

**FLOUR BLUFF
INDEPENDENT
SCHOOL DISTRICT**

Annual Financial Report

For the Year Ended August 31, 2023



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

Introductory Section

Flour Bluff Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
INTRODUCTORY SECTION		
Certificate of Board.....	1	
FINANCIAL SECTION		
Independent Auditor's Report.....	2	
Management's Discussion and Analysis (Required Supplementary Information).....	5	
<u>Basic Financial Statements</u>		
Government-wide Financial Statements:		
Statement of Net Position.....	10	A-1
Statement of Activities.....	11	B-1
Fund Financial Statements:		
Balance Sheet - Governmental Funds.....	12	C-1
Reconciliation of the Governmental Funds		
Balance Sheet to the Statement of Net Position.....	13	C-1R
Statement of Revenues, Expenditures, and Changes in		
Fund Balances - Governmental Funds.....	14	C-2
Reconciliation of the Statement of Revenues, Expenditures, and Changes in		
Fund Balances of Governmental Funds to the Statement of Activities.....	15	C-3
Statement of Net Position - Internal Service Funds.....	16	D-1
Statement of Revenues, Expenses, and Changes in		
Fund Net Position - Internal Service Funds.....	17	D-2
Statement of Cash Flows - Proprietary Funds.....	18	D-3
Statement of Fiduciary Net Position - Fiduciary Funds.....	19	E-1
Statement of Changes in Fiduciary Net Position - Fiduciary Funds.....	20	E-2
Notes to the Financial Statements	21	
<u>Required Supplementary Information</u>		
Budgetary Comparison Schedules:		
General Fund.....	42	G-1
Schedule of the District's Proportionate Share of the		
Net Pension Liability - Teacher Retirement System Of Texas.....	44	G-2
Schedule of District's Contributions - Teacher Retirement System Of Texas.....	45	G-3
Schedule of the District's Proportionate Share of the		
Net OPEB Liability - OPEB Plan.....	46	G-4
Schedule of District's Contributions - OPEB Plan.....	47	G-5
Notes to Required Supplementary Information.....	48	
<u>Combining Statements and Budgetary Comparison Schedules as Supplementary Information:</u>		
Combining Balance Sheet - All Nonmajor Governmental Funds.....	49	H-1
Combining Statement of Revenues, Expenditures and Changes in		
Fund Balances - All Nonmajor Governmental Funds.....	50	H-2

Flour Bluff Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
Special Revenue Funds:		
Combining Balance Sheet - Nonmajor Special Revenue Funds.....	51	H-3
Combining Statement of Revenues, Expenditures and Changes in Fund Balances - Nonmajor Special Revenue Funds.....	56	H-4
Capital Projects Funds:		
Budgetary Comparison Schedule:		
Capital Projects.....	60	H-5
Internal Service Funds:		
Combining Statement of Net Position.....	61	H-6
Combining Statement of Revenues, Expenses and Changes in Fund Net Position.....	62	H-7
Combining Statement of Cash Flows.....	63	H-8
OTHER SUPPLEMENTARY INFORMATION SECTION		
Schedule of Delinquent Taxes Receivable.....	65	J-1
Use of Funds Report - Select State Allotment Program	67	J-2
Budgetary Comparison Schedules Required by the Texas Education Agency.....		
National School Breakfast and Lunch Program.....	68	J-3
Debt Service Fund.....	69	J-4
Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with <i>Government Auditing Standards</i>	70	
Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance.....	72	
Schedule of Findings and Questioned Costs	75	
Summary Schedule of Prior Audit Findings.....	77	
Corrective Action Plan.....	78	
Schedule of Expenditures of Federal Awards	79	K-1
Notes to the Schedule of Expenditures of Federal Awards.....	81	
Schedule of Required Responses to Selected School First Indicators.....	82	K-2

CERTIFICATE OF BOARD

Flour Bluff Independent School District
Name of School District

Nueces
County

178-914
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, 2023, at a meeting of the board of trustees of such school district on the 25th day of JANUARY, 2024.


Signature of Board Secretary


Signature of Board President

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

Financial Section



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

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Corpus Christi, TX 78401

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Independent Auditor's Report

To the Board of Trustees
Flour Bluff Independent School District
2505 Waldron Road
Corpus Christi, Texas 78418

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Flour Bluff Independent School District ("the District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the Flour Bluff Independent School District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

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

Emphasis of Matter

Change in Accounting Principle

As described in Note A to the financial statements, in 2023, Flour Bluff Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 96, *Subscription-Based Information Technology Arrangements*. Our opinion is not modified with respect to this matter.

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 Flour Bluff Independent School District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, and budgetary comparison information and schedule of the District's proportionate share of the net pension liability and schedule of District pension contributions, and schedule of the District's proportionate share of the net OPEB liability and schedule of District OPEB contributions 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 Flour Bluff Independent School District's basic financial statements. The introductory section and 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. The schedule of expenditures of federal awards is presented for purposes of additional analysis as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, and is also not a required part of the basic financial statements. The accompanying other supplementary information is presented for purposes of additional analysis and is also not a required part of the basic financial statements. The combining and individual nonmajor fund financial statements and other supplementary information and the schedule of expenditures of federal awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. 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 and other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Report

Management is responsible for the other information included in the annual report. The other information as identified in the table of contents comprises the information included in the annual report but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024 on our consideration of Flour Bluff 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 Flour Bluff Independent School 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 Flour Bluff Independent School District's internal control over financial reporting and compliance.

Respectfully submitted,



Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 22, 2024

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of Flour Bluff Independent School District's annual financial report presents our discussion and analysis of the District's financial performance during the fiscal year ended August 31, 2023. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- The District's total combined net position was \$32,633,539 at August 31, 2023. This amounted to an increase in net position of \$5,853,284 from last year's total of \$27,153,409.
- During the year, the District's expenses were \$5,853,284 less than the \$68,785,128 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$24,853,864, a net increase of \$3,840,234.
- OVERVIEW OF THE FINANCIAL STATEMENTS

This annual report consists of three parts—*management's discussion and analysis* (this section), the *basic financial statements*, and *required supplementary information*. The basic financial statements include two kinds of statements that present different views of the District:

- The first two statements are *government-wide financial statements* that provide both *long-term* and *short-term* information about the District's overall financial status.
- The remaining statements are *fund financial statements* that focus on *individual parts* of the government, reporting the District's operations in more detail than the government-wide statements.
- The *governmental funds* statements tell how *general government* services were financed in the *short term* as well as what remains for future spending.
- *Proprietary fund* statements offer *short- and long-term* financial information about the activities the government operates *like businesses*, such as food service.
- *Fiduciary fund* statements provide information about the financial relationships in which the District acts solely as a *trustee or agent* for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information in the financial statements and provide more detailed data. The statements are followed by a section of *required supplementary information* that further explains and supports the information in the financial statements. Figure A-1 shows how the required parts of this annual report are arranged and related to one another.

Figure A-1F, Required Components of the District's Annual Financial Report

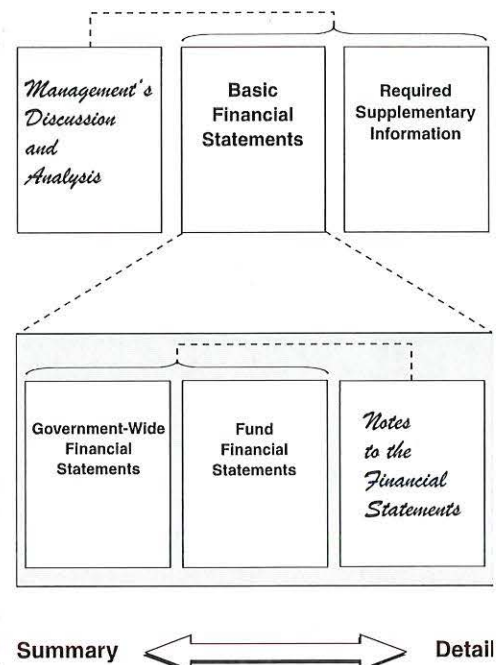


Figure A-2 summarizes the major features of the District's financial statements, including the portion of the District government they cover and the types of information they contain. The remainder of this overview section of management's discussion and analysis explains the structure and contents of each of the statements.

Government-wide Statements

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets and liabilities. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and how they have changed. Net position—the difference between the District's assets and liabilities—is one way to measure the

Figure A-2. Major Features of the District's Government-wide and Fund Financial Statements

Type of Statements	Fund Statements			
	Government-wide	Governmental Funds	Proprietary Funds	Fiduciary Funds
Scope	Entire Agency's government (except fiduciary funds) and the Agency's component units	The activities of the district that are not proprietary or fiduciary	Activities the district operates similar to private businesses: self insurance	Instances in which the district is the trustee or agent for someone else's resources
Required financial statements	• Statement of net assets	• Balance sheet	• Statement of net assets	• Statement of fiduciary net assets
	• Statement of activities	• Statement of revenues, expenditures & changes in fund balances	• Statement of revenues, expenses and changes in fund net assets • Statement of cash flows	• Statement of changes in fiduciary net assets
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used up and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term; the Agency's funds do not currently contain capital assets, although they can
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

District's financial health or *position*.

- Over time, increases or decreases in the District's net position is an indicator of whether its financial health is improving or deteriorating, respectively.
- To assess the overall health of the District, you need to consider additional nonfinancial factors such as changes in the District's tax base.

The government-wide financial statements of the District include the *Governmental activities*. Most of the District's basic services are included here, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes and grants finance most of these activities.

Fund Financial Statements

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

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how *cash and other financial assets* that can readily be converted to cash flow in and out and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps you determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the government-wide statements, we provide additional information at the bottom of the governmental funds statement, or on the subsequent page, that explain the relationship (or differences) between them.
- *Proprietary funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

- *Fiduciary funds*—The District is the trustee, or *fiduciary*, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate statement of fiduciary net position and a statement of changes in fiduciary net position. We exclude these activities from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

Net position. The District's combined net position was \$32,633,539 August 31, 2023. (See Table A-1)

Table A-1
The District's Net Position

	Governmental Activities		Change
	2023	2022	
Current and Other Assets	\$ 39,557,583	\$ 39,257,680	\$ 299,903
Capital and Non-Current	81,033,760	79,320,556	1,713,204
Total Assets	120,591,343	118,578,236	2,013,107
Deferred Outflows Related to Pensions	7,902,993	6,190,025	1,712,968
Current Liabilities	5,356,102	4,484,848	871,254
Noncurrent Liabilities	72,579,632	72,728,103	(148,471)
Total Liabilities	77,935,734	77,212,951	722,783
Deferred Inflows Related to Pensions	17,925,063	20,401,891	(2,476,828)
Net Assets Invested in Capital			
Assets net of related debt	41,307,243	38,259,825	3,047,418
Restricted	7,566,046	11,961,224	(4,395,178)
Unrestricted	(16,239,750)	(23,067,630)	6,827,880
Total Net Position	\$ 32,633,539	\$ 27,153,419	\$ 5,480,120

Although the District reports a deficit in the Unrestricted Net Position, the deficit is primarily due to reporting the District's proportionate share of the net Pension and OPEB liability. The total district liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

Net position – Investment in Capital Assets net of related debt is \$41,307,243. The District's restricted net position includes state and federal programs, capital projects, debt service and campus activities. The \$(16,239,750) of unrestricted net position represents resources available for investments, capital projects or programs.

Changes in net position. The District's total revenues were \$68.8 million. A significant portion, 56.5%, of the District's revenue comes from taxes, 18.7% comes from grants and contributions not restricted to specific programs.

The total cost of all programs and services was \$62.9 million; 60.47% of these costs are for direct student services, which include: instruction; instructional resources; guidance and counseling; social services; health services and co-curricular activities.

Governmental Activities

- The District's maintenance & operations tax rate decreased to \$.8846 as a result of legislative tax compression. The total tax rate of \$.9586 allowed for total tax revenue including taxes collected for the payment of voter-approved bonded indebtedness of \$38,892,447, up from \$36,203,985 in the prior year. The increase was primarily attributed to the increase in net appraised values and the approval of \$.03 disaster pennies approved by the Governor of Texas. The district's tax collection rate was 96.77%, slightly lower than the 97.17% last year.

- Total Net Appraised Value totaled \$4,235,036,068 increasing \$481,717,482 from the prior year.

