

**FLOUR BLUFF
INDEPENDENT
SCHOOL DISTRICT**

Annual Financial Report

For the Year Ended August 31, 2024



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

Flour Bluff Independent School District
Annual Financial Report
For The Year Ended August 31, 2024

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Introductory Section

CERTIFICATE OF BOARD

Flour Bluff Independent School District
Name of School District

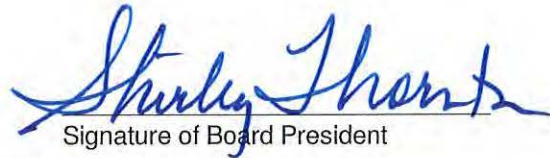
Nueces
County

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, 2024, at a meeting of the board of trustees of such school district on the 14th day of January, 2025.



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

555 N. Carancahua, Suite 1040
Corpus Christi, TX 78401
Telephone: (361) 993-1000
Fax: (361) 991-2880

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, 2024, 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, 2024, 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.

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 4, 2025 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 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

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 4, 2025

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, 2024. Please read it in conjunction with the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

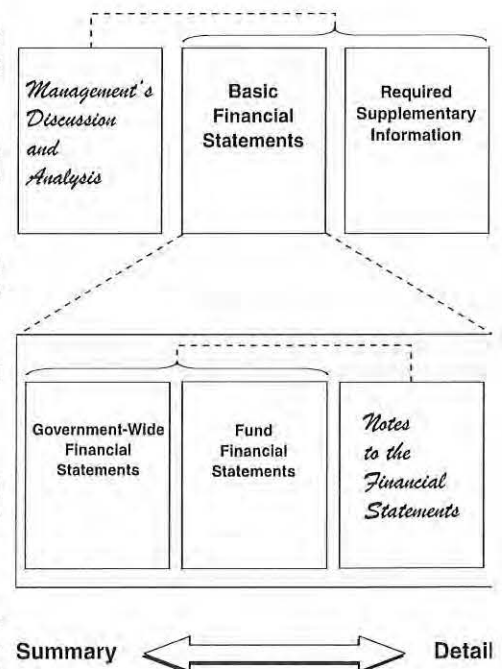
- The District's total combined net position was \$32,231,451 at August 31, 2024. This amounted to a decrease in net position of \$(402,090) from last year's total of \$32,633,541.
- During the year, the District's expenses were \$402,090 more than the \$69,743,898 generated in taxes and other revenues for governmental activities.
- The general fund reported a fund balance this year of \$21,830,525, a net decrease of \$3,023,338.

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.

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



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-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.

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 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 |

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

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 \$32,231,451 August 31, 2024. (See Table A-1)

Table A-1
The District's Net Position

| | Governmental Activities | | Change |
|---------------------------------------|----------------------------|----------------------|---------------------|
| | 2024 | 2023 | |
| Current and Other Assets | \$ 34,033,284 | \$ 39,557,583 | \$ (5,524,299) |
| Capital and Non-Current | 79,830,393 | 81,033,760 | (1,203,367) |
| Total Assets | <u>113,863,677</u> | <u>120,591,343</u> | <u>(6,727,666)</u> |
| Deferred Outflows Related to Pensions | 8,230,859 | 7,902,993 | 327,866 |
| Current Liabilities | 3,277,041 | 5,356,102 | (2,079,061) |
| Noncurrent Liabilities | 71,192,646 | 72,579,632 | (1,386,986) |
| Total Liabilities | <u>74,469,687</u> | <u>77,935,734</u> | <u>(3,466,047)</u> |
| Deferred Inflows Related to Pensions | 15,393,398 | 17,925,063 | (2,531,665) |
| Net Assets Invested in Capital | | | |
| Assets net of related debt | 41,104,001 | 41,307,243 | (203,242) |
| Restricted | 7,194,408 | 7,566,046 | (371,638) |
| Unrestricted | (16,066,958) | (16,239,750) | 172,792 |
| Total Net Position | <u>\$ 32,231,451</u> | <u>\$ 32,633,539</u> | <u>\$ (402,088)</u> |

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 \$41,104,001. The District's restricted net position includes state and federal programs, capital projects, debt service and campus activities. The \$(16,066,958) of unrestricted net position represents resources available for investments, capital projects or programs.

Changes in net position. The District's total revenues were \$69.7 million. A significant portion, 46.9%, of the District's revenue comes from taxes, 19.0% comes from grants and contributions not restricted to specific programs.

The total cost of all programs and services was \$70.1 million; 57.47% 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 \$.6692 as a result of legislative tax compression. The total tax rate of \$.7682 allowed for total tax revenue including taxes collected for the payment of voter-approved bonded indebtedness of \$32,747,103, down from \$38,892,447 in the prior year. The decrease was primarily attributed to the increase in net appraised values and participating in debt defeasance. The district's tax collection rate was 97.76%, slightly higher than the 96.77% last year.

- Total Net Appraised Value totaled \$4,600,817,564 increasing \$365,781,496 from the prior year.

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

| | Governmental Activities | | Total Change | Total Percentage Change |
|---------------------------------------------------------|----------------------------|----------------------|---------------------|-------------------------------|
| | 2024 | 2023 | | |
| Program Revenues: | | | | |
| Charges for Services | \$ 1,203,643 | \$ 1,480,459 | \$ (276,816) | |
| Operating Grants and Contributions | 13,233,764 | 12,409,072 | 824,692 | |
| General Revenues | | | - | |
| Property Taxes | 32,747,103 | 38,892,447 | (6,145,344) | |
| State Aid – Formula | 19,617,208 | 12,883,005 | 6,734,203 | |
| Investment Earnings | 1,997,584 | 1,988,940 | 8,644 | |
| Other | 944,596 | 1,131,205 | (186,609) | |
| Total Revenues | 69,743,898 | 68,785,128 | 958,770 | 1.4% |
| Instruction | 33,734,593 | 31,999,118 | 1,735,475 | |
| Instructional Resources and Media Services | 659,801 | 618,930 | 40,871 | |
| Curriculum Dev. And Instructional Staff Dev. | 336,322 | 320,186 | 16,136 | |
| Instructional Leadership | 1,837,112 | 1,592,414 | 244,698 | |
| School Leadership | 3,242,812 | 2,950,459 | 292,353 | |
| Guidance, Counseling and Evaluation Services | 2,151,784 | 2,002,309 | 149,475 | |
| Social Work Services | 97,458 | 102,366 | (4,908) | |
| Health Services | 495,247 | 537,277 | (42,030) | |
| Student (Pupil) Transportation | 2,065,711 | 2,065,013 | 698 | |
| Food Services | 4,165,375 | 3,870,186 | 295,189 | |
| Curricular/Extracurricular Activities | 3,176,580 | 2,796,226 | 380,354 | |
| General Administration | 2,477,400 | 2,050,501 | 426,899 | |
| Plant Maintenance & Oper. | 9,590,140 | 8,265,876 | 1,324,264 | |
| Security & Monitoring Svcs. | 2,057,835 | 776,885 | 1,280,950 | |
| Data Processing Services | 1,187,973 | 1,084,647 | 103,326 | |
| Community Services | 113,478 | 75,503 | 37,975 | |
| Debt Service | 1,946,156 | 676,302 | 1,269,854 | |
| Bond Issuance Costs and Fees | 500 | 1,300 | (800) | |
| Facilities Acquisition and Construction | 158,621 | 455,446 | (296,825) | |
| Payments Related to Shared Service Arrangements | 60,496 | 48,609 | 11,887 | |
| Payments to Juvenile Justice Alternative Ed. Program | 180,299 | 207,860 | (27,561) | |
| Other Governmental Charges | 410,295 | 434,431 | (24,136) | |
| Total Expenses | 70,145,988 | 62,931,844 | 7,214,144 | 11.5% |
| Change in Net Position | (402,090) | 5,853,284 | (6,255,374) | |
| Net Position Beginning | 32,633,541 | 27,153,411 | 5,480,130 | |
| Prior Period Adjustment | | (373,154) | 373,154 | |
| Net Position Ending | \$ 32,231,451 | \$ 32,633,541 | \$ (402,090) | -1.2% |

Expenses for the District's governmental activities increased by \$7,214,144 for the year ended August 31, 2024. The increase is primarily the result of the use of additional funds from the ESSER III grant and additional security improvements made to the district. Expenses related to Security and Monitoring, 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 \$70,145,988.
- However, the amount that our taxpayers paid for these activities through property taxes was \$32,747,103.
- Some of the cost was paid by those who directly benefited from the programs; \$1,203,643, or by grants and contributions \$13,233,764.

Table A-3
Net Cost of Selected District Functions

| | Total Cost of Services | | % Change | Net Cost of Services | | % Change |
|--------------------------------|------------------------|---------------|----------|----------------------|---------------|----------|
| | 2024 | 2023 | | 2024 | 2023 | |
| Instruction | \$ 33,734,593 | \$ 31,999,118 | 5.4% | 27,609,703 | \$ 23,763,221 | 16.2% |
| School Leadership | 3,242,812 | 2,950,459 | 9.9% | 2,980,637 | 2,646,485 | 12.6% |
| General Administration | 2,477,400 | 2,050,501 | 20.8% | 2,274,486 | 1,847,738 | 23.1% |
| Plant Maintenance & Operations | 9,590,140 | 8,265,876 | 16.0% | 8,785,986 | 9,985,021 | -12.0% |

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Total revenues from governmental fund types decreased approximately \$213,580 from last year. Local revenues decreased by \$6,565,235 from the preceding year, and state revenues increased by \$8,469,995. Federal Program revenue decreased \$2,118,340. The decrease in local revenues is a result of decreasing interest rates, and the statewide voter approved increase to the homestead exemption, and tax rate compression. The increased exemption and tax rate compression generated more funding coming from the state based on the current state funding formulas. Federal funds decreased because of ESSER II ending the prior year 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 \$920,946 or 1.6% below final budget amounts. After all transfers and adjustments were made and capital projects funded, the result was a decrease to fund balance in the amount of \$3,023,338 at fiscal year-end.

Total Revenues were \$314,810 below the final budgeted amount.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

At the end of 2024, the District had invested a net \$79.8 million after depreciation 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 \$2,830,000.

Table A-4
District's Capital Assets

| | Governmental Activities | | Total Change |
|----------------------------------|----------------------------|----------------------|-----------------------|
| | 2024 | 2023 | |
| Land | \$ 2,232,037 | \$ 2,226,537 | \$ 5,500 |
| Buildings and improvements | 114,522,580 | 112,801,913 | 1,720,667 |
| Construction in Progress | 1,571,193 | 1,314,438 | 256,755 |
| Right-to-Use Subscription assets | 148,222 | 148,222 | - |
| Furniture and Equipment | 12,772,201 | 11,925,123 | 847,078 |
| Totals at historical cost | <u>131,246,233</u> | <u>128,416,233</u> | <u>2,830,000</u> |
| Total accumulated depreciation | <u>51,415,841</u> | <u>47,382,473</u> | <u>4,033,368</u> |
| Net capital assets | <u>\$ 79,830,392</u> | <u>\$ 81,033,760</u> | <u>\$ (1,203,368)</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 \$46,858,668 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 | |
|--------------------------------------|----------------------------|----------------------|
| | 2024 | 2023 |
| Compensated Absences | 238,924 | 208,660 |
| Premium | 191,289 | 201,357 |
| Accretion on CAB Bonds | 0 | 847,330 |
| Deferred loss on defeasance of bonds | (776,545) | (817,416) |
| Subscription Liability | 0 | 68,482 |
| Notes Payable | 8,045,000 | 8,650,000 |
| Bonds payable | <u>\$ 39,160,000</u> | <u>\$ 40,744,986</u> |
| | <u>46,858,668</u> | <u>49,903,399</u> |
| Less current portion | <u>2,155,000</u> | <u>1,355,908</u> |
| Due in More than one Year | <u>\$ 44,703,668</u> | <u>\$ 48,547,491</u> |
| Net Pension Liability | <u>\$ 16,500,950</u> | <u>\$ 13,960,762</u> |
| Net OPEB Liability | <u>\$ 7,833,028</u> | <u>\$ 8,715,470</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 2024-2025 budget for the General Fund was approved by the Board of Trustees on August 29, 2024. The 2024-2025 budget was as follows: Revenues of \$55,839,155 and expenditures of \$57,295,797.

