheet.

Fund balance of the District may be committed for a specific purpose by formal action of the Board, the District's highest level of decision-making authority. Commitments may be established, modified, or rescinded only through a resolution approved by the Board. The Board has delegated authority to the Superintendent to assign fund balance for a specific purpose. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, committed fund balance, assigned fund balance, and unassigned fund balance.

#### **15. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES**

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

Type	Non-Major							Total
	General Fund	Debt Service Fund	Capital Projects Fund	Governmental Funds	Proprietary Funds	Custodial Funds		
Property Taxes	\$ 2,397,381	\$ 1,057,734	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 3,455,115
Investment Income	59,503	62,374	5,281	-	90	-	-	127,248
Food Sales	-	-	-	65,828	-	-	-	65,828
Athletics	16,632	-	-	-	-	-	-	16,632
Interfund Services	-	-	-	-	40,847	-	-	40,847
Enterprising Revenues	-	-	-	7,697	-	159,494	-	167,191
Misc. Local Revenues	6,987	-	-	-	-	-	-	6,987
<b>Total</b>	<b>\$ 2,480,503</b>	<b>\$ 1,120,108</b>	<b>\$ 5,281</b>	<b>\$ 73,525</b>	<b>\$ 40,937</b>	<b>\$ 159,494</b>		<b>\$ 3,879,848</b>

**BREMOND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025**

**16. UNEARNED REVENUE**

Unearned revenue at August 31, 2025 consisted of the following amounts:

Fund	State Grants
Debt Service Fund	\$ 1,312
Total	<u>\$ 1,312</u>

**17. RISK MANAGEMENT**

The District's risk management program includes coverages through third party insurance providers for property, automobile liability, school professional liability, crime, workers' compensation, and other miscellaneous bonds. During the year ended August 31, 2025, there were no significant reductions in insurance coverage from coverage in the prior year. Losses in excess of the various deductible levels are covered through traditional indemnity coverage for buildings and contents, and vehicle liability with various insurance firms. Settled claims have not exceeded insurance limits for the past three years.

**18. COMMITMENTS AND CONTINGENCIES**

The District participates in a number of federal financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of *Government Auditing Standards* and when applicable, the Uniform Guidance, for the year ended August 31, 2025, these programs are subject to financial and compliance audits performed by the specific grantors. These audits, if performed, could result in amounts of expenditures being disallowed by the granting agencies and subject to repayment. The District however expects that such amounts, if any, would be immaterial.

**19. SELF-INSURANCE FUND**

During the year ended August 31, 2025, employees of the District were covered by a workers' compensation plan ("the plan"). The contract between the District and the third-party administrator, Claims Administrative Services (CAS), acting on behalf of the self-funded pool, is renewable September 1, 2025, and terms, as well as costs of coverage, are included in the contractual provisions.

In accordance with state statutes, the District was protected against unanticipated catastrophic individual or aggregate loss by reinsurance coverage carried through Midwest Employers Casualty, a commercial insurer licensed or eligible to do business in the State in accordance with Texas Insurance Code. Reinsurance coverage was in effect for individual claims exceeding \$750,000 and for aggregate claims with a statutory limit of \$3,000,000.

The claims liability is based on estimates of the ultimate cost of report of claims (including future claim adjustment expenses) and an estimate for claims which have been incurred but not reported based on historical experience. Changes in the claims liability for workers' compensation benefits for the current and prior fiscal year are summarized below.

Year Ended August 31,	Estimated				Ending Liability
	Beginning Liability	Current Year Claims/Changes	Claim Payments		
2023	\$ 33,162	\$ (984)	\$ (4,001)	\$ 28,177	
2024	28,177	9,418	(9,206)	28,389	
2025	28,389	(1,304)	(2,294)	24,791	

BREMONT INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025

## 20. UNEMPLOYMENT COMPENSATION POOL

During the year ended August 31, 2025, Bremond Independent School District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2025, the Fund anticipates that Bremond Independent School District has no additional liability beyond the contractual obligation for payment of contribution. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2024, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

## 21. DISCLOSURE OF ACCOUNTING CHANGES AND ERROR CORRECTIONS

GASB 100 defines accounting changes as changes in accounting principles, changes in accounting estimates, and changes to or within the financial reporting entity and describes the transactions or other events that constitute those changes. As part of those descriptions, for (1) certain changes in accounting principles and (2) certain changes in accounting estimates that result from a change in measurement methodology, a new principle or methodology should be justified on the basis that it is preferable to the principle or methodology used before the change. That preferability should be based on the qualitative characteristics of financial reporting—understandability, reliability, relevance, timeliness, consistency, and comparability. This Statement also addresses corrections of errors in previously issued financial statements.