Table A-2
Changes in the District's Net Assets

	Governmental Activities		Total Change	Total Percentage Change
	2023	2022		
Program Revenues:				
Charges for Services	\$ 1,872,923	\$ 869,443	\$ 1,003,480	
Operating Grants and Contributions	12,016,608	15,745,304	(3,728,696)	
General Revenues			-	
Property Taxes	38,892,447	36,203,985	2,688,462	
State Aid – Formula	12,883,005	10,930,348	1,952,657	
Investment Earnings	1,988,940	216,935	1,772,005	
Other	1,131,205	416,331	714,874	
Total Revenues	<u>68,785,128</u>	<u>64,382,346</u>	<u>4,402,782</u>	<u>6.8%</u>
Instruction	31,999,118	30,527,010	1,472,108	
Instructional Resources and Media Services	618,930	602,715	16,215	
Curriculum Dev. And Instructional Staff Dev.	320,186	375,216	(55,030)	
Instructional Leadership	1,592,414	1,165,901	426,513	
School Leadership	2,950,459	2,790,108	160,351	
Guidance, Counseling and Evaluation Services	2,002,309	1,683,449	318,860	
Social Work Services	102,366	79,087	23,279	
Health Services	537,277	484,191	53,086	
Student (Pupil) Transportation	2,065,013	2,023,139	41,874	
Food Services	3,870,186	3,259,078	611,108	
Curricular/Extracurricular Activities	2,796,226	2,353,582	442,644	
General Administration	2,050,501	1,890,118	160,383	
Plant Maintenance & Oper.	8,265,876	7,358,567	907,309	
Security & Monitoring Svcs.	776,885	624,293	152,592	
Data Processing Services	1,084,647	1,014,169	70,478	
Community Services	75,503	95,748	(20,245)	
Debt Service	676,302	1,472,954	(796,652)	
Bond Issuance Costs and Fees	1,300	700	600	
Facilities Acquisition and Construction	455,446	128,152	327,294	
Payments Related to Shared Service Arrangements	48,609	18,432	30,177	
Payments to Juvenile Justice Alternative Ed. Program	207,860	166,309	41,551	
Other Governmental Charges	434,431	414,421	20,010	
Total Expenses	<u>62,931,844</u>	<u>58,527,339</u>	<u>4,404,505</u>	<u>7.5%</u>
Change in Net Position	5,853,284	5,855,007	(1,723)	
Net Position Beginning	27,153,409	21,298,412	5,854,997	
Prior Period Adjustment	(373,154)		(373,154)	
Net Position Ending	<u>\$ 32,633,539</u>	<u>\$ 27,153,419</u>	<u>\$ 5,480,120</u>	<u>20.2%</u>

Expenses for the District's governmental activities increased by \$4,404,505 for the year ended August 31, 2023. The increase is primarily the result of the use of additional funds from the ESSER II and III grants. Expenses related to Food Service, Plant Maintenance & Operation, and Instructional Costs were increased from the prior year.

Table A-3 presents the cost of each of the District's largest functions as well as each function's net cost (total cost less fees generated by the activities and intergovernmental aid). The net cost reflects what was funded by state revenues as well as local tax dollars.

- The cost of all *governmental* activities this year was \$62,931,844.
- However, the amount that our taxpayers paid for these activities through property taxes was \$38,892,447.
- Some of the cost was paid by those who directly benefited from the programs; \$1,872,923, or by grants and contributions \$12,016,608.

Table A-3
Net Cost of Selected District Functions

	Total Cost of Services			% Change	Net Cost of Services			% Change
	2023	2022			2023	2022		
Instruction	\$ 31,999,118	\$ 30,527,010		4.8%	23,763,221	\$ 21,674,903		9.6%
School Leadership	2,950,459	2,790,108		5.7%	2,646,485	2,420,113		9.4%
General Administration	2,050,501	1,890,118		8.5%	1,847,738	1,664,551		11.0%
Plant Maintenance & Operations	8,265,876	7,358,567		12.3%	9,985,021	6,353,534		57.2%

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Total revenues from governmental fund types increased approximately \$2,937,8639 over last year. Local revenues increased by \$6,245,3975 over the preceding year, and state revenues decreased by \$1,168,839. Federal Program revenue decreased \$2,138,695. The increase in local revenues is a result of climbing interest rates, and an increase in property values. The decrease in state revenues is the result of an ADA adjustment by the Texas Education Agency. Federal funds decrease because of ESSER II ending and ESSER III allocation amount being depleted.

General Fund Budgetary Highlights

Over the course of the year, the District revised its budget on a monthly basis as needed when funds were transferred across funds and/or functions. Even with these adjustments, actual expenditures were \$1,802,200 or 3.4% below final budget amounts. After all transfers and adjustments were made and capital projects funded, the result was an increase to fund balance in the amount of \$4,132,624 at fiscal year-end.

Total Revenues were \$3,465,553 above the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2023, the District had invested \$128 million in a broad range of capital assets, including land, equipment, buildings, and vehicles before depreciation. (See Table A-4.) This amount represents an increase before depreciation (including additions and adjustments) of \$5,374.165.

Table A-4
District's Capital Assets

	Governmental Activities		Total Change
	2023	2022	
Land	\$ 2,226,537	\$ 2,226,537	\$ -
Buildings and improvements	112,801,913	107,717,930	5,083,983
Construction in Progress	1,314,438	2,081,762	(767,324)
Right-to-Use Subscription assets	148,222		148,222
Furniture and Equipment	<u>11,602,594</u>	<u>10,693,310</u>	<u>909,284</u>
Totals at historical cost	128,093,704	122,719,539	5,374,165
 Total accumulated depreciation	 <u>47,078,546</u>	 <u>43,417,783</u>	 <u>3,660,763</u>
Net capital assets	\$ <u>81,015,158</u>	\$ <u>79,301,756</u>	\$ <u>1,713,402</u>

More detailed information about the District's capital assets is presented in the Notes to the financial statements.

Long Term Debt

At year-end the District had \$49,903,399 in bonds and other debt outstanding as shown in Table A-5. More detailed information about the District's debt is presented in the Notes to the Financial Statements.

Table A-5
District's Long-Term Debt

	Governmental Activities	
	2023	2022
Compensated Absences	208,660	248,983
Premium	201,357	211,425
Accretion on CAB Bonds	847,330	1,526,895
Deferred loss on defeasance of bonds	(817,416)	(858,287)
Subscription Liability	68,482	
Notes Payable	8,650,000	9,085,000
Bonds payable	\$ <u>40,744,986</u>	\$ <u>42,289,986</u>
	49,903,399	52,504,002
Less current portion	<u>1,355,908</u>	<u>1,272,560</u>
Due in More than one Year	\$ <u>48,547,491</u>	\$ <u>51,231,442</u>
 Net Pension Liability	\$ <u>13,960,762</u>	\$ <u>6,058,943</u>
 Net OPEB Liability	\$ <u>8,715,470</u>	\$ <u>14,817,346</u>

Net Pension Liability

The District implemented GASB Statement No. 68 during the year ended August 31, 2015. A prior period adjustment of \$5,704,663 was required to record the beginning balance of the pension liability for the year ended August 31, 2014. Statement No. 68 establishes standards of accounting and financial reporting, but not funding or budgetary standards, for defined benefit pensions and defined contribution pensions provided to the employees of state and local government employers through pension plans that are administered through trusts or equivalent arrangements criteria detailed above in the description of Statement No. 67. This Statement replaces the requirements of Statement No. 27, Accounting for Pensions by State and Local Governmental Employers, as well as the requirements of Statement No. 50, Pension Disclosures, as they relate to pensions that are provided through pension plans within the scope of the Statement.

The requirements of Statement No. 68 apply to the financial statements of all state and local governmental employers whose employees are provided with pensions through pension plans that are administered through trusts or equivalent arrangements as described above, and to the financial statements of state and local governmental non-employer contributing entities that have a legal obligation to make contributions directly to such pension plans. This Statement establishes standards for measuring and recognizing liabilities, deferred outflows of resources, and deferred inflows of resources, and expense/expenditures related to pensions. Note disclosure and RSI requirements about pensions also are addressed. For

defined benefit pension plans, this Statement identifies the methods and assumptions that should be used to project benefit payments, discount projected benefit payments to their actuarial present value, and attribute that present value to periods of employee service.

The adoption of Statement No. 68 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of pension contributions is unaffected by the change. However, the adoption has resulted in the restatement of the District's beginning net position for the fiscal year 2014 government-wide financial statements to reflect the reporting of net pension liability and deferred inflows of resources and deferred outflows of resources for its qualified pension plan and the recognition of pension expense in accordance with the provisions of the Statement.

Other Post-Employment Benefit Plans (OPEB)

The District implemented GASB Statement No. 75 during the year ended August 31, 2018. A prior period adjustment of \$30,942,099 was required to record the beginning balance of the pension liability for the year ended August 31, 2017. The district participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefits (OPEB) plan that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

The adoption of Statement No. 75 has no impact on the District's governmental fund financial statements, which continue to report expenditures in the contribution amount determined legislatively for the TRS plan. The calculation of health insurance plan unaffected by the change. However, the adoption has resulted in reporting in the government-wide financial statements to reflect the net OPEB liability and deferred inflows of resources and deferred outflows of resources for its qualified plan and the recognition of expense in accordance with the provisions of the Statement.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

The 2023-2024 budget for the General Fund was approved by the Board of Trustees on August 31, 2023. The 2023-2024 budget was balanced as follows: Revenues of \$54,089,385 and expenditures of \$54,089,385.

Factors that contributed to the 2023-2024 revenue budget are as follows:

- Appraisal property values were up \$249 million or 6% from prior year.
- Revenue was estimated using an increase in student enrollment and average daily attendance (ADA). The projected ADA used for budgeting purposes is 5,245.
- The tax rate for Maintenance and Operations decreased from \$0.8846 to \$0.6692, and Interest and Sinking increased from \$0.0740 to \$0.0990 due to the Board of Trustees approving a defeasance program to pay debt off early. The total tax rate decreased from \$0.9586 to \$0.7682.
- Interest rate revenue was budgeted for conservatively due to the high return recently and anticipating a decrease in interest rates soon.

Factors that contributed to the 2023-2024 expenditure budget are as follows:

- The district budgeted for a pay increase for all employees. The Board of Trustees approved pay increases for all employees. All staff received a 3% pay increase plus market adjustments according to a TASB study. The new starting pay for teachers increased from \$50,000 to \$51,300. In addition, to approving a 3% raise plus market adjustments, substitutes hourly rates were increased significantly.
- The budget also includes the -costs to meet the state requirements of safety and security for district and campus needs.
- The district budgeted for the increasing costs of insurance, utilities, and operations.
- The district will continue the self-funded health insurance plan that began in January 2016.
- The district increased its health insurance contribution to each employee from \$440 to \$500 per month.

If these estimates are realized, the District's budgetary general fund balance to remain unchanged. Board approved capital and special projects throughout the year, will potentially reduce fund balance.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, and investors and creditors with a general overview of the District's finances and to demonstrate 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 Chief Financial Officer.

Basic Financial Statements

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2023

Data Control Codes		1
		Governmental Activities
ASSETS:		
1110	Cash and Cash Equivalents	\$ 33,020,972
1225	Property Taxes Receivable (Net)	718,957
1240	Due from Other Governments	3,878,302
1290	Other Receivables (Net)	6,645
1300	Inventories	269,762
1410	Unrealized Expenses	1,662,945
Capital Assets:		
1510	Land	2,226,538
1520	Buildings and Improvements, Net	74,215,370
1530	Furniture and Equipment, Net	3,203,303
1550	Right to Use Assets, Net	74,111
1580	Construction in Progress	1,314,438
1000	Total Assets	<u>120,591,343</u>
DEFERRED OUTFLOWS OF RESOURCES:		
	Deferred Outflow Related to Pensions	5,489,504
	Deferred Outflow Related to OPEB	2,413,489
1700	Total Deferred Outflows of Resources	<u>7,902,993</u>
LIABILITIES:		
2110	Accounts Payable	1,000,030
2165	Accrued Liabilities	3,310,708
2180	Due to Other Governments	4,624
2300	Unearned Revenue	1,040,740
Noncurrent Liabilities:		
2501	Due Within One Year	1,355,909
2502	Due in More Than One Year	48,547,491
2540	Net Pension Liability	13,960,762
2545	Net OPEB Liability	8,715,470
2000	Total Liabilities	<u>77,935,734</u>
DEFERRED INFLOWS OF RESOURCES:		
	Deferred Inflow Related to Pensions	2,302,167
	Deferred Inflow Related to OPEB	15,622,896
2600	Total Deferred Inflows of Resources	<u>17,925,063</u>
NET POSITION:		
3200	Net Investment in Capital Assets	41,307,243
Restricted For:		
3820	State and Federal Programs	2,190,141
3850	Debt Service	2,367,118
3860	Capital Projects	2,091,540
3870	Campus Activities	917,247
3900	Unrestricted	(16,239,750)
3000	Total Net Position	<u>\$ 32,633,539</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	3 Charges for Services	4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
					Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 31,999,118	\$ 22,254	\$ 8,213,643	\$ (23,763,221)
12	Instructional Resources and Media Services	618,930	4,743	177,816	(436,371)
13	Curriculum and Staff Development	320,186	209	274,608	(45,369)
21	Instructional Leadership	1,592,414	371	251,841	(1,340,202)
23	School Leadership	2,950,459	6,426	297,548	(2,646,485)
31	Guidance, Counseling, and Evaluation Services	2,002,309	272	552,686	(1,449,351)
32	Social Work Services	102,366	16	5,476	(96,874)
33	Health Services	537,277	859	211,353	(325,065)
34	Student Transportation	2,065,013	609	220,587	(1,843,817)
35	Food Service	3,870,186	1,439,193	2,867,180	436,187
36	Cocurricular/Extracurricular Activities	2,796,226	394,368	32,725	(2,369,133)
41	General Administration	2,050,501	606	202,157	(1,847,738)
51	Facilities Maintenance and Operations	8,265,876	2,375	(1,721,520)	(9,985,021)
52	Security and Monitoring Services	776,885	225	101,883	(674,777)
53	Data Processing Services	1,084,647	317	109,484	(974,846)
61	Community Services	75,503	18	21,761	(53,724)
72	Interest on Long-term Debt	676,302	--	125,954	(550,348)
73	Bond Issuance Costs and Fees	1,300	--	--	(1,300)
81	Capital Outlay	455,446	--	--	(455,446)
93	Payments Related to Shared Services Arrangements	48,609	--	48,668	59
95	Payments to Juvenile Justice Alternative Ed. Programs	207,860	62	22,758	(185,040)
99	Other Intergovernmental Charges	434,431	--	--	(434,431)
TG	Total Governmental Activities	62,931,844	1,872,923	12,016,608	(49,042,313)
TP	Total Primary Government	\$ 62,931,844	\$ 1,872,923	\$ 12,016,608	(49,042,313)
	General Revenues:				
MT	Property Taxes, Levied for General Purposes				35,890,559
DT	Property Taxes, Levied for Debt Service				3,001,888
IE	Investment Earnings				1,988,940
SF	State Aid-Formula Grants				12,883,005
MI	Miscellaneous				1,131,205
TR	Total General Revenues				54,895,597
CN	Change in Net Position				5,853,284
NB	Net Position - Beginning				27,153,409
PA	Prior Period Adjustment				(373,154)
	Net Position - Beginning, as Restated				26,780,255
NE	Net Position - Ending				\$ 32,633,539