Factors that contributed to the 2024-2025 revenue budget are as follows:

- Appraisal property values were up \$254 million or 5.4% from prior year.
- Revenue was estimated using a decrease in student enrollment and average daily attendance (ADA). The projected ADA used for budgeting purposes is 5,220.
- The tax rate for Maintenance and Operations decreased from \$0.6692 to \$0.6669, and Interest and Sinking stayed the same from \$0.0990 to \$0.0990 due to the Board of Trustees approving a defeasance program to pay debt off early. The total tax rate decreased from \$0.7682 to \$0.7659.
- Interest rate revenue was budgeted for conservatively due to the high return recently and anticipating a decrease in interest rates soon.
- Federal revenue for the SHARS program were decreased dramatically due to the changes HHSC is implementing as the anticipated revenues will be decreased significantly compared to prior years. The Impact Aid program was budgeted for conservatively as a lack of participation in the application process has been seen over a trend.

Factors that contributed to the 2024-2025 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 2% pay increase plus market adjustments according to a TASB study. The new starting pay for teachers increased from \$51,300 to \$52,000. In addition, to approving a 2% raise plus market adjustments, a retention payment per employee of \$1,000 was also approved by the Board of Trustees
- 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 \$500 to \$550 per month.

If these estimates are realized, the District's budgetary general fund balance would decrease \$1,456,642. 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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
AUGUST 31, 2024

| Data Control Codes | 1 | Governmental Activities |
|----------------------------------------|---------------------------------------------|----------------------------|
| ASSETS: | | |
| 1110 | <i>Cash and Cash Equivalents</i> | \$ 25,994,220 |
| 1225 | <i>Property Taxes Receivable (Net)</i> | 689,872 |
| 1240 | <i>Due from Other Governments</i> | 5,302,914 |
| 1290 | <i>Other Receivables (Net)</i> | 6,161 |
| 1300 | <i>Inventories</i> | 230,819 |
| 1410 | <i>Unrealized Expenses</i> | 1,809,298 |
| Capital Assets: | | |
| 1510 | <i>Land</i> | 2,232,038 |
| 1520 | <i>Buildings and Improvements, Net</i> | 72,364,453 |
| 1530 | <i>Furniture and Equipment, Net</i> | 3,662,709 |
| 1580 | <i>Construction in Progress</i> | 1,571,193 |
| 1000 | Total Assets | <u>113,863,677</u> |
| DEFERRED OUTFLOWS OF RESOURCES: | | |
| | <i>Deferred Outflow Related to Pensions</i> | 6,252,668 |
| | <i>Deferred Outflow Related to OPEB</i> | 1,978,191 |
| 1700 | Total Deferred Outflows of Resources | <u>8,230,859</u> |
| LIABILITIES: | | |
| 2110 | <i>Accounts Payable</i> | 174,381 |
| 2165 | <i>Accrued Liabilities</i> | 2,727,882 |
| 2180 | <i>Due to Other Governments</i> | 234,438 |
| 2300 | <i>Unearned Revenue</i> | 140,340 |
| Noncurrent Liabilities: | | |
| 2501 | <i>Due Within One Year</i> | 2,155,000 |
| 2502 | <i>Due in More Than One Year</i> | 44,703,668 |
| 2540 | <i>Net Pension Liability</i> | 16,500,950 |
| 2545 | <i>Net OPEB Liability</i> | 7,833,028 |
| 2000 | Total Liabilities | <u>74,469,687</u> |
| DEFERRED INFLOWS OF RESOURCES: | | |
| | <i>Deferred Inflow Related to Pensions</i> | 1,540,837 |
| | <i>Deferred Inflow Related to OPEB</i> | 13,852,561 |
| 2600 | Total Deferred Inflows of Resources | <u>15,393,398</u> |
| NET POSITION: | | |
| 3200 | Net Investment in Capital Assets | 41,104,001 |
| Restricted For: | | |
| 3820 | State and Federal Programs | 1,713,421 |
| 3850 | Debt Service | 2,956,576 |
| 3860 | Capital Projects | 1,577,524 |
| 3870 | Campus Activities | 946,887 |
| 3900 | Unrestricted | (16,066,958) |
| 3000 | Total Net Position | <u>\$ 32,231,451</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, 2024

| Data Control Codes | Functions/Programs | 1 Expenses | 3 Program Revenues | | 4 Operating Grants and Contributions | Net (Expense) Revenue and Changes in Net Position |
|--------------------|-------------------------------------------------------|----------------------|-----------------------|-------------------------|-----------------------------------------|---------------------------------------------------|
| | | | Charges for Services | Governmental Activities | | |
| | Governmental Activities: | | | | | |
| 11 | Instruction | \$ 33,734,593 | \$ 11,319 | \$ 6,113,571 | \$ (27,609,703) | |
| 12 | Instructional Resources and Media Services | 659,801 | 336 | 91,363 | (568,102) | |
| 13 | Curriculum and Staff Development | 336,322 | 71 | 144,437 | (191,814) | |
| 21 | Instructional Leadership | 1,837,112 | 602 | 360,318 | (1,476,192) | |
| 23 | School Leadership | 3,242,812 | 1,774 | 260,401 | (2,980,637) | |
| 31 | Guidance, Counseling, and Evaluation Services | 2,151,784 | 642 | 619,581 | (1,531,561) | |
| 32 | Social Work Services | 97,458 | 19 | 2,370 | (95,069) | |
| 33 | Health Services | 495,247 | 259 | 37,931 | (457,057) | |
| 34 | Student Transportation | 2,065,711 | 1,087 | 163,860 | (1,900,764) | |
| 35 | Food Service | 4,165,375 | 966,470 | 2,904,447 | (294,458) | |
| 36 | Cocurricular/Extracurricular Activities | 3,176,580 | 203,974 | 41,686 | (2,930,920) | |
| 41 | General Administration | 2,477,400 | 1,344 | 201,570 | (2,274,486) | |
| 51 | Facilities Maintenance and Operations | 9,590,140 | 5,139 | 799,015 | (8,785,986) | |
| 52 | Security and Monitoring Services | 2,057,835 | 9,812 | 955,591 | (1,092,432) | |
| 53 | Data Processing Services | 1,187,973 | 640 | 98,751 | (1,088,582) | |
| 61 | Community Services | 113,478 | 54 | 22,452 | (90,972) | |
| 72 | Interest on Long-term Debt | 1,946,156 | -- | 336,107 | (1,610,049) | |
| 73 | Bond Issuance Costs and Fees | 500 | -- | -- | (500) | |
| 81 | Capital Outlay | 158,621 | -- | -- | (158,621) | |
| 93 | Payments Related to Shared Services Arrangements | 60,496 | -- | 64,253 | 3,757 | |
| 95 | Payments to Juvenile Justice Alternative Ed. Programs | 180,299 | 101 | 16,060 | (164,138) | |
| 99 | Other Intergovernmental Charges | 410,295 | -- | -- | (410,295) | |
| TG | Total Governmental Activities | <u>70,145,988</u> | <u>1,203,643</u> | <u>13,233,764</u> | <u>(55,708,581)</u> | |
| TP | Total Primary Government | <u>\$ 70,145,988</u> | <u>\$ 1,203,643</u> | <u>\$ 13,233,764</u> | <u>(55,708,581)</u> | |
| | General Revenues: | | | | | |
| MT | Property Taxes, Levied for General Purposes | | | | 28,533,138 | |
| DT | Property Taxes, Levied for Debt Service | | | | 4,213,965 | |
| IE | Investment Earnings | | | | 1,997,584 | |
| SF | State Aid-Formula Grants | | | | 19,617,208 | |
| MI | Miscellaneous | | | | 944,596 | |
| TR | Total General Revenues | | | | <u>55,306,491</u> | |
| CN | Change in Net Position | | | | <u>(402,090)</u> | |
| NB | Net Position - Beginning | | | | 32,633,541 | |
| NE | Net Position - Ending | | | | <u>\$ 32,231,451</u> | |

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2024

| Data Control Codes | 10 General Fund | 60 Capital Projects Fund | onmf Other Governmental Funds | 98 Total Governmental Funds | |
|-------------------------------------------------------------------|----------------------------------------|-----------------------------|----------------------------------|--------------------------------|---------------|
| ASSETS: | | | | | |
| 1110 | Cash and Cash Equivalents | \$ 20,199,603 | \$ 1,616,952 | \$ 2,483,013 | \$ 24,299,568 |
| 1225 | Taxes Receivable, Net | 630,314 | -- | 59,558 | 689,872 |
| 1240 | Due from Other Governments | 2,602,152 | -- | 2,700,762 | 5,302,914 |
| 1260 | Due from Other Funds | 253,383 | -- | 443,958 | 697,341 |
| 1290 | Other Receivables | 2,559 | -- | -- | 2,559 |
| 1300 | Inventories | 28,221 | -- | 202,598 | 230,819 |
| 1410 | Unrealized Expenditures | 1,809,298 | -- | -- | 1,809,298 |
| 1000 | Total Assets | 25,525,530 | 1,616,952 | 5,889,889 | 33,032,371 |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ 118,904 | \$ 39,428 | \$ 15,501 | \$ 173,833 |
| 2150 | Payroll Deductions and Withholdings | 164,881 | -- | -- | 164,881 |
| 2160 | Accrued Wages Payable | 2,086,456 | -- | 84,408 | 2,170,864 |
| 2170 | Due to Other Funds | 462,979 | -- | 67,445 | 530,424 |
| 2180 | Due to Other Governments | 231,471 | -- | 2,967 | 234,438 |
| 2300 | Unearned Revenue | -- | -- | 140,340 | 140,340 |
| 2000 | Total Liabilities | 3,064,691 | 39,428 | 310,661 | 3,414,780 |
| DEFERRED INFLOWS OF RESOURCES: | | | | | |
| | Deferred Revenue | 630,314 | -- | 59,559 | 689,873 |
| 2600 | Total Deferred Inflows of Resources | 630,314 | -- | 59,559 | 689,873 |
| FUND BALANCES: | | | | | |
| Nonspendable Fund Balances: | | | | | |
| 3410 | Inventories | 28,221 | -- | 202,599 | 230,820 |
| 3430 | Prepaid Items | 1,662,945 | -- | -- | 1,662,945 |
| Restricted Fund Balances: | | | | | |
| 3450 | Federal/State Funds Grant Restrictions | -- | -- | 1,399,301 | 1,399,301 |
| 3480 | Retirement of Long-Term Debt | -- | -- | 2,959,576 | 2,959,576 |
| 3490 | Other Restrictions of Fund Balance | -- | -- | 958,193 | 958,193 |
| Committed Fund Balances: | | | | | |
| 3510 | Construction | -- | 1,577,524 | -- | 1,577,524 |
| 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 | 14,371,871 | -- | -- | 14,371,871 |
| 3000 | Total Fund Balances | 21,830,525 | 1,577,524 | 5,519,669 | 28,927,718 |
| Total Liabilities, Deferred Inflow of Resources and Fund Balances | | | | | |
| 4000 | | \$ 25,525,530 | \$ 1,616,952 | \$ 5,889,889 | \$ 33,032,371 |

