

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT FOR THE YEAR ENDED
JUNE 30, 2025

**FLORESVILLE INDEPENDENT SCHOOL DISTRICT
ANNUAL FINANCIAL REPORT
FOR THE YEAR ENDED JUNE 30, 2025**

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CERTIFICATE OF BOARD

Floresville Independent School District
Name of School District

Wilson
County

247901
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 June 30, 2025 at a meeting of the Board of Trustees of such school district on the 7th of October, 2025.


Signature of Board Secretary


Signature of Board President

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

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees of the
Floresville Independent School District
1200 5th Street
Floresville, Texas 78114

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of the Floresville Independent School District, as of and for the year ended June 30, 2025. These statements also include the related notes to the financial statements, which collectively comprise the Floresville Independent School District's basic financial statements as listed in the Table of Contents.

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the Floresville Independent School District, as of June 30, 2025, 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 and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Floresville 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 the Floresville 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 generally accepted auditing standards (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 controls. 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 judgement 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 Floresville Independent School District's internal controls. 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 judgement, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Floresville Independent School 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 Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund, Schedule of the District's Proportionate Share of the Net Pension Liability, Schedule of District Contributions for Pensions, Schedule of the District's Proportionate Share of the Net OPEB Liability, and Schedule of the District Contributions for Other Post-Employment Benefits on pages 7 – 14 and 56 – 64 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 Government Accounting Standards Board (GASB), 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 an assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the Floresville Independent School District's basic financial statements. The accompanying combining and individual nonmajor fund financial statements along with the Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards*, are presented for additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and to 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 as well as the Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

The Texas Education Agency (the TEA) requires school districts to include certain information in the Annual Financial and Compliance Report in conformity with the laws and regulations of the State of Texas. This information is presented in exhibits identified in the Table of Contents as Exhibits J-1, J-2, J-3, and J-4. These schedules have been subjected to the auditing procedures applied in the audit of the basic financial statements and, in our opinion, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated September 5, 2025, on our consideration of the Floresville 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 on the results of that testing, and not to provide an opinion on the effectiveness of the Floresville Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the Floresville Independent School District's internal control over financial reporting and compliance.

Coleman, Horton and Company, LLP

Uvalde, Texas
September 5, 2025

MANAGEMENT'S DISCUSSION AND ANALYSIS

This section of the Floresville Independent School District's (the District) annual financial and compliance report presents management's discussion and analysis of the District's financial performance for the fiscal year ended June 30, 2025. It should be read in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- * The District's total combined net position was \$32,911,320 as of June 30, 2025, representing an increase of \$4,554,712 from the prior year.
- * The total cost of the District's programs decreased \$1,158,741 from the prior year, resulting in a total of \$49,114,973.
- * The General Fund reported an increase in fund balance of \$956,422 bringing the ending fund balance to \$12,281,981.
- * The Debt Service Fund reported an increase in fund balance of \$1,737,252, resulting in an ending fund balance of \$8,994,400.
- * The District's proportionate share of the Teacher Retirement System of Texas (TRS) net pension liability decreased by \$1,585,149 from the prior year, resulting in an ending balance of \$9,545,420.
- * The District's proportionate share of the TRS net Other Post-Employment Benefits (OPEB) liability increased by \$2,029,276 from the prior year, resulting in an ending balance of \$7,805,845.

Overview of the Basic Financial Statements

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 position.
- * The remaining statements are *fund financial statements* which focus on *individual parts* of the District's government and report operations in *greater detail* than the government-wide statements.
- * The *Governmental Fund Financial Statements* explain how *general government* services were financed in the *short term* indicate the resources available for future spending.
- * The *Proprietary Fund Financial Statements* present information about services provided internally within the District. These funds include the Internal Service Fund, which accounts for the District's dental insurance program.
- * The *Fiduciary Fund Financial Statements* present information regarding the financial relationships in which the District serves solely as a *trustee or custodian*. These resources are held for the benefit of others and are not available to support the District's own programs.

The financial statements also include *notes* that explain certain information and provide additional detail. Following the statements and notes is a section of *Required Supplementary Information* which offers further explanation and support for the information presented in the financial statements.

Government-Wide Statements

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

The two government-wide statements report the District's *net position* and illustrate how it has changed over time. Net position, the District's assets and deferred outflows less the District's liabilities and deferred inflows, is one way to measure the District's financial health or *position*.

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

The government-wide financial statements of the District focus on *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. These activities are primarily funded through property taxes and state and federal grants.

Fund Financial Statements

The fund financial statements provide more detailed information about the District's most significant *funds*, rather than the District as a whole. Funds are accounting devices used by the District to track specific sources of funding and spending for designated purposes.

- * Some funds are required by state law or bond covenants.
- * Other funds are established by the Board of Trustees to manage resources for particular purposes or to demonstrate proper use of specific taxes and grants.

The District reports two types 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 available at year-end that may be used to finance future operations. As a result, governmental fund statements provide a detailed *short-term* financial perspective, helping 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 fund statements, or on the subsequent page, then explain the relationship (or differences) between them.
- * *Fiduciary funds* - The District serves as custodian for certain fiduciary funds. These funds are used to account for assets held on behalf of others, such as student organizations or third-party programs. The District is responsible for ensuring that these assets are used only 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 Fund Net Position. These activities are excluded from the government-wide financial statements, as the District cannot use these assets to finance its own operations.

Financial Analysis of the District as a Whole

Net position: The District’s combined net position was \$32,911,320 at June 30, 2025 (see Table A-1).

**Table A-1
The District's Net Position**

	Governmental Activities		Total Percentage Change
	2025	2024	
Assets:			
Current and other assets	\$ 27,878,201	\$ 25,609,096	8.86%
Capital assets - net	71,645,936	74,202,053	-3.44%
Total Assets	\$ 99,524,137	\$ 99,811,149	-0.29%
Deferred outflows of resources	\$ 7,008,808	\$ 8,145,732	-13.96%
Liabilities:			
Current liabilities	\$ 3,681,893	\$ 3,805,811	-3.26%
Long term liabilities	60,692,043	63,801,795	-4.87%
Total Liabilities	\$ 64,373,936	\$ 67,607,606	-4.78%
Deferred inflow of resources	\$ 9,247,689	\$ 11,992,667	-22.89%
Net position:			
Net investment in capital assets	\$ 30,618,975	\$ 29,913,652	2.36%
Restricted	10,523,377	9,080,083	15.90%
Unrestricted	(8,231,032)	(10,637,127)	-22.62%
Total net position	\$ 32,911,320	\$ 28,356,608	16.06%

Changes in net position: The District's total revenues for the fiscal year were \$53,669,685, representing an increase of \$1,153,237 or 2.20%, compared to the prior year. Approximately 33.94% of the District's revenues came from property taxes, 46.76% came from state aid grants, 4.86% came from unrestricted grants and contributions, 8.10% from operating grants and contributions, 3.53% related to charges for services, 1.02% came from miscellaneous revenues, and the remainder from the investment earnings (see Table A-2).

**Table A-2
The District's Changes in Net Position**

	<u>Governmental Activities</u>		<u>Total Percentage Change</u>
	<u>2025</u>	<u>2024</u>	
Revenues:			
Program revenues:			
Charges for Services	\$ 1,892,286	\$ 1,975,329	-4.20%
Operating grants and contributions	4,344,869	5,912,015	-26.51%
General revenues:			
Property taxes	18,217,675	16,188,813	12.53%
State aid - formula grants	25,093,434	23,066,160	8.79%
Grants and contributions not restricted	2,605,821	3,673,777	-29.07%
Investment earnings	967,762	1,054,724	-8.25%
Miscellaneous local and intermediate revenue	547,838	645,630	-15.15%
Extraordinary items - net	-	-	-100.00%
Total revenues and extraordinary item	<u>53,669,685</u>	<u>52,516,448</u>	<u>2.20%</u>
Expenses:			
Instruction	24,540,333	26,128,581	-6.08%
Instructional resources and media services	317,210	331,394	-4.28%
Curriculum and staff development	346,809	463,050	-25.10%
Instructional leadership/school leadership	3,049,810	2,972,098	2.61%
Guidance, counseling and evaluation, health and social work services	2,030,274	2,392,274	-15.13%
Student(pupil) transportation	2,821,902	2,777,185	1.61%
Food services	2,670,739	2,533,072	5.43%
Extracurricular activities	1,690,627	1,558,835	8.45%
General administration	1,554,515	1,601,689	-2.95%
Facilities maintenance and security	6,899,581	6,530,263	5.66%
Data processing services	1,018,268	1,032,903	-1.42%
Community services	12,191	40,161	-69.64%
Debt service	1,444,770	1,326,370	8.93%
Payments to Juvenile Justice Alternative Education Program (JJAEP)	12,015	14,207	-15.43%
Other intergovernmental charges	<u>705,929</u>	<u>571,632</u>	<u>23.49%</u>
Total expenses	<u>49,114,973</u>	<u>50,273,714</u>	<u>-2.30%</u>
Change in net position	4,554,712	2,242,734	103.09%
Net position at beginning of year	<u>28,356,608</u>	<u>26,113,874</u>	<u>8.59%</u>
Net position at end of year	<u>\$ 32,911,320</u>	<u>\$ 28,356,608</u>	<u>16.06%</u>

The total cost of all programs and services was \$49,114,973, reflecting a decrease from the prior year of \$1,158,741 or 2.30%.

Governmental activities: Table A-3 presents the cost of some of the District’s largest functions, along with each function’s net cost, defined as the total cost less any program revenues, such as fees generated by the activities and intergovernmental aid. The net cost represents the portion of expenses funded by state revenues and local tax dollars.

- * The District’s property tax rate was \$0.8494 per \$100 of assessed value.
- * The total cost of governmental activities for the year was \$49,114,973.
- * However, of this amount, taxpayers contributed only \$18,217,675 through property taxes.

This analysis highlights the extent to which the District relies on state funding and other revenue sources to support its core services, including instruction, administration, and student support programs.

Table A-3
The District's Net Cost of Selected District Functions

	Governmental Activities		Total Percentage Change
	2025	2024	
Instruction	\$ 22,286,740	\$ 22,857,565	-2.50%
Instructional leadership/school leadership	2,748,791	2,671,938	2.88%
Guidance, counseling and evaluation, health and social work services	1,747,038	1,630,306	7.16%
Student (pupil) transportation	2,786,027	2,596,485	7.30%
Extracurricular activities	1,349,759	1,232,757	9.49%
General administration	1,554,515	1,601,689	-2.95%
Facilities maintenance and security	6,462,364	6,057,213	6.69%
Debt service	1,444,770	1,326,370	8.93%

Financial Analysis of the District's Funds

In 2025, the District maintained two major governmental funds: the General Fund and the Debt Service Fund.