For the year ended August 31, 2025, the District's Capital Projects Fund met the quantitative threshold to be considered a major fund. Since the Capital Projects Fund is a new fund in the current year, where was no effect on beginning fund balance; however, this is considered a change in circumstance.

## 22. IMPLEMENTATION OF NEW GOVERNMENTAL ACCOUNTING PRONOUNCEMENTS

***Governmental Accounting Standards Board Statement No. 101 – Compensated Absences (GASB 101)*** provides guidance on the accounting and financial reporting for Compensated Absences for governments. The objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. That objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. This Statement requires that liabilities for compensated absences be recognized for (1) leave that has not been used and (2) leave that has been used but not yet paid in cash or settled through noncash means.

In the year of implementation, GASB 101 requires a retroactive restatement of prior periods to reflect the effect on net position as if the standard had been in effect in prior years. In accordance with Governmental Accounting Board Statement No. 100 – *Accounting Changes and Error Corrections* (“GASB 100”), this restatement is the result of a change in accounting principle. As such, the effect on beginning net position as shown within these financial statements is as follows:

	Governmental Activities
Net position as previously stated at August 31, 2024	\$ 22,618
Effect of Implementation of GASB 101 - Compensated Absences	<u>(762,406)</u>
Net Position as restated at August 31, 2024	<u><u>\$ (739,788)</u></u>

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BREMOND INDEPENDENT SCHOOL DISTRICT  
NOTES TO THE FINANCIAL STATEMENTS  
FOR THE YEAR ENDED AUGUST 31, 2025

***Governmental Accounting Standards Board Statement No. 102 – Certain Risk Disclosures (GASB 102).*** This Statement requires a government to assess whether a concentration or constraint makes the primary government reporting unit or other reporting units that report a liability for revenue debt vulnerable to the risk of a substantial impact. Additionally, this Statement requires a government to assess whether an event or events associated with a concentration or constraint that could cause the substantial impact have occurred, have begun to occur, or are more likely than not to begin to occur within 12 months of the date the financial statements are issued.

For the year ended August 31, 2025, no concentration or constraints were required to be disclosed by the District.

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## **REQUIRED SUPPLEMENTARY INFORMATION**

**BREMONT INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY -**  
**TEACHER RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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	Measurement Year			
	2024	2023	2022	2021
District's Proportion of the Net Pension Liability	0.0025121526%	0.0028362339%	0.0028435406%	0.0026845698%
District's Proportionate Share of the Net Pension Liability	\$ 1,534,528	\$ 1,948,219	\$ 1,688,137	\$ 683,665
State's Proportionate Share of the District Net Pension Liability	<u>2,818,567</u>	<u>3,184,830</u>	<u>2,982,698</u>	<u>1,418,257</u>
Total Pension Liability	<u><u>\$ 4,353,095</u></u>	<u><u>\$ 5,133,049</u></u>	<u><u>\$ 4,670,835</u></u>	<u><u>\$ 2,101,922</u></u>
 District's Covered-Employee Payroll	 \$ 4,134,590	 \$ 4,008,917	 \$ 4,018,846	 \$ 3,879,066
 District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered-Employee Payroll	 37.11%	 48.60%	 42.01%	 17.62%
 Plan Fiduciary Net Position as a Percentage of the Total Net Pension Liability	 77.51%	 73.15%	 75.62%	 88.79%

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects ten years of data as required by GASB 68.