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, 2024*

| | |
|----------------------------------------------------------------------------------------------------------------|----------------------|
| Total fund balances - governmental funds balance sheet | \$ 28,927,718 |
| 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. | 79,811,790 |
| Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds. | 689,873 |
| The assets and liabilities of internal service funds are included in governmental activities in the SNP. | 1,157,255 |
| Payables for bond principal which are not due in the current period are not reported in the funds. | (39,160,000) |
| Payables for notes which are not due in the current period are not reported in the funds. | (8,045,000) |
| Other long-term liabilities which are not due and payable in the current period are not reported in the funds. | (238,924) |
| Other long-term assets are not available to pay for current period expenditures and are deferred in the funds. | 776,546 |
| Recognition of the District's proportionate share of the net pension liability is not reported in the funds. | (16,500,950) |
| Deferred Resource Inflows related to the pension plan are not reported in the funds. | (1,540,837) |
| Deferred Resource Outflows related to the pension plan are not reported in the funds. | 6,252,668 |
| Bond premiums are amortized in the SNA but not in the funds. | (191,290) |
| Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds. | (7,833,028) |
| Deferred Resource Inflows related to the OPEB plan are not reported in the funds. | (13,852,561) |
| Deferred Resource Outflows related to the OPEB plan are not reported in the funds. | <u>1,978,191</u> |
| Net position of governmental activities - Statement of Net Position | <u>\$ 32,231,451</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, 2024

| Data Control Codes | 10 General Fund | 60 Capital Projects Fund | onmf Other Governmental Funds | 98 Total Governmental Funds |
|-------------------------------------------------------------------------|----------------------|-----------------------------|----------------------------------|--------------------------------|
| REVENUES: | | | | |
| 5700 <i>Local and Intermediate Sources</i> | \$ 30,422,494 | \$ 23,454 | \$ 6,476,062 | \$ 36,922,010 |
| 5800 <i>State Program Revenues</i> | 22,718,111 | -- | 2,276,745 | 24,994,856 |
| 5900 <i>Federal Program Revenues</i> | 633,970 | -- | 7,677,321 | 8,311,291 |
| 5020 Total Revenues | <u>53,774,575</u> | <u>23,454</u> | <u>16,430,128</u> | <u>70,228,157</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 <i>Instruction</i> | 28,053,249 | -- | 4,627,623 | 32,680,872 |
| 0012 <i>Instructional Resources and Media Services</i> | 597,574 | -- | 45,436 | 643,010 |
| 0013 <i>Curriculum and Staff Development</i> | 189,237 | -- | 133,383 | 322,620 |
| 0021 <i>Instructional Leadership</i> | 1,514,065 | -- | 279,678 | 1,793,743 |
| 0023 <i>School Leadership</i> | 3,148,779 | -- | 5,524 | 3,154,303 |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i> | 1,529,726 | -- | 568,462 | 2,098,188 |
| 0032 <i>Social Work Services</i> | 94,308 | -- | -- | 94,308 |
| 0033 <i>Health Services</i> | 479,444 | -- | -- | 479,444 |
| 0034 <i>Student Transportation</i> | 1,926,289 | -- | -- | 1,926,289 |
| 0035 <i>Food Service</i> | -- | -- | 4,269,221 | 4,269,221 |
| 0036 <i>Cocurricular/Extracurricular Activities</i> | 2,033,026 | -- | 1,003,289 | 3,036,315 |
| 0041 <i>General Administration</i> | 2,383,110 | -- | -- | 2,383,110 |
| 0051 <i>Facilities Maintenance and Operations</i> | 10,325,120 | -- | -- | 10,325,120 |
| 0052 <i>Security and Monitoring Services</i> | 970,684 | -- | 984,784 | 1,955,468 |
| 0053 <i>Data Processing Services</i> | 1,215,286 | -- | -- | 1,215,286 |
| 0061 <i>Community Services</i> | 94,888 | -- | 14,514 | 109,402 |
| 0071 <i>Principal on Long-term Debt</i> | 605,000 | -- | 2,360,909 | 2,965,909 |
| 0072 <i>Interest on Long-term Debt</i> | 137,535 | -- | 2,022,687 | 2,160,222 |
| 0073 <i>Bond Issuance Costs and Fees</i> | -- | -- | 500 | 500 |
| 0081 <i>Capital Outlay</i> | -- | 1,447,471 | -- | 1,447,471 |
| 0093 <i>Payments to Shared Service Arrangements</i> | -- | -- | 60,496 | 60,496 |
| 0095 <i>Payments to Juvenile Justice Alternative Education Programs</i> | 180,299 | -- | -- | 180,299 |
| 0099 <i>Other Intergovernmental Charges</i> | 410,294 | -- | -- | 410,294 |
| 6030 Total Expenditures | <u>55,887,913</u> | <u>1,447,471</u> | <u>16,376,506</u> | <u>73,711,890</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) Expenditures | <u>(2,113,338)</u> | <u>(1,424,017)</u> | <u>53,622</u> | <u>(3,483,733)</u> |
| Other Financing Sources and (Uses): | | | | |
| 7915 <i>Transfers In</i> | -- | 910,000 | -- | 910,000 |
| 7916 <i>Premium or Discount on Issuance of Bonds</i> | -- | -- | 104,978 | 104,978 |
| 8911 <i>Transfers Out</i> | (910,000) | -- | -- | (910,000) |
| 7080 Total Other Financing Sources and (Uses) | <u>(910,000)</u> | <u>910,000</u> | <u>104,978</u> | <u>104,978</u> |
| 1200 Net Change in Fund Balances | <u>(3,023,338)</u> | <u>(514,017)</u> | <u>158,600</u> | <u>(3,378,755)</u> |
| 0100 Fund Balances - Beginning | <u>24,853,863</u> | <u>2,091,541</u> | <u>5,361,069</u> | <u>32,306,473</u> |
| 3000 Fund Balances - Ending | <u>\$ 21,830,525</u> | <u>\$ 1,577,524</u> | <u>\$ 5,519,669</u> | <u>\$ 28,927,718</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, 2024*

| | |
|------------------------------------------------------------------------------------------------------------|---------------------|
| Net change in fund balances - total governmental funds | \$ (3,378,755) |
| Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because: | |
| Capital outlays are not reported as expenses in the SOA. | 2,830,000 |
| The depreciation of capital assets used in governmental activities is not reported in the funds. | (4,033,368) |
| Certain property tax revenues are deferred in the funds. This is the change in these amounts this year. | (29,084) |
| Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA. | 2,292,427 |
| Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA. | 68,482 |
| Repayment of loan principal is an expenditure in the funds but is not an expense in the SOA. | 605,000 |
| The accretion of interest on capital appreciation bonds is not reported in the funds. | 99,019 |
| The net revenue (expense) of internal service funds is reported with governmental activities. | (37,398) |
| Compensated absences are reported as the amount earned in the SOA but as the amount paid in the funds. | (30,265) |
| 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. | (1,015,694) |
| OPEB expense relating to GASB 75 is recorded in the SOA but not in the funds. | 2,217,479 |
| Rounding difference | (1) |
| Change in net position of governmental activities - Statement of Activities | \$ <u>(402,090)</u> |

The accompanying notes are an integral part of this statement.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT*STATEMENT OF NET POSITION**INTERNAL SERVICE FUNDS**AUGUST 31, 2024*

| Data Control Codes | | Internal Service Funds |
|--------------------------|----------------------------------|------------------------------|
| ASSETS: | | |
| Current Assets: | | |
| 1110 | <i>Cash and Cash Equivalents</i> | \$ 1,694,653 |
| <i>Receivables:</i> | | |
| 1260 | <i>Due from Other Funds</i> | 83 |
| 1290 | <i>Other Receivables (net)</i> | 3,603 |
| | Total Current Assets | <u>1,698,339</u> |
| Noncurrent Assets: | | |
| Capital Assets: | | |
| 1530 | <i>Furniture and Equipment</i> | 322,529 |
| 1570 | <i>Accumulated Depreciation</i> | <u>(303,927)</u> |
| | Total Noncurrent Assets | 18,602 |
| 1000 | Total Assets | <u>1,716,941</u> |
| LIABILITIES: | | |
| Current Liabilities: | | |
| 2110 | <i>Accounts Payable</i> | \$ 548 |
| 2123 | <i>Other Liabilities</i> | 392,137 |
| 2170 | <i>Due to Other Funds</i> | 167,001 |
| | Total Current Liabilities | <u>559,686</u> |
| 2000 | Total Liabilities | <u>559,686</u> |
| NET POSITION: | | |
| 3900 | <i>Unrestricted</i> | 1,157,255 |
| 3000 | Total Net Position | <u>\$ 1,157,255</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, 2024

| Data Control Codes | | Internal Service Funds |
|--------------------------|---------------------------------------------|------------------------------|
| | OPERATING REVENUES: | |
| 5700 | <i>Local and Intermediate Sources</i> | \$ 5,015,881 |
| 5020 | Total Revenues | <u>5,015,881</u> |
| | OPERATING EXPENSES: | |
| 6100 | <i>Payroll Costs</i> | 189,017 |
| 6200 | <i>Professional and Contracted Services</i> | 105,611 |
| 6300 | <i>Supplies and Materials</i> | 32,041 |
| 6400 | <i>Other Operating Costs</i> | 4,726,610 |
| 6030 | Total Expenses | <u>5,053,279</u> |
| 1300 | Change in Net Position | (37,398) |
| 0100 | Total Net Position - Beginning | 1,194,653 |
| 3300 | Total Net Position - Ending | <u>\$ 1,157,255</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, 2024

| | Internal Service Funds |
|----------------------------------------------------------------------------------------------------|------------------------------|
| Cash Flows from Operating Activities: | |
| <i>Cash Received from Customers</i> | \$ -- |
| <i>Cash Received from Grants</i> | -- |
| <i>Cash Receipts (Payments) for Quasi-external Operating Transactions with Other Funds</i> | 5,015,881 |
| <i>Cash Payments to Employees for Services</i> | -- |
| <i>Cash Payments to Other Suppliers for Goods and Services</i> | (5,018,192) |
| <i>Cash Payments for Grants to Other Organizations</i> | -- |
| <i>Other Operating Cash Receipts (Payments)</i> | -- |
| Net Cash Provided (Used) by Operating Activities | <u>(2,311)</u> |
| Cash Flows from Non-capital Financing Activities: | |
| <i>Transfers From (To) Other Funds</i> | -- |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>--</u> |
| Cash Flows from Capital and Related Financing Activities: | |
| <i>Contributed Capital</i> | -- |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>--</u> |
| Cash Flows from Investing Activities: | |
| <i>Interest and Dividends on Investments</i> | -- |
| Net Cash Provided (Used) for Investing Activities | <u>--</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (2,311) |
| Cash and Cash Equivalents at Beginning of Year | 1,696,964 |
| Cash and Cash Equivalents at End of Year | <u>\$ 1,694,653</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | |
| Operating Income (Loss) | \$ (37,398) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | |
| <i>Depreciation</i> | -- |
| Change in Assets and Liabilities: | |
| <i>Decrease (Increase) in Receivables</i> | -- |
| <i>Decrease (Increase) in Prepaid Expenses</i> | -- |
| <i>Increase (Decrease) in Accounts Payable</i> | 32,325 |
| <i>Increase (Decrease) in Interfund Payables</i> | 2,762 |
| <i>Increase (Decrease) in Accrued Expenses</i> | -- |
| <i>Increase (Decrease) in Unearned Revenue</i> | -- |
| Total Adjustments | <u>35,087</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (2,311)</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, 2024

| Data Control Codes | | Custodial Fund |
|--------------------------|-------------------------------|---------------------|
| | | Student Activity |
| ASSETS: | | |
| 1110 | Cash and Cash Equivalents | \$ 69,411 |
| 1000 | Total Assets | <u>69,411</u> |
| LIABILITIES: | | |
| 2000 | Total Liabilities | <u>--</u> |
| NET POSITION: | | |
| 3800 | Restricted for Other Purposes | \$ 69,411 |
| 3000 | Total Net Position | <u>\$ 69,411</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, 2024

| | Custodial Funds |
|----------------------------------------------------|--------------------|
| ADDITIONS: | |
| Investment Income | \$ -- |
| Contributions from Foundations, Gifts and Bequests | -- |
| Student Group Fundraising Activities | 104,099 |
| Total Additions | <u>104,099</u> |
| DEDUCTIONS: | |
| Benefits | -- |
| Refunds of Contributions | -- |
| Other Operating Expenses | 110,248 |
| Total Deductions | <u>110,248</u> |
| Change in Fiduciary Net Position | (6,149) |
| Net Position-Beginning of the Year | 75,560 |
| Prior Period Adjustment | -- |
| Net Position-End of the Year | <u>\$ 69,411</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, 2024

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, 2024

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, 2024

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 | \$ 1,499,991 | \$ 130,585 | \$ 1,630,576 |
| Allowance | (869,677) | (71,027) | (940,704) |
| Net Taxes | \$ 630,314 | \$ 59,558 | \$ 689,872 |

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, 2024

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, 2024

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, 2024

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 did not implement any new standards from the Governmental Accounting Standards Board (GASB).

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:

Budget Violation

| | | Budget | Actual Amount Spent | Variance |
|---------------------|---------------------------------------|------------|------------------------|----------|
| <i>General Fund</i> | | | | |
| 23 | School Leadership | 3,143,778 | 3,148,779 | (5,001) |
| 51 | Facilities Maintenance and Operations | 10,275,624 | 10,325,120 | (49,496) |
| 99 | Other Governmental Charges | 406,000 | 410,294 | (4,294) |

Food Service Excess Fund Balance

The Texas Department of Agriculture requires Food Service to have a fund balance not to exceed three months of normal operating costs.

| | |
|----------------------------------------------|------------------|
| Three months of Average Operating Cost is | 1,280,766 |
| Food Service Fund balance at August 31, 2024 | 1,714,873 |
| Excess Fund Balance | <u>(434,107)</u> |

The District has a plan to spend funds on equipment to bring the fund balance below the excess fund balance amount.

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> |
|----------------------------------|---------------------------|---------------------------------------------|
| TAMU WORK-BASED LEARNING PROJECT | (111,521) | Transfers will be made to cover the deficit |
| Internal Service Fund-Print Shop | \$ (86,230) | Transfers will be made to cover the deficit |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$3,960,269 and the bank balance was \$5,168,891. The District's cash deposits at August 31, 2024 and during the year ended August 31, 2024, 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.