General Fund: The General Fund reported an increase in fund balance of \$956,422 for the year ended June 30, 2025. As of that date, the unassigned fund balance totaled \$11,881,598. This balance is available to support future operations of the District and serves as a reserve to mitigate any potential revenue shortfalls from state funding.

Debt Service Fund: As of June 30, 2025, the Debt Service Fund had a fund balance of \$8,994,400, which is restricted for the payment of principal and interest on the District's outstanding long-term debt obligations.

General Fund Budgetary Highlights: Throughout the fiscal year, the District revised its budget to reflect changing needs and conditions. Actual expenditures were \$441,431 below final amended budget with the largest variance occurring in Instruction, which was \$65,105 under budget. Additionally, actual revenues exceeded budgeted amounts by \$458,659, contributing to the overall positive financial performance of the General Fund.

Capital Assets and Debt Administration

Capital Assets

As of June 30, 2025, the District had invested \$71,645,936 in a broad range of capital assets, including land, buildings and improvements, equipment, and right-to-use lease assets (see Table A-4). This represents a net decrease (including additions, deductions, reclassifications and depreciation) of \$2,556,117 or 3.44%. During the fiscal year, the District added \$78,934 in buildings and improvements, and \$440,981 in vehicles and equipment, of which, \$37,547 was transferred from leased assets to equipment as of year-end. More detailed information regarding the District's capital assets is provided in the *Notes To The Financial Statements*.

Table A-4
The District's Capital Assets

	Governmental Activities		Total Percentage Change
	2025	2024	
Land	\$ 3,197,433	\$ 3,197,433	0.00%
Building and improvements	106,650,150	106,571,216	0.07%
Equipment	9,725,794	9,451,823	2.90%
Right-to-use lease assets - equipment	239,421	276,968	-13.56%
Right-to-use lease assets - buildings	165,459	165,459	0.00%
Construction in progress	-	-	100.00%
Total capital assets	119,978,257	119,662,899	0.26%
Less accumulated depreciation	(48,332,321)	(45,460,846)	6.32%
Net capital assets	\$ 71,645,936	\$ 74,202,053	-3.44%

Long-term Debt

As of June 30, 2025, the District had \$43,340,778 in outstanding long-term debt, as detailed in Table A-5. This total includes the following components: \$41,415,000 in general obligation bonds, \$265,000 in tax maintenance notes, \$601,550 in compensated absences, \$885,348 in bond premiums and discounts accumulated over prior issuances, and \$173,880 in right-to-use lease liabilities. More detailed information regarding the District's long-term debt is provided in the notes to the financial statements.

**Table A-5
The District's Long-Term Debt**

	Governmental Activities		
	2025	2024	Total Percentage Change
Unlimited Tax School Refunding Bonds, Series 2015	\$ 8,340,000	\$ 8,340,000	0.00%
Unlimited Tax School Refunding Bonds, Series 2016	18,705,000	21,310,000	-12.22%
Unlimited Tax School Refunding Bonds, Series 2017	7,395,000	7,840,000	-5.68%
Unlimited Tax School Refunding Bonds, Series 2024	6,975,000	6,975,000	100.00%
Tax Maintenance Notes, Series 2017	265,000	390,000	-32.05%
Net Premium/Discount	885,348	1,044,432	-15.23%
Compensated Absences	601,550	742,400	-18.97%
Right-to-Use Lease Liabilities	173,880	252,825	-31.23%
Total long-term debt	<u>\$ 43,340,778</u>	<u>\$ 46,894,657</u>	<u>-7.58%</u>

Economic Factors and Next Year's Budgets and Rates

The District considered several key economic indicators in preparing the budget for the 2025-2026 fiscal year:

- * The certified property values used for the 2026 budget total \$2,528,989,840, representing an 8.70% increase from the prior year.
- * The District's refined average daily attendance (ADA) for 2026 is projected to be 3,675 students.
- * The budget is based upon a Maintenance & Operations (M&O) tax rate of \$0.6316 and an Interest & Sinking (I&S) tax rate of \$0.223278.
- * The 2026 budget includes the required House Bill 2 teacher raises as well as a step increase for teachers. It also provides a \$2.50 per hour increase for bus drivers and a 3 to 7% raise for all other employees.

These indicators were considered in adopting the General Fund budget for 2026. Property tax revenue is expected to remain relatively stable, as the decrease in the M&O tax rate is offset by growth in local property values. The State of Texas has provided property tax relief through House Bill 2 in the form of tax rate compression, as well as Senate Bill 2, which provided further tax rate compression, which together result in a significantly lower M&O tax rate for 2026. State revenue will increase due to the tax rate compression as well as provisions of the newly enacted House Bill 2 from the most recent Legislative session. The District will continue to monitor these estimates on an ongoing basis to ensure that budgetary assumptions can be met. The District has adopted a balanced budget for the 2025-2026 fiscal year.

Contacting the District's Financial Management

This financial report is designed to provide citizens, taxpayers, 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 Business Services Department at (830) 393-5300.

BASIC FINANCIAL STATEMENTS

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT A-1

Data Control Codes	Primary Government Governmental Activities
ASSETS	
1110 Cash and Cash Equivalents	\$ 18,606,102
1220 Property Taxes - Delinquent	2,335,786
1230 Allowance for Uncollectible Taxes	(233,579)
1240 Due from Other Governments	7,147,634
1267 Due from Fiduciary Funds	22,258
Capital Assets:	
1510 Land	3,197,433
1520 Buildings, Net	66,137,272
1530 Furniture and Equipment, Net	2,122,395
1550 Right-to-Use Leased Assets, Net	188,836
1000 Total Assets	99,524,137
DEFERRED OUTFLOWS OF RESOURCES	
1701 Deferred Charge for Refunding	1,712,267
1705 Deferred Outflow Related to TRS Pension	2,071,039
1706 Deferred Outflow Related to TRS OPEB	3,225,502
1700 Total Deferred Outflows of Resources	7,008,808
LIABILITIES	
2110 Accounts Payable	78,081
2140 Interest Payable	585,993
2150 Payroll Deductions and Withholdings	(286)
2160 Accrued Wages Payable	2,710,804
2177 Due to Fiduciary Funds	826
2180 Due to Other Governments	130,637
2200 Accrued Expenses	147,398
2300 Unearned Revenue	28,440
Noncurrent Liabilities:	
2501 Due Within One Year: Loans, Note, Leases, etc. Due in More than One Year:	3,567,623
2502 Bonds, Notes, Loans, Leases, etc.	39,773,155
2540 Net Pension Liability (District's Share)	9,545,420
2545 Net OPEB Liability (District's Share)	7,805,845
2000 Total Liabilities	64,373,936
DEFERRED INFLOWS OF RESOURCES	
2605 Deferred Inflow Related to TRS Pension	1,012,092
2606 Deferred Inflow Related to TRS OPEB	8,235,597
2600 Total Deferred Inflows of Resources	9,247,689
NET POSITION	
3200 Net Investment in Capital Assets and Right-to-Use Lease Assets Restricted:	30,618,975
3820 Restricted for Federal and State Programs	1,348,594
3850 Restricted for Debt Service	8,994,400
3890 Restricted for Other Purposes	180,383
3900 Unrestricted	(8,231,032)
3000 Total Net Position	\$ 32,911,320

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	1	Program Revenues		Net (Expense) Revenue and Changes in Net Position	
		3	4	6	
	Expenses	Charges for Services	Operating Grants and Contributions	Primary Gov. Governmental Activities	
Primary Government:					
GOVERNMENTAL ACTIVITIES:					
11	Instruction	\$ 24,540,333	\$ 531,693	\$ 1,721,900	\$ (22,286,740)
12	Instructional Resources and Media Services	317,210	-	-	(317,210)
13	Curriculum and Instructional Staff Development	346,809	-	184,109	(162,700)
21	Instructional Leadership	856,262	-	144,601	(711,661)
23	School Leadership	2,193,548	152,477	3,941	(2,037,130)
31	Guidance, Counseling, and Evaluation Services	1,566,593	76,238	159,288	(1,331,067)
32	Social Work Services	105,033	-	6,125	(98,908)
33	Health Services	358,648	41,585	-	(317,063)
34	Student (Pupil) Transportation	2,821,902	35,875	-	(2,786,027)
35	Food Services	2,670,739	644,256	1,750,045	(276,438)
36	Extracurricular Activities	1,690,627	340,868	-	(1,349,759)
41	General Administration	1,554,515	-	-	(1,554,515)
51	Facilities Maintenance and Operations	6,183,740	52,828	61,388	(6,069,524)
52	Security and Monitoring Services	715,841	16,466	306,535	(392,840)
53	Data Processing Services	1,018,268	-	-	(1,018,268)
61	Community Services	12,191	-	6,937	(5,254)
72	Debt Service - Interest on Long-Term Debt	1,440,982	-	-	(1,440,982)
73	Debt Service - Bond Issuance Cost and Fees	3,788	-	-	(3,788)
95	Payments to Juvenile Justice Alternative Ed. Prg.	12,015	-	-	(12,015)
99	Other Intergovernmental Charges	705,929	-	-	(705,929)
	[TP] TOTAL PRIMARY GOVERNMENT:	\$ 49,114,973	\$ 1,892,286	\$ 4,344,869	(42,877,818)
Data Control Codes	General Revenues:				
	Taxes:				
MT	Property Taxes, Levied for General Purposes			13,494,356	
DT	Property Taxes, Levied for Debt Service			4,723,319	
SF	State Aid - Formula Grants			25,093,434	
GC	Grants and Contributions not Restricted			2,605,821	
IE	Investment Earnings			967,762	
MI	Miscellaneous Local and Intermediate Revenue			547,838	
TR	Total General Revenues			47,432,530	
CN	Change in Net Position			4,554,712	
NB	Net Position - Beginning			28,356,608	
NE	Net Position - Ending			<u>\$ 32,911,320</u>	