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Measurement Year					
2020	2019	2018	2017	2016	2015
0.0026434629%	0.0025514836%	0.0025975533%	0.0023318978%	0.0025172687%	0.0026712000%
\$ 1,415,785	\$ 1,326,341	\$ 1,429,756	\$ 745,615	\$ 951,238	\$ 944,234
<u>2,970,582</u>	<u>2,556,655</u>	<u>2,791,926</u>	<u>2,007,591</u>	<u>2,673,564</u>	<u>2,397,145</u>
<u><u>\$ 4,386,367</u></u>	<u><u>\$ 3,882,996</u></u>	<u><u>\$ 4,221,682</u></u>	<u><u>\$ 2,753,206</u></u>	<u><u>\$ 3,624,802</u></u>	<u><u>\$ 3,341,379</u></u>
\$ 3,758,660	\$ 3,200,729	\$ 3,141,370	\$ 3,351,385	\$ 3,599,039	\$ 3,338,087
37.67%	41.44%	45.51%	22.25%	26.43%	28.29%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DISTRICT PENSION CONTRIBUTIONS –**  
**TEACHER RETIREMENT SYSTEM**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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	Fiscal Year			
	2025	2024	2023	2022
Contractually Required Contribution	\$ 146,524	\$ 142,195	\$ 145,789	\$ 134,639
Contribution in Relation to the Contractually Required Contribution	<u>(146,524)</u>	<u>(142,195)</u>	<u>(145,789)</u>	<u>(134,639)</u>
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered-Employee Payroll	\$ 4,225,173	\$ 4,135,590	\$ 4,088,917	\$ 4,018,846
Contributions as a Percentage of Covered-Employee Payroll	3.47%	3.44%	3.57%	3.35%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects ten years of data as required by GASB 68.

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Fiscal Year						
2021	2020	2019	2018	2017	2016	
\$ 114,046	\$ 109,886	\$ 89,240	\$ 93,683	\$ 76,426	\$ 79,880	
<u>(114,046)</u>	<u>(109,886)</u>	<u>(89,240)</u>	<u>(93,683)</u>	<u>(76,426)</u>	<u>(79,880)</u>	
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	
\$ 3,879,066	\$ 3,758,660	\$ 3,200,729	\$ 3,141,370	\$ 3,351,385	\$ 3,599,039	
2.94%	2.92%	2.79%	2.98%	2.28%	2.22%	

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY –**  
**TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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	Measurement Year				
	2024	2023	2022	2021	
District's Proportion of the Net Liability for Other Post Employment Benefits		0.0039134793%	0.0042493456%	0.0044435877%	0.0049230242%
District's Proportionate Share of the Net Post Employment Benefit Liability	\$ 1,187,801	\$ 940,733	\$ 1,063,973	\$ 1,899,030	
State's Proportionate Share of the Net Post Employment Benefit Liability Associated with the District	<u>1,488,298</u>	<u>1,135,139</u>	<u>1,297,880</u>	<u>2,544,278</u>	
Total Other Post Employment Benefits Liability	<u><u>\$ 2,676,099</u></u>	<u><u>\$ 2,075,872</u></u>	<u><u>\$ 2,361,853</u></u>	<u><u>\$ 4,443,308</u></u>	
District's Covered Payroll	\$ 4,134,590	\$ 4,088,917	\$ 4,018,846	\$ 3,879,066	
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	28.73%	23.01%	26.47%	48.96%	
Plan Fiduciary Net Position as a Percentage of the Total Net OPEB Liability	13.70%	14.94%	11.52%	6.18%	

The amounts presented are determined as of the Plan's measurement year which was as of August 31 in each prior calendar year from the District's fiscal year end.

This schedule reflects the available years of data since the adoption of GASB 75 and will eventually reflect ten years of data.

Measurement Year				
2020	2019	2018	2017	
0.0049820420%	0.0046980288%	0.0047388077%	0.0050569232%	
\$ 1,893,899	\$ 2,221,757	\$ 2,366,130	\$ 2,199,066	
<u>2,544,946</u>	<u>2,952,216</u>	<u>2,651,885</u>	<u>2,668,193</u>	
<u>\$ 4,438,845</u>	<u>\$ 5,173,973</u>	<u>\$ 5,018,015</u>	<u>\$ 4,867,259</u>	
\$ 3,758,660	\$ 3,200,729	\$ 3,141,370	\$ 3,351,385	
50.39%	69.41%	75.32%	65.62%	
4.99%	2.66%	1.57%	0.91%	