The District's investment at August 31, 2024 is shown below.

The Following investments were included in Cash & Cash Equivalents:

| | | |
|-----------|------|----------------------|
| Lone Star | AAAm | \$ <u>22,103,362</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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 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, 2024

D. Capital Assets

Capital asset activity for the year ended August 31, 2024, was as follows:

| | Beginning Balances | Increases | Decreases | Ending Balances |
|----------------------------------------------|-----------------------|-----------------------|--------------------|----------------------|
| <i>Governmental activities:</i> | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ 2,226,537 | \$ 5,500 | \$ -- | \$ 2,232,037 |
| Construction in progress | 1,314,438 | 1,794,780 | (1,538,025) | 1,571,193 |
| Total capital assets not being depreciated | <u>3,540,975</u> | <u>1,800,280</u> | <u>(1,538,025)</u> | <u>3,803,230</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| Buildings and improvements | 112,801,913 | 182,642 | 1,538,025 | 114,522,580 |
| Equipment | 5,364,337 | 693,952 | -- | 6,058,289 |
| Vehicles | 6,238,257 | 153,126 | -- | 6,391,383 |
| Right-to-use lease assets | -- | -- | -- | -- |
| Right-to-use subscription assets | 148,222 | -- | -- | 148,222 |
| Total capital assets being depreciated | <u>124,552,729</u> | <u>1,029,720</u> | <u>1,538,025</u> | <u>127,120,474</u> |
| Less accumulated depreciation for: | | | | |
| Buildings and improvements | (38,586,543) | (3,571,584) | -- | (42,158,127) |
| Equipment | (3,975,299) | (203,765) | -- | (4,179,064) |
| Vehicles | (4,442,594) | (183,907) | -- | (4,626,501) |
| Right-to-use lease assets | -- | -- | -- | -- |
| Right-to-use subscription assets | (74,111) | (74,111) | -- | (148,222) |
| Total accumulated depreciation | <u>(47,078,547)</u> | <u>(4,033,367)</u> | <u>--</u> | <u>(51,111,914)</u> |
| Total capital assets being depreciated, net | <u>77,474,182</u> | <u>(3,003,647)</u> | <u>1,538,025</u> | <u>76,008,560</u> |
| Governmental activities capital assets, net | <u>\$ 81,015,157</u> | <u>\$ (1,203,367)</u> | <u>\$ --</u> | <u>\$ 79,811,790</u> |

| | Beginning Balances | Increases | Decreases | Ending Balances |
|----------------------------------------------|-----------------------|--------------|--------------|--------------------|
| <u>Internal Service Fund</u> | | | | |
| <i>Capital assets not being depreciated:</i> | | | | |
| Land | \$ -- | \$ -- | \$ -- | \$ -- |
| Total capital assets not being depreciated | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| <i>Capital assets being depreciated:</i> | | | | |
| 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> |
| Internal Service Fund capital assets, net | <u>\$ 18,602</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 18,602</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
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Depreciation was charged to functions as follows:

| | |
|---------------------------------------------|---------------------|
| Instruction | \$ 1,987,077 |
| Instructional Resources and Media Services | 38,899 |
| Curriculum and Staff Development | 19,828 |
| Instructional Leadership | 108,309 |
| School Leadership | 191,184 |
| Guidance, Counseling, & Evaluation Services | 126,861 |
| Social Work Services | 5,746 |
| Health Services | 29,198 |
| Student Transportation | 183,907 |
| Food Services | 245,574 |
| Extracurricular Activities | 187,279 |
| General Administration | 146,058 |
| Plant Maintenance and Operations | 565,398 |
| Security and Monitoring Services | 121,322 |
| Data Processing Services | 70,038 |
| Community Services | 6,690 |
| | <u>\$ 4,033,368</u> |

E. Interfund Balances and Activities

1. Due To and From Other Funds

Balances due to and due from other funds at August 31, 2024, consisted of the following:

| Due To Fund | Due From Fund | Amount | Purpose |
|--------------------------|--------------------------|-------------------|------------------|
| General Fund | General Fund | \$ 21,700 | Short-term loans |
| General Fund | Other Governmental Funds | 67,444 | Short-term loans |
| General Fund | Internal Service Fund | 164,239 | Short-term loans |
| Other Governmental Funds | General Fund | 384,785 | Short-term loans |
| Other Governmental Funds | Other Governmental Funds | 59,173 | Short-term loans |
| | Total | <u>\$ 697,341</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, 2024, consisted of the following:

| Transfers From | Transfers To | Amount | Reason |
|----------------|-----------------------|-------------------|------------------------|
| General fund | Capital Projects Fund | \$ 910,000 | Reimburse expenditures |
| | Total | <u>\$ 910,000</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, 2024

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, 2024, 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% | 39,932,440 | | 772,440 | 39,160,000 | 1,540,000 |
| 2020 Capital Appreciation Bonds .832%-.994% | 812,546 | | 812,546 | -- | |
| Total bond activities | 40,744,986 | -- | 1,584,986 | 39,160,000 | 1,540,000 |
| 2021 Tax Maintenance Notes 1.590% | 8,650,000 | | 605,000 | 8,045,000 | 615,000 |
| Subscription Liability | 68,482 | -- | 68,482 | -- | |
| Premium | 201,357 | | 10,068 | 191,289 | |
| Compensated absences * | 208,660 | 30,264 | | 238,924 | |
| Deferred loss on defeasance of bonds | (817,416) | | (40,871) | (776,545) | |
| Accretion | 847,300 | 15,243 | 862,543 | -- | |
| Total governmental activities | \$ 49,903,369 | \$ 45,507 | \$ 3,090,208 | 46,858,668 | \$ 2,155,000 |
| Due within one year | | | | 2,155,000 | |
| Due in more than one year | | | | \$ 44,703,668 | |
| Net Pension Liability | 13,960,762 | 2,540,188 | | 16,500,950 | |
| Net OPEB Liability | 8,715,470 | | 882,442 | 7,833,028 | |

* 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
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2. Debt Service Requirements

Debt service requirements on long-term debt at August 31, 2024, are as follows:

| Year Ending August 31, | Governmental Activities | | |
|------------------------|-------------------------|----------------|---------------|
| | Principal | Bonds Interest | Total |
| 2025 | \$ 1,540,000 | 1,140,083 | 2,680,083 |
| 2026 | 1,620,000 | 1,063,083 | 2,683,083 |
| 2027 | 1,700,000 | 982,083 | 2,682,083 |
| 2028 | 1,785,000 | 897,083 | 2,682,083 |
| 2029 | 1,875,000 | 807,833 | 2,682,833 |
| 2030-2034 | 10,445,000 | 2,962,333 | 13,407,333 |
| 2035-2039 | 11,550,000 | 1,846,980 | 13,396,980 |
| 2040-2044 | 8,645,000 | 477,727 | 9,122,727 |
| Totals | \$ 39,160,000 | \$ 10,177,205 | \$ 49,337,205 |

| Year Ending August 31, | Notes from Direct Borrowings | | |
|------------------------|------------------------------|------------|--------------|
| | Principal | Interest | Total |
| 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 | 655,000 | 88,006 | 743,006 |
| 2030-2034 | 3,425,000 | 280,635 | 3,705,635 |
| 2035-2039 | 1,455,000 | 34,821 | 1,489,821 |
| Totals | \$ 8,045,000 | \$ 855,896 | \$ 8,900,896 |

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 2024, 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.

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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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2. Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_cafr.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 where the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously 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.

| | <u>Contribution Rates</u> | |
|-------------------------------------------|---------------------------|-----------|
| | 2023 | 2024 |
| Member | 8.0% | 8.25% |
| Non-Employer Contributing Entity (State) | 8.0% | 8.25% |
| Employers | 8.0% | 8.25% |
| District's 2024 Employer Contributions | \$ | 1,483,215 |
| District's 2024 Member Contributions | \$ | 3,264,600 |
| 2023 NECE On-Behalf Contributions (State) | \$ | 2,205,010 |

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).

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

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

- All public schools, charter schools and regional educational service centers must contribute 1.8 percent of the member's salary beginning in fiscal year 2023, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the TRS, the employer shall pay an amount equal to the member contribution and the state contribution as an employment after retirement surcharge.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the total pension liability to August 31, 2023.

| | |
|-------------------------------------------------|---------------------------------------------------|
| Valuation Date | August 31, 2022 rolled forward to August 31, 2023 |
| 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 | 4.13% * |
| Last year ending August 31 in Projection Period | 2022 |
| Inflation | 2.30% |
| 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 assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2022. For a full description of these assumptions, please see the actuarial valuation report dated November 22, 2022.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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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 legislative session. It is assumed that future employer and state contributions will be 9.50 percent of payroll in fiscal year 2024 increasing to 9.56 percent in fiscal year 2025 and thereafter. 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 projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

The long-term expected rate of return on pension plan investments 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, 2023 are summarized below:

| Asset Class | Target Allocation ** | Long-Term Expected Geometric Real Rate of Return *** | Expected Contribution to Long-Term Portfolio Returns |
|----------------------------------------------|----------------------|------------------------------------------------------|------------------------------------------------------|
| Global Equity | | | |
| USA | 18.0% | 4.0% | 1.0% |
| Non-U.S. Developed | 13.0% | 4.5% | 0.9% |
| Emerging Markets | 9.0% | 4.8% | 0.7% |
| Private Equity * | 14.0% | 7.0% | 1.5% |
| Stable Value | | | |
| Government Bonds | 16.0% | 2.5% | 0.5% |
| Absolute Return * | 0.0% | 3.6% | 0.0% |
| Stable Value Hedge Funds | 5.0% | 4.1% | 0.2% |
| Real Return | | | |
| Real Estate | 15.0% | 4.9% | 1.1% |
| Energy, Natural Resources and Infrastructure | 6.0% | 4.8% | 0.4% |
| Commodities | 0.0% | 4.4% | 0.0% |
| Risk Parity | 8.0% | 4.5% | 0.4% |
| Asset Allocation Leverage | | | |
| Cash | 2.0% | 3.7% | 0.0% |
| Asset Allocation Leverage | (6.0%) | 4.4% | (0.1)% |
| Inflation Expectation | | | 2.3% |
| Volatility Drag **** | | | (0.9)% |
| Expected Return | <u>100.0%</u> | | <u>8.0%</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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* Absolute Return includes Credit Sensitive Investments.
 ** Target allocations are based on the FY2023 policy model.
 *** Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023)
 **** 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: | \$ 24,669,834 | \$ 16,500,950 | \$ 9,708,518 |

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

At August 31, 2024, the District reported a liability of \$16,500,950 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 are as follows:

| | |
|------------------------------------------------------------------------|----------------------|
| District's proportionate share of the collective net pension liability | \$ 16,500,950 |
| State's proportionate share that is associated with District | <u>29,466,126</u> |
| Total | <u>\$ 45,967,076</u> |

The net pension liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

At the measurement date of August 31, 2023 the employer's proportion of the collective net pension liability was 0.0240222236 percent which was an increase (decrease) of 0.0005063617% from its proportion measured as of August 31, 2022.

9. Changes Since the Prior Actuarial Valuation

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

For the year ended August 31, 2024, the District recognized pension expense of \$6,948,039 and revenue of \$4,449,130 for support provided by the State.

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At August 31, 2024, 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 | \$ 587,934 | \$ 199,808 |
| Changes in Actuarial Assumptions | 1,560,667 | 381,931 |
| Difference Between Projected and Actual Investment Earnings | 2,401,289 | -- |
| Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions | 219,563 | 959,098 |
| Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability (to be calculated by employer) | 1,483,215 | -- |
| Total | \$ 6,252,668 | \$ 1,540,837 |

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 |
|-----------------------|------------------------|
| 2025 | \$ 521,283 |
| 2026 | \$ 163,845 |
| 2027 | \$ 1,860,982 |
| 2028 | \$ 594,133 |
| 2029 | \$ 88,373 |
| 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.

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_archive_cafr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX 78701-2698; or by calling (512) 542-6592.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
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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, which is 0.75 percent of each active employee's pay for fiscal year 2023. The following table shows contributions to the TRS-Care plan by type of contributor.

| Contribution Rates | |
|-----------------------------------------------|-------------|
| | <u>2024</u> |
| Active Employee | 0.65% |
| Non-Employer Contributing Entity (State) | 1.25% |
| Employers | 0.75% |
| Federal/Private Funding remitted by Employers | 1.25% |

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The contribution amounts for the District's fiscal year 2024 are as follows:

| | | |
|-------------------------------------------|----|---------|
| District's 2024 Employer Contributions | \$ | 343,819 |
| District's 2024 Member Contributions | \$ | 257,410 |
| 2023 NECE On-Behalf Contributions (state) | \$ | 370,361 |

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS. The TRS-Care surcharges for fiscal year 2023 totaled \$14,548,344.