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
ASSETS				
1110 Cash and Cash Equivalents	\$ 7,835,333	\$ 9,057,445	\$ 1,634,702	\$ 18,527,480
1220 Property Taxes - Delinquent	1,740,748	595,038	-	2,335,786
1230 Allowance for Uncollectible Taxes	(174,075)	(59,504)	-	(233,579)
1240 Due from Other Governments	7,111,937	-	35,697	7,147,634
1260 Due from Other Funds	194,580	-	-	194,580
1000 Total Assets	<u>\$ 16,708,523</u>	<u>\$ 9,592,979</u>	<u>\$ 1,670,399</u>	<u>\$ 27,971,901</u>
LIABILITIES				
2110 Accounts Payable	\$ 68,542	\$ -	\$ 9,539	\$ 78,081
2150 Payroll Deductions and Withholdings Payable	(286)	-	-	(286)
2160 Accrued Wages Payable	2,665,919	-	44,885	2,710,804
2170 Due to Other Funds	173,148	-	-	173,148
2180 Due to Other Governments	-	130,637	-	130,637
2200 Accrued Expenditures	147,398	-	-	147,398
2300 Unearned Revenue	-	-	28,440	28,440
2000 Total Liabilities	<u>3,054,721</u>	<u>130,637</u>	<u>82,864</u>	<u>3,268,222</u>
DEFERRED INFLOWS OF RESOURCES				
2601 Unavailable Revenue - Property Taxes	1,371,821	467,942	-	1,839,763
2600 Total Deferred Inflows of Resources	<u>1,371,821</u>	<u>467,942</u>	<u>-</u>	<u>1,839,763</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	1,348,594	1,348,594
3480 Retirement of Long-Term Debt	-	8,994,400	-	8,994,400
3490 Other Restricted Fund Balance	180,383	-	-	180,383
Committed Fund Balance:				
3545 Other Committed Fund Balance	220,000	-	166,722	386,722
3600 Unassigned Fund Balance	11,881,598	-	72,219	11,953,817
3000 Total Fund Balances	<u>12,281,981</u>	<u>8,994,400</u>	<u>1,587,535</u>	<u>22,863,916</u>
4000 Total Liabilities, Deferred Inflows & Fund Balances	<u>\$ 16,708,523</u>	<u>\$ 9,592,979</u>	<u>\$ 1,670,399</u>	<u>\$ 27,971,901</u>

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET TO THE
STATEMENT OF NET POSITION
JUNE 30, 2025

EXHIBIT C-2

Total Fund Balances - Governmental Funds	\$	22,863,916
1 The District uses internal service funds to charge the costs of certain activities, such as self-insurance to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.		78,622
2 Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. At the beginning of the year, the cost of these assets was \$119,662,899 and the accumulated depreciation was \$(45,460,846). In addition, long-term liabilities, including bonds payable of \$(44,465,000), loans payable of \$(390,000) and right to use lease liability of \$(252,825), are not due and payable in the current period, and, therefore are not reported as liabilities in the funds. The net effect of including the beginning balances for capital assets (net of depreciation) and long-term debt in the governmental activities is to increase net position.		29,094,228
3 Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of including the 2025 capital outlays of \$482,368 and debt principal payments of \$3,253,945 is to increase net position.		3,736,313
4 Included in the items related to debt is the recognition of the District's proportionate share of the net pension liability required by GASB 68 in the amount of \$(9,545,420), a deferred resource inflow related to TRS in the amount of \$(1,012,092), and a deferred resource outflow related to TRS in the amount of \$2,071,039. The net effect of including the GASB 68 recognition is to decrease net position.		(8,486,473)
5 Included in the items related to debt is the recognition of the District's proportionate share of the Other Post Employment Benefits (OPEB) liability required by GASB 75 in the amount of \$(7,805,845), a deferred resource inflow related to OPEB in the amount of \$(8,235,597), and a deferred resource outflow related to OPEB in the amount of \$3,225,502. The net effect of including the GASB 75 recognition is to decrease net position.		(12,815,940)
6 The 2025 depreciation expense increases accumulated depreciation. The net effect of the current year's depreciation is to decrease net position.		(3,038,485)
7 Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes of \$1,839,763 as revenue, recognizing compensated absences payable of \$(601,550), recognizing unamortized bond premium/discount of \$(885,348), recognizing unamortized accounting loss on bond refundings of \$1,712,267 and recognizing the liabilities associated with maturing long-term debt and interest of \$(585,993). The net effect of these reclassifications and recognitions is to increase net position.		1,479,139
29 Net Position of Governmental Activities	\$	32,911,320

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	10 General Fund	50 Debt Service Fund	Other Funds	Total Governmental Funds
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 14,867,248	\$ 5,203,391	\$ 1,551,444	\$ 21,622,083
5800 State Program Revenues	27,331,368	1,063,968	679,524	29,074,860
5900 Federal Program Revenues	223,209	-	3,665,345	3,888,554
5020 Total Revenues	<u>42,421,825</u>	<u>6,267,359</u>	<u>5,896,313</u>	<u>54,585,497</u>
EXPENDITURES:				
Current:				
0011 Instruction	22,224,064	-	2,119,182	24,343,246
0012 Instructional Resources and Media Services	308,651	-	-	308,651
0013 Curriculum and Instructional Staff Development	113,151	-	216,818	329,969
0021 Instructional Leadership	696,265	-	148,706	844,971
0023 School Leadership	2,051,159	-	167,416	2,218,575
0031 Guidance, Counseling, and Evaluation Services	1,352,040	-	239,503	1,591,543
0032 Social Work Services	112,833	-	6,125	118,958
0033 Health Services	316,317	-	44,975	361,292
0034 Student (Pupil) Transportation	2,769,773	-	-	2,769,773
0035 Food Services	32,817	-	2,758,061	2,790,878
0036 Extracurricular Activities	1,542,035	-	108,183	1,650,218
0041 General Administration	1,531,954	-	3,079	1,535,033
0051 Facilities Maintenance and Operations	5,973,106	-	108,490	6,081,596
0052 Security and Monitoring Services	512,893	-	316,126	829,019
0053 Data Processing Services	989,718	-	-	989,718
0061 Community Services	3,262	-	6,937	10,199
Debt Service:				
0071 Principal on Long-Term Liabilities	202,806	3,050,000	1,139	3,253,945
0072 Interest on Long-Term Liabilities	14,615	1,476,319	83	1,491,017
0073 Bond Issuance Cost and Fees	-	3,788	-	3,788
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	12,015	-	-	12,015
0099 Other Intergovernmental Charges	705,929	-	-	705,929
6030 Total Expenditures	<u>41,465,403</u>	<u>4,530,107</u>	<u>6,244,823</u>	<u>52,240,333</u>
1200 Net Change in Fund Balances	956,422	1,737,252	(348,510)	2,345,164
0100 Fund Balance - July 1 (Beginning)	11,325,559	7,257,148	1,936,045	20,518,752
3000 Fund Balance - June 30 (Ending)	<u>\$ 12,281,981</u>	<u>\$ 8,994,400</u>	<u>\$ 1,587,535</u>	<u>\$ 22,863,916</u>

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCES TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT C-4

Total Net Change in Fund Balances - Governmental Funds	\$	2,345,164
<p>The District uses internal service funds to charge the costs of certain activities, such as self-insurance, to appropriate functions in other funds. The net income (loss) of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position.</p>		
		2,468
<p>Current year capital outlays and long-term debt principal payments are expenditures in the fund financial statements, but they should be shown as increases in capital assets and reductions in long-term debt in the government-wide financial statements. The net effect of removing the 2025 capital outlays of \$482,368 and debt principal payments of \$3,253,945 is to increase net position.</p>		
		3,736,313
<p>Depreciation is not recognized as an expense in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation is to decrease net position.</p>		
		(3,038,485)
<p>Current year changes due to GASB 68 increased revenues in the amount of \$871,573 but also increased expenditures in the amount of \$(1,059,371). The net effect on the change was to decrease net position.</p>		
		(187,798)
<p>Current year changes due to GASB 75 decreased revenues in the amount of \$(1,790,863) and decreased expenses in the amount of \$3,294,177. The net effect was an increase in the change in net position.</p>		
		1,503,314
<p>Various other reclassifications and eliminations are necessary to convert from the modified accrual basis of accounting to accrual basis of accounting. These include recognizing unavailable revenue from property taxes as revenue, adjusting current year revenue to show the revenue earned from the current year's tax levy of \$2,851, recognizing current year amortization of accounting loss on bond refunding of \$(151,589), recognizing current year amortization of bond premium/discount of \$159,084, recognizing the change in compensated absences of \$140,850 and recognizing the change in liabilities associated with maturing long-term debt and interest of \$42,540. The net effect of these reclassifications and recognitions is to increase net position.</p>		
		193,736
Change in Net Position of Governmental Activities	\$	4,554,712

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF NET POSITION
 PROPRIETARY FUNDS
 JUNE 30, 2025

	Governmental Activities -
	Internal Service Fund
<hr/>	
ASSETS	
Current Assets:	
Cash and Cash Equivalents	\$ 78,622
Total Assets	<u>78,622</u>
NET POSITION	
Unrestricted Net Position	<u>78,622</u>
Total Net Position	<u><u>\$ 78,622</u></u>

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Governmental Activities -
	Internal Service Fund
OPERATING REVENUES:	
Local and Intermediate Sources	\$ 1,981
Total Operating Revenues	1,981
OPERATING EXPENSES:	
Other Operating Costs	140
Total Operating Expenses	140
Operating Income	1,841
NONOPERATING REVENUES (EXPENSES):	
Earnings from Temporary Deposits & Investments	627
Total Nonoperating Revenues (Expenses)	627
Change in Net Position	2,468
Total Net Position - July 1 (Beginning)	76,154
Total Net Position - June 30 (Ending)	\$ 78,622

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

EXHIBIT D-3

	Governmental Activities -
	Internal Service Fund
<u>Cash Flows from Operating Activities:</u>	
Cash Received from User Charges	\$ 1,981
Cash Payments for Insurance Claims	(140)
Net Cash Provided by Operating Activities	1,841
<u>Cash Flows from Investing Activities:</u>	
Interest and Dividends on Investments	627
Net Increase in Cash and Cash Equivalents	2,468
Cash and Cash Equivalents at Beginning of Year	76,154
Cash and Cash Equivalents at End of Year	\$ 78,622
<u>Reconciliation of Operating Income (Loss) to Net Cash</u>	
<u> Provided By (Used For) Operating Activities:</u>	
Operating Income (Loss)	\$ 1,841

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 STATEMENT OF FIDUCIARY NET POSITION
 FIDUCIARY FUNDS
 JUNE 30, 2025

	Custodial Fund
<hr/>	
ASSETS	
Cash and Cash Equivalents	\$ 486,246
Due from Other Funds	826
Total Assets	<u>487,072</u>
LIABILITIES	
Accounts Payable	28
Due to Other Funds	22,258
Total Liabilities	<u>22,286</u>
NET POSITION	
Restricted for Campus Activities	<u>464,786</u>
Total Net Position	<u><u>\$ 464,786</u></u>

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
ADDITIONS:	
Cocurricular Services or Activities	\$ 699,265
Total Additions	699,265
DEDUCTIONS:	
Supplies and Materials	760,548
Total Deductions	760,548
Change in Fiduciary Net Position	(61,283)
Total Net Position - July 1 (Beginning)	526,069
Total Net Position - June 30 (Ending)	\$ 464,786

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

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

I. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Floresville Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the Board), elected by the registered voters of the District. The District prepares its basic financial statements in conformity with generally accepted accounting principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *GASB Statement No. 76*, and it complies with the requirements of the appropriate version of the Texas Education Agency's *Financial Accountability System Resource Guide* (the Resource Guide) as well as the provisions of contracts and grants from the agencies that provide its funding.