**BREMOND INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DISTRICT OPEB CONTRIBUTIONS –  
TEXAS PUBLIC SCHOOL RETIRED EMPLOYEES GROUP INSURANCE PLAN  
FOR THE YEAR ENDED AUGUST 31, 2025**

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	Fiscal Year			
	2025	2024	2023	2022
Contractually Required Contribution	\$ 35,291	\$ 35,513	\$ 36,862	\$ 36,497
Contribution in Relation to the Contractually Required Contribution	<u>(35,291)</u>	<u>(35,513)</u>	<u>(36,862)</u>	<u>(36,497)</u>
Contribution Deficiency (Excess)	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>
District's Covered Payroll	\$ 4,225,173	\$ 4,134,590	\$ 4,088,917	\$ 4,018,846
Contributions as a Percentage of Covered Payroll	0.84%	0.86%	0.90%	0.91%

The amounts presented are as of the District's fiscal year end of August 31.

This schedule reflects the available years of data since the inception of GASB 75 and will eventually reflect ten years of data.

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Fiscal Year				
2021	2020	2019	2018	
\$ 38,405	\$ 37,867	\$ 30,900	\$ 30,900	
<u>(38,405)</u>	<u>(37,867)</u>	<u>(30,900)</u>	<u>(30,900)</u>	
<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	<u><u>\$ -</u></u>	
\$ 3,879,066	\$ 3,758,660	\$ 3,200,729	\$ 3,141,370	
0.99%	1.01%	0.97%	0.98%	

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**BREMOND INDEPENDENT SCHOOL DISTRICT  
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION  
FOR THE YEAR ENDED AUGUST 31, 2025**

**Teacher Retirement System**

**Actuarial Assumptions**

The actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

*Changes of Benefit Provisions Since Prior Measurement Date*

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024.

Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion for one-time stipends and \$3.355 billion for COLAs.

This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

*Changes of Assumptions Since the Prior Measurement Date*

- The actuarial assumptions and methods are the same as used in the determination of the prior year's Net Pension Liability.

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**Texas Public School Retired Employees Group Insurance Plan**

**Actuarial Assumptions**

Actuarial methods and assumptions used for funding purposes can be found in the Other Post-Employment Benefits (OPEB) Plan – TRS-Care note to the financial statements.

**Changes of Assumptions Since the Prior Measurement Date**

The following assumptions, methods and plan changes which are specific to TRS-Care were updated from the prior year's report:

- The single discount rate changed from 4.13 percent as of August 31, 2023, to 3.87 percent, as of August 31, 2024. Additionally, the tables used to model the impact of aging on the underlying claims were revised.

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**COMBINING AND INDIVIDUAL FUND  
STATEMENTS AND SCHEDULES**

**BREMOND INDEPENDENT SCHOOL DISTRICT  
COMBINING BALANCE SHEET  
NONMAJOR GOVERNMENTAL FUNDS  
AUGUST 31, 2025**

	211	240	255	
Data Control Codes		National ESEA, Title I, Part A	Breakfast and Lunch Program	ESEA, Title II, Part A
<b>ASSETS</b>				
1110 Cash and Cash Equivalents	\$ -	\$ 23,043	\$ 2,223	
1000 Total Assets	<u>\$ -</u>	<u>\$ 23,043</u>	<u>\$ 2,223</u>	
<b>LIABILITIES</b>				
2160 Accrued Wages Payable	\$ -	\$ 11,768	\$ 2,078	
2200 Accrued Expenditures	<u>-</u>	<u>1,139</u>	<u>145</u>	
2000 Total Liabilities	<u>-</u>	<u>12,907</u>	<u>2,223</u>	
<b>FUND BALANCES</b>				
Restricted for:				
3450 Federal or State Funds Restricted	-	10,136	-	
Committed for:				
3545 Other Committed Fund Balance	<u>-</u>	<u>-</u>	<u>-</u>	
3000 Total Fund Balances	<u>-</u>	<u>10,136</u>	<u>-</u>	
4000 Total Liab., Def. Inflows & Fund Balances	<u>\$ -</u>	<u>\$ 23,043</u>	<u>\$ 2,223</u>	