A supplemental appropriation was received in 2023 for \$21.3 million provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

5. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2021.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

| | |
|----------------------|-------------------|
| Rates of Mortality | General Inflation |
| Rates of Retirement | Wage Inflation |
| Rates of Termination | |
| Rates of Disability | |

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

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

| | |
|----------------------------------------|-----------------------------------------------------------------------------------------------------------------------------------------------------------------------------|
| Valuation Date | August 31, 2022 rolled forward to August 31, 2023 |
| Actuarial Cost Method | Individual Entry-Age Normal |
| Inflation | 2.30% |
| Single Discount Rate | 4.13% as of August 31, 2023 |
| 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. |
| Salary Increases | 2.95% to 8.95%, 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 |

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NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

The initial medical trend rates were 7.75 percent for Medicare retirees and 7.00 percent for non-Medicare retirees. The initial prescription drug trend rate was 7.75 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 4.13 percent was used to measure the Total OPEB Liability. This was an increase of 0.22 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 for the municipal bond rate is the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in the Fidelity "20-Year Municipal GO AA Index", as of August 31, 2023.

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 (4.13%) in measuring the Net OPEB Liability.

| | 1% Decrease in Discount Rate (3.13%) | Current Single Discount Rate (4.13%) | 1% Increase in Discount Rate (5.13%) |
|--------------------------------------------------------------|--------------------------------------------|--------------------------------------------|--------------------------------------------|
| District's proportionate share of the Net OPEB Liability: | \$ 9,225,676 | \$ 7,833,028 | \$ 6,696,595 |

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

At August 31, 2024, the District reported a liability of 7,833,028. 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 | \$ 7,833,028 |
| State's proportionate share that is associated with the District | \$ 9,451,753 |
| Total | <u>\$ 17,284,781</u> |

The Net OPEB liability was measured as of August 31, 2022 and rolled forward to August 31, 2023 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, 2022 thru August 31, 2023.

+At August 31, 2024 the District's proportion of the collective net OPEB liability was 0.0353822404%.

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.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

| | 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: | \$ 6,450,107 | \$ 7,833,028 | \$ 9,612,162 |

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 3.91 percent as of August 31, 2022 to 4.13 percent as of August 31, 2023. 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 \$(2,020,585).

At August 31, 2024, 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 | \$ 354,385 | \$ 6,590,010 |
| Changes in actuarial assumptions | 1,069,151 | 4,796,371 |
| Difference between projected and actual investment earnings | 3,385 | |
| Changes in proportion and difference between the District's contributions and the proportionate share of contributions | 207,451 | 2,466,180 |
| Contributions paid to TRS subsequent to the measurement date | 343,819 | |
| Total | <u>\$ 1,978,191</u> | <u>\$ 13,852,561</u> |

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 |
|-----------------------|---------------------|
| 2025 | \$ (2,525,459) |
| 2026 | \$ (2,166,195) |
| 2027 | \$ (1,679,814) |
| 2028 | \$ (1,869,001) |
| 2029 | \$ (1,673,632) |
| Thereafter | \$ (2,304,087) |

For the year ended August 31, 2024, the District recognized OPEB expense of \$(3,894,245) and revenue of \$(2,020,585) for support provided by the State.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024, the subsidy payment received by TRS-Care on behalf of the District was \$221,780.

J. Employee Health Care Coverage

During the year ended August 31, 2024, employees of the District were covered by a health insurance plan (the Plan). The District contributed \$550 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 October 28, 2024, the unfunded claim benefit obligation included no reported claims that were unpaid and estimated incurred, but not reported, claims of \$303,000. The remaining \$303,000 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 4, 2025 (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.

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, 2024

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 | \$ 32,413,745 | \$ 32,413,745 | \$ 30,422,494 | | \$ (1,991,251) | | |
| 5800 | State Program Revenues | 19,464,962 | 19,464,962 | 22,718,111 | | 3,253,149 | | |
| 5900 | Federal Program Revenues | 2,210,678 | 2,210,678 | 633,970 | | (1,576,708) | | |
| 5020 | Total Revenues | 54,089,385 | 54,089,385 | 53,774,575 | | (314,810) | | |
| EXPENDITURES: | | | | | | | | |
| Current: | | | | | | | | |
| Instruction and Instructional Related Services: | | | | | | | | |
| 0011 | Instruction | 28,567,674 | 28,933,120 | 28,053,249 | | 879,871 | | |
| 0012 | Instructional Resources and Media Services | 536,177 | 775,865 | 597,574 | | 178,291 | | |
| 0013 | Curriculum and Instructional Staff Development | 167,036 | 210,774 | 189,237 | | 21,537 | | |
| | Total Instruction and Instr. Related Services | 29,270,887 | 29,919,758 | 28,840,060 | | 1,079,698 | | |
| Instructional and School Leadership: | | | | | | | | |
| 0021 | Instructional Leadership | 1,529,026 | 1,539,250 | 1,514,065 | | 25,185 | | |
| 0023 | School Leadership | 2,989,702 | 3,143,778 | 3,148,779 | | (5,001) | | |
| | Total Instructional and School Leadership | 4,518,728 | 4,683,028 | 4,662,844 | | 20,184 | | |
| Student Support Services: | | | | | | | | |
| 0031 | Guidance, Counseling and Evaluation Services | 1,621,966 | 1,562,638 | 1,529,726 | | 32,912 | | |
| 0032 | Social Work Services | 84,916 | 102,916 | 94,308 | | 8,608 | | |
| 0033 | Health Services | 469,317 | 482,402 | 479,444 | | 2,958 | | |
| 0034 | Student Transportation | 2,136,943 | 1,936,852 | 1,926,289 | | 10,563 | | |
| 0036 | Extracurricular Activities | 1,865,877 | 2,102,196 | 2,033,026 | | 69,170 | | |
| | Total Student Support Services | 6,179,019 | 6,187,004 | 6,062,793 | | 124,211 | | |
| Administrative Support Services: | | | | | | | | |
| 0041 | General Administration | 2,177,026 | 2,392,026 | 2,383,110 | | 8,916 | | |
| | Total Administrative Support Services | 2,177,026 | 2,392,026 | 2,383,110 | | 8,916 | | |
| Support Services: | | | | | | | | |
| 0051 | Facilities Maintenance and Operations | 8,697,745 | 10,275,624 | 10,325,120 | | (49,496) | | |
| 0052 | Security and Monitoring Services | 720,120 | 988,283 | 970,684 | | 17,599 | | |
| 0053 | Data Processing Services | 1,089,196 | 1,218,696 | 1,215,286 | | 3,410 | | |
| | Total Support Services | 10,507,061 | 12,482,603 | 12,511,090 | | (28,487) | | |
| Ancillary Services: | | | | | | | | |
| 0061 | Community Services | 49,004 | 100,704 | 94,888 | | 5,816 | | |
| | Total Ancillary Services | 49,004 | 100,704 | 94,888 | | 5,816 | | |
| Debt Service: | | | | | | | | |
| 0071 | Debt Service | 605,000 | 605,000 | 605,000 | | -- | | |
| 0072 | Interest on Long-Term Debt | 137,535 | 137,535 | 137,536 | | -- | | |
| 0073 | Bond Issuance Costs and Fees | -- | 10 | -- | | 10 | | |
| | Total Debt Service | 742,535 | 742,545 | 742,536 | | 10 | | |
| Intergovernmental Charges: | | | | | | | | |
| 0095 | Payments to Juvenile Justice Alternative | | | | | | | |
| 0095 | Education Programs | 210,000 | 210,000 | 180,299 | | 29,701 | | |
| 0099 | Other Intergovernmental Charges | 430,000 | 406,000 | 410,294 | | (4,294) | | |
| | Total Intergovernmental Charges | 640,000 | 616,000 | 590,593 | | 25,407 | | |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

GENERAL FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT G-1

Page 2 of 2

| Data Control Codes | | 1 | 2 | 3 | Variance with Final Budget Positive (Negative) |
|--------------------------|----------------------------------------------|------------------|---------------|---------------|---------------------------------------------------------|
| | | Budgeted Amounts | | Actual | |
| | | Original | Final | | |
| 6030 | Total Expenditures | 54,084,260 | 57,123,669 | 55,887,913 | 1,235,756 |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 | Expenditures | 5,125 | (3,034,284) | (2,113,338) | 920,946 |
| | Other Financing Sources (Uses): | | | | |
| 8911 | Operating Transfers Out | -- | (910,000) | (910,000) | -- |
| 7080 | Total Other Financing Sources and (Uses) | -- | (910,000) | (910,000) | -- |
| 1200 | Net Change in Fund Balance | 5,125 | (3,944,284) | (3,023,338) | 920,946 |
| 0100 | Fund Balance - Beginning | 24,853,863 | 24,853,864 | 24,853,863 | (1) |
| 3000 | Fund Balance - Ending | \$ 24,858,988 | \$ 20,909,580 | \$ 21,830,525 | \$ 920,945 |

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 * | | | | | | | | | |
|---------------------------------------------------------------------------------------------------------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|----------------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 | 2014 |
| District's proportion of the net pension liability (asset) | 0.0240222236% | 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) | \$ 16,500,950 | \$ 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 | 29,466,126 | 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 | \$ 45,967,076 | \$ 40,558,250 | \$ 18,252,462 | \$ 39,885,665 | \$ 40,480,571 | \$ 43,773,327 | \$ 25,655,531 | \$ 31,098,308 | \$ 30,164,357 | \$ 21,819,826 |
| District's covered-employee payroll | \$ 36,574,356 | \$ 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 | 45.12% | 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 | 73.15% | 75.62% | 88.79% | 75.54% | 75.24% | 73.74% | 82.17% | 78.00% | 78.43% | 73.15% |

* 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 | | | | | | | | | |
|----------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
| Contractually required contribution | \$ 1,483,215 | \$ 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 | (1,483,215) | (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 | \$ 39,607,487 | \$ 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 | 3.74% | 3.37% | 3.16% | 2.99% | 3.88% | 2.97% | 2.95% | 2.79% | 2.84% | 2.89% |

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 ** | | | | | | |
|----------------------------------------------------------------------------------------------------------|---------------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
| District's proportion of the collective net OPEB liability | 0.0353822404% | 0.0363993839% | 0.0367215877% | 0.0389781271% | 0.0414736342% | 0.0411611351% | 0.0405777162% |
| District's proportionate share of the collective net OPEB liability | \$ 7,833,028 | \$ 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 | \$ 9,451,753 | \$ 10,631,505 | \$ 18,978,154 | \$ 19,910,962 | \$ 26,061,808 | \$ 28,371,508 | \$ 25,404,198 |
| Total | \$ 17,284,781 | \$ 19,346,975 | \$ 33,143,311 | \$ 34,728,308 | \$ 45,675,197 | \$ 48,923,640 | \$ 43,049,925 |
| District's covered-employee payroll | \$ 36,574,356 | \$ 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 | 21.42% | 25.09% | 41.78% | 42.63% | 57.81% | 61.50% | 54.35% |
| Plan fiduciary net position as a percentage of the total OPEB liability | 14.94% | 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 | | | | | | |
|----------------------------------------------------------------------------------------------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| | 2024 | 2023 | 2022 | 2021 | 2020 | 2019 | 2018 |
| Statutorily or contractually required District contribution | \$ 343,819 | \$ 306,756 | \$ 299,098 | \$ 288,504 | \$ 296,224 | \$ 293,777 | \$ 280,898 |
| Contributions recognized by OPEB in relation to statutorily or contractually required contribution | (343,819) | (306,756) | (299,098) | (288,504) | (296,224) | (293,777) | (280,898) |
| Contribution deficiency (excess) | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| District's covered-employee payroll | \$ 39,607,487 | \$ 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 | 0.87% | 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 information for those years for which information is available.