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 the full accrual basis of accounting. For purposes of measuring the net pension liability, this includes deferred outflows of resources, deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to or deductions from the 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.

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 the full accrual basis of accounting. For purposes of measuring the net Other Post-Employment Benefits (OPEB) liability, this includes deferred outflows of resources, deferred inflows of resources related to OPEB, OPEB expense, and information about assets, liabilities, and additions to or deductions from the TRS-Care fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. The TRS-Care Plan is a pay-as-you-go plan; accordingly, there are no investments, and all cash is held in a cash account.

Fair Value Measurement. The District applies *GASB Statement No. 72*, Fair Value Measurement and Application. This statement provides guidance for determining fair value measurements for reporting purposes, applying fair value to certain investments and disclosures related to all fair value measurements.

A. REPORTING ENTITY

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by *GASB Statement No. 14*, The Financial Reporting Entity. There are no component units included within the reporting entity.

B. GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

The Statement of Net Position and the Statement of Activities are Government-Wide Financial Statements. They report information on all of the District's nonfiduciary activities, with most interfund activities removed. *Governmental activities* include programs supported primarily by property taxes, state foundation funds, grants, and other intergovernmental revenues.

The Statement of Activities demonstrates how other parties that participate in District programs have shared in the payment of the direct costs. The *Charges for Services* column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include tuition paid by students residing outside the District and school lunch charges. The *Operating Grants and Contributions* column indicates amounts paid by organizations outside the District to help meet the operational requirements of a given function. Examples include grants under the Elementary and Secondary Education Act and Individuals with Disabilities Education Act. Revenues that are not program revenues are reported as general revenues, which are used to support all of the District's functions. Property taxes are always reported as general revenues.

Interfund activities between governmental funds and proprietary funds appear as *due to/due from* balances on the Governmental Fund Balance Sheet and the Proprietary Fund Statement of Net Position, and as other resources and other uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses, and Changes in Fund Net Position. All interfund transactions between governmental funds and internal service funds are eliminated in the government-wide statements. Interfund activities between governmental funds and fiduciary funds remain as *due to/due from* balances in the Government-Wide Statement of Net Position.

The Fund Financial Statements provide reports on the financial condition and results of operations for three categories of funds: governmental, proprietary, and fiduciary. Since the resources in fiduciary funds cannot be used to support District operations, they are excluded from the government-wide statements. The District considers certain governmental funds to be major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues result from providing goods and services in connection with a proprietary fund's principal ongoing operations and they usually arise from exchange or exchange-like transactions. All other revenues are nonoperating. Operating expenses can be specifically tied to the production of the goods and services, such as materials, labor, and direct overhead. Other expenses are nonoperating.

C. MEASUREMENT FOCUS, BASIS OF ACCOUNTING, AND FINANCIAL STATEMENT PRESENTATION

The Government-Wide Financial Statements use the economic resources measurement focus and the accrual basis of accounting, as do the Proprietary Fund and Fiduciary Fund Financial Statements. Revenues are recorded when earned, and expenses are recorded when a liability is incurred, regardless of the timing of the related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental Fund Financial Statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities, and fund balances are included on the Governmental Funds Balance Sheet. The operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources, and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which are recognized when due. Expenditures related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable available financial resources. The District considers all revenues available if they are collectible within 60 days after year-end.

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 - that is, when they are both measurable and available. The District considers these revenues available if collected within 60 days of the end of the fiscal year. Miscellaneous revenues are recorded when received in cash, as they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds are considered earned to the extent of expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances remain unexpended at the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The Proprietary Funds and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and use the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and measurable, and expenses in the accounting period in which they are incurred and measurable. The District applies all GASB pronouncements, as well as Financial Accounting Standards Board pronouncements issued on or before November 30, 1989, unless those pronouncements conflict with or contradict GASB pronouncements. With this measurement focus, all assets and liabilities associated with the operation of these funds are included on the fund Statement of Net Position. The net position is classified as net investment in capital assets, restricted net position, and unrestricted net position.

D. FUND ACCOUNTING

The District reports the following major governmental funds:

1. **The General Fund** - The General Fund is the District’s primary operating fund. It accounts for all financial resources except those required to be accounted for in another fund.
2. **Debt Service Fund** - The District accounts for resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds in the Debt Service Fund.

Additionally, the District reports the following fund types:

Governmental Funds:

1. **Special Revenue Funds** - The District accounts for resources restricted to, or designated for, specific purposes by the District or a grantor in a special revenue fund. Most federal and some state financial assistance is accounted for in a special revenue fund, and unused balances are sometimes required to be returned to the grantor at the close of specified project periods.

Proprietary Funds:

2. **Internal Service Funds** - Revenues and expenses related to services provided to organizations within the District on a cost-reimbursement basis are accounted for in an internal service fund. The district’s internal service fund is its Dental Insurance Fund.

Fiduciary Funds:

3. **Custodial Funds** - The District accounts for resources held for others in a custodial capacity in a custodial fund. These funds are used to account for assets held by the District as a custodian for student and other organizations. The District's custodial fund is the Student Activity Fund.

E. FUND BALANCE POLICY

The District reports fund balances for governmental funds in classifications based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which amounts in those funds can be spent. The **Nonspendable** classification represents assets that will be consumed or must be maintained intact and therefore will never convert to cash, such as inventories of supplies and endowments. The **restricted** classification is specified by provisions of laws, contracts, and grants that limit how resources may be used. The nature of these two classifications precludes a need for a policy from the Board. However, the Board has adopted fund balance policies for the three unrestricted classifications: *Committed, Assigned, and Unassigned*.

From time to time, the Board may commit fund balances by a majority vote in a scheduled meeting. The action to commit funds must occur prior to fiscal year-end, although the amount may be determined subsequent to fiscal year-end. The Board's commitments may be modified or rescinded by a majority vote in a scheduled meeting. Commitments cannot exceed the amount of fund balance that is greater than the sum of Nonspendable and Restricted balances, since this would commit funds that the District does not have. Commitments may be established for facility expansion or renovation, program modifications, wage and salary adjustments, financial cushions, and other purposes determined by the Board.

When it is appropriate for fund balances to be assigned, the Board delegates authority to the Superintendent or Deputy Superintendent.

When the District incurs expenditures that may be made from either Restricted or unrestricted balances, the expenditures are charged to Restricted balances. When expenditures may be made from Committed, Assigned, or Unassigned balances, the order of application is Committed, Assigned, then Unassigned.

F. OTHER ACCOUNTING POLICIES

1. The District records purchase of supplies as expenditures.
2. For purposes of the statement of cash flows for the Proprietary Fund, the District considers highly liquid investments such as investment pools, overnight sweep accounts, and treasury bills that have a maturity from time of purchase of three months or less to be cash equivalents.
3. In addition to assets, the statement of financial position 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 that applies to future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District's deferred outflows of resources consist of differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), net differences between projected and actual investment earnings (pension), change in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB), and contributions paid to TRS subsequent to the measurement date (pension & OPEB).

4. In addition to liabilities, the statement 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 a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. The District has one type of item which arises only under a modified accrual basis of accounting that qualifies for reporting in this category. Uncollected property taxes which are assumed collectible are reported in this category on the balance sheet for governmental funds. They are not reported in this category on the government-wide Statement of Net Position. In the government-wide financial statements, the District reports a deferred inflow of resources for differences between expected and actual actuarial experience (pension & OPEB), changes in actuarial assumptions (pension & OPEB), differences between projected and actual investment earnings (OPEB), and changes in proportion and differences between employer's contributions and the proportionate share of contributions (pension & OPEB).
5. Unearned revenue accounted for on the balance sheet relates to excess funds received from the Texas Education Agency over earned amounts.
6. The District provides risk management obligations by carrying appropriate insurance. Property and general liability insurance are obtained from a licensed insurer. Risk of loss is not retained by the District.
7. The preparation of financial statements in conformity with Generally Accepted Accounting Principles requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenses during the reporting period. Actual results could differ from those estimates.
8. The Data Control Codes refer to the account code structure prescribed by TEA in the *Financial Accountability System Resource Guide*. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.
9. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities Statement of Net Position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. In accordance with GASB 87, a right-to-use lease is defined as a contract that conveys control of another entity's nonfinancial asset as specified in the contract for a period of time in an exchange or exchange-like transaction. To be accounted for as a lease, the lease must meet the definition of a "long-term" lease provided in GASB 87. The right-to-use lease liability is reported in the government-wide statements. The lease liability is calculated as the present value of the reasonably certain expected payments to be made over the term of the lease and the interest included in the lease payment is recorded as an expense.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing resources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures. With GASB 87, the initial measure of a new right-to-use lease arrangement is reported in government fund types as an other financial source during the current period. Monthly payments are reported as principal and interest payments during the reporting period of the fund level statements.

10. Capital assets, which include land, buildings, furniture and equipment, and right-to-use lease assets are reported in the applicable governmental columns in the government-wide financial statements. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at estimated fair market value at the date of donation.

Right-to-use lease assets are also reported in the applicable governmental column in the government-wide financial statements. Capitalization of right-to-use lease assets is determined by the significance of total future financial obligations for the lease when measured at inception of the lease term. The term of the lease must be the noncancelable period during which the District has the right to use the tangible asset(s) of another entity plus any periods in which either the lessee or the lessor has the sole option to extend the lease if it is reasonably certain the option will be exercised, plus any periods in which either the lessee or the lessor has the sole option to terminate the lease if it is reasonably certain the option will not be exercised by that party and must not meet the definition of a short-term lease under GASB 87. If the lease is in a governmental fund, the full amount of the lease asset will be reported as an expenditure in the fund level statements the year the agreement is made.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Buildings, furniture and equipment, and lease assets of the District are depreciated using the straight-line method over the following estimated useful lives or, for the lease asset, for the term of the lease if the estimated useful life is longer than the term of the lease, if there is an option to purchase which is expected to be exercised:

Assets	Years
Buildings & Improvements	20-50
Vehicles	7-10
Equipment	3-15

11. Since Internal Service Funds support the operations of governmental funds, they are consolidated with the governmental funds in the government-wide financial statements. The expenditures of governmental funds that create the revenues of internal service funds are eliminated to avoid “grossing up” the revenue and expenses of the District as a whole.

II. STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. BUDGETARY DATA

The Board adopts an “appropriated budget” for the General Fund, Debt Service Fund, and the Food Service Fund which is included in the Special Revenue Funds. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The District compares the final amended budget to actual revenues and expenditures. The General Fund Budget Report appears in Exhibit G-1 and the other two reports are in Exhibits J-2 and J-3.