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	10 General Fund	60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 25,518,151	\$ 2,858,272	\$ 2,947,585	\$ 31,324,008
1225 Taxes Receivable, Net	665,254	--	53,703	718,957
1240 Due from Other Governments	1,345,476	--	2,532,826	3,878,302
1260 Due from Other Funds	198,431	--	107,851	306,282
1290 Other Receivables	3,042	--	--	3,042
1300 Inventories	34,463	--	235,299	269,762
1410 Unrealized Expenditures	1,662,945	--	--	1,662,945
1000 Total Assets	<u>29,427,762</u>	<u>2,858,272</u>	<u>5,877,264</u>	<u>38,163,298</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 171,135	\$ 766,732	\$ 57,048	\$ 994,915
2150 Payroll Deductions and Withholdings	115,851	--	--	115,851
2160 Accrued Wages Payable	2,723,837	--	115,775	2,839,612
2170 Due to Other Funds	126,872	--	15,254	142,126
2180 Due to Other Governments	1,386	--	3,238	4,624
2300 Unearned Revenue	769,563	--	271,177	1,040,740
2000 Total Liabilities	<u>3,908,644</u>	<u>766,732</u>	<u>462,492</u>	<u>5,137,868</u>
DEFERRED INFLOWS OF RESOURCES:				
Deferred Revenue	665,254	--	53,703	718,957
2600 Total Deferred Inflows of Resources	<u>665,254</u>	<u>--</u>	<u>53,703</u>	<u>718,957</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	34,463	--	235,299	269,762
3430 Prepaid Items	1,662,945	--	--	1,662,945
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	1,830,099	1,830,099
3480 Retirement of Long-Term Debt	--	--	2,367,118	2,367,118
3490 Other Restrictions of Fund Balance	--	--	928,553	928,553
Committed Fund Balances:				
3510 Construction	--	2,091,540	--	2,091,540
3540 Self-Insurance	200,000	--	--	200,000
Assigned Fund Balances:				
3550 Construction	4,000,000	--	--	4,000,000
3570 Capital Expenditures for Equipment	1,041,831	--	--	1,041,831
3590 Other Assigned Fund Balance	525,657	--	--	525,657
3600 Unassigned	17,388,968	--	--	17,388,968
3000 Total Fund Balances	<u>24,853,864</u>	<u>2,091,540</u>	<u>5,361,069</u>	<u>32,306,473</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 29,427,762</u>	<u>\$ 2,858,272</u>	<u>\$ 5,877,264</u>	<u>\$ 38,163,298</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET
TO THE STATEMENT OF NET POSITION
AUGUST 31, 2023

Total fund balances - governmental funds balance sheet	\$ 32,306,473
Amounts reported for governmental activities in the Statement of Net Position ("SNP") are different because:	
Capital assets used in governmental activities are not reported in the funds.	81,015,157
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	718,957
The assets and liabilities of internal service funds are included in governmental activities in the SNP.	1,194,653
Payables for bond principal which are not due in the current period are not reported in the funds.	(40,744,987)
Payables for notes which are not due in the current period are not reported in the funds.	(8,650,000)
Other long-term liabilities which are not due and payable in the current period are not reported in the funds.	(277,142)
Other long-term assets are not available to pay for current period expenditures and are deferred in the funds.	817,417
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(13,960,762)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(2,302,167)
Deferred Resource Outflows related to the pension plan are not reported in the funds.	5,489,504
The accumulated accretion of interest on capital appreciation bonds is not reported in the funds.	(847,331)
Bond premiums are amortized in the SNA but not in the funds.	(201,357)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(8,715,470)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(15,622,896)
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	2,413,489
Rounding difference	1
Net position of governmental activities - Statement of Net Position	\$ <u>32,633,539</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES - GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	10 General Fund	60 Capital Projects Fund	onmf Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 38,467,771	\$ 18,459	\$ 5,393,479	\$ 43,879,709
5800 State Program Revenues	15,809,425	--	715,436	16,524,861
5900 Federal Program Revenues	1,535,879	--	8,501,288	10,037,167
5020 Total Revenues	<u>55,813,075</u>	<u>18,459</u>	<u>14,610,203</u>	<u>70,441,737</u>
EXPENDITURES:				
Current:				
0011 Instruction	27,534,594	29,145	4,787,076	32,350,815
0012 Instructional Resources and Media Services	471,285	--	150,394	621,679
0013 Curriculum and Staff Development	151,336	--	160,015	311,351
0021 Instructional Leadership	1,455,579	--	162,447	1,618,026
0023 School Leadership	2,930,171	--	67,468	2,997,639
0031 Guidance, Counseling, and Evaluation Services	1,491,773	--	539,329	2,031,102
0032 Social Work Services	101,861	--	1,527	103,388
0033 Health Services	451,095	--	93,334	544,429
0034 Student Transportation	2,019,848	623,620	28,036	2,671,504
0035 Food Service	--	--	3,806,389	3,806,389
0036 Cocurricular/Extracurricular Activities	2,076,585	--	662,398	2,738,983
0041 General Administration	2,009,808	--	16,655	2,026,463
0051 Facilities Maintenance and Operations	7,904,133	15,000	48,272	7,967,405
0052 Security and Monitoring Services	748,710	--	22,854	771,564
0053 Data Processing Services	1,050,618	--	5,432	1,056,050
0061 Community Services	60,512	--	16,976	77,488
0071 Principal on Long-term Debt	435,000	--	1,624,740	2,059,740
0072 Interest on Long-term Debt	144,452	--	1,180,612	1,325,064
0073 Bond Issuance Costs and Fees	800	--	500	1,300
0081 Capital Outlay	--	5,007,754	--	5,007,754
0093 Payments to Shared Service Arrangements	--	--	48,609	48,609
0095 Payments to Juvenile Justice Alternative				
0095 Education Programs	207,860	--	--	207,860
0099 Other Intergovernmental Charges	434,431	--	--	434,431
6030 Total Expenditures	<u>51,680,451</u>	<u>5,675,519</u>	<u>13,423,063</u>	<u>70,779,033</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	4,132,624	(5,657,060)	1,187,140	(337,296)
1200 Net Change in Fund Balances	<u>4,132,624</u>	<u>(5,657,060)</u>	<u>1,187,140</u>	<u>(337,296)</u>
0100 Fund Balances - Beginning	21,013,630	7,748,600	4,254,693	33,016,923
1300 Prior Period Adjustment	(292,390)	--	(80,764)	(373,154)
Fund Balances - Beginning, as Restated	20,721,240	7,748,600	4,173,929	32,643,769
3000 Fund Balances - Ending	<u>\$ 24,853,864</u>	<u>\$ 2,091,540</u>	<u>\$ 5,361,069</u>	<u>\$ 32,306,473</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Net change in fund balances - total governmental funds	\$ (337,296)
--	--------------

Amounts reported for governmental activities in the Statement of Activities
("SOA") are different because:

Capital outlays are not reported as expenses in the SOA.	5,225,954
The depreciation of capital assets used in governmental activities is not reported in the funds.	(3,660,763)
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	5,806
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,545,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	79,740
Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA.	435,000
The accretion of interest on capital appreciation bonds is not reported in the funds.	638,694
The net revenue (expense) of internal service funds is reported with governmental activities.	133,094
Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds.	40,323
Bond premiums are reported in the funds but not in the SOA.	10,068
Pension expense relating to GASB 68 is recorded in the SOA but not in the funds.	8,326
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	
OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds.	<u>1,729,338</u>

Change in net position of governmental activities - Statement of Activities	\$ <u>5,853,284</u>
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The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2023

Data Control Codes		Internal Service Funds
ASSETS:		
Current Assets:		
1110	Cash and Cash Equivalents	\$ 1,696,964
Receivables:		
1260	Due from Other Funds	83
1290	Other Receivables (net)	3,603
	Total Current Assets	<u>1,700,650</u>
Noncurrent Assets:		
Capital Assets:		
1530	Furniture and Equipment	322,529
1570	Accumulated Depreciation	(303,927)
	Total Noncurrent Assets	<u>18,602</u>
1000	Total Assets	<u>1,719,252</u>
LIABILITIES:		
Current Liabilities:		
2110	Accounts Payable	\$ 5,115
2123	Other Liabilities	355,245
2170	Due to Other Funds	164,239
	Total Current Liabilities	<u>524,599</u>
2000	Total Liabilities	<u>524,599</u>
NET POSITION:		
3900	Unrestricted	1,194,653
3000	Total Net Position	<u>\$ 1,194,653</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		Internal Service Funds
	OPERATING REVENUES:	
5700	Local and Intermediate Sources	\$ 4,575,137
5020	Total Revenues	<u>4,575,137</u>
	OPERATING EXPENSES:	
6100	Payroll Costs	181,995
6200	Professional and Contracted Services	96,157
6300	Supplies and Materials	24,497
6400	Other Operating Costs	<u>4,139,394</u>
6030	Total Expenses	<u>4,442,043</u>
1300	Change in Net Position	133,094
0100	Total Net Position - Beginning	<u>1,061,559</u>
3300	Total Net Position - Ending	<u>\$ 1,194,653</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

	Internal Service Funds
Cash Flows from Operating Activities:	
Cash Received from Customers	\$ --
Cash Received from Grants	--
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	4,866,446
Cash Payments to Employees for Services	(181,995)
Cash Payments to Other Suppliers for Goods and Services	(4,212,036)
Cash Payments for Grants to Other Organizations	--
Other Operating Cash Receipts (Payments)	--
Net Cash Provided (Used) by Operating Activities	<u>472,415</u>
Cash Flows from Non-capital Financing Activities:	
Transfers From (To) Other Funds	--
Net Cash Provided (Used) by Non-capital Financing Activities	<u>--</u>
Cash Flows from Capital and Related Financing Activities:	
Contributed Capital	--
Net Cash Provided (Used) for Capital and Related Financing Activities	<u>--</u>
Cash Flows from Investing Activities:	
Net Cash Provided (Used) for Investing Activities	<u>--</u>
Net Increase (Decrease) in Cash and Cash Equivalents	472,415
Cash and Cash Equivalents at Beginning of Year	1,224,549
Cash and Cash Equivalents at End of Year	<u>\$ 1,696,964</u>
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:	
Operating Income (Loss)	\$ 133,094
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities	
Depreciation	199
Provision for Uncollectible Accounts	--
Change in Assets and Liabilities:	
Decrease (Increase) in Receivables	291,309
Decrease (Increase) in Inventories	--
Decrease (Increase) in Prepaid Expenses	--
Increase (Decrease) in Accounts Payable	44,891
Increase (Decrease) in Payroll Deductions	--
Increase (Decrease) in Accrued Wages Payable	--
Increase (Decrease) in Interfund Payables	2,922
Increase (Decrease) in Accrued Expenses	--
Increase (Decrease) in Unearned Revenue	--
Total Adjustments	<u>339,321</u>
Net Cash Provided (Used) by Operating Activities	<u>\$ 472,415</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
AUGUST 31, 2023

Data Control Codes		Custodial Fund
		Student Activity
ASSETS:		
1110	Cash and Cash Equivalents	\$ 75,560
1000	Total Assets	<u>75,560</u>
LIABILITIES:		
2000	Total Liabilities	<u>--</u>
NET POSITION:		
3800	Restricted for Other Purposes	\$ 75,560
3000	Total Net Position	<u><u>\$ 75,560</u></u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	Custodial Funds
ADDITIONS:	
Investment Income	\$ --
Net (Decrease) in Fair Value of Investments	--
Employer Contributions	--
Plan Member Contributions	--
Contributions from Foundations, Gifts and Bequests	--
Student Group Fundraising Activities	54,237
Total Additions	<u>54,237</u>
DEDUCTIONS:	
Benefits	--
Refunds of Contributions	--
Other Operating Expenses	52,472
Total Deductions	<u>52,472</u>
Change in Fiduciary Net Position	1,765
Net Position-Beginning of the Year	73,795
Prior Period Adjustment	--
Net Position-End of the Year	<u>\$ 75,560</u>

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

A. Summary of Significant Accounting Policies

The basic financial statements of Flour Bluff Independent School District (the "District") have been prepared in conformity with accounting principles generally accepted in the United States of America ("GAAP") applicable to governmental units in conjunction with the Texas Education Agency's Financial Accountability System Resource Guide ("Resource Guide"). The Governmental Accounting Standards Board ("GASB") is the accepted standard setting body for establishing governmental accounting and financial reporting principles.