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

FOR THE YEAR ENDED AUGUST 31, 2024

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, 2024

| Data Control Codes | Special Revenue Funds | Debt Service Fund | Total Nonmajor Governmental Funds (See Exhibit C-1) | |
|---------------------------------------|----------------------------------------|-------------------------|-----------------------------------------------------------------|---------------------|
| ASSETS: | | | | |
| 1110 | Cash and Cash Equivalents | \$ (81,284) | \$ 2,564,297 | \$ 2,483,013 |
| 1225 | Taxes Receivable, Net | -- | 59,558 | 59,558 |
| 1240 | Due from Other Governments | 2,700,762 | -- | 2,700,762 |
| 1260 | Due from Other Funds | 48,678 | 395,280 | 443,958 |
| 1300 | Inventories | 202,598 | -- | 202,598 |
| 1000 | Total Assets | <u>2,870,754</u> | <u>3,019,135</u> | <u>5,889,889</u> |
| LIABILITIES: | | | | |
| Current Liabilities: | | | | |
| 2110 | Accounts Payable | \$ 15,501 | \$ -- | \$ 15,501 |
| 2160 | Accrued Wages Payable | 84,408 | -- | 84,408 |
| 2170 | Due to Other Funds | 67,445 | -- | 67,445 |
| 2180 | Due to Other Governments | 2,967 | -- | 2,967 |
| 2300 | Unearned Revenue | 140,340 | -- | 140,340 |
| 2000 | Total Liabilities | <u>310,661</u> | <u>--</u> | <u>310,661</u> |
| DEFERRED INFLOWS OF RESOURCES: | | | | |
| | Deferred Revenue | -- | 59,559 | 59,559 |
| 2600 | Total Deferred Inflows of Resources | <u>--</u> | <u>59,559</u> | <u>59,559</u> |
| FUND BALANCES: | | | | |
| Nonspendable Fund Balances: | | | | |
| 3410 | Inventories | 202,599 | -- | 202,599 |
| Restricted Fund Balances: | | | | |
| 3450 | Federal/State Funds Grant Restrictions | 1,399,301 | -- | 1,399,301 |
| 3480 | Retirement of Long-Term Debt | -- | 2,959,576 | 2,959,576 |
| 3490 | Other Restrictions of Fund Balance | 958,193 | -- | 958,193 |
| 3000 | Total Fund Balances | <u>2,560,093</u> | <u>2,959,576</u> | <u>5,519,669</u> |
| Total Liabilities, Deferred Inflow | | | | |
| 4000 | of Resources and Fund Balances | <u>\$ 2,870,754</u> | <u>\$ 3,019,135</u> | <u>\$ 5,889,889</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, 2024

| Data Control Codes | Special Revenue Funds | Debt Service Fund | Total Nonmajor Governmental Funds (See Exhibit C-2) |
|-------------------------------------|----------------------------------------------|-------------------------|-----------------------------------------------------------------|
| REVENUES: | | | |
| 5700 | \$ 2,009,398 | \$ 4,466,664 | \$ 6,476,062 |
| 5800 | 1,940,638 | 336,107 | 2,276,745 |
| 5900 | 7,677,321 | -- | 7,677,321 |
| 5020 | <u>11,627,357</u> | <u>4,802,771</u> | <u>16,430,128</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| 0011 | 4,627,623 | -- | 4,627,623 |
| 0012 | 45,436 | -- | 45,436 |
| 0013 | 133,383 | -- | 133,383 |
| 0021 | 279,678 | -- | 279,678 |
| 0023 | 5,524 | -- | 5,524 |
| 0031 | 568,462 | -- | 568,462 |
| 0035 | 4,269,221 | -- | 4,269,221 |
| 0036 | 1,003,289 | -- | 1,003,289 |
| 0052 | 984,784 | -- | 984,784 |
| 0061 | 14,514 | -- | 14,514 |
| 0071 | 68,482 | 2,292,427 | 2,360,909 |
| 0072 | 324 | 2,022,363 | 2,022,687 |
| 0073 | -- | 500 | 500 |
| 0093 | 60,496 | -- | 60,496 |
| 6030 | <u>12,061,216</u> | <u>4,315,290</u> | <u>16,376,506</u> |
| 1100 | Excess (Deficiency) of Revenues Over (Under) | | |
| 1100 | Expenditures | <u>487,481</u> | <u>53,622</u> |
| Other Financing Sources and (Uses): | | | |
| 7916 | Premium or Discount on Issuance of Bonds | <u>104,978</u> | <u>104,978</u> |
| 7080 | Total Other Financing Sources and (Uses) | <u>104,978</u> | <u>104,978</u> |
| 1200 | Net Change in Fund Balances | <u>592,459</u> | <u>158,600</u> |
| 0100 | Fund Balances - Beginning | 2,367,117 | 5,361,069 |
| 3000 | Fund Balances - Ending | <u>\$ 2,959,576</u> | <u>\$ 5,519,669</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING BALANCE SHEET

NONMAJOR SPECIAL REVENUE FUNDS

AUGUST 31, 2024

| 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 | \$ (589,099) | \$ (522,849) | \$ (17,727) | \$ 1,412,405 |
| 1240 | Due from Other Governments | 589,099 | 528,001 | 17,727 | 190,682 |
| 1260 | Due from Other Funds | -- | -- | -- | -- |
| 1300 | Inventories | -- | -- | -- | 202,598 |
| 1000 | Total Assets | | 5,152 | | 1,805,685 |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ -- | \$ 2,187 | \$ -- | \$ 7,856 |
| 2160 | Accrued Wages Payable | -- | -- | -- | 84,408 |
| 2170 | Due to Other Funds | -- | -- | -- | -- |
| 2180 | Due to Other Governments | -- | 2,965 | -- | -- |
| 2300 | Unearned Revenue | -- | -- | -- | -- |
| 2000 | Total Liabilities | -- | 5,152 | -- | 92,264 |
| FUND BALANCES: | | | | | |
| Nonspendable Fund Balances: | | | | | |
| 3410 | Inventories | -- | -- | -- | 202,599 |
| Restricted Fund Balances: | | | | | |
| 3450 | Federal/State Funds Grant Restrictions | -- | -- | -- | 1,510,822 |
| 3490 | Other Restrictions of Fund Balance | -- | -- | -- | -- |
| 3000 | Total Fund Balances | -- | -- | -- | 1,713,421 |
| 4000 | Total Liabilities and Fund Balances | \$ -- | \$ 5,152 | \$ -- | \$ 1,805,685 |

| 244 Career and Tech Basic Grant | 255 ESEA Title II Training & Recruiting | 280 American Rescue Plan - Homeless ESSER III | 282 ESSER Fund III of the American Rescue Plan Act | 288 NOAA Ocean Acidification Grant |
|------------------------------------------|--------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|---------------------------------------------|
| \$ (75,422) 75,422 | \$ (140,963) 142,258 | \$ (9,840) 9,840 | \$ (490,199) 490,199 | \$ (36,879) 38,026 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 1,295 | | | | 1,147 |
| \$ -- | \$ 1,295 | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | 1,147 |
| -- | 1,295 | -- | -- | 1,147 |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| 1,295 | | | | 1,147 |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NONMAJOR SPECIAL REVENUE FUNDS
AUGUST 31, 2024

| Data Control Codes | 289 Title IV Part A Subpart 1 | 397 Advanced Placement Incentives | 410 State Textbook Fund | 429 State Funded Special Revenue Fund | |
|-----------------------------|----------------------------------------|--------------------------------------------|----------------------------------|------------------------------------------------|--------------|
| ASSETS: | | | | | |
| 1110 | Cash and Cash Equivalents | \$ (51,170) | \$ 6,494 | \$ 43,628 | \$ (475,030) |
| 1240 | Due from Other Governments | 51,170 | -- | -- | 568,338 |
| 1260 | Due from Other Funds | -- | -- | -- | -- |
| 1300 | Inventories | -- | -- | -- | -- |
| 1000 | Total Assets | | 6,494 | 43,628 | 93,308 |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ -- | \$ -- | \$ 4,163 | \$ -- |
| 2160 | Accrued Wages Payable | -- | -- | -- | -- |
| 2170 | Due to Other Funds | -- | -- | -- | 338 |
| 2180 | Due to Other Governments | -- | -- | -- | -- |
| 2300 | Unearned Revenue | -- | 6,494 | 39,465 | 92,970 |
| 2000 | Total Liabilities | -- | 6,494 | 43,628 | 93,308 |
| 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 | -- | -- | -- | -- |
| 4000 | Total Liabilities and Fund Balances | \$ -- | \$ 6,494 | \$ 43,628 | \$ 93,308 |

| | 461 Campus Activity Funds | 480 Flour Bluff Foundation | 485 Ed Rachal Foundation | 499 TAMU Work- Based Learning Project | Total Nonmajor Special Revenue Funds (See Exhibit H-1) |
|--|------------------------------------|-------------------------------------|-----------------------------------|------------------------------------------------|-----------------------------------------------------------------------|
| | \$ 965,318 | \$ 11,306 | \$ 116 | \$ (111,373) | \$ (81,284) |
| | -- | -- | -- | -- | 2,700,762 |
| | 48,678 | -- | -- | -- | 48,678 |
| | -- | -- | -- | -- | 202,598 |
| | <u>1,013,996</u> | <u>11,306</u> | <u>116</u> | <u>(111,373)</u> | <u>2,870,754</u> |
| | \$ -- | \$ -- | \$ -- | \$ -- | \$ 15,501 |
| | -- | -- | -- | -- | 84,408 |
| | 67,107 | -- | -- | -- | 67,445 |
| | 2 | -- | -- | -- | 2,967 |
| | -- | -- | 116 | 148 | 140,340 |
| | <u>67,109</u> | <u>--</u> | <u>116</u> | <u>148</u> | <u>310,661</u> |
| | -- | -- | -- | -- | 202,599 |
| | -- | -- | -- | (111,521) | 1,399,301 |
| | 946,887 | 11,306 | -- | -- | 958,193 |
| | <u>946,887</u> | <u>11,306</u> | <u>--</u> | <u>(111,521)</u> | <u>2,560,093</u> |
| | <u>1,013,996</u> | <u>11,306</u> | <u>116</u> | <u>(111,373)</u> | <u>2,870,754</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, 2024

| 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 <i>Local and Intermediate Sources</i> | \$ -- | \$ -- | \$ -- | \$ 966,470 |
| 5800 <i>State Program Revenues</i> | -- | -- | -- | 13,810 |
| 5900 <i>Federal Program Revenues</i> | 1,498,060 | 1,529,340 | 17,018 | 2,936,964 |
| 5020 Total Revenues | <u>1,498,060</u> | <u>1,529,340</u> | <u>17,018</u> | <u>3,917,244</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 <i>Instruction</i> | 1,379,548 | 595,209 | 17,018 | -- |
| 0012 <i>Instructional Resources and Media Services</i> | 45,436 | -- | -- | -- |
| 0013 <i>Curriculum and Staff Development</i> | 48,896 | 40,547 | -- | -- |
| 0021 <i>Instructional Leadership</i> | 2,640 | 274,113 | -- | -- |
| 0023 <i>School Leadership</i> | 5,030 | -- | -- | -- |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i> | 1,996 | 558,975 | -- | -- |
| 0035 <i>Food Service</i> | -- | -- | -- | 4,269,221 |
| 0036 <i>Cocurricular/Extracurricular Activities</i> | -- | -- | -- | -- |
| 0052 <i>Security and Monitoring Services</i> | -- | -- | -- | -- |
| 0061 <i>Community Services</i> | 14,514 | -- | -- | -- |
| 0071 <i>Principal on Long-term Debt</i> | -- | -- | -- | -- |
| 0072 <i>Interest on Long-term Debt</i> | -- | -- | -- | -- |
| 0093 <i>Payments to Shared Service Arrangements</i> | -- | 60,496 | -- | -- |
| 6030 Total Expenditures | <u>1,498,060</u> | <u>1,529,340</u> | <u>17,018</u> | <u>4,269,221</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 Expenditures | -- | -- | -- | (351,977) |
| 1200 Net Change in Fund Balances | -- | -- | -- | (351,977) |
| 0100 Fund Balances - Beginning | -- | -- | -- | 2,065,398 |
| 3000 Fund Balances - Ending | <u>\$ --</u> | <u>\$ --</u> | <u>\$ --</u> | <u>\$ 1,713,421</u> |

| 244 Career and Tech Basic Grant | 255 ESEA Title II Training & Recruiting | 280 American Rescue Plan - Homeless ESSER III | 282 ESSER Fund III of the American Rescue Plan Act | 284 IDEA-B the American Rescue Plan Act |
|------------------------------------------|--------------------------------------------------|--------------------------------------------------------|-------------------------------------------------------------|--------------------------------------------------|
| \$ -- | \$ -- | \$ -- | \$ -- | \$ -- |
| -- | -- | -- | -- | -- |
| 83,561 | 291,736 | 9,360 | 1,122,047 | 20,883 |
| <u>83,561</u> | <u>291,736</u> | <u>9,360</u> | <u>1,122,047</u> | <u>20,883</u> |
| 81,388 | 245,893 | 9,360 | 1,121,134 | 20,883 |
| -- | -- | -- | -- | -- |
| 1,243 | 40,825 | -- | 913 | -- |
| 930 | 1,420 | -- | -- | -- |
| -- | 494 | -- | -- | -- |
| -- | 3,104 | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| -- | -- | -- | -- | -- |
| <u>83,561</u> | <u>291,736</u> | <u>9,360</u> | <u>1,122,047</u> | <u>20,883</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, 2024