The following procedures are followed in establishing the budgetary data reflected in the basic financial statements:

1. Prior to June 20, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days' public notice of the meeting must be given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level 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. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after the fiscal year-end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year. However, none of these were significant.
4. Each budget is controlled at the revenue and expenditure function/object level. Budgeted amounts are as amended by the Board. All budget appropriations lapse at year-end. A reconciliation of fund balances for both appropriated budget and non-appropriated budget special revenue funds is as follows:

June 30, 2025	<u>Fund Balance</u>
Appropriated Budget Funds - Food Service Special Revenue Fund	\$ 1,348,594
Nonappropriated Budget Funds	<u>238,941</u>
All Special Revenue Funds	<u><u>\$ 1,587,535</u></u>

III. DETAILED NOTES ON ALL FUNDS AND ACCOUNT GROUPS

A. DEPOSITS AND INVESTMENTS

District Policies and Legal and Contractual Provisions Governing Deposits

Custodial Credit Risk for Deposits - State law requires governmental entities to contract with financial institutions in which funds will be deposited to secure those deposits with insurance or pledged securities with a fair value equaling or exceeding the amount on deposit at the end of each business day. The pledged securities must be in the name of the governmental entity and held by the entity or its agent. Since the District complies with this law, it has no custodial credit risks for deposits.

At year-end, the District had funds on deposit of \$1,309,143 in excess of FDIC coverage, secured by pledged securities of the depository bank.

Foreign Currency Risk - The District has no foreign currency deposits therefore is not exposed to foreign currency risk.

District Policies and Legal and Contractual Provisions Governing Investments

Compliance with the Public Funds Investment Act

The **Public Funds Investment Act**, Government Code Chapter 2256, (the Act) contains specific provisions in the areas of investment practices, management reports, and establishment of appropriate policies. Among other things, it requires a governmental entity 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.

Statutes authorize the entity to invest in (1) obligations of the U.S. Treasury, certain U.S. agencies, and the State of Texas and its agencies; (2) guaranteed or secured certificates of deposit issued by state and national banks domiciled in Texas; (3) obligations of states, agencies, counties, cities and other political subdivisions of any state having been rated as to investment quality not less than an “A”; (4) no load money market funds with a weighted average maturity of 90 days or less; (5) fully collateralized repurchase agreements; (6) commercial paper having a stated maturity of 270 days or less from the date of issuance and is not rated less than A-1 or P-1 by two nationally recognized credit rating agencies OR one nationally recognized credit agency and is fully secured by an irrevocable letter of credit; (7) secured corporate bonds rated not lower than “AA-“ or the equivalent; (8) public funds investment pools; and (9) guaranteed investment contracts for bond proceeds investment only, with a defined termination date and secured by U.S. Government direct or agency obligations approved by the Texas Public Funds Investment Act in an amount equal to the bond proceeds. The Act also requires the entity to have independent auditors perform test procedures related to investment practices as provided by the Act. The District is in substantial compliance with the requirements of the Act and with local policies.

As of June 30, 2025, the District had the following investments that are classified as cash and cash equivalents:

<u>Investment Type and Description</u>	<u>Credit Rating</u>	<u>Weighted Average Maturity</u>	<u>Fair Value</u>
Public Funds Investment Pools			
Lone Star Corporate Overnight Fund	AAAm	32 Days	\$ 5,942,474
Texpool Texas Local Government Investment Pool	AAAm	N/A	<u>12,297,755</u>
			<u>\$ 18,240,229</u>

The investment pools used by the District are organized under the authority of the Interlocal Cooperation Act, Chapter 791, Texas Government Code, and the Public Funds Investment Act, Chapter 2256, Texas Government Code. Investment pools are public funds investment pools created to provide a safe environment for the placement of local government funds in authorized short-term investment.

The District’s investment in investment pools, which are exempt from regulation by the Securities and Exchange Commission (SEC), have as one of their objectives the maintenance of stable net asset value of \$1. The book value of the position in the pools is the same as the number of shares in each pool; the market value of a share should approximately equal the book value of a share. Accordingly, the fair value of the position in the pool is the same as the value of the shares in each pool.

Lone Star

Lone Star Investment Pool (the Pool): The Pool's liquidity fund operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940, which allows the fund to use amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the District's position in the Pool is the same as the value of the Pool's shares and does not include any unrealized gains and losses.

The Pool is governed by a fourteen-member Board of Trustees made up of active participants in the Pool. The Board of Trustees has the responsibility of adopting and monitoring compliance with the investment policy, appointing investment officers, overseeing the selection of an investment advisor, custodian, investment consultant, administrator, and other service providers. The Board of Trustees is also responsible for monitoring performance of the Pool. Financial information for the Pool can be obtained by writing to Post Office Box 400, Austin, Texas, 78767-0400 or by calling 1-800-758-3927.

TexPool

Texas Local Government Investment Pool (TexPool); TexPool operates in a manner consistent with the SEC Rule 2a7 of the Investment Company Act of 1940. TexPool uses amortized cost rather than market value to report net assets to compute share prices. Accordingly, the fair value of the position in the pool is the same as the value of the shares in each pool.

TexPool is organized in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The Texas Comptroller of Public Accounts is the sole officer, director, and shareholder of the Texas Treasury Safekeeping Trust Company, which is authorized to operate TexPool. In addition, the TexPool Advisory Board advises on TexPool's Investment Policy. This Board is composed equally of participants in TexPool and other persons who do not have a business relationship with TexPool who are qualified to advise TexPool. Financial information for TexPool can be accessed on the internet at <http://www.texpool.com>.

Additional policies and contractual provisions governing deposits and investments for the District are specified below:

Credit Risk - In accordance with the District's investment policy, investments in investment pools must rate at least AAA or AAA-m or at an equivalent rating by at least one nationally recognized rating service, and investments in obligations of the U.S. government or its agencies must be rated at least A or equivalent. As noted in the above table, the District's investments met minimum rating requirements.

Custodial Credit Risk for Investments - To limit the risk that, in the event of the failure of the counterparty to a transaction, a government will not be able to recover the value of investment or collateral securities that are in possession of an outside party, the District requires counterparties to register the securities in the name of the District and hand them over to the District or its designated agent. All of the securities are in the District's name and held by the District or its agent.

Concentration of Credit Risk - To limit the risk of loss attributed to the magnitude of a government's investment in a single issuer, the District investment is in secured bank certificates of deposit, State sponsored investment pools, and investments in obligations.

Interest Rate Risk - To limit the risk that changes in interest rates will adversely affect the fair value of investments, the District requires that internally created pool fund groups have maturities of less than 180 days on a weighted average maturity basis. The maximum allowable stated maturity of any other individual investments owned by the District shall not exceed one year from the date of the purchase.

Foreign Currency Risk for Investment - The District limits the risk that changes in exchange rates will adversely affect the fair value of an investment by not investing in foreign currency.

Fair Value Measurements

The District categorizes its fair value measurements with the fair value hierarchy established by Generally Accepted Accounting Principles. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. Investments that are measured at fair value using the net asset value per share (or its equivalent) as a practical expedient are not classified in the fair value hierarchy below. In instances where inputs used to measure fair value fall into different levels, the above fair value measurements in their entirety are categorized based on the lowest level input that is significant to the valuation. The District’s assessment of the significance of particular inputs to these fair value measurements requires judgment and considers factors specific to each asset or liability.

The District has the following recurring fair value measurements as of June 30, 2025:

Investments, at Fair Value	Fair Value	Fair Value Measurement Using:		
		Level 1	Level 2	Level 3
Public Funds Investment Pools	\$ -	\$ -	\$ 18,240,229	\$ -
Total Investments at Fair Value	\$ -	\$ -	\$ 18,240,229	\$ -

The District has no investments measured at fair value or Net Asset Value (NAV) per Share (or its equivalent).

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 located in the District 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 31 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 (1) when they become due or past due and receivable within the current period and (2) when they are expected to be collected during a 60-day period after the close of the school fiscal year.

C. DELINQUENT TAXES RECEIVABLE

Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible tax receivables within the General Fund are based on 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.

D. INTERFUND BALANCES AND TRANSFERS

Interfund balances, primarily for payroll clearing purposes, at June 30, 2025, consisted of the following amounts:

Due to General Fund From:	
Fiduciary Funds	\$ 22,258
Intrafund	172,322
Nonmajor Governmental Funds	<u>-</u>
Total Due to General Fund From Other Funds	<u>\$ 194,580</u>
Due to Nonmajor Governmental Funds From:	
General Fund	<u>\$ -</u>
Total Due to Nonmajor Governmental Funds	<u>\$ -</u>
Due to Fiduciary Funds From:	
General Fund	<u>\$ 826</u>
Total Due to Fiduciary Funds	<u>\$ 826</u>

There were no interfund transfers during the year.

E. DISAGGREGATION OF RECEIVABLES AND PAYABLES

Receivables at June 30, 2025, were as follows:

	<u>Property Taxes</u>	<u>Other Governments</u>	<u>Due From Other Funds</u>	<u>Other Receivables</u>	<u>Total Receivables</u>
Governmental Activities:					
General Fund	\$ 1,740,748	\$ 7,111,937	\$ 194,580	\$ -	\$ 9,047,265
Debt Service Fund	595,038	-	-	-	595,038
Nonmajor Governmental Funds	<u>-</u>	<u>35,697</u>	<u>-</u>	<u>-</u>	<u>35,697</u>
Total Governmental Activities	<u>\$ 2,335,786</u>	<u>\$ 7,147,634</u>	<u>\$ 194,580</u>	<u>\$ -</u>	<u>\$ 9,678,000</u>
Amount not scheduled for collection during subsequent year	<u>\$ 233,579</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 233,579</u>

Payables at June 30, 2025, were as follows:

	<u>Accounts Payables</u>	<u>Salaries and Benefits</u>	<u>Due to Other Funds</u>	<u>Due to Other Governments</u>	<u>Total Payables</u>
Governmental Activities:					
General Fund	\$ 68,542	\$ 2,813,031	\$ 173,148	\$ -	\$ 3,054,721
Debt Service Fund	-	-	-	130,637	130,637
Nonmajor Governmental Funds	<u>9,539</u>	<u>44,885</u>	<u>-</u>	<u>-</u>	<u>54,424</u>
Total Governmental Activities	<u>\$ 78,081</u>	<u>\$ 2,857,916</u>	<u>\$ 173,148</u>	<u>\$ 130,637</u>	<u>\$ 3,239,782</u>
Amount not scheduled for payment during subsequent year	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

F. CAPITAL ASSET ACTIVITY

Capital asset activity for the year ended June 30, 2025, was as follows:

	<u>Primary Government</u>				
	<u>Beginning Balance</u>	<u>Additions</u>	<u>Retirements</u>	<u>Reclassifications/ Adjustments</u>	
Governmental Activities:					
Land	\$ 3,197,433	\$ -	\$ -	\$ -	\$ 3,197,433
Buildings and improvements	106,571,216	78,934	-	-	106,650,150
Equipment and vehicles	9,451,823	403,434	(167,010)	37,547	9,725,794
Right of use lease assets - equipment	276,968	-	-	(37,547)	239,421
Right of use lease assets - buildings	165,459	-	-	-	165,459
Construction in Progress	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total historical cost	<u>119,662,899</u>	<u>482,368</u>	<u>(167,010)</u>	<u>-</u>	<u>119,978,257</u>
Less accumulated depreciation					
Building and improvements	(38,071,806)	(2,441,072)	-	-	(40,512,878)
Equipment and vehicles	(7,224,380)	(508,482)	167,010	(37,547)	(7,603,399)
Right of use lease assets - equipment	(98,476)	(55,839)	-	37,547	(116,768)
Right of use lease assets - buildings	<u>(66,184)</u>	<u>(33,092)</u>	<u>-</u>	<u>-</u>	<u>(99,276)</u>
Total accumulated depreciation	<u>(45,460,846)</u>	<u>(3,038,485)</u>	<u>167,010</u>	<u>-</u>	<u>(48,332,321)</u>
Governmental activities capital assets, net	<u>\$ 74,202,053</u>	<u>\$(2,556,117)</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 71,645,936</u>

Depreciation expense was charged to governmental activities as follows:

Instruction	\$ 1,640,493
Instructional resources & media services	24,539
Curriculum & instructional staff development	18,194
Instructional leadership	60,780
School leadership	148,948
Guidance, counseling, & evaluation services	89,806
Social work services	2,336
Health services	25,129
Student (pupil) transportation	208,481
Food services	153,239
Extracurricular activities	115,659
General administration	101,770
Facilities maintenance and operations	352,012
Security and monitoring services	18,218
Data processing services	76,890
Community services	1,991
Total depreciation expense	<u><u>\$ 3,038,485</u></u>

G. LONG-TERM DEBT - BONDS PAYABLE

Bonded indebtedness of the District is reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund.

A summary of changes in bonds payable for the year ended June 30, 2025, is as follows:

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 7/1/2024	Issued	Retired/ Refunded	Amounts Outstanding 6/30/2025	Amounts due within one year
Unlimited Tax Refunding Bonds, Series 2015	2036	4.00%	\$ 8,340,000	\$ 333,600	\$ 8,340,000	\$ -	\$ -	\$ 8,340,000	\$ -
Unlimited Tax Refunding Bonds, Series 2016	2039	2.25% - 3.50%	29,695,000	644,219	21,310,000	-	2,605,000	18,705,000	2,695,000
Unlimited Tax Refunding Bonds, Series 2017	2038	3.00% - 5.00%	8,385,000	262,900	7,840,000	-	445,000	7,395,000	460,000
Unlimited Tax Refunding Bonds, Series 2024	2032	4.00%	6,975,000	235,600	6,975,000	-	-	6,975,000	-
Totals Series Bonds				<u>\$ 1,476,319</u>	<u>\$ 44,465,000</u>	<u>\$ -</u>	<u>\$ 3,050,000</u>	<u>\$ 41,415,000</u>	<u>\$ 3,155,000</u>

Debt service requirements for general obligation bonds and refunding bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	\$ 3,155,000	\$ 1,419,319	\$ 4,574,319
2027	3,245,000	1,335,681	4,580,681
2028	3,335,000	1,242,556	4,577,556
2029	3,350,000	1,142,506	4,492,506
2030	2,410,000	1,030,856	3,440,856
2031-2035	14,050,000	3,694,481	17,744,481
2036-2039	11,870,000	1,004,844	12,874,844
Total	<u>\$ 41,415,000</u>	<u>\$ 10,870,243</u>	<u>\$ 52,285,243</u>

H. LONG-TERM DEBT - NOTES PAYABLE

Tax Maintenance Notes Payable of the District are reflected in the Statement of Net Position, and current requirements for principal and interest expenditures are accounted for in the General Fund. A summary of changes in notes payable for the year ended June 30, 2025, is as follows:

Description	Final Maturity	Interest Rate Payable	Amounts Original Issue	Interest Current Year	Amounts Outstanding 7/1/2024	Issued	Retired/ Refunded	Amounts Outstanding 6/30/2025	Amounts due within one year
Maintenance Tax Note Series 2017	2027	2.49%	\$ 1,035,000	\$ 9,711	\$ 390,000	\$ -	\$ 125,000	\$ 265,000	\$ 130,000

Debt service requirements for notes payable are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2026	\$ 130,000	\$ 6,599	\$ 136,599
2027	135,000	361	135,361
2028	-	-	-
2029	-	-	-
2030	-	-	-
Total	<u>\$ 265,000</u>	<u>\$ 6,960</u>	<u>\$ 271,960</u>

I. LONG-TERM DEBT - RIGHT-TO-USE LEASE LIABILITIES

The District leases photocopy machines with agreements having 5-year terms. Payments of \$4,240 are made monthly which consist of principal and imputed annual interest of 2.49%. No assets were pledged as collateral for these leases.

The District leases modular classrooms with an agreement having a 5-year term. Payments of \$2,060 are made monthly which consist of principal and imputed annual interest of 2.49%. No assets were pledged as collateral for this lease.

A summary of right-to-use lease arrangements for the year ended June 30, 2025, is as follows:

Description	Discount Rate	Original Lease Liability	Current Year Interest	Principal Balance at 7/1/2024	New Lease Agreement	Principal Paid This Year	Principal Balance at 6/30/2025	Principal Due Within One Year
Dahill Lease, July 2020 #1	2.49%	\$ 4,661	\$ 16	\$ 1,207	\$ -	\$ 1,207	\$ -	\$ -
Dahill Lease, July 2020 #2	2.49%	24,611	86	6,371	-	6,371	-	-
Dahill Lease, July 2021	2.49%	52,499	419	21,741	-	10,735	11,006	11,006
Dahill Lease, July 2020 #3	2.49%	8,275	3	659	-	659	-	-
Aries Building Systems	2.49%	116,343	1,514	71,386	-	23,206	48,180	23,790
Xerox Lease, September 2022	2.49%	145,016	2,193	117,395	-	28,619	88,776	28,930
Xerox Lease, March 2023	2.49%	41,906	756	34,066	-	8,148	25,918	8,354
Totals			\$ 4,987	\$ 252,825	\$ -	\$ 78,945	\$ 173,880	\$ 72,080

Future principal and interest payments due to maturity as of the end of the fiscal year are as follows.

Due fiscal year ended June 30	Principal	Interest	Total
2026	\$ 72,080	\$ 3,511	\$ 75,591
2027	62,613	1,823	64,436
2028	39,187	531	39,718
2029	-	-	-
2030	-	-	-
Total	\$ 173,880	\$ 5,865	\$ 179,745

J. COMPENSATED ABSENCES

An employee who retires with at least ten consecutive years of service with the District and provides 90 days’ written notice of intent to retire is eligible for reimbursement of up to 50 state days and up to 20 local days (local leave accumulated after July 1, 2014) based on the substitute rate in effect at the time of retirement. Employees are not eligible for payment of unused local leave earned prior to July 1, 2014.

K. CHANGES IN LONG-TERM LIABILITIES

Following is a summary of changes in long-term liabilities for the year ended June 30, 2025:

	Amounts Outstanding 7/1/2024	Additions	Deletions	Amounts Outstanding 6/30/2025	Due Within One Year
Bonds Payable	\$44,465,000	\$ -	\$ 3,050,000	\$41,415,000	\$3,155,000
Net Issuance Premiums/Discount	1,044,432	(159,084)	-	885,348	-
Total Bonds Payable	<u>\$45,509,432</u>	<u>\$ (159,084)</u>	<u>\$ 3,050,000</u>	<u>\$42,300,348</u>	<u>\$3,155,000</u>
Notes Payable	390,000	-	125,000	265,000	130,000
Right of use lease liabilities	252,825	-	78,945	173,880	72,080
Compensated Absences	742,400	-	140,850	601,550	210,543
	<u>\$46,894,657</u>	<u>\$ (159,084)</u>	<u>\$ 3,394,795</u>	<u>\$43,340,778</u>	<u>\$3,567,623</u>

There are a number of limitations and restrictions contained in the general obligation bond indentures. Management has indicated that the District is in compliance with all significant limitations and restrictions at June 30, 2025.

L. DEFINED BENEFIT PENSION PLAN

Plan Description. The District participates in a multiple-employer, cost-sharing, 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.

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/learning-resources/publications>; by writing to the Finance Division, Teacher Retirement System of Texas, PO Box 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

Benefits Provided. TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

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

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

Cost-of-Living Adjustment

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

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

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.

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 2019 thru 2025.

The following table shows contribution rates by type of contributor for the fiscal years 2024 and 2025 and the contributions by type of contributions reported by TRS which were received by TRS during the TRS measurement year (FY 2024). The reported contributions from the member and the employers are included in the calculation of the district's proportionate share of the net pension liability.

Contributions Rates		
	<u>2024</u>	<u>2024</u>
Member	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
Employers	8.25%	8.25%
District's Measurement Year Employer Contributions		\$ 880,618
District's Measurement Year Member Contributions		\$ 769,113
District's Measurement Year NECE (State) Contributions		\$ 1,875,646

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

As the non-employer contributing entity for public education, 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, including public schools, are required to pay the employer contribution rate in the following instances:

- * On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- * During a new member's first 90 days of employment.
- * When any part, or all, of an employee's salary is paid by federal funding sources or a privately sponsored source, from non-educational and general, or local funds.

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

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

Actuarial Assumptions.

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

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

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

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

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

The long-term expected rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension 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 Systems target asset allocation as of August 31, 2024, 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	18.00%	4.40%	1.00%
Non-U.S. Developed	13.00%	4.20%	0.80%
Emerging Markets	9.00%	5.20%	0.70%
Private Equity*	14.00%	6.70%	1.20%
Stable Value			
Government Bonds	16.00%	1.90%	0.40%
Absolute Return*	5.00%	3.00%	0.20%
Stable Value Hedge Funds	0.00%	4.00%	0.00%
Real Return			
Real Estate	15.00%	6.60%	1.20%
Energy, Natural Resources & Infrastructure	6.00%	5.60%	0.40%
Commodities	0.00%	2.50%	0.00%
Risk Parity			
Risk Parity	8.00%	4.00%	0.40%
Asset Allocation Leverage			
Cash	2.00%	1.00%	0.00%
Asset Allocation Leverage	-6.00%	1.30%	-0.10%
Inflation Expectation			2.40%
Volatility Drag****			-0.70%
Expected Return	100%		7.90%

* Absolute Return includes Credit Sensitive Investments.