1. Reporting Entity

The Board of School Trustees ("Board"), a seven-member group, has governance responsibilities over all activities related to public elementary and secondary education within the jurisdiction of the District. The Board is elected by the public and has the exclusive power and duty to govern and oversee the management of the public schools of the District. All powers and duties not specifically delegated by statute to the Texas Education Agency ("TEA") or to the State Board of Education are reserved for the Board, and the TEA may not substitute its judgment for the lawful exercise of those powers and duties by the Board. The District receives funding from local, state and federal government sources and must comply with the requirements of those funding entities. However, the District is not included in any other governmental reporting entity and there are no component units included within the District's reporting entity.

2. Basis of Presentation, Basis of Accounting

a. Basis of Presentation

Government-wide Financial Statements: The statement of net position and the statement of activities include the financial activities of the overall government, except for fiduciary activities. Eliminations have been made to minimize the double-counting of internal activities. Governmental activities generally are financed through taxes, intergovernmental revenues, and other nonexchange transactions.

The statement of activities presents a comparison between direct expenses and program revenues for each function of the District's governmental activities. Direct expenses are those that are specifically associated with a program or function and, therefore, are clearly identifiable to a particular function. The District does not allocate indirect expenses in the statement of activities. Program revenues include (a) fees, fines, and charges paid by the recipients of goods or services offered by the programs and (b) grants and contributions that are restricted to meeting the operational or capital requirements of a particular program. Revenues that are not classified as program revenues, including all taxes, are presented as general revenues.

Fund Financial Statements: The fund financial statements provide information about the District's funds, with separate statements presented for each fund category. The emphasis of fund financial statements is on major governmental funds, each displayed in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

Proprietary fund operating revenues, such as charges for services, result from exchange transactions associated with the principal activity of the fund. Exchange transactions are those in which each party receives and gives up essentially equal values. Nonoperating revenues, such as subsidies and investment earnings, result from nonexchange transactions or ancillary activities.

The District reports the following major governmental funds:

General Fund: This is the District's primary operating fund. It accounts for all financial resources of the District except those required to be accounted for in another fund.

Capital Projects Fund: This fund accounts for the bond proceeds and the related expenditures for the various projects approved in the bond issue.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

In addition, the District reports the following fund types:

Internal Service Funds: These funds are used to account for revenues and expenses related to services provided to parties inside the District. These funds facilitate distribution of support costs to the users of support services on a cost-reimbursement basis. Because the principal users of the internal services are the District's governmental activities, this fund type is included in the "Governmental Activities" column of the government-wide financial statements.

Custodial Funds: These funds are used to report student activity funds and other resources held in a purely custodial capacity. Custodial funds typically involve only the receipt, temporary investment, and remittance of the fiduciary resources to individuals, private organizations, or other governments.

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee or custodial capacity and are therefore not available to support District programs, these funds are not included in the government-wide statements.

b. **Measurement Focus, Basis of Accounting**

Government-wide, Proprietary, and Fiduciary Fund Financial Statements: These financial statements are reported using the economic resources measurement focus. The government-wide and proprietary fund financial statements are reported using the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded at the time liabilities are incurred, regardless of when the related cash flows take place. Nonexchange transactions, in which the District gives (or receives) value without directly receiving (or giving) equal value in exchange, include property taxes, grants, entitlements, and donations. On an accrual basis, revenue from property taxes is recognized in the fiscal year for which the taxes are levied. Revenue from grants, entitlements, and donations is recognized in the fiscal year in which all eligibility requirements have been satisfied.

Governmental Fund Financial Statements: Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District does not consider revenues collected after its year-end to be available in the current period. Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under lease contracts and subscription-based information technology arrangements are reported as other financing sources.

When the District incurs an expenditure or expense for which both restricted and unrestricted resources may be used, it is the District's policy to use restricted resources first, then unrestricted resources.

3. **Financial Statement Amounts**

a. **Cash and Cash Equivalents**

For purposes of the statement of cash flows, highly liquid investments are considered to be cash equivalents if they have a maturity of three months or less when purchased.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

b. Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property 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, penalties, and interest ultimately imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period.

	General Fund	Debt Service Fund	Total
Delinquent Taxes	\$ 1,405,085	\$ 113,426	\$ 1,518,511
Allowance	(739,831)	(59,723)	(799,554)
Net Taxes	<u>\$ 665,254</u>	<u>\$ 53,703</u>	<u>\$ 718,957</u>

Allowances for uncollectible tax receivables 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.

c. Inventories and Prepaid Items

The District records purchases of supplies as expenditures, utilizing the purchase method of accounting for inventory in accordance with the Resource Guide.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items.

d. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

Capital assets are being depreciated using the straight-line method over the following estimated useful lives:

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings	25-100
Building Improvements	20
Vehicles	10
Furniture and Equipment	3-15
Computer Equipment	3-15
Right-to-use Lease Assets	5
Right-to-use Subscription Assets	5

e. Deferred Outflows and Inflows of Resources

In addition to assets, the statements of financial position (the government-wide Statement of Net Position and governmental funds balance sheet) will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, deferred outflows of resources, represents a consumption of net position and/or fund balance that applies to one or more future periods and so will not be recognized as an outflow of resources (expense/expenditure) until then.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

In addition to liabilities, the statements of financial position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, deferred inflows of resources, represents an acquisition of net position that applies to one or more future periods and so will not be recognized as an inflow of resources (revenue) until that time.

f. Receivable and Payable Balances

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

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

g. Compensated Absences

On retirement or death of certain employees, the District pays any accrued sick leave and vacation leave in a lump case payment to such employee or his/her estate. Individuals employed after October 1, 1985 are not eligible to receive the lump sum payments.

h. Interfund Activity

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

i. Use of Estimates

The preparation of financial statements in conformity with GAAP requires the use of management's estimates.

j. Data Control Codes

Data Control Codes appear in the rows and above the columns of certain financial statements. The TEA requires the display of these codes in the financial statements filed with TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

k. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

Nonspendable Fund Balance - represents amounts that cannot be spent because they are either not in spendable form (such as inventory or prepaid insurance) or legally required to remain intact (such as notes receivable or principal of a permanent fund).

Restricted Fund Balance - represents amounts that are constrained by external parties, constitutional provisions or enabling legislation.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Committed Fund Balance - represents amounts that can only be used for a specific purpose because of a formal action by the District's Board of Trustees. Committed amounts cannot be used for any other purpose unless the Board of Trustees removes those constraints by taking the same type of formal action. Committed fund balance amounts may be used for other purposes with appropriate due process by the Board of Trustees. Commitments are typically done through adoption and amendment of the budget. Committed fund balance amounts differ from restricted balances in that the constraints on their use do not come from outside parties, constitutional provisions, or enabling legislation.

Assigned Fund Balance - represents amounts which the District intends to use for a specific purpose, but that do not meet the criteria to be classified as restricted or committed. Intent may be stipulated by the Board of Trustees or by an official or body to which the Board of Trustees delegates the authority. Specific amounts that are not restricted or committed in a special revenue, capital projects, debt service or permanent fund are assigned for purposes in accordance with the nature of their fund type or the fund's primary purpose. Assignments within the general fund convey that the intended use of those amounts is for a specific purpose that is narrower than the general purposes of the District itself.

Unassigned Fund Balance - represents amounts which are unconstrained in that they may be spent for any purpose. Only the general fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification because of overspending for specific purposes for which amounts had been restricted, committed or assigned.

l. Net Position Flow Assumption

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

m. Fund Balance Flow Assumptions

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

4. 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 fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

5. Other Post-Employment Benefits

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

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements.

GASB Statement No. 96, Subscription-Based Information Technology Arrangements

This Statement provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset - an intangible asset - and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, Leases, as amended.

A SBITA is defined as a contract that conveys control of the right to use another party's (a SBITA vendor's) information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets), as specified in the contract for a period of time in an exchange or exchange-like transaction.

The requirements of this Statement are effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. The District implemented this Statement during the current year.

B. Compliance and Accountability

1. Finance-Related Legal and Contractual Provisions

In accordance with GASB Statement No. 38, "Certain Financial Statement Note Disclosures," violations of finance-related legal and contractual provisions, if any, are reported below, along with actions taken to address such violations:

<u>Violation</u>	<u>Action Taken</u>
None reported	Not applicable

2. Deficit Fund Balance or Fund Net Position of Individual Funds

Following are funds having deficit fund balances or fund net position at year end, if any, along with remarks which address such deficits:

<u>Fund Name</u>	<u>Deficit Amount</u>	<u>Remarks</u>
Internal Service Fund-Print Shop	\$ (19,167)	Transfers will be made to cover the deficit

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

C. Deposits and Investments

The District's funds are required to be deposited and invested under the terms of a depository contract. The depository bank deposits for safekeeping and trust with the District's agent bank approved pledged securities in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation ("FDIC") insurance.

1. Cash Deposits:

At August 31, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$4,276,470 and the bank balance was \$5,517,545. The District's cash deposits at August 31, 2023 and during the year ended August 31, 2023, were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

2. Investments:

The District is required by Government Code Chapter 2256, The Public Funds Investment Act, to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, and (9) bid solicitation preferences for certificates of deposit.

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

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

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Fair Value</u>
The Following investments were included in Cash & Cash Equivalents:		
Lone Star	AAAm	\$ <u>28,820,062</u>

3. Analysis of Specific Deposit and Investment Risks

GASB Statement No. 40 requires a determination as to whether the District was exposed to the following specific investment risks at year end and if so, the reporting of certain related disclosures:

a. 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 rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

b. 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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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 government, and are held by either the counterparty or the counterparty's trust department or agent but not in the District's name.

At year end, the District was not exposed to custodial credit risk.

c. Concentration of Credit Risk

This risk is the risk of loss attributed to the magnitude of a government's investment in a single issuer. At year end, the District was not exposed to concentration of credit risk.

d. Interest Rate Risk

This is the risk that changes in interest rates will adversely affect the fair value of an investment. At year end, the District was not exposed to interest rate risk.

e. Foreign Currency Risk

This is the risk that exchange rates will adversely affect the fair value of an investment. At year end, the District was not exposed to foreign currency risk.

Investment Accounting Policy

The District's general policy is to report money market investments and short-term participating interest-earning investment contracts at amortized cost and to report nonparticipating interest-earning investment contracts using a cost-based measure. However, if the fair value of an investment is significantly affected by the impairment of the credit standing of the issuer or by other factors, it is reported at fair value. All other investments are reported at fair value unless a legal contract exists which guarantees a higher value. The term "short-term" refers to investments which have a remaining term of one year or less at time of purchase. The term "nonparticipating" means that the investment's value does not vary with market interest rate changes. Nonnegotiable certificates of deposit are examples of nonparticipating interest-earning investment contracts.

Public Funds Investment Pools

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: 1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; 2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and 3) maintain the market value of its underlying investment portfolio within one half of one percent of the value of its shares.

The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

D. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
Governmental activities:				
Capital assets not being depreciated:				
Land	\$ 2,226,537	\$ --	\$ --	\$ 2,226,537
Construction in progress	2,081,762	1,314,438	2,081,762	1,314,438
Total capital assets not being depreciated	<u>4,308,299</u>	<u>1,314,438</u>	<u>2,081,762</u>	<u>3,540,975</u>
Capital assets being depreciated:				
Buildings and improvements	107,717,930	3,002,221	(2,081,762)	112,801,913
Equipment	5,078,672	285,665	--	5,364,337
Vehicles	5,614,637	623,620	--	6,238,257
Right-to-use lease assets	--	--	--	--
Right-to-use subscription assets	--	148,222	--	148,222
Total capital assets being depreciated	<u>118,411,239</u>	<u>4,059,728</u>	<u>(2,081,762)</u>	<u>124,552,729</u>
Less accumulated depreciation for:				
Buildings and improvements	(35,305,625)	(3,280,918)	--	(38,586,543)
Equipment	(3,806,387)	(168,911)	--	(3,975,298)
Vehicles	(4,305,771)	(136,823)	--	(4,442,594)
Right-to-use lease assets	--	--	--	--
Right-to-use subscription assets	--	(74,111)	--	(74,111)
Total accumulated depreciation	<u>(43,417,783)</u>	<u>(3,660,763)</u>	<u>--</u>	<u>(47,078,546)</u>
Total capital assets being depreciated, net	<u>74,993,456</u>	<u>398,965</u>	<u>(2,081,762)</u>	<u>77,474,183</u>
Governmental activities capital assets, net	<u>\$ 79,301,755</u>	<u>\$ 1,713,403</u>	<u>\$ --</u>	<u>\$ 81,015,158</u>
	Beginning Balances	Increases	Decreases	Ending Balances
Business-type activities:				
Capital assets not being depreciated:				
Land	\$ --	\$ --	\$ --	\$ --
Total capital assets not being depreciated	<u>--</u>	<u>--</u>	<u>--</u>	<u>--</u>
Capital assets being depreciated:				
Equipment	322,529	--	--	322,529
Total capital assets being depreciated	<u>322,529</u>	<u>--</u>	<u>--</u>	<u>322,529</u>
Less accumulated depreciation for:				
Equipment	(303,927)	--	--	(303,927)
Total accumulated depreciation	<u>(303,927)</u>	<u>--</u>	<u>--</u>	<u>(303,927)</u>
Total capital assets being depreciated, net	<u>18,602</u>	<u>--</u>	<u>--</u>	<u>18,602</u>
Business-type activities capital assets, net	<u>\$ 18,602</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 18,602</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Depreciation was charged to functions as follows:

Instruction	\$ 1,912,768
Instructional Resources and Media Services	36,997
Curriculum and Staff Development	19,139
Instructional Leadership	95,188
School Leadership	176,366
Guidance, Counseling, & Evaluation Services	119,689
Social Work Services	6,119
Health Services	32,116
Student Transportation	136,823
Food Services	225,957
Extracurricular Activities	167,146
General Administration	122,570
Plant Maintenance and Operations	494,098
Security and Monitoring Services	46,439
Data Processing Services	64,835
Community Services	4,513
	<u>\$ 3,660,763</u>

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2023, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>	<u>Purpose</u>
General Fund	General Fund	\$ 18,938	Short-term loans
General Fund	Other Governmental Funds	15,254	Short-term loans
General Fund	Internal Service Fund	164,239	Short-term loans
Internal Service Fund	General Fund	83	Short-term loans
Other Governmental Funds	General Fund	107,851	Short-term loans
	Total	<u>\$ 306,365</u>	

All amounts due are scheduled to be repaid within one year.