289	410	429	461	Total Non-Major Governmental Funds
Federally Funded Special Revenue Funds	State Instructional Materials Fund	State Funded Special Revenue Funds	Campus Activity Funds	
\$ 1,239	\$ -	\$ -	\$ 23,793	\$ 50,298
\$ 1,239	\$ -	\$ -	\$ 23,793	\$ 50,298
\$ 1,109	\$ -	\$ -	\$ -	\$ 14,955
130	-	-	-	1,414
1,239	-	-	-	16,369
-	-	-	-	10,136
-	-	-	23,793	23,793
-	-	-	23,793	33,929
\$ 1,239	\$ -	\$ -	\$ 23,793	\$ 50,298

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**NONMAJOR GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

		211	240	255
Data Control Codes		National		
		ESEA, Title I, Part A	Breakfast and Lunch Program	ESEA, Title II, Part A
<b>REVENUES</b>				
5700	Local and Intermediate Sources	\$ -	\$ 65,828	\$ -
5800	State Program Revenues	- -	1,312	- -
5900	Federal Program Revenues	134,292	240,949	21,273
5020	Total Revenues	<u>134,292</u>	<u>308,089</u>	<u>21,273</u>
<b>EXPENDITURES</b>				
0011	Instruction	134,292	- -	21,273
0035	Food Services	- -	432,240	- -
0036	Extracurricular Activities	- -	- -	- -
0052	Security and Monitoring Services	- -	- -	- -
0053	Data Processing Services	- -	- -	- -
6030	Total Expenditures	<u>134,292</u>	<u>432,240</u>	<u>21,273</u>
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	- -	(124,151)	- -
<b>OTHER FINANCING SOURCES (USES)</b>				
7915	Transfers In	- -	124,151	- -
7080	Total Other Financing Sources (Uses)	<u>- -</u>	<u>124,151</u>	<u>- -</u>
1200	Net Change in Fund Balance	- -	- -	- -
0100	Fund Balance - Beginning	- -	10,136	- -
3000	Fund Balance - Ending	<u>\$ -</u>	<u>\$ 10,136</u>	<u>\$ -</u>

289	410	429	461	Total Non-Major Governmental Funds
Federally Funded Revenue Funds	State Special Revenue Funds	State Funded Special Revenue Funds	Campus Activity Funds	
\$ -	\$ -	\$ -	\$ 7,697	\$ 73,525
	12,911	80,128	-	94,351
29,092	-	-	-	425,606
<u>29,092</u>	<u>12,911</u>	<u>80,128</u>	<u>7,697</u>	<u>593,482</u>
10,596	12,911	1,443	-	180,515
-	-	-	-	432,240
-	-	-	4,784	4,784
-	-	78,685	-	78,685
<u>18,496</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>18,496</u>
<u>29,092</u>	<u>12,911</u>	<u>80,128</u>	<u>4,784</u>	<u>714,720</u>
-	-	-	2,913	(121,238)
-	-	-	-	124,151
-	-	-	-	124,151
-	-	-	2,913	2,913
-	-	-	20,880	31,016
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 23,793</u>	<u>\$ 33,929</u>

**BREMOND INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF DELINQUENT TAXES RECEIVABLE  
FOR THE YEAR ENDED AUGUST 31, 2025**

Last 10 Years Ended August 31,		1		2		3	
		Tax Rates		Assessed/Appraised Value for School Tax Purposes			
2016	and prior years	Maintenance	Debt Service	Various			
2017		\$ 1.04000	\$ 0.30330	\$ 331,677,726			
2018		1.04000	0.30330				337,173,187
2019		1.04000	0.30330				272,800,188
2020		0.97000	0.30330				279,275,946
2021		0.97000	0.30330				270,010,935
2022		0.96340	0.30990				276,554,879
2023		0.90450	0.29540				300,580,025
2024		0.66920	0.29350				339,208,996
2025	(School year under audit)	0.66920	0.29530				357,787,351
1000	TOTALS						
8000	Taxes Refunded						