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

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

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

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

	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:	\$15,246,454	\$9,545,420	\$4,821,708

Pension Liabilities, Pension Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to Pensions. At June 30, 2025, the District reported a liability of \$9,545,420 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 9,545,420
State's proportionate share that is associated with the District	<u>20,330,980</u>
Total	<u>\$ 29,876,400</u>

The net pension liability was measured as of August 31, 2023, and rolled forward to August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023, thru August 31, 2024.

At August 31, 2024, the employers' proportion of the collective net pension liability was 0.0156266653% which was a decrease of 0.0005773126% from its proportion measured as of August 31, 2023.

Changes In Actuarial Assumptions Since the Prior Actuarial Valuation – The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Changes in Benefits - The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1.645 billion one-time stipends and \$3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended June 30, 2025, the District recognized pension expense of \$2,429,892 and revenue of \$2,429,892 for support provided by the State in the Government-Wide Statement of Activities.

At June 30, 2025, 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	\$ 526,131	\$ 74,526
Changes in actuarial assumptions	492,850	66,074
Net difference between projected and actual investment earnings	58,024	-
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	244,421	871,492
Contributions paid to TRS subsequent to the measurement date	749,613	
Total	\$ 2,071,039	\$ 1,012,092

The District recognized \$749,613 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the District’s balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Measurement year ended August 31:	Pension Expense Amount
2025	\$ (267,990)
2026	881,135
2027	25,517
2028	(327,065)
2029	(2,263)
Thereafter	-

M. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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 that has 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 the 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 of Trustees may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position. Detailed information about 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/learning-resources/publications>; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Components of the net OPEB liability of the TRS-Care plan as of August 31, 2024 are as follows:

<u>Net OPEB Liability</u>	<u>Total</u>
Total OPEB Liability	\$ 35,168,178,563
Less: plan fiduciary net position	(4,816,646,311)
Net OPEB Liability	<u>\$ 30,351,532,252</u>
Net position as a percentage of total OPEB liability	13.70%

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*	\$ 135	\$ 200
Retiree and Spouse	529	689
Retiree* and Children	468	408
Retiree and Family	1,020	999

*or surviving spouse

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is .65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than .25 percent or not more than .75 percent of the salary of each active employee of the public school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor:

Contributions Rates

	2024	2025
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private Funding Remitted by Employers	1.25%	1.25%
District's Measurement Year Employer Contributions		\$ 233,610
District's Measurement Year Member Contributions		\$ 74,635
District's Measurement Year NECE (State) Contributions		\$ 292,710

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS-Care OPEB program). When employers hire a TRS retiree, they are required to pay to TRS-Care a monthly surcharge of \$535 per retiree.

Actuarial Assumptions.

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024::

Rates of Mortality	Rates of Disability Incidence
Rates of Retirement	General Inflation
Rates of Termination	Wage Inflation

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.

Additional Actuarial Methods and Assumptions:

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

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

Discount Rate. A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Sensitivity of the Net OPEB Liability:

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 greater than the discount rate that was used (3.87%) in measuring the Net OPEB Liability:

	1% Decrease in Discount Rate (2.87%)	Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the Net OPEB Liability:	\$9,273,709	\$7,805,845	\$6,619,789

Healthcare Cost Trend Rates Sensitivity Analysis. The following schedule shows the impact of the OPEB Liability if healthcare trend rate that 1 percentage point less than and 1 percentage point greater than the health trend rates assumed:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the Net OPEB Liability:	\$6,356,702	\$7,805,845	\$9,694,223

OPEB Liabilities, OPEB Expense, and Deferred Outflows of Resources and Deferred Inflows of Resources Related to OPEBs. At June 30, 2025, the District reported a liability of \$7,805,845 for its proportionate share of the TRS 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	\$ 7,805,845
State's proportionate share that is associated with the District	<u>9,780,618</u>
Total	<u><u>\$ 17,586,463</u></u>

The Net OPEB Liability was measured as of August 31, 2023, and rolled forward to August 31, 2024, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer's proportion of the Net OPEB Liability was based on the employer's contributions to the OPEB plan relative to the contributions of all employers to the Plan for the period September 1, 2023, thru August 31, 2024.

At August 31, 2024, the employer's proportion of the collective Net OPEB Liability was 0.0257181249% compared to 0.0260930939% as of August 31, 2023.

Changes in Actuarial Assumptions 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 single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- * The tables used to model the impact of aging on the underlying claims were revised.

Changes in Benefit Terms: There were no changes in benefit terms since the prior measurement date.

For the year ended June 30, 2025, the District recognized OPEB expense of \$1,271,300 and revenue of \$1,271,300 for support provided by the State.

At June 30, 2025, the District reported its proportionate share of the TRS 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 actuarial experience	\$ 1,496,118	\$ 3,895,540
Changes in actuarial assumptions	999,056	2,546,957
Net difference between projected and actual investment earnings	-	21,859
Changes in proportion and differences between the employer's contributions and the proportionate share of contributions	530,594	1,771,241
Contributions paid to TRS subsequent to the measurement date	199,734	-
Total	\$ 3,225,502	\$ 8,235,597

The District recognized \$199,734 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ended June 30:	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2025	\$ (1,469,749)	\$ (3,740,079)
2026	(1,116,211)	(2,623,868)
2027	(953,291)	(1,670,577)
2028	(900,089)	(770,488)
2029	(516,521)	(253,967)
Thereafter	(253,967)	-

N. MEDICARE PART D – ON BEHALF PAYMENTS

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 drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. Payments made on behalf of the District for fiscal years 2023, 2024 and 2025 were \$136,977, \$159,008, and \$186,678, respectively.

O. LITIGATION

The District is occasionally involved in litigation in the general course of business. Attorneys for the District indicate that there was no litigation pending at year-end that would require recording a contingent liability for the fiscal year ending June 30, 2025.

P. HEALTH CARE COVERAGE

During the year ended June 30, 2025, employees of the District had the option of choosing between three health insurance plans, and a flexible compensation (cafeteria) plan for qualified employees (the Plan). The District contributed \$350 for nonprofessional employees and professional employees per month per employee to the Plan, while the state of Texas contributed \$75 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All premiums were paid to a licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code, and was documented by contract agreement.

Q. SIGNIFICANT COMMITMENTS AND CONTINGENCIES

The District participates in numerous state and Federal 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, if any, refunds of any money received may be required and the collectability of any related receivable at June 30, 2025, 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 combined financial statements for such contingencies.

R. UNEARNED REVENUE

Unearned revenue at year-end consisted of the following:

	General Fund	Debt Service Fund	Other Funds	Total
State Revenue	\$ -	\$ -	\$ 28,440	\$ 28,440
Federal Revenue	-	-	-	-
Other	-	-	-	-
Total Unearned Revenue	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 28,440</u>	<u>\$ 28,440</u>

S. RECEIVABLES FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. Amounts due from federal and state governments as of June 30, 2025, are summarized below. All federal grants shown below are passed through the TEA and are reported on the combined financial statements as Due from State Agencies.

Fund	State Entitlements	Federal Grants	Other	Total
General Fund	\$ 7,111,456	\$ 481	\$ -	\$ 7,111,937
Debt Service Fund	-	-	-	-
Other Funds	-	18,124	17,573	35,697
Total	<u>\$ 7,111,456</u>	<u>\$ 18,605</u>	<u>\$ 17,573</u>	<u>\$ 7,147,634</u>

T. REVENUE FROM LOCAL AND INTERMEDIATE SOURCES

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

	General Fund	Debt Service Fund	Other Funds	Total
Property taxes	\$ 13,480,832	\$ 4,702,470	\$ -	\$ 18,183,302
Penalties, interest, and other tax-related income	323,807	105,937	-	429,744
Tuition and fees	-	-	-	-
Investment income	572,151	394,984	-	967,135
Rent	11,243	-	-	11,243
Gift and bequests	77,116	-	72,500	149,616
Insurance Recovery	-	-	-	-
Food sales	-	-	644,256	644,256
Extracurricular student activities	199,256	-	141,613	340,869
Enterprising activities	-	-	-	-
Shared services	-	-	693,075	693,075
Other	202,843	-	-	202,843
Total	<u>\$ 14,867,248</u>	<u>\$ 5,203,391</u>	<u>\$ 1,551,444</u>	<u>\$ 21,622,083</u>

U. GENERAL FUND FEDERAL SOURCE REVENUE

Program or Source	CFDA Number	Amount
School Health and Related Services (SHARS) Program	N/A	\$ 65,527
ROTC	N/A	79,125
Indirect Cost:		
211 ESEA Title I, Part A, Improving Basic Programs	84.010A	30,252
224 IDEA, Part B, Formula	84.027A	26,756
225 IDEA, Part B, Preschool	84.173A	57
244 Career and Technology Basic Grant	84.048A	2,166
255 ESEA Title II, Part A, Training and Recruiting	84.367A	7,648
263 Title III, Part A - English Language Acquisition	84.365A	1,117
279 COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425U	9,709
289 ESSA Title IV, Part A	84.424A	852
		\$ 223,209

Indirect cost revenues were determined by applying approved indirect cost rates to actual applicable expenditures of federally funded grant programs.

V. SHARED SERVICES ARRANGEMENTS

Shared Services Arrangement - Membership

* The District is the fiscal agent for Shared Services Arrangements (SSAs), which provide special education services to the member districts listed below. The member districts provide the funds to the fiscal agent. Member districts also provide the funds to the fiscal agent for alternative education services accounted for using the following: Fund No. 458, JJAEP, and Fund No. 459, District Alternative Education Program, which are all reported in Fund 459. Fund 458 is rolled into Fund 459 for Public Education Information Management System reporting.

<u>Member Districts</u>	<u>Fund No. 458</u>	<u>Fund No. 459</u>	<u>Totals*</u>
Floresville I.S.D.	\$ 12,015	\$ 516,020	\$ 528,035
Stockdale I.S.D.	12,015	-	12,015
Poth I.S.D.	12,015	23,760	35,775
La Vernia I.S.D.	26,181	-	26,181
Kennedy I.S.D.	12,015	32,380	44,395
Karnes City C.I.S.D.	12,015	27,160	39,175
Falls City I.S.D.	-	7,500	7,500
	\$ 86,256	\$ 606,820	\$ 693,076

W. WORKERS' COMPENSATION POOL

During the year ended June 30, 2025, the District met its statutory workers' compensation obligations through Workers' Compensation Solutions (the Provider).

The Provider uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. For the year ended June 30, 2025, the Provider anticipates no additional liability to members beyond their contractual obligations for payment of contributions.