| Data Control Codes | 288 NOAA Ocean Acidification Grant | 289 Title IV Part A Subpart 1 | 397 Advanced Placement Incentives | 410 State Textbook Fund |
|-----------------------------------------------------------|---------------------------------------------|----------------------------------------|--------------------------------------------|----------------------------------|
| REVENUES: | | | | |
| 5700 <i>Local and Intermediate Sources</i> | \$ -- | \$ -- | \$ -- | \$ -- |
| 5800 <i>State Program Revenues</i> | -- | -- | 204 | 781,432 |
| 5900 <i>Federal Program Revenues</i> | 43,162 | 125,190 | -- | -- |
| 5020 Total Revenues | <u>43,162</u> | <u>125,190</u> | <u>204</u> | <u>781,432</u> |
| EXPENDITURES: | | | | |
| Current: | | | | |
| 0011 <i>Instruction</i> | 43,162 | 119,269 | 204 | 712,626 |
| 0012 <i>Instructional Resources and Media Services</i> | -- | -- | -- | -- |
| 0013 <i>Curriculum and Staff Development</i> | -- | 959 | -- | -- |
| 0021 <i>Instructional Leadership</i> | -- | 575 | -- | -- |
| 0023 <i>School Leadership</i> | -- | -- | -- | -- |
| 0031 <i>Guidance, Counseling, and Evaluation Services</i> | -- | 4,387 | -- | -- |
| 0035 <i>Food Service</i> | -- | -- | -- | -- |
| 0036 <i>Cocurricular/Extracurricular Activities</i> | -- | -- | -- | -- |
| 0052 <i>Security and Monitoring Services</i> | -- | -- | -- | -- |
| 0061 <i>Community Services</i> | -- | -- | -- | -- |
| 0071 <i>Principal on Long-term Debt</i> | -- | -- | -- | 68,482 |
| 0072 <i>Interest on Long-term Debt</i> | -- | -- | -- | 324 |
| 0093 <i>Payments to Shared Service Arrangements</i> | -- | -- | -- | -- |
| 6030 Total Expenditures | <u>43,162</u> | <u>125,190</u> | <u>204</u> | <u>781,432</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | | |
| 1100 Expenditures | -- | -- | -- | -- |
| 1200 Net Change in Fund Balances | -- | -- | -- | -- |
| 0100 Fund Balances - Beginning | -- | -- | -- | -- |
| 3000 Fund Balances - Ending | \$ -- | \$ -- | \$ -- | \$ -- |

| 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) |
|------------------------------------------------|------------------------------------|-------------------------------------|------------------------------------------------|-----------------------------------------------------------------------|
| \$ -- | \$ 1,032,928 | \$ -- | \$ 10,000 | \$ 2,009,398 |
| 1,145,192 | -- | -- | -- | 1,940,638 |
| -- | -- | -- | -- | 7,677,321 |
| <u>1,145,192</u> | <u>1,032,928</u> | <u>--</u> | <u>10,000</u> | <u>11,627,357</u> |
| 272,952 | -- | -- | 8,977 | 4,627,623 |
| -- | -- | -- | -- | 45,436 |
| -- | -- | -- | -- | 133,383 |
| -- | -- | -- | -- | 279,678 |
| -- | -- | -- | -- | 5,524 |
| -- | -- | -- | -- | 568,462 |
| -- | -- | -- | -- | 4,269,221 |
| -- | 1,003,289 | -- | -- | 1,003,289 |
| 872,240 | -- | -- | 112,544 | 984,784 |
| -- | -- | -- | -- | 14,514 |
| -- | -- | -- | -- | 68,482 |
| -- | -- | -- | -- | 324 |
| -- | -- | -- | -- | 60,496 |
| <u>1,145,192</u> | <u>1,003,289</u> | <u>--</u> | <u>121,521</u> | <u>12,061,216</u> |
| -- | 29,639 | -- | (111,521) | (433,859) |
| -- | <u>29,639</u> | -- | <u>(111,521)</u> | <u>(433,859)</u> |
| -- | 917,248 | 11,306 | -- | 2,993,952 |
| <u>\$ --</u> | <u>\$ 946,887</u> | <u>\$ 11,306</u> | <u>\$ (111,521)</u> | <u>\$ 2,560,093</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

EXHIBIT H-5

CAPITAL PROJECTS
 CAPITAL PROJECTS FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

| Data Control Codes | 1 | 2 | 3 |
|---------------------------------------------------|--------------------|---------------------|------------------------------|
| | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | |
| 5700 Local and Intermediate Sources | \$ -- | \$ 23,454 | \$ 23,454 |
| 5020 Total Revenues | <u>--</u> | <u>23,454</u> | <u>23,454</u> |
| EXPENDITURES: | | | |
| Capital Outlay: | | | |
| 0081 Facilities Acquisition and Construction | 1,767,652 | 1,447,471 | 320,181 |
| Total Capital Outlay | <u>1,767,652</u> | <u>1,447,471</u> | <u>320,181</u> |
| 6030 Total Expenditures | <u>1,767,652</u> | <u>1,447,471</u> | <u>320,181</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | |
| 1100 Expenditures | <u>(1,767,652)</u> | <u>(1,424,017)</u> | <u>343,635</u> |
| Other Financing Sources (Uses): | | | |
| 7915 Operating Transfers In | -- | 910,000 | 910,000 |
| 7080 Total Other Financing Sources and (Uses) | <u>--</u> | <u>910,000</u> | <u>910,000</u> |
| 1200 Net Change in Fund Balance | <u>(1,767,652)</u> | <u>(514,017)</u> | <u>1,253,635</u> |
| 0100 Fund Balance - Beginning | 2,091,541 | 2,091,541 | -- |
| 3000 Fund Balance - Ending | <u>\$ 323,889</u> | <u>\$ 1,577,524</u> | <u>\$ 1,253,635</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF NET POSITION

INTERNAL SERVICE FUNDS

AUGUST 31, 2024

| 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 | \$ (107,947) | \$ 1,377,800 | \$ 424,800 | \$ 1,694,653 |
| Receivables: | | | | | |
| 1260 | Due from Other Funds | 60 | 23 | -- | 83 |
| 1290 | Other Receivables (net) | 3,603 | -- | -- | 3,603 |
| | Total Current Assets | <u>(104,284)</u> | <u>1,377,823</u> | <u>424,800</u> | <u>1,698,339</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>(85,682)</u> | <u>1,377,823</u> | <u>424,800</u> | <u>1,716,941</u> |
| LIABILITIES: | | | | | |
| Current Liabilities: | | | | | |
| 2110 | Accounts Payable | \$ 548 | \$ -- | \$ -- | \$ 548 |
| 2123 | Other Liabilities | -- | 275,000 | 117,137 | 392,137 |
| 2170 | Due to Other Funds | -- | 167,001 | -- | 167,001 |
| | Total Current Liabilities | <u>548</u> | <u>442,001</u> | <u>117,137</u> | <u>559,686</u> |
| 2000 | Total Liabilities | <u>548</u> | <u>442,001</u> | <u>117,137</u> | <u>559,686</u> |
| NET POSITION: | | | | | |
| 3900 | Unrestricted | (86,230) | 935,822 | 307,663 | 1,157,255 |
| 3000 | Total Net Position | <u>\$ (86,230)</u> | <u>\$ 935,822</u> | <u>\$ 307,663</u> | <u>\$ 1,157,255</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, 2024

| 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 <i>Local and Intermediate Sources</i> | \$ 262,917 | \$ 4,434,437 | \$ 318,527 | \$ 5,015,881 |
| 5020 Total Revenues | <u>262,917</u> | <u>4,434,437</u> | <u>318,527</u> | <u>5,015,881</u> |
| OPERATING EXPENSES: | | | | |
| 6100 <i>Payroll Costs</i> | 189,017 | -- | -- | 189,017 |
| 6200 <i>Professional and Contracted Services</i> | 105,611 | -- | -- | 105,611 |
| 6300 <i>Supplies and Materials</i> | 32,041 | -- | -- | 32,041 |
| 6400 <i>Other Operating Costs</i> | 3,311 | 4,521,411 | 201,888 | 4,726,610 |
| 6030 Total Expenses | <u>329,980</u> | <u>4,521,411</u> | <u>201,888</u> | <u>5,053,279</u> |
| 1300 Change in Net Position | (67,063) | (86,974) | 116,639 | (37,398) |
| 0100 Total Net Position - Beginning | (19,167) | 1,022,796 | 191,024 | 1,194,653 |
| 3300 Total Net Position - Ending | <u>\$ (86,230)</u> | <u>\$ 935,822</u> | <u>\$ 307,663</u> | <u>\$ 1,157,255</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

COMBINING STATEMENT OF CASH FLOWS

ALL INTERNAL SERVICE FUNDS

FOR THE YEAR ENDED AUGUST 31, 2024

| | 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 | 262,917 | 4,434,437 | 318,527 | 5,015,881 |
| Cash Payments to Employees | -- | -- | -- | -- |
| Cash Payments to Suppliers for Goods and Services | (334,547) | (4,489,649) | (193,996) | (5,018,192) |
| Cash Payments for Grants to Other Organizations | -- | -- | -- | -- |
| Other Operating Cash Receipts (Payments) | -- | -- | -- | -- |
| Net Cash Provided (Used) by Operating Activities | <u>(71,630)</u> | <u>(55,212)</u> | <u>124,531</u> | <u>(2,311)</u> |
| Cash Flows from Non-capital Financing Activities: | | | | |
| Transfers From (To) Other Funds | -- | -- | -- | -- |
| Net Cash Provided (Used) by Non-capital Financing Activities | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Cash Flows from Capital and Related Financing Activities: | | | | |
| Contributed Capital | -- | -- | -- | -- |
| Net Cash Provided (Used) for Capital and Related Financing Activities | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Cash Flows from Investing Activities: | | | | |
| Interest and Dividends on Investments | -- | -- | -- | -- |
| Net Cash Provided (Used) for Investing Activities | <u>--</u> | <u>--</u> | <u>--</u> | <u>--</u> |
| Net Increase (Decrease) in Cash and Cash Equivalents | (71,630) | (55,212) | 124,531 | (2,311) |
| Cash and Cash Equivalents at Beginning of Year | (36,317) | 1,433,012 | 300,269 | 1,696,964 |
| Cash and Cash Equivalents at End of Year | <u>\$ (107,947)</u> | <u>\$ 1,377,800</u> | <u>\$ 424,800</u> | <u>\$ 1,694,653</u> |
| Reconciliation of Operating Income to Net Cash Provided by Operating Activities: | | | | |
| Operating Income (Loss) | \$ (67,063) | \$ (86,974) | \$ 116,639 | \$ (37,398) |
| Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities | | | | |
| Depreciation | -- | -- | -- | -- |
| Change in Assets and Liabilities: | | | | |
| Decrease (Increase) in Receivables | -- | -- | -- | -- |
| Decrease (Increase) in Prepaid Expenses | -- | -- | -- | -- |
| Increase (Decrease) in Accounts Payable | (4,567) | 29,000 | 7,892 | 32,325 |
| Increase (Decrease) in Interfund Payables | -- | 2,762 | -- | 2,762 |
| Increase (Decrease) in Accrued Expenses | -- | -- | -- | -- |
| Increase (Decrease) in Unearned Revenue | -- | -- | -- | -- |
| Total Adjustments | <u>(4,567)</u> | <u>31,762</u> | <u>7,892</u> | <u>35,087</u> |
| Net Cash Provided (Used) by Operating Activities | <u>\$ (71,630)</u> | <u>\$ (55,212)</u> | <u>\$ 124,531</u> | <u>\$ (2,311)</u> |