2. Transfers To and From Other Funds

Transfers to and from other funds at August 31, 2023, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
NONE			
	Total	<u>\$ --</u>	

F. Long-Term Obligations

The District has entered into a continuing disclosure undertaking to provide Annual Reports and Material Event Notices to the State Information Depository of Texas, which is the Municipal Advisory Council. This information is required under SEC Rule 15c2-12 to enable investors to analyze the financial condition and operations of the District.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

1. Long-Term Obligation Activity

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2023, are as follows:

	Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
2020 Unlimited Tax					
Refunding Bonds 1.65%-5%	40,770,000		837,560	39,932,440	682,426
2020 Capital Appreciation					
Bonds .832%-.994%	1,519,986		707,440	812,546	
Total bond activities	42,289,986	--	1,545,000	40,744,986	682,426
2021 Tax Maintenance					
Notes 1.590%	9,085,000		435,000	8,650,000	605,000
Subscription Liability		148,222	79,740	68,482	68,482
Premium	211,425		10,068	201,357	
Compensated absences *	248,983		40,323	208,660	
Deferred loss on defeasance of bonds	(858,287)		(40,871)	(817,416)	
Accretion	1,526,895	27,875	707,440	847,330	
Total governmental activities	\$ 52,504,002	\$ 176,097	\$ 2,776,700	49,903,399	\$ 1,355,908
Due within one year				1,355,908	
Due in more than one year				\$ 48,547,491	
Net Pension Liability	6,058,943	7,901,819		13,960,762	
Net OPEB Liability	14,165,157		5,449,687	8,715,470	

* Other long-term liabilities

The funds typically used to liquidate other long-term liabilities in the past are as follows:

Liability	Activity Type	Fund
Compensated absences	Governmental	General Fund
Net Pension Liability *	Governmental	General Fund
Net OPEB Liability	Governmental	General Fund
Claims and judgments	Business-type	Internal Service Fund

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2023, are as follows:

Year Ending August 31,	Governmental Activities		
	Bonds		Total
	Principal	Interest	
2024	\$ 682,426	2,042,069	2,724,495
2025	1,540,000	1,179,496	2,719,496
2026	1,620,000	1,102,496	2,722,496
2027	1,700,000	1,021,496	2,721,496
2028	1,785,000	936,496	2,721,496
2029-2033	10,140,000	3,461,546	13,601,546
2034-2038	11,320,000	2,279,102	13,599,102
2039-2043	11,957,560	945,418	12,902,978
Totals	\$ 40,744,986	\$ 12,968,119	53,713,105

Year Ending August 31,	Tax Maintenance Notes		
	Principal	Interest	Total
2024	\$ 605,000	\$ 137,535	\$ 742,535
2025	615,000	127,916	742,916
2026	625,000	118,137	743,137
2027	630,000	108,199	738,199
2028	640,000	98,182	738,182
2029-2033	3,375,000	334,298	3,709,298
2034-2038	2,160,000	69,165	2,229,165
Totals	\$ 8,650,000	\$ 993,432	\$ 9,643,432

3. Advance Refunding of Debt

GASB Statement No. 7, "Advance Refundings Resulting in Defeasance of Debt," provides that refunded debt and assets placed in escrow for the payment of related debt service be excluded from the financial statements. As of August 31, 2023, outstanding balances of bond issues that have been refunded and defeased in-substance by placing existing assets and the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments are as follows.

Bond Issue	Amount
2013	41,540,000
Total	41,540,000

G. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

H. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/Pages/about%20publications.aspx> ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

3. Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in the manner are determined by the System's actuary.

4. Contributions

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 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.

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.0%	8.0%
Non-Employer Contributing Entity (State)	7.75%	8.0%
Employers	7.75%	8.0%
District's 2023 Employer Contributions		\$ 1,233,032
District's 2023 Member Contributions		\$ 2,927,078
2022 NECE On-Behalf Contributions (State)		\$ 2,090,570

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

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

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

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.6 percent of the member's salary beginning in fiscal year 2021, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The total pension liability in the August 31, 2020 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% *
Last year ending August 31 in Projection Period	2121
Inflation	2.30%

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index"

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2021.

6. Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term 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, 2022 are summarized below:

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.0%	4.6%	1.12%
Non-U.S. Developed	13.0%	4.9%	0.90%
Emerging Markets	9.0%	5.4%	0.75%
Private Equity	14.0%	7.7%	1.55%
Stable Value			
Government Bonds	16.0%	1.0%	0.22%
Absolute Return	0.0%	3.7%	0.00%
Stable Value Hedge Funds	5.0%	3.4%	0.18%
Real Return			
Real Estate	15.0%	4.1%	0.94%
Energy, Natural Resources and Infrastructure	6.0%	5.1%	0.37%
Commodities	0.0%	3.6%	0.00%
Risk Parity	8.0%	4.6%	0.43%

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Asset Allocation Leverage			
Cash	2.0%	3.0%	0.01%
Asset Allocation Leverage	(6.0%)	3.6%	(0.05)%
Inflation Expectation			2.70%
Volatility Drag ****			(0.91)%
Expected Return	<u><u>100.0%</u></u>		<u><u>8.19%</u></u>
* Absolute Return includes Credit Sensitive Investments.			
** Target allocations are based on the FY2022 policy model.			
*** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022)			
**** The volatility drag results from the conversion between arithmetic and geometric mean returns.			

7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability:	\$ 21,717,653	\$ 13,960,762	\$ 7,673,439

8. Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions

At August 31, 2023, the District reported a liability of \$13,960,762 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 13,960,762
State's proportionate share that is associated with District	<u>26,597,488</u>
Total	<u><u>\$ 40,558,250</u></u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.0235158619 percent "which was an increase (decrease) of -0.0002759918 percent from its proportion measured as of August 31, 2021

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

9. Changes Since the Prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2023, the District recognized pension expense of \$2,542,418 and revenue of \$2,542,418 for support provided by the State.

At August 31, 2023, the District reported its proportionate share of the TRS 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 Actuarial Experience	\$ 202,430	\$ 304,371
Changes in Actuarial Assumptions	2,601,344	648,328
Difference Between Projected and Actual Investment Earnings	1,379,279	--
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	73,419	1,349,468
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer)	1,233,032	--
Total	\$ 5,489,504	\$ 2,302,167

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

Year ended August 31,	Pension Expense Amount
2024	\$ 520,364
2025	\$ 97,848
2026	\$ (252,578)
2027	\$ 1,412,955
2028	\$ 175,716
Thereafter	\$ --

I. Defined Other Post-Employment Benefit Plans

1. Plan Description

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

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

2. OPEB Plan Fiduciary Net Position

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

3. Benefits Provided

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

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

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

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

4. 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.

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's 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. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	
	<u>2023</u>
Active Employee	0.65%
Non-Employer Contributing Entity (State)	1.25%
Employers	0.75%
Federal/Private Funding remitted by Employers	1.25%

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

District's 2023 Employer Contributions	\$ 306,756
District's 2023 Member Contributions	\$ 237,582
2022 NECE On-Behalf Contributions (state)	\$ 364,688

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.

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

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2020. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021. The actuarial valuation was determined using the following actuarial assumptions:

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

Rates of Mortality	General Inflation
Rates of Retirement	Wage Inflation
Rates of Termination	Expected Payroll Growth
Rates of Disability	

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.

6. Discount Rate

A single discount rate of 3.91 percent was used to measure the Total OPEB Liability. This was an increase of 1.96 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. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2022 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (0.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$ 10,276,231	\$ 8,715,470	\$ 7,451,054

8. OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs

At August 31, 2023, the District reported a liability of \$(103,753) for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 8,715,470
State's proportionate share that is associated with the District	\$ 10,631,505
Total	<u>\$ 19,346,975</u>

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

At August 31, 2023 the District's proportion of the collective net OPEB liability was 0.0363993839, which was an increase (decrease) of (0.003222038%) from its proportion measured as of August 31, 2021.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1 percent less than and 1 percent greater than the health trend rates assumed.

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	\$ 7,181,587	\$ 8,715,470	\$ 10,703,953

9. Changes Since the Prior Actuarial Valuation

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

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

Changes of Benefit Terms Since the Prior Measurement Date - There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was \$(1,508,696).

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 484,549	\$ 7,260,769
Changes in actuarial assumptions	1,327,539	6,054,990
Difference between projected and actual investment earnings	25,961	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	268,684	2,307,137
Contributions paid to TRS subsequent to the measurement date	306,756	
Total	\$ 2,413,489	\$ 15,622,896

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

Year ended August 31:	OPEB Expense Amount
2024	\$ (2,415,588)
2025	\$ (2,415,493)
2026	\$ (2,045,902)
2027	\$ (1,545,538)
2028	\$ (1,739,066)
Thereafter	\$ (3,354,577)

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

For the year ended August 31, 2023, the District recognized OPEB expense of \$(1,508,696) and revenue of \$(1,508,696) for support provided by the State.

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2023, the subsidy payment received by TRS-Care on behalf of the District was \$198,787.

J. Employee Health Care Coverage

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the Plan). The District contributed \$440 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

The contract between the District and the third party administrator is renewable September 1, and terms of coverage and contribution costs are included in the contractual provisions.

In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Aetna, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$125,000 and for aggregate loss. According to the latest actuarial opinion dated January 16, 2024, the unfunded claim benefit obligation included \$246,000 in reported claims that were unpaid and no estimated claims incurred, but not reported. The remaining \$246,000 unfunded claim benefit obligation would be funded through rate adjustments and future contributions.

K. Commitments and Contingencies

1. Contingencies

The District participates in grant programs which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectibility of any related receivable may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying basic financial statements for such contingencies.

L. Subsequent Events

Management has reviewed subsequent events and transactions that occurred after the balance sheet date through January 22, 2024 (the date of the Audit Report). The financial statements include all Type I events or transactions, including estimates, required to be recognized in accordance with generally accepted accounting principles.

M. Prior Period Adjustment

The District recorded a prior period adjustment in funds 199 and 410 to write off prior year receivables that will not be received:

199-General Fund	292,390
410-Other Governmental Funds	80,764
Total	<u>373,154</u>

Required Supplementary Information

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 37,775,219	\$ 37,934,941	\$ 38,467,771	\$ 532,830
5800	State Program Revenues	15,305,435	12,838,321	15,809,425	2,971,104
5900	Federal Program Revenues	2,720,743	1,574,260	1,535,879	(38,381)
5020	Total Revenues	55,801,397	52,347,522	55,813,075	3,465,553
EXPENDITURES:					
Current:					
	Instruction and Instructional Related Services:				
0011	Instruction	27,828,268	27,807,800	27,534,594	273,206
0012	Instructional Resources and Media Services	457,817	578,535	471,285	107,250
0013	Curriculum and Instructional Staff Development	198,879	198,879	151,336	47,543
	Total Instruction and Instr. Related Services	28,484,964	28,585,214	28,157,215	427,999
	Instructional and School Leadership:				
0021	Instructional Leadership	1,455,625	1,461,375	1,455,579	5,796
0023	School Leadership	2,999,093	2,999,093	2,930,171	68,922
	Total Instructional and School Leadership	4,454,718	4,460,468	4,385,750	74,718
	Student Support Services:				
0031	Guidance, Counseling and Evaluation Services	1,560,294	1,560,294	1,491,773	68,521
0032	Social Work Services	108,725	118,725	101,861	16,864
0033	Health Services	453,343	463,343	451,095	12,248
0034	Student Transportation	2,927,142	2,427,140	2,019,848	407,292
0036	Extracurricular Activities	1,853,652	2,077,651	2,076,585	1,066
	Total Student Support Services	6,903,156	6,647,153	6,141,162	505,991
	Administrative Support Services:				
0041	General Administration	2,203,550	2,203,550	2,009,808	193,742
	Total Administrative Support Services	2,203,550	2,203,550	2,009,808	193,742
	Support Services:				
0051	Facilities Maintenance and Operations	7,977,101	8,350,600	7,904,133	446,467
0052	Security and Monitoring Services	945,214	845,214	748,710	96,504
0053	Data Processing Services	1,073,985	1,073,985	1,050,618	23,367
	Total Support Services	9,996,300	10,269,799	9,703,461	566,338
	Ancillary Services:				
0061	Community Services	50,515	75,515	60,512	15,003
	Total Ancillary Services	50,515	75,515	60,512	15,003
	Debt Service:				
0071	Debt Service	435,000	440,000	435,000	5,000
0072	Interest on Long-Term Debt	144,452	144,452	144,452	--
0073	Bond Issuance Costs and Fees	--	--	800	(800)
	Total Debt Service	579,452	584,452	580,252	4,200
	Capital Outlay:				
0081	Facilities Acquisition and Construction	2,568,739	--	--	--
	Total Capital Outlay	2,568,739	--	--	--