10	20	31	32	40	50	99
Beginning Balance 9/1/24	Current Year's Total Levy	Maintenance Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance 8/31/25	Total Taxes Refunded Under Section 26.1115c
\$ 64,750	\$ -	\$ 1,577	\$ 460	\$ (30,758)	\$ 31,955	
8,490	-	488	142	-	7,860	
11,602	-	880	257	-	10,465	
19,184	-	1,704	497	1	16,984	
35,293	-	1,986	621	-	32,686	
46,342	-	2,039	637	(130)	43,536	
31,006	-	1,733	558	(210)	28,505	
41,680	-	4,288	1,400	(32,428)	3,564	
124,820	-	41,704	18,290	13,459	78,285	
-	3,450,859	2,314,857	1,021,484	590	115,108	
\$ 383,167	\$ 3,450,859	\$ 2,371,256	\$ 1,044,346	\$ (49,476)	\$ 368,948	\$ 8,714

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – CHILD NUTRITION FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

---

Data Control Codes	Budgeted Amounts		Actual		Variance With Final Budget
	Original	Final	Amounts (GAAP BASIS)	Final	
<b>REVENUES</b>					
5700 Local & Intermediate Sources	\$ 135,000	\$ 135,000	\$ 65,828	\$ (69,172)	
5800 State Program Revenues	1,300	1,300	1,312	12	
5900 Federal Program Revenues	233,000	233,000	240,949	7,949	
5020 Total Revenues	369,300	369,300	308,089	(61,211)	
<b>EXPENDITURES</b>					
0035 Food Services	436,616	480,851	432,240	48,611	
6030 Total Expenditures	436,616	480,851	432,240	48,611	
1100 Excess (Deficiency) of Revenues Over (Under) Expenditures	(67,316)	(111,551)	(124,151)	(12,600)	
<b>OTHER FINANCING SOURCES (USES)</b>					
7915 Transfers In	95,000	124,151	124,151	-	
7080 Total Other Finance Sources (Uses)	95,000	124,151	124,151	-	
1200 Net Change in Fund Balances	27,684	12,600	-	(12,600)	
0100 Fund Balance-September 1 (Beginning)	10,136	10,136	10,136	-	
3000 Fund Balance-August 31 (Ending)	\$ 37,820	\$ 22,736	\$ 10,136	\$ (12,600)	

**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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Data Control Codes	Budgeted Amounts			Actual		Variance With Final Budget
	Original	Final	(GAAP BASIS)	Amounts		
<b>REVENUES</b>						
5700 Local & Intermediate Sources	\$ 840,000	\$ 940,000	\$ 1,120,108	\$ 180,108		
5800 State Program Revenues	-	-	107,506	107,506		
5020 Total Revenues	<u>840,000</u>	<u>940,000</u>	<u>1,227,614</u>	<u>287,614</u>		
<b>EXPENDITURES</b>						
Debt Service:						
0071 Principal on Long Term Debt	750,000	775,000	775,000			-
0072 Interest on Long Term Debt	172,600	146,829	146,829			-
0073 Bond Issuance Cost and Fees	1,500	471	-			471
6030 Total Expenditures	<u>924,100</u>	<u>922,300</u>	<u>921,829</u>	<u>471</u>		
1200 Net Change in Fund Balances	(84,100)	17,700	305,785	288,085		
0100 Fund Balance-September 1 (Beginning)	934,838	934,838	934,838			-
3000 Fund Balance-August 31 (Ending)	<u>\$ 850,738</u>	<u>\$ 952,538</u>	<u>\$ 1,240,623</u>	<u>\$ 288,085</u>		

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**BREMONT INDEPENDENT SCHOOL DISTRICT  
USE OF FUNDS REPORT – SELECT STATE ALLOTMENT PROGRAMS  
FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	<b>Section A: Compensatory Education Programs</b>	1 Responses
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.104.	
AP1	Did your District expend any state compensatory education program state allotment funds during the District's fiscal year?	Yes
AP2	Does the District have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the District's fiscal year.	\$ 413,336
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 231,103
<b>Section B: Bilingual Education Programs</b>		
	Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code §48.105.	
AP5	Did your District expend any bilingual education program state allotment funds during the District's fiscal year?	Yes
AP6	Does the District have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$ 15,550
AP8	Actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25, 35)	\$ 19,088

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**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

Data Control Codes	1 Responses
SF1 Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2 Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3 Did the school district make timely payments to the Teachers 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 to not have made timely payments.)  Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.  Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4 Was the 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; or substantial doubt about the school district's ability to continue as a going concern?	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 in effect at the school district's fiscal year end?	Yes
SF8 Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding 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.	\$ -

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## **FEDERAL AWARDS SECTION**

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

To the Board of Trustees of  
Bremond Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Bremond Independent School District (the "District") as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated October 31, 2025.