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, 2024

| Year Ended August 31 | 1 Tax Rates | | 2 | 3 Assessed/Appraised Value For School Tax Purposes | 10 Beginning Balance 9/1/23 |
|-----------------------------------|----------------|--------------|---|-------------------------------------------------------------|--------------------------------------|
| | Maintenance | Debt Service | | | |
| 2015 and Prior Years | \$ Various | \$ Various | | \$ Various | \$ 8,430 |
| 2016 | 1.04 | .1144 | | 2,744,362,524 | 61,049 |
| 2017 | 1.04 | .11 | | 2,967,591,097 | 74,689 |
| 2018 | 1.04 | .105 | | 3,122,826,495 | 84,478 |
| 2019 | 1.06 | .08 | | 3,171,634,275 | 102,715 |
| 2020 | .97 | .10 | | 3,333,034,262 | 122,079 |
| 2021 | .9664 | .10 | | 3,409,770,660 | 182,158 |
| 2022 | .9323 | .074 | | 3,753,318,586 | 343,983 |
| 2023 | .8846 | .074 | | 4,235,036,068 | 538,931 |
| 2024 (School Year Under Audit) | .6692 | .099 | | 4,600,817,564 | -- |
| 1000 Totals | | | | | <u>\$ 1,518,511</u> |

8000 - Total Taxes Refunded under Section 26.1115, Tax Code

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

EXHIBIT J-1

| 20 Current Year's Total Levy | 31 Maintenance Collections | 32 Debt Service Collections | 40 Entire Year's Adjustments | 50 Ending Balance 8/31/24 | 99 Total Taxes Refunded Under Sect. 26.1115(c) |
|---------------------------------------|----------------------------------|-----------------------------------|---------------------------------------|------------------------------------|---------------------------------------------------------|
| \$ -- | \$ 7,876 | \$ 616 | \$ (11,584) | \$ (11,645) | |
| -- | 1,497 | 165 | (23) | 59,365 | |
| -- | 4,651 | 492 | (23) | 69,522 | |
| -- | 6,457 | 652 | (23) | 77,346 | |
| -- | 8,373 | 632 | (23) | 93,687 | |
| -- | 11,851 | 1,222 | (2,228) | 106,778 | |
| -- | 23,905 | 2,474 | (2,642) | 153,138 | |
| -- | 22,986 | 1,825 | (45,124) | 274,048 | |
| -- | 129,334 | 10,819 | (175,092) | 223,686 | |
| 33,676,012 | 28,091,170 | 4,155,747 | (844,444) | 584,651 | |
| <u>\$ 33,676,012</u> | <u>\$ 28,308,099</u> | <u>\$ 4,174,642</u> | <u>\$ (1,081,206)</u> | <u>\$ 1,630,576</u> | |
| | | | | | \$ 23,392.00 |
| | <u>\$ --</u> | | | | |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM
AS OF AUGUST 31, 2024

| Data Control Codes | | <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. | \$ 4,150,768 |
| AP4 | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30) | \$ 3,397,276 |
| <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. | \$ 107,352 |
| AP8 | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25) | \$ 43,737 |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
BUDGETARY COMPARISON SCHEDULE
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT J-3

| Data Control Codes | 1 | 2 | 3 |
|----------------------------------------------------------|---------------------|---------------------|------------------------------|
| | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | |
| 5700 <i>Local and Intermediate Sources</i> | \$ 780,381 | \$ 866,470 | \$ 186,089 |
| 5800 <i>State Program Revenues</i> | 45,000 | 13,810 | (31,190) |
| 5900 <i>Federal Program Revenues</i> | 2,990,080 | 2,936,964 | (53,116) |
| 5020 Total Revenues | <u>3,815,461</u> | <u>3,917,244</u> | <u>101,783</u> |
| EXPENDITURES: | | | |
| Current: | | | |
| Student Support Services: | | | |
| 0035 <i>Food Services</i> | 4,614,027 | 4,269,221 | 344,806 |
| Total Student Support Services | <u>4,614,027</u> | <u>4,269,221</u> | <u>344,806</u> |
| 6030 Total Expenditures | <u>4,614,027</u> | <u>4,269,221</u> | <u>344,806</u> |
| 1100 Excess (Deficiency) of Revenues Over (Under) | | | |
| 1100 Expenditures | (798,566) | (351,977) | 446,589 |
| 1200 Net Change in Fund Balance | <u>(798,566)</u> | <u>(351,977)</u> | <u>446,589</u> |
| 0100 Fund Balance - Beginning | 2,065,398 | 2,065,398 | -- |
| 3000 Fund Balance - Ending | <u>\$ 1,266,832</u> | <u>\$ 1,713,421</u> | <u>\$ 446,589</u> |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-4

DEBT SERVICE FUND
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2024

| Data Control Codes | 1 | 2 | 3 |
|----------------------------------------------------------|---------------------|---------------------|------------------------------------|
| | Budget | Actual | Variance Positive (Negative) |
| REVENUES: | | | |
| 5700 <i>Local and Intermediate Sources</i> | \$ 4,481,270 | \$ 4,466,664 | \$ (14,606) |
| 5800 <i>State Program Revenues</i> | -- | 336,107 | 336,107 |
| 5020 <i>Total Revenues</i> | <u>4,481,270</u> | <u>4,802,771</u> | <u>321,501</u> |
| EXPENDITURES: | | | |
| Debt Service: | | | |
| 0071 <i>Debt Service</i> | 682,427 | 2,292,427 | (1,610,000) |
| 0072 <i>Interest on Long-Term Debt</i> | 2,042,070 | 2,022,363 | 19,707 |
| 0073 <i>Bond Issuance Costs and Fees</i> | 1,497,390 | 500 | 1,496,890 |
| <i>Total Debt Service</i> | <u>4,221,887</u> | <u>4,315,290</u> | <u>(93,403)</u> |
| 6030 <i>Total Expenditures</i> | <u>4,221,887</u> | <u>4,315,290</u> | <u>(93,403)</u> |
| 1100 <i>Excess (Deficiency) of Revenues Over (Under)</i> | | | |
| 1100 <i>Expenditures</i> | <u>259,383</u> | <u>487,481</u> | <u>228,098</u> |
| Other Financing Sources (Uses): | | | |
| 7916 <i>Premium or Discount on Issuance of Bonds</i> | -- | 104,978 | 104,978 |
| 7080 <i>Total Other Financing Sources and (Uses)</i> | -- | 104,978 | 104,978 |
| 1200 <i>Net Change in Fund Balance</i> | <u>259,383</u> | <u>592,459</u> | <u>333,076</u> |
| 0100 <i>Fund Balance - Beginning</i> | 2,367,117 | 2,367,117 | -- |
| 3000 <i>Fund Balance - Ending</i> | <u>\$ 2,626,500</u> | <u>\$ 2,959,576</u> | <u>\$ 333,076</u> |



GOWLAND, MORALES & SMITH, PLLC

Certified Public Accountants

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Fax: (361) 991-2880

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 the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Flour Bluff Independent School District, as of and for the year ended August 31, 2024, 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 4, 2025.

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 Flour Bluff Independent School District'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 Flour Bluff Independent School District's internal control or on compliance. This 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 and compliance. Accordingly, this communication is not suitable for any other purpose.

Respectfully submitted,

Gowland, Morales, & Smith, PLLC

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 4, 2025



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 in Accordance with 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, 2024. 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, 2024.

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,

Gowland, Morales & Smith, PLLC

Corpus Christi, Texas
January 4, 2025

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

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 2024

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> |
|-------------------------------------|----------------------------------------------|
| School Lunch Program Cluster: | |
| 10.553 | School Breakfast Program |
| 10.555 | National School Lunch Program |
| 10.555 | National School Lunch Program (Non-Cash) |
| 10.559 | Summer Food Service Program |
| 84.10A | ESEA Title I Part A-Improving Basic Programs |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED AUGUST 31, 2024

Dollar threshold used to distinguish between
type A and type B programs:

\$750,000

Auditee qualified as low-risk auditee?

X Yes

 No

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, 2024

| <u>Finding/Recommendation</u> | <u>Current Status</u> | <u>Management's Explanation If Not Implemented</u> |
|-------------------------------|-----------------------|--------------------------------------------------------|
|-------------------------------|-----------------------|--------------------------------------------------------|

NONE - N/A

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED AUGUST 31, 2024

NONE REQUIRED - N/A

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT K-1
Page 1 of 3

| (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 | 178-914 | \$ -- | \$ 759,367 |
| National School Lunch Program | 10.555 | 178-914 | -- | 1,490,391 |
| National School Lunch Program (Non-cash) | 10.555 | 178-914 | -- | 254,845 |
| Total ALN Number 10.555 | | | -- | 1,745,236 |
| Total Passed Through State Department of Education | | | -- | 2,504,603 |
| Passed Through Texas Department of Agriculture: | | | | |
| Supply Chain Assistance | 10.555 | NT4XL1YGLGC5 | -- | 23,750 |
| Summer Food Service Program | 10.559 | NT4XL1YGLGC5 | -- | 40,775 |
| Total Passed Through Texas Department of Agriculture | | | -- | 64,525 |
| Total U. S. Department of Agriculture | | | -- | 2,569,128 |
| Total Child Nutrition Cluster | | | -- | 2,569,128 |
| SPECIAL EDUCATION (IDEA) CLUSTER: | | | | |
| <u>U. S. Department of Education</u> | | | | |
| Passed Through State Department of Education: | | | | |
| IDEA-Part B, Formula | 84.027A | 23660001178914 | -- | 45,747 |
| IDEA-Part B, Formula | 84.027A | 24660001178914 | -- | 1,546,061 |
| Total ALN Number 84.027A | | | -- | 1,591,808 |
| IDEA - Part B, Formula - American Rescue Plan (ARP) Act of 2021 | 84.027X | 22535001178914 | -- | 20,883 |
| IDEA-B Preschool | 84.173 | 20661001178914 | -- | 17,018 |
| IDEA-Part B, Preschool | 84.173 | 23661001178914 | -- | 709 |
| Total ALN Number 84.173 | | | -- | 17,727 |
| Total Passed Through State Department of Education | | | -- | 1,543,583 |
| Total U. S. Department of Education | | | -- | 1,543,583 |
| Total Special Education (IDEA) Cluster | | | -- | 1,543,583 |
| 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 | 20610101178914 | -- | -- |
| ESEA Title I Part A - Improving Basic Programs | 84.010A | 23610101178914 | -- | 1,353 |
| Title I Part A - Improving Basic Programs | 84.010A | 24610101178914 | -- | 1,534,500 |
| Total ALN Number 84.010a | | | -- | 1,535,853 |
| Impact Aid - P.L. 81.874 | 84.041 | 178-914 | -- | 59,925 |
| Career and Technical Education - Basic Grant | 84.048A | 24420006178914 | \$ -- | \$ 86,000 |
| Career and Technical Education - Basic Grant | 84.048A | 25420006178914 | -- | 815 |
| Total ALN Number 84.048A | | | -- | 86,815 |
| Title II, Part A - Teacher and Principal Training and Recruiting | 84.367A | 24694501178914 | -- | 300,812 |

FLOUR BLUFF INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2024

EXHIBIT K-1
Page 2 of 3

| (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 |
| Total ALN Number 84.367a | | | 300,812 |
| <i>Title IV, Part A, Subpart 1</i> | 84.424 | 23680101178914 | 125,821 |
| <i>Federally Funded Special Revenue Funds</i> | 84.424A | 2368010117891 | 2,918 |
| Total ALN Number 84.424A | | | 2,918 |
| <i>ESSER Fund III of the American Rescue Plan Act of 2021</i> | 84.425U | 21528001178914 | 1,124,920 |
| Total ALN Number 84.425U | | | 1,124,920 |
| <i>American Rescue Plan (ARP) Act - Homeless II - Education for Hom</i> | 84.425W | 21533002178914 | 9,841 |
| Total Passed Through State Department of Education | | | 3,333,740 |
| Total U. S. Department of Education | | | 3,333,740 |
| <u>U. S. Department of Commerce</u> | | | |
| Passed Through : | | | |
| <i>NOAA Mission-Related Education Award</i> | 11.017 | NA220AR01705 | 43,162 |
| Total U. S. Department of Commerce | | | 43,162 |
| <u>U. S. Department of Agriculture</u> | | | |
| Passed Through Texas Department of Agriculture: | | | |
| <i>Child and Adult Care Food Program</i> | 10.558 | NT4XL1YGLGC5 | 365,272 |
| <i>P-EBT</i> | 10.649 | NT4XL1YGLGC5 | 2,564 |
| Total Passed Through Texas Department of Agriculture | | | 367,836 |
| Total U. S. Department of Agriculture | | | 367,836 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | 7,857,449 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | 7,857,449 |
| <i>School Health and Related Services (SHARS)</i> | | | 350,638 |
| <i>NJROTC</i> | | | 103,204 |
| | | | 8,311,291 |

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, 2024

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, 2024*

| 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 | 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.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued. | Yes |
| SF4 | Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold. | No |
| SF5 | Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds? | 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 | \$ -- |