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive
		Original	Final		(Negative)
	Intergovernmental Charges:				
0095	Payments to Juvenile Justice Alternative				
0095	Education Programs	130,000	215,000	207,860	7,140
0099	Other Intergovernmental Charges	430,000	441,500	434,431	7,069
	Total Intergovernmental Charges	560,000	656,500	642,291	14,209
6030	Total Expenditures	55,801,394	53,482,651	51,680,451	1,802,200
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	3	(1,135,129)	4,132,624	5,267,753
1200	Net Change in Fund Balance	3	(1,135,129)	4,132,624	5,267,753
0100	Fund Balance - Beginning	21,013,630	21,013,630	21,013,630	--
1300	Prior Period Adjustment	--	--	(292,390)	(292,390)
0100	Fund Balance - Beginning, as Restated	21,013,630	21,013,630	20,721,240	(292,390)
3000	Fund Balance - Ending	\$ 21,013,633	\$ 19,878,501	\$ 24,853,864	\$ 4,975,363

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE
SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Measurement Year **								
	2022	2021	2020	2019	2018	2017	2016	2015	2014
District's proportion of the net pension liability (asset)	0.0235158619%	0.0237918537%	0.0247497392%	0.0287688093%	0.0028821629%	0.0280221638%	0.0283705437%	0.0304815000%	0.0188496000%
District's proportionate share of the net pension liability (asset)	\$ 13,960,762	\$ 6,058,943	\$ 13,255,455	\$ 14,954,926	\$ 15,897,443	\$ 8,959,978	\$ 10,720,807	\$ 10,774,805	\$ 5,034,989
State's proportionate share of the net pension liability (asset) associated with the District	26,597,488	12,193,519	26,630,210	25,525,645	27,875,884	16,695,553	20,377,501	19,389,552	16,784,837
Total	<u>\$ 40,558,250</u>	<u>\$ 18,252,462</u>	<u>\$ 39,885,665</u>	<u>\$ 40,480,571</u>	<u>\$ 43,773,327</u>	<u>\$ 25,655,531</u>	<u>\$ 31,098,308</u>	<u>\$ 30,164,357</u>	<u>\$ 21,819,826</u>
District's covered-employee payroll	\$ 34,733,724	\$ 33,904,751	\$ 34,757,111	\$ 33,929,225	\$ 33,418,098	\$ 32,484,089	\$ 31,738,124	\$ 30,882,806	\$ 29,624,876
District's proportionate share of the net pension liability (asset) as a percentage of its covered-employee payroll	40.19%	17.87%	38.14%	44.08%	47.57%	27.58%	33.78%	34.89%	17.00%
Plan fiduciary net position as a percentage of the total pension liability	75.62%	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	Q

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** 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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
LAST TEN FISCAL YEARS *

	Fiscal Year								
	2023	2022	2021	2020	2019	2018	2017	2016	2015
Contractually required contribution	\$ 1,233,032	\$ 1,097,167	\$ 1,014,775	\$ 1,349,939	\$ 1,006,268	\$ 985,334	\$ 918,043	\$ 899,835	\$ 891,847
Contributions in relation to the contractually required contribution	(1,233,032)	(1,097,167)	(1,014,775)	(1,349,939)	(1,006,268)	(985,334)	(918,043)	(899,835)	(891,847)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 36,574,356	\$ 34,733,724	\$ 33,904,751	\$ 34,751,111	\$ 33,929,225	\$ 33,418,098	\$ 32,848,089	\$ 31,738,124	\$ 30,882,808
Contributions as a percentage of covered-employee payroll	3.00%	3.16%	2.99%	3.88%	2.97%	2.95%	2.79%	2.84%	2.89%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information for those years for which information is available.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S PROPORTIONATE

SHARE OF THE NET OPEB LIABILITY

TEACHER RETIREMENT SYSTEM OF TEXAS

LAST TEN FISCAL YEARS *

	Measurement Year **					
	2022	2021	2020	2019	2018	2017
District's proportion of the collective net OPEB liability	0.0363993839%	0.0367215877%	0.0389781271%	0.0414736342%	0.0411611351%	0.0405777162%
District's proportionate share of the collective net OPEB liability	\$ 8,715,470	\$ 14,165,157	\$ 14,817,346	\$ 19,613,389	\$ 20,552,132	\$ 17,645,727
State proportionate share of the collective net OPEB liability associated with the District	\$ 10,631,505	\$ 18,978,154	\$ 19,910,962	\$ 26,061,808	\$ 28,371,508	\$ 25,404,198
Total	<u>\$ 19,346,975</u>	<u>\$ 33,143,311</u>	<u>\$ 34,728,308</u>	<u>\$ 45,675,197</u>	<u>\$ 48,923,640</u>	<u>\$ 43,049,925</u>
District's covered-employee payroll	\$ 34,733,724	\$ 33,904,751	\$ 34,757,111	\$ 33,929,225	\$ 33,418,098	\$ 32,464,089
District's proportionate share of the net OPEB liability as a percentage of its covered-employee payroll	25.09%	41.78%	42.63%	57.81%	61.50%	54.35%
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the information only for those years for which information is available.

** 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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS

TEACHER RETIREMENT SYSTEM OF TEXAS

LAST TEN FISCAL YEARS *

	Fiscal Year					
	2023	2022	2021	2020	2019	2018
Statutorily or contractually required District contribution	\$ 306,756	\$ 299,098	\$ 288,504	\$ 296,224	\$ 293,777	\$ 280,898
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(306,756)	(299,098)	(288,504)	(296,224)	(293,777)	(280,898)
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered-employee payroll	\$ 36,574,356	\$ 34,733,724	\$ 33,904,751	\$ 34,757,111	\$ 33,929,225	\$ 33,418,098
Contributions as a percentage of covered-employee payroll	0.84%	0.86%	0.85%	0.85%	0.87%	0.84%

* This schedule is presented to illustrate the requirement to show information for 10 years. However, until a full 10-year trend is compiled, this schedule provides the years for which information is available.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION FOR THE YEAR ENDED AUGUST 31, 2023

Budget

The official budget was prepared for adoption for all Governmental Fund Types. The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data.:

- a. Prior to August 21 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

Once a budget is approved, it can be amended at function and fund level only by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings.

Each amendment must have Board approval. Such amendments are made before the fact, are reflected in the official minutes of the Board and are not made after fiscal year end as required by law.

Each amendment is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year end.

Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at August 31, and encumbrances outstanding at that time are to be either cancelled or appropriately provided for in the subsequent year's budget. There were no end-of-year outstanding encumbrances that were provided for in the subsequent year's budget.

Defined Benefit Pension Plan

Changes of benefit terms

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

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total pension liability during the measurement period.

Other Post-Employment Benefit Plan

Changes of benefit terms

There were no changes of benefit terms that affected measurement of the total OPEB liability during the measurement period.

Changes of assumptions

There were no changes of assumptions or other inputs that affected measurement of the total OPEB liability during the measurement period.

*Combining Statements and Budget Comparisons
as Supplementary Information*

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR GOVERNMENTAL FUNDS
AUGUST 31, 2023

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-1)
ASSETS:			
1110 Cash and Cash Equivalents	\$ 639,640	\$ 2,307,945	\$ 2,947,585
1225 Taxes Receivable, Net	--	53,703	53,703
1240 Due from Other Governments	2,532,826	--	2,532,826
1260 Due from Other Funds	48,678	59,173	107,851
1300 Inventories	235,299	--	235,299
1000 Total Assets	<u>3,456,443</u>	<u>2,420,821</u>	<u>5,877,264</u>
LIABILITIES:			
Current Liabilities:			
2110 Accounts Payable	\$ 57,048	\$ --	\$ 57,048
2160 Accrued Wages Payable	115,775	--	115,775
2170 Due to Other Funds	15,254	--	15,254
2180 Due to Other Governments	3,238	--	3,238
2300 Unearned Revenue	271,177	--	271,177
2000 Total Liabilities	<u>462,492</u>	<u>--</u>	<u>462,492</u>
DEFERRED INFLOWS OF RESOURCES:			
Deferred Revenue	--	53,703	53,703
2600 Total Deferred Inflows of Resources	<u>--</u>	<u>53,703</u>	<u>53,703</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410 Inventories	235,299	--	235,299
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	1,830,099	--	1,830,099
3480 Retirement of Long-Term Debt	--	2,367,118	2,367,118
3490 Other Restrictions of Fund Balance	928,553	--	928,553
3000 Total Fund Balances	<u>2,993,951</u>	<u>2,367,118</u>	<u>5,361,069</u>
4000 Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 3,456,443</u>	<u>\$ 2,420,821</u>	<u>\$ 5,877,264</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Special Revenue Funds	Debt Service Fund	Total Nonmajor Governmental Funds (See Exhibit C-2)
REVENUES:			
5700 Local and Intermediate Sources	\$ 2,225,298	\$ 3,168,181	\$ 5,393,479
5800 State Program Revenues	589,482	125,954	715,436
5900 Federal Program Revenues	8,501,288	--	8,501,288
5020 Total Revenues	<u>11,316,068</u>	<u>3,294,135</u>	<u>14,610,203</u>
EXPENDITURES:			
Current:			
0011 Instruction	4,787,076	--	4,787,076
0012 Instructional Resources and Media Services	150,394	--	150,394
0013 Curriculum and Staff Development	160,015	--	160,015
0021 Instructional Leadership	162,447	--	162,447
0023 School Leadership	67,468	--	67,468
0031 Guidance, Counseling, and Evaluation Services	539,329	--	539,329
0032 Social Work Services	1,527	--	1,527
0033 Health Services	93,334	--	93,334
0034 Student Transportation	28,036	--	28,036
0035 Food Service	3,806,389	--	3,806,389
0036 Cocurricular/Extracurricular Activities	662,398	--	662,398
0041 General Administration	16,655	--	16,655
0051 Facilities Maintenance and Operations	48,272	--	48,272
0052 Security and Monitoring Services	22,854	--	22,854
0053 Data Processing Services	5,432	--	5,432
0061 Community Services	16,976	--	16,976
0071 Principal on Long-term Debt	79,740	1,545,000	1,624,740
0072 Interest on Long-term Debt	1,116	1,179,496	1,180,612
0073 Bond Issuance Costs and Fees	--	500	500
0093 Payments to Shared Service Arrangements	48,609	--	48,609
6030 Total Expenditures	<u>10,698,067</u>	<u>2,724,996</u>	<u>13,423,063</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	618,001	569,139	1,187,140
1200 Net Change in Fund Balances	<u>618,001</u>	<u>569,139</u>	<u>1,187,140</u>
0100 Fund Balances - Beginning	2,456,714	1,797,979	4,254,693
1300 Prior Period Adjustment	(80,764)	--	(80,764)
Fund Balances - Beginning, as Restated	2,375,950	1,797,979	4,173,929
3000 Fund Balances - Ending	<u>\$ 2,993,951</u>	<u>\$ 2,367,118</u>	<u>\$ 5,361,069</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2023

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
ASSETS:				
1110 Cash and Cash Equivalents	\$ (305,152)	\$ (416,381)	\$ (3,310)	\$ 1,731,741
1240 Due from Other Governments	306,447	458,111	3,310	223,101
1260 Due from Other Funds	--	--	--	--
1300 Inventories	--	--	--	235,299
1000 Total Assets	<u>1,295</u>	<u>41,730</u>	<u>--</u>	<u>2,190,141</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 1,295	\$ 38,765	\$ --	\$ 8,968
2160 Accrued Wages Payable	--	--	--	115,775
2170 Due to Other Funds	--	--	--	--
2180 Due to Other Governments	--	2,965	--	--
2300 Unearned Revenue	--	--	--	--
2000 Total Liabilities	<u>1,295</u>	<u>41,730</u>	<u>--</u>	<u>124,743</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410 Inventories	--	--	--	235,299
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	--	1,830,099
3490 Other Restrictions of Fund Balance	--	--	--	--
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>	<u>2,065,398</u>
4000 Total Liabilities and Fund Balances	<u>\$ 1,295</u>	<u>\$ 41,730</u>	<u>\$ --</u>	<u>\$ 2,190,141</u>

55

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2023

Data Control Codes		288 OAA Ocean Acidification Grant	289 Title IV Part A Subpart 1	397 Advanced Placement Incentives
ASSETS:				
1110	Cash and Cash Equivalents	\$ (4,288)	\$ 3,191	\$ 6,494
1240	Due from Other Governments	4,470	--	--
1260	Due from Other Funds	--	--	--
1300	Inventories	--	--	--
1000	Total Assets	<u>182</u>	<u>3,191</u>	<u>6,494</u>
LIABILITIES:				
Current Liabilities:				
2110	Accounts Payable	\$ 182	\$ --	\$ --
2160	Accrued Wages Payable	--	--	--
2170	Due to Other Funds	--	--	--
2180	Due to Other Governments	--	273	--
2300	Unearned Revenue	--	2,918	6,494
2000	Total Liabilities	<u>182</u>	<u>3,191</u>	<u>6,494</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3410	Inventories	--	--	--
Restricted Fund Balances:				
3450	Federal/State Funds Grant Restrictions	--	--	--
3490	Other Restrictions of Fund Balance	--	--	--
3000	Total Fund Balances	<u>--</u>	<u>--</u>	<u>--</u>
4000	Total Liabilities and Fund Balances	<u>\$ 182</u>	<u>\$ 3,191</u>	<u>\$ 6,494</u>