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

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

### **Report on Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed one instance of noncompliance or other matters that are required to be reported under *Government Auditing Standards* and which are described in the accompanying schedule of findings and questioned costs as item 2025-001.

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### **Bremond Independent School District's Response to Findings**

*Government Auditing Standards* requires the auditor to perform limited procedures on the District's response to the findings identified in our audit and described in the accompanying schedule of findings and questioned costs. The District's response was not subjected to the other auditing procedures applied in the audit of the financial statements and, accordingly, we express no opinion on the response.

### **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.

*Singleton, Clark & Company, PC*

Singleton, Clark & Company, PC  
Cedar Park, Texas

October 31, 2025

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BREMONT INDEPENDENT SCHOOL DISTRICT  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (PART 1)  
SUMMARY OF AUDITOR'S RESULTS  
FOR THE YEAR ENDED AUGUST 31, 2025

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**SECTION I – SUMMARY OF AUDITOR'S RESULTS****FINANCIAL STATEMENTS**

Type of auditor's report issued:	Unmodified		
Internal control over financial reporting:			
• Material weakness(es) identified?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No
• Significant deficiencies identified that are not considered to be material weaknesses?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> None reported
Noncompliance material to financial statements noted?	<input type="checkbox"/>	Yes	<input checked="" type="checkbox"/> No

**FEDERAL AWARDS**

Under the guidelines of the federal Uniform Guidance, a Single Audit was not required for the year ended August 31, 2025 due to expenditures of federal awards being below \$750,000.

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**BREMOND INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Part 2)**  
**FINANCIAL STATEMENT FINDINGS AND FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2025**

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**SECTION II – FINANCIAL STATEMENT FINDINGS**

**Findings Related to Financial Statements Which are Required to be Reported in Accordance with *Government Auditing Standards*:**

Findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended August 31, 2025:

2025-001                    Inaccurate PEIM Reporting

**Criteria:**                    Texas Education Agency (TEA) requires that Districts accurately report all financial data within the Public Education Information Management System (PEIMS). Reported financial information should be complete, accurate, and consistent with the District's AFR in accordance with the Financial Accountability System Resource Guide (FASRG).

**Condition Found:**            Per our review and comparison of the mid-year PEIMS reporting to the District's FY24 Annual Financial Report (AFR) Statement of Revenues, Expenditures, and Changes in Fund Balance, we noted an absolute value variance of all the General Fund Expenditure Functions in the amount of \$348,024 (5.5%).

**Cause:**                        The variance appears to result from inaccuracies or inconsistencies in the compilation and submission of Mid-Year PEIMS data, including potential coding errors, timing differences, or insufficient reconciliation procedures between the business office and PEIMS reporting staff.

**Effect:**                      Inaccurate PEIMS submissions may lead to:

- Misstated financial data reported to TEA;
- Potential negative impact on state compliance and accountability measures;
- Increased audit risk and possible corrective action requirements;
- Impaired decision-making due to reliance on inaccurate financial information.

**Recommendation:**            We recommend the District strengthen its PEIMS financial data reconciliation process by implementing a formal review of PEIMS submission data prior to submission.

No findings or questioned costs required to be reported in accordance with *Government Auditing Standards* for the year ended August 31, 2024.

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**SECTION III – FEDERAL AWARDS FINDINGS AND QUESTIONED COSTS**

**Findings Related to Federal Awards Which are Required to be Reported in Accordance with *federal Uniform Guidance*:**

Not applicable.

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# *Bremond Independent School District*

Home of the Fighting Tigers  
601 W. Collins Street  
Bremond, Texas 76629  
(254) 746-7145 \* Fax (254) 746-7726

**Lance Wineinger,  
Superintendent**

## CORRECTIVE ACTION PLAN FOR THE YEAR ENDED AUGUST 31, 2025

Current Year Audit Findings:

2025-001      Inaccurate PEIMS Reporting

Corrective Action Planned:

The District will provide training for Business Office and PEIMS staff on proper PEIMS submission requirements and reconciliation procedures.

Anticipated Completion Date: August 31, 2026

Contact Person: Rachel Workman, Business Manager