410 State Textbook Fund	429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Flour Bluff Foundation
\$ 25,354	\$ 145,213	\$ 890,273	\$ 11,306
7,646	84,676	--	--
--	--	48,678	--
--	--	--	--
<u>33,000</u>	<u>229,889</u>	<u>938,951</u>	<u>11,306</u>
\$ --	\$ 1,050	\$ 6,788	\$ --
--	--	--	--
--	338	14,916	--
--	--	--	--
33,000	228,501	--	--
<u>33,000</u>	<u>229,889</u>	<u>21,704</u>	<u>--</u>
--	--	--	--
--	--	--	--
--	--	917,247	11,306
--	--	<u>917,247</u>	<u>11,306</u>
\$ <u>33,000</u>	\$ <u>229,889</u>	\$ <u>938,951</u>	\$ <u>11,306</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET
 NONMAJOR SPECIAL REVENUE FUNDS
 AUGUST 31, 2023

Data Control Codes	485 Ed Rachal Foundation	499 TAMU Work- Based Learning Project	Total Nonmajor Special Revenue Funds (See Exhibit H-1)
ASSETS:			
1110 Cash and Cash Equivalents	\$ 116	\$ 148	\$ 639,640
1240 Due from Other Governments	--	--	2,532,826
1260 Due from Other Funds	--	--	48,678
1300 Inventories	--	--	235,299
1000 Total Assets	<u>116</u>	<u>148</u>	<u>3,456,443</u>
LIABILITIES:			
Current Liabilities:			
2110 Accounts Payable	\$ --	\$ --	\$ 57,048
2160 Accrued Wages Payable	--	--	115,775
2170 Due to Other Funds	--	--	15,254
2180 Due to Other Governments	--	--	3,238
2300 Unearned Revenue	<u>116</u>	<u>148</u>	<u>271,177</u>
2000 Total Liabilities	<u>116</u>	<u>148</u>	<u>462,492</u>
FUND BALANCES:			
Nonspendable Fund Balances:			
3410 Inventories	--	--	235,299
Restricted Fund Balances:			
3450 Federal/State Funds Grant Restrictions	--	--	1,830,099
3490 Other Restrictions of Fund Balance	--	--	928,553
3000 Total Fund Balances	<u>--</u>	<u>--</u>	<u>2,993,951</u>
4000 Total Liabilities and Fund Balances	<u>\$ 116</u>	<u>\$ 148</u>	<u>\$ 3,456,443</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	211 ESEA Title I Improving Basic Programs	224 IDEA-B Formula	225 IDEA-B Preschool Grant	240 National School Breakfast/Lunch Program
REVENUES:				
5700 Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ 1,439,193
5800 State Program Revenues	--	--	--	14,573
5900 Federal Program Revenues	1,060,820	1,369,983	14,187	2,855,906
5020 Total Revenues	<u>1,060,820</u>	<u>1,369,983</u>	<u>14,187</u>	<u>4,309,672</u>
EXPENDITURES:				
Current:				
0011 Instruction	866,147	661,881	14,187	--
0012 Instructional Resources and Media Services	124,628	--	--	--
0013 Curriculum and Staff Development	43,671	55,292	--	--
0021 Instructional Leadership	3,049	133,291	--	--
0023 School Leadership	6,112	--	--	--
0031 Guidance, Counseling, and Evaluation Services	1,000	470,910	--	--
0032 Social Work Services	--	--	--	--
0033 Health Services	--	--	--	--
0034 Student Transportation	--	--	--	--
0035 Food Service	--	--	--	3,765,054
0036 Cocurricular/Extracurricular Activities	--	--	--	--
0041 General Administration	--	--	--	--
0051 Facilities Maintenance and Operations	--	--	--	--
0052 Security and Monitoring Services	--	--	--	--
0053 Data Processing Services	--	--	--	--
0061 Community Services	16,213	--	--	--
0071 Principal on Long-term Debt	--	--	--	--
0072 Interest on Long-term Debt	--	--	--	--
0093 Payments to Shared Service Arrangements	--	48,609	--	--
6030 Total Expenditures	<u>1,060,820</u>	<u>1,369,983</u>	<u>14,187</u>	<u>3,765,054</u>
1100 Excess (Deficiency) of Revenues Over (Under)	--	--	--	544,618
1100 Expenditures	--	--	--	544,618
1200 Net Change in Fund Balances	--	--	--	--
0100 Fund Balances - Beginning	--	--	--	1,520,780
1300 Prior Period Adjustment	--	--	--	--
Fund Balances - Beginning, as Restated	--	--	--	1,520,780
3000 Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ 2,065,398</u>

244 Career and Tech Basic Grant	255 ESEA Title II Training & Recruiting	280 American Rescue Plan - Homeless ESSER III	281 ESSER Fund II of the CRRSA Act	282 ESSER Fund III of the American Rescue Plan Act
\$ --	\$ --	\$ --	\$ --	\$ --
--	--	--	--	--
97,206	165,159	25,337	105,875	2,638,004
97,206	165,159	25,337	105,875	2,638,004
95,991	147,673	25,337	67,697	2,256,417
--	--	--	--	7,889
471	12,131	--	11,255	35,443
671	2,006	--	--	22,711
73	349	--	--	38,534
--	3,000	--	26,923	16,764
--	--	--	--	1,527
--	--	--	--	90,535
--	--	--	--	28,036
--	--	--	--	41,335
--	--	--	--	25,886
--	--	--	--	11,606
--	--	--	--	48,272
--	--	--	--	6,854
--	--	--	--	5,432
--	--	--	--	763
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
97,206	165,159	25,337	105,875	2,638,004
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
--	--	--	--	--
\$ --	\$ --	\$ --	\$ --	\$ --

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES
NONMAJOR SPECIAL REVENUE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		284 IDEA-B the American Rescue Plan Act	288 OAA Ocean Acidification Grant	289 Title IV Part A Subpart 1	410 State Textbook Fund
REVENUES:					
5700	Local and Intermediate Sources	\$ --	\$ --	\$ --	\$ --
5800	State Program Revenues	--	--	--	417,469
5900	Federal Program Revenues	68,260	31,930	68,621	--
5020	Total Revenues	<u>68,260</u>	<u>31,930</u>	<u>68,621</u>	<u>417,469</u>
EXPENDITURES:					
Current:					
0011	Instruction	45,110	26,930	67,161	336,613
0012	Instructional Resources and Media Services	--	--	--	--
0013	Curriculum and Staff Development	338	--	686	--
0021	Instructional Leadership	719	--	--	--
0023	School Leadership	--	--	725	--
0031	Guidance, Counseling, and Evaluation Services	20,732	--	--	--
0032	Social Work Services	--	--	--	--
0033	Health Services	--	--	--	--
0034	Student Transportation	--	--	--	--
0035	Food Service	--	--	--	--
0036	Cocurricular/Extracurricular Activities	1,361	--	--	--
0041	General Administration	--	5,000	49	--
0051	Facilities Maintenance and Operations	--	--	--	--
0052	Security and Monitoring Services	--	--	--	--
0053	Data Processing Services	--	--	--	--
0061	Community Services	--	--	--	--
0071	Principal on Long-term Debt	--	--	--	79,740
0072	Interest on Long-term Debt	--	--	--	1,116
0093	Payments to Shared Service Arrangements	--	--	--	--
6030	Total Expenditures	<u>68,260</u>	<u>31,930</u>	<u>68,621</u>	<u>417,469</u>
1100	Excess (Deficiency) of Revenues Over (Under)	--	--	--	--
1100	Expenditures	--	--	--	--
1200	Net Change in Fund Balances	--	--	--	--
0100	Fund Balances - Beginning	--	--	--	80,764
1300	Prior Period Adjustment	--	--	--	(80,764)
	Fund Balances - Beginning, as Restated	--	--	--	--
3000	Fund Balances - Ending	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>

429 State Funded Special Revenue Fund	461 Campus Activity Funds	480 Flour Bluff Foundation	499 TAMU Work- Based Learning Project	Total Nonmajor Special Revenue Funds (See Exhibit H-2)
\$ --	\$ 776,253	\$ --	\$ 9,852	\$ 2,225,298
157,440	--	--	--	589,482
--	--	--	--	8,501,288
<u>157,440</u>	<u>776,253</u>	<u>--</u>	<u>9,852</u>	<u>11,316,068</u>
141,258	24,822	--	9,852	4,787,076
--	17,877	--	--	150,394
--	728	--	--	160,015
--	--	--	--	162,447
182	21,493	--	--	67,468
--	--	--	--	539,329
--	--	--	--	1,527
--	2,799	--	--	93,334
--	--	--	--	28,036
--	--	--	--	3,806,389
--	635,151	--	--	662,398
--	--	--	--	16,655
--	--	--	--	48,272
16,000	--	--	--	22,854
--	--	--	--	5,432
--	--	--	--	16,976
--	--	--	--	79,740
--	--	--	--	1,116
--	--	--	--	48,609
<u>157,440</u>	<u>702,870</u>	<u>--</u>	<u>9,852</u>	<u>10,698,067</u>
--	73,383	--	--	618,001
--	73,383	--	--	618,001
--	843,864	11,306	--	2,456,714
--	--	--	--	(80,764)
--	843,864	11,306	--	2,375,950
<u>\$ --</u>	<u>\$ 917,247</u>	<u>\$ 11,306</u>	<u>\$ --</u>	<u>\$ 2,993,951</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-5

CAPITAL PROJECTS
CAPITAL PROJECTS FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ --	\$ 18,459	\$ 18,459
5020	Total Revenues	<u>--</u>	<u>18,459</u>	<u>18,459</u>
	EXPENDITURES:			
	Current:			
	Instruction and Instructional Related Services:			
0011	Instruction	29,150	29,145	5
	Total Instruction and Instr. Related Services	<u>29,150</u>	<u>29,145</u>	<u>5</u>
	Student Support Services:			
0034	Student Transportation	623,620	623,620	--
	Total Student Support Services	<u>623,620</u>	<u>623,620</u>	<u>--</u>
	Support Services:			
0051	Facilities Maintenance and Operations	17,870	15,000	2,870
	Total Support Services	<u>17,870</u>	<u>15,000</u>	<u>2,870</u>
	Capital Outlay:			
0081	Facilities Acquisition and Construction	7,264,089	5,007,754	2,256,335
	Total Capital Outlay	<u>7,264,089</u>	<u>5,007,754</u>	<u>2,256,335</u>
6030	Total Expenditures	<u>7,934,729</u>	<u>5,675,519</u>	<u>2,259,210</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	(7,934,729)	(5,657,060)	2,277,669
1200	Net Change in Fund Balance	<u>(7,934,729)</u>	<u>(5,657,060)</u>	<u>2,277,669</u>
0100	Fund Balance - Beginning	7,748,600	7,748,600	--
3000	Fund Balance - Ending	<u>\$ (186,129)</u>	<u>\$ 2,091,540</u>	<u>\$ 2,277,669</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

AUGUST 31, 2023

Data Control Codes	752 Print Shop Fund	753 Insurance Fund	754 Worker's Comp Insurance Fund	Total Internal Service Funds (See Exhibit D-1)
ASSETS:				
Current Assets:				
1110 Cash and Cash Equivalents	\$ (36,317)	\$ 1,433,012	\$ 300,269	\$ 1,696,964
Receivables:				
1260 Due from Other Funds	60	23	--	83
1290 Other Receivables (net)	3,603	--	--	3,603
Total Current Assets	<u>(32,654)</u>	<u>1,433,035</u>	<u>300,269</u>	<u>1,700,650</u>
Noncurrent Assets:				
Capital Assets:				
1530 Furniture and Equipment	322,529	--	--	322,529
1570 Accumulated Depreciation	<u>(303,927)</u>	<u>--</u>	<u>--</u>	<u>(303,927)</u>
Total Noncurrent Assets	<u>18,602</u>	<u>--</u>	<u>--</u>	<u>18,602</u>
1000 Total Assets	<u>(14,052)</u>	<u>1,433,035</u>	<u>300,269</u>	<u>1,719,252</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 5,115	\$ --	\$ --	\$ 5,115
2123 Other Liabilities	--	246,000	109,245	355,245
2170 Due to Other Funds	--	164,239	--	164,239
Total Current Liabilities	<u>5,115</u>	<u>410,239</u>	<u>109,245</u>	<u>524,599</u>
2000 Total Liabilities	<u>5,115</u>	<u>410,239</u>	<u>109,245</u>	<u>524,599</u>
NET POSITION:				
3900 Unrestricted	(19,167)	1,022,796	191,024	1,194,653
3000 Total Net Position	<u>\$ (19,167)</u>	<u>\$ 1,022,796</u>	<u>\$ 191,024</u>	<u>\$ 1,194,653</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF REVENUES, EXPENSES,
AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		752 Print Shop Fund	753 Insurance Fund	754 Worker's Comp Insurance Fund	Total Internal Service Funds (See Exhibit D-2)
OPERATING REVENUES:					
5700	Local and Intermediate Sources	\$ 257,830	\$ 4,085,289	\$ 232,018	\$ 4,575,137
5020	Total Revenues	<u>257,830</u>	<u>4,085,289</u>	<u>232,018</u>	<u>4,575,137</u>
OPERATING EXPENSES:					
6100	Payroll Costs	181,995	--	--	181,995
6200	Professional and Contracted Services	96,157	--	--	96,157
6300	Supplies and Materials	24,497	--	--	24,497
6400	Other Operating Costs	4,927	3,907,905	226,562	4,139,394
6030	Total Expenses	<u>307,576</u>	<u>3,907,905</u>	<u>226,562</u>	<u>4,442,043</u>
1300	Change in Net Position	(49,746)	177,384	5,456	133,094
0100	Total Net Position - Beginning	30,579	845,412	185,568	1,061,559
3300	Total Net Position - Ending	<u>\$ (19,167)</u>	<u>\$ 1,022,796</u>	<u>\$ 191,024</u>	<u>\$ 1,194,653</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2023

	752 Print Shop Fund	753 Insurance Fund	754 Worker's Comp Insurance Fund	Total Internal Service Funds (See Exhibit D-3)
Cash Flows from Operating Activities:				
Cash Received from Customers	\$ --	\$ --	\$ --	\$ --
Cash Received from Grants	--	--	--	--
Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds	257,770	4,376,658	232,018	4,866,446
Cash Payments to Employees	(181,995)	--	--	(181,995)
Cash Payments to Suppliers for Goods and Services	(120,267)	(3,926,983)	(164,786)	(4,212,036)
Cash Payments for Grants to Other Organizations	--	--	--	--
Other Operating Cash Receipts (Payments)	--	--	--	--
Net Cash Provided (Used) by Operating Activities	(44,492)	449,675	67,232	472,415
Cash Flows from Non-capital Financing Activities:				
Net Cash Provided (Used) by Non-capital Financing Activities	--	--	--	--
Cash Flows from Capital and Related Financing Activities:				
Contributed Capital	--	--	--	--
Net Cash Provided (Used) for Capital and Related Financing Activities	--	--	--	--
Cash Flows from Investing Activities:				
Interest and Dividends on Investments	--	--	--	--
Net Cash Provided (Used) for Investing Activities	--	--	--	--
Net Increase (Decrease) in Cash and Cash Equivalents	(44,492)	449,675	67,232	472,415
Cash and Cash Equivalents at Beginning of Year	8,175	983,337	233,037	1,224,549
Cash and Cash Equivalents at End of Year	\$ (36,317)	\$ 1,433,012	\$ 300,269	\$ 1,696,964
Reconciliation of Operating Income to Net Cash Provided by Operating Activities:				
Operating Income (Loss)	\$ (49,746)	\$ 177,384	\$ 5,456	\$ 133,094
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities				
Depreciation	199	--	--	199
Change in Assets and Liabilities:				
Decrease (Increase) in Receivables	(60)	291,369	--	291,309
Decrease (Increase) in Inventories	--	--	--	--
Decrease (Increase) in Prepaid Expenses	--	--	--	--
Increase (Decrease) in Accounts Payable	5,115	(22,000)	61,776	44,891
Increase (Decrease) in Payroll Deductions	--	--	--	--
Increase (Decrease) in Interfund Payables	--	2,922	--	2,922
Increase (Decrease) in Accrued Expenses	--	--	--	--
Increase (Decrease) in Unearned Revenue	--	--	--	--
Total Adjustments	5,254	272,291	61,776	339,321
Net Cash Provided (Used) by Operating Activities	\$ (44,492)	\$ 449,675	\$ 67,232	\$ 472,415

Other Supplementary Information

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2023

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2014 and Prior Years	\$	Various	\$	Various	\$	Various
2015		1.04		.1285		2,650,595,002
2016		1.04		.1144		2,744,362,524
2017		1.04		.11		2,967,591,097
2018		1.04		.105		3,122,826,495
2019		1.06		.08		3,171,634,275
2020		.97		.10		3,333,034,262
2021		.9664		.10		3,409,770,660
2022		.9323		.074		3,753,318,586
2023 (School Year Under Audit)		.8846		.074		4,235,036,068
1000 Totals						

EXHIBIT J-1

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
\$ 196,016	\$ --	\$ 11,877	\$ 506	\$ (204,073)	\$ (20,441)
43,021	--	2,067	255	(11,828)	28,871
64,825	--	3,290	362	(124)	61,049
78,555	--	3,386	358	(123)	74,689
93,491	--	8,030	811	(173)	84,478
119,437	--	15,504	1,170	(48)	102,715
152,559	--	27,150	2,799	(531)	122,079
231,867	--	40,112	4,151	(5,446)	182,158
503,571	--	137,380	10,904	(11,304)	343,983
--	40,944,301	35,475,490	2,967,653	(1,962,227)	538,931
<u>\$ 1,483,342</u>	<u>\$ 40,944,301</u>	<u>\$ 35,724,285</u>	<u>\$ 2,988,970</u>	<u>\$ (2,195,877)</u>	<u>\$ 1,518,511</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2023

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 4,237,463
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	\$ 3,994,873
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 104,881
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 18,522

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-3**

NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
REVENUES:				
5700	Local and Intermediate Sources	\$ 664,017	\$ 1,439,193	\$ 775,176
5800	State Program Revenues	76,816	14,573	(62,243)
5900	Federal Program Revenues	3,007,216	2,855,906	(151,310)
5020	Total Revenues	<u>3,748,049</u>	<u>4,309,672</u>	<u>561,623</u>
EXPENDITURES:				
Current:				
Student Support Services:				
0035	Food Services	<u>3,793,849</u>	<u>3,765,054</u>	<u>28,795</u>
	Total Student Support Services	<u>3,793,849</u>	<u>3,765,054</u>	<u>28,795</u>
6030	Total Expenditures	<u>3,793,849</u>	<u>3,765,054</u>	<u>28,795</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(45,800)</u>	<u>544,618</u>	<u>590,418</u>
1200	Net Change in Fund Balance	<u>(45,800)</u>	<u>544,618</u>	<u>590,418</u>
0100	Fund Balance - Beginning	1,520,780	1,520,780	--
3000	Fund Balance - Ending	<u>\$ 1,474,980</u>	<u>\$ 2,065,398</u>	<u>\$ 590,418</u>

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

DEBT SERVICE FUND
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	1 Budget	2 Actual	3 Variance Positive (Negative)
REVENUES:			
5700 Local and Intermediate Sources	\$ 2,960,175	\$ 3,168,181	\$ 208,006
5800 State Program Revenues	--	125,954	125,954
5020 Total Revenues	<u>2,960,175</u>	<u>3,294,135</u>	<u>333,960</u>
EXPENDITURES:			
Debt Service:			
0071 Debt Service	837,560	1,545,000	(707,440)
0072 Interest on Long-Term Debt	1,886,937	1,179,496	707,441
0073 Bond Issuance Costs and Fees	2,500	500	2,000
Total Debt Service	<u>2,726,997</u>	<u>2,724,996</u>	<u>2,001</u>
6030 Total Expenditures	<u>2,726,997</u>	<u>2,724,996</u>	<u>2,001</u>
1100 Excess (Deficiency) of Revenues Over (Under)			
1100 Expenditures	233,178	569,139	335,961
1200 Net Change in Fund Balance	<u>233,178</u>	<u>569,139</u>	<u>335,961</u>
0100 Fund Balance - Beginning	1,797,979	1,797,979	--
3000 Fund Balance - Ending	<u>\$ 2,031,157</u>	<u>\$ 2,367,118</u>	<u>\$ 335,961</u>



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

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

Board of Trustees
Flour Bluff Independent School District
2505 Waldron Road
Corpus Christi, Texas 78418

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flour Bluff Independent School District, as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise Flour Bluff Independent School District's basic financial statements, and have issued our report thereon dated January 22, 2024.

Report on Internal Control Over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Respectfully submitted,

A handwritten signature in blue ink that reads "Gowland, Morales & Smith, PLLC". The signature is fluid and cursive, with the company name written in a single line.

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 22, 2024



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

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Independent Auditor's Report on Compliance for Each Major Federal Program and
Report on Internal Control Over Compliance Required by the Uniform Guidance

Board of Trustees
Flour Bluff Independent School District
2505 Waldron Road
Corpus Christi, Texas 78418

Members of the Board of Trustees:

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

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

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

Basis for Opinion on Each Major Federal Program

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

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

Responsibilities of Management for Compliance

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

Auditor's Responsibilities for the Audit of Compliance

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

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

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

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

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

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

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Respectfully submitted,

A handwritten signature in blue ink that reads "Gowland, Morales & Smith, PLLC". The signature is written in a cursive, flowing style.

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 22, 2024

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

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

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

Version of compliance supplement used in audit: May 2023

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? Yes X No

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
<u>School Lunch Program Cluster:</u>	
10.553	School Breakfast Program
10.555	National School Lunch Program
10.555	National School Lunch Program (Non-Cash)
<u>Special Education Cluster:</u>	
84.027	IDEA-B Formula
84.173	IDEA-Part B, Preschool
84.10A	ESEA Title I Part A-Improving Basic Programs

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

Auditee qualified as low-risk auditee? X Yes No

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

B. Financial Statement Findings

NONE

C. Federal Award Findings and Questioned Costs

NONE

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED AUGUST 31, 2023

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2023

NONE REQUIRED - N/A

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT K-1
Page 1 of 2

(1)	(2)	(2A)		(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
CHILD NUTRITION CLUSTER:				
<u>U. S. Department of Agriculture</u>				
Passed Through State Department of Education:				
School Breakfast Program	10.553	71402301	\$ --	\$ 827,605
National School Lunch Program (Non-cash)	10.555	178-914	--	235,993
Supply Chain Assistance Grant	10.555	178-914	--	130,346
National School Lunch Program	10.555	71302301	--	1,661,962
Total ALN Number 10.555			--	2,028,301
Total Passed Through State Department of Education			--	2,855,906
Total U. S. Department of Agriculture			--	2,855,906
Total Child Nutrition Cluster			--	2,855,906
SPECIAL EDUCATION (IDEA) CLUSTER:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
IDEA-B Formula	84.027	2066000117891	--	64
IDEA-Part B, Formula	84.027A	2266000117891	--	96,834
IDEA-Part B, Formula	84.027A	2366000117891	--	22
IDEA-Part B, Formula	84.027A	2366000117891	--	1,334,333
Total ALN Number 84.027A			--	1,431,190
IDEA - Part B, Formula - American Rescue Plan (ARP) Act of 2021	84.027X	2253500117891	--	71,375
IDEA-Part B, Preschool	84.173A	2366100117891	--	14,833
Total Passed Through State Department of Education			--	1,517,462
Total U. S. Department of Education			--	1,517,462
Total Special Education (IDEA) Cluster			--	1,517,462
OTHER PROGRAMS:				
<u>U. S. Department of Education</u>				
Passed Through State Department of Education:				
ESEA Title I Part A - Improving Basic Programs	84.010a	2061010117891	--	14,179
ESEA Title I Part A - Improving Basic Programs	84.010A	2361010117891	--	1,092,864
Total ALN Number 84.010a			--	1,107,043
Impact Aid - P.L. 81.874	84.041	178-914	--	52,425
Career and Technical Education - Basic Grant	84.048A	2342000617891	--	101,600
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	2369450117891	--	172,611
Total ALN Number 84.367a			\$ --	\$ 172,611
Title IV, Part A, Subpart 1	84.424A	2068010117	\$ --	\$ 49
Federally Funded Special Revenue Funds	84.424A	2368010117891	--	71,705
Total ALN Number 84.424A			--	71,754

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

EXHIBIT K-1
Page 2 of 2

(1)	(2)	(2A)	(3)	
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
ESSER Fund II of the CRRSA Act	84.425D	2152100117891	--	138
ESSER Fund II of the CRRSA Act	84.425D	2152100117891	--	16,601
ESSER Fund II of the CRRSA Act	84.425D	2152100117891	--	92,254
Total ALN Number 84.425D			--	108,993
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117891	--	393
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117891	--	509
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117891	--	27,710
ESSER Fund III of the American Rescue Plan Act of 2021	84.425U	2152800117891	--	2,793,063
Total ALN Number 84.425U			--	2,821,675
American Rescue Plan (ARP) Act - Homeless II - Education for Hom	84.425W	2153300217891	--	25,337
Total Passed Through State Department of Education			--	4,461,439
Total U. S. Department of Education			--	4,461,439
<u>National Oceanic and Atmospheric Administration</u>				
Passed Through NONE:				
NOAA Ocean Acidification Grant	11.017	NA220AR01705	--	31,930
Total Passed Through NONE			--	31,930
Total National Oceanic and Atmospheric Administration			--	31,930
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ --	\$ 8,866,737
TOTAL EXPENDITURES OF FEDERAL AWARDS				8,866,737
School Health and Related Services (SHARS)				1,016,580
NJROTC				153,850
TOTAL FEDERAL REVENUE EXHIBIT C-2				10,037,167

The accompanying notes are an integral part of this schedule.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

Basis of Presentation

The accompanying schedule of expenditures of federal awards ("the Schedule") includes the federal grant activity of Flour Bluff Independent School District. The information in the Schedule is presented in accordance with the requirements of Title 2 U.S. *Code of Federal Regulations* (CFR) Part 200 *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* ("Uniform Guidance"). Therefore, some amounts may differ from amounts presented in, or used in the preparation of, the basic financial statements.

Summary of Significant Accounting Policies

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

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

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2023

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	<p>Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments.)</p> <p>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.</p> <p>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.</p>	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?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ 847,330