REQUIRED SUPPLEMENTARY INFORMATION

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 13,910,000	\$ 14,680,166	\$ 14,867,248	\$ 187,082
5800 State Program Revenues	25,530,000	27,008,000	27,331,368	323,368
5900 Federal Program Revenues	455,000	275,000	223,209	(51,791)
5020 Total Revenues	39,895,000	41,963,166	42,421,825	458,659
EXPENDITURES:				
Current:				
0011 Instruction	21,800,000	22,289,169	22,224,064	65,105
0012 Instructional Resources and Media Services	335,000	335,000	308,651	26,349
0013 Curriculum and Instructional Staff Development	154,000	154,000	113,151	40,849
0021 Instructional Leadership	550,000	750,000	696,265	53,735
0023 School Leadership	1,959,500	2,059,500	2,051,159	8,341
0031 Guidance, Counseling, and Evaluation Services	1,186,000	1,361,000	1,352,040	8,960
0032 Social Work Services	100,000	130,000	112,833	17,167
0033 Health Services	310,000	330,000	316,317	13,683
0034 Student (Pupil) Transportation	2,655,000	2,775,000	2,769,773	5,227
0035 Food Services	-	33,000	32,817	183
0036 Extracurricular Activities	1,390,000	1,590,000	1,542,035	47,965
0041 General Administration	1,500,000	1,545,000	1,531,954	13,046
0051 Facilities Maintenance and Operations	5,667,500	5,987,500	5,973,106	14,394
0052 Security and Monitoring Services	505,000	524,500	512,893	11,607
0053 Data Processing Services	990,000	1,000,000	989,718	10,282
0061 Community Services	3,000	18,165	3,262	14,903
Debt Service:				
0071 Principal on Long-Term Liabilities	180,185	240,185	202,806	37,379
0072 Interest on Long-Term Liabilities	14,615	14,615	14,615	-
0073 Bond Issuance Cost and Fees	200	200	-	200
Intergovernmental:				
0095 Payments to Juvenile Justice Alternative Ed. Prg.	20,000	20,000	12,015	7,985
0099 Other Intergovernmental Charges	575,000	750,000	705,929	44,071
6030 Total Expenditures	39,895,000	41,906,834	41,465,403	441,431
1200 Net Change in Fund Balances	-	56,332	956,422	900,090
0100 Fund Balance - July 1 (Beginning)	11,325,559	11,325,559	11,325,559	-
3000 Fund Balance - June 30 (Ending)	\$ 11,325,559	\$ 11,381,891	\$ 12,281,981	\$ 900,090

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Pension Liability (Asset)	0.015626665%	0.016203978%	0.016737658%
District's Proportionate Share of Net Pension Liability (Asset)	\$ 9,545,420	\$ 11,130,569	\$ 9,936,717
State's Proportionate Share of the Net Pension Liability (Asset) Associated with the District	20,330,980	23,189,061	19,918,731
Total	<u>\$ 29,876,400</u>	<u>\$ 34,319,630</u>	<u>\$ 29,855,448</u>
District's Covered Payroll	\$ 28,009,928	\$ 27,039,340	\$ 25,552,369
District's Proportionate Share of the Net Pension Liability (Asset) as a Percentage of its Covered Payroll	34.08%	41.16%	38.89%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability	77.51%	73.15%	75.62%

Note: GASB Codification, Vol. 2, P20.183 requires that the information on this schedule be data from the period corresponding with the periods covered as of the measurement dates of August 31, 2023 for year 2024, August 31, 2022 for year 2023, August 31, 2021 for year 2022, August 31, 2020 for year 2021, August 31, 2019 for year 2020, August 31, 2018 for year 2019, August 31, 2017 for year 2018, August 31, 2016 for year 2017, August 31, 2015 for year 2016 and August 31, 2014 for year 2015.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017	FY 2017 Plan Year 2016	FY 2016 Plan Year 2015
0.016716746%	0.01577721%	0.020969107%	0.017324127%	0.020218609%	0.019716433%	0.0211603%
\$ 4,257,164	\$ 8,449,952	\$ 10,900,397	\$ 9,535,620	\$ 6,464,822	\$ 7,450,547	\$ 7,479,884
9,017,332	19,118,801	17,196,695	17,921,178	11,160,972	14,145,086	13,761,052
<u>\$ 13,274,496</u>	<u>\$ 27,568,753</u>	<u>\$ 28,097,092</u>	<u>\$ 27,456,798</u>	<u>\$ 17,625,794</u>	<u>\$ 21,595,633</u>	<u>\$ 21,240,936</u>
\$ 24,560,686	\$ 23,807,388	\$ 22,538,724	\$ 22,363,586	\$ 22,105,239	\$ 22,155,136	\$ 21,867,150
17.33%	35.49%	48.36%	42.64%	29.25%	33.63%	34.21%
88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR PENSIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 882,213	\$ 882,714	\$ 832,251
Contribution in Relation to the Contractually Required Contribution	(882,213)	(882,714)	(832,251)
Contribution Deficiency (Excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's Covered Payroll	\$ 27,975,559	\$ 28,144,812	\$ 26,814,773
Contributions as a Percentage of Covered Payroll	3.15%	3.14%	3.10%

Note: GASB Codification, Vol. 2, P20.183 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

	2022	2021	2020	2019	2018	2017	2016
\$	766,155	\$ 687,614	\$ 659,449	\$ 686,393	\$ 667,255	\$ 443,085	349,481
	(766,155)	(687,614)	(659,449)	(686,393)	(667,255)	(443,085)	(349,481)
\$	-	\$ -	\$ -	\$ -	\$ -	\$ -	-
\$	25,342,321	\$ 24,298,542	\$ 23,519,456	\$ 22,447,291	\$ 22,381,353	\$ 22,090,807	22,186,139
	3.02%	2.83%	2.80%	3.06%	2.98%	2.01%	1.58%

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	FY 2025 Plan Year 2024	FY 2024 Plan Year 2023	FY 2023 Plan Year 2022
District's Proportion of the Net Liability (Asset) for Other Postemployment Benefits	0.025718125%	0.026093094%	0.026350937%
District's Proportionate Share of Net OPEB Liability (Asset)	\$ 7,805,845	\$ 5,776,569	\$ 6,309,470
State's Proportionate Share of the Net OPEB Liability (Asset) Associated with the District	9,780,618	6,970,318	7,696,562
Total	<u>\$ 17,586,463</u>	<u>\$ 12,746,887</u>	<u>\$ 14,006,032</u>
District's Covered Payroll	\$ 28,009,928	\$ 27,039,340	\$ 25,532,369
District's Proportionate Share of the Net OPEB Liability (Asset) as a Percentage of its Covered Payroll	27.87%	21.36%	24.69%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability	13.70%	14.94%	11.52%

Note: GASB Codification, Vol. 2, P50.238 states that the information on this schedule should be determined as of the measurement date. For example, the amounts for FY 2025 are for the measurement date of August 31, 2024, etc.

This schedule shows only the years for which this information is available. Additional information will be added until 10 years of data are available and reported.

FY 2022 Plan Year 2021	FY 2021 Plan Year 2020	FY 2020 Plan Year 2019	FY 2019 Plan Year 2018	FY 2018 Plan Year 2017
0.027748525%	0.027269204%	0.028510552%	0.026766559%	0.030922996%
\$ 10,703,846	\$ 10,366,256	\$ 13,482,989	\$ 13,364,788	\$ 13,447,251
14,340,768	13,929,763	17,915,877	18,328,945	17,421,894
<u>\$ 25,044,614</u>	<u>\$ 24,296,019</u>	<u>\$ 31,398,866</u>	<u>\$ 31,693,733</u>	<u>\$ 30,869,145</u>
\$ 24,560,686	\$ 23,807,388	\$ 22,538,724	\$ 22,363,586	\$ 22,105,239
43.58%	43.54%	59.82%	59.76%	60.83%
6.18%	4.99%	2.66%	1.57%	0.91%

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S CONTRIBUTIONS FOR OTHER POSTEMPLOYMENT BENEFITS (OPEB)
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE YEAR ENDED JUNE 30, 2025

	2025	2024	2023
Contractually Required Contribution	\$ 236,791	\$ 234,960	\$ 224,747
Contribution in Relation to the Contractually Required Contribution	(236,791)	(234,960)	(224,747)
Contribution Deficiency (Excess)	\$ -	\$ -	\$ -
District's Covered Payroll	\$ 27,975,559	\$ 28,144,812	\$ 26,814,773
Contributions as a Percentage of Covered Payroll	0.85%	0.83%	0.84%

Note: GASB Codification, Vol. 2, P50.238 requires that the data in this schedule be presented as of the District's respective fiscal years as opposed to the time periods covered by the measurement dates ending August 31 of the preceding year.

Information in this schedule should be provided only for the years where data is available. Eventually 10 years of data should be presented.

	2022	2021	2020	2019	2018
\$	215,314	\$ 213,812	\$ 204,902	\$ 196,381	\$ 187,354
	(215,314)	(213,812)	(204,902)	(196,381)	(187,354)
\$	-	\$ -	\$ -	\$ -	\$ -
\$	25,342,321	\$ 24,298,542	\$ 23,519,456	\$ 22,447,291	\$ 22,381,353
	0.85%	0.88%	0.87%	0.87%	0.84%

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
FOR THE YEAR ENDED JUNE 30, 2025

A. Notes to Schedules for the TRS Pension

Changes of Benefit terms.

The Texas 2023 Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of \$1,645 billion for one-time stipends and \$3,355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

Changes of Assumptions.

There were no changes in assumptions.

B. Notes to Schedules for the TRS OPEB Plan

Changes in Benefit.

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

Changes in Assumptions.

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

- * The single discount rate changed from 4.13 percent as of August 31, 2023 to 3.87 percent as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- * The tables used to model the impact of aging on the underlying claims were revised.

COMBINING AND OTHER STATEMENTS

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	205	211	224	225
	Head Start	ESEA I, A Improving Basic Program	IDEA - Part B Formula	IDEA - Part B Preschool
ASSETS				
1110 Cash and Cash Equivalents	\$ (3,949)	\$ 580	\$ -	\$ -
1240 Due from Other Governments	3,949	-	-	-
1000 Total Assets	<u>\$ -</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts Payable	\$ -	\$ 580	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>-</u>	<u>580</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ -</u>	<u>\$ 580</u>	<u>\$ -</u>	<u>\$ -</u>

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 ESSER III TCLAS ARP Act	282 ESSER III ARP Act	287 PG Equipment Upgrade Grant	288 Rifle Body Armor Grant
\$ 1,348,594	\$ 3,515	\$ 944	\$ (9,835)	\$ -	\$ -	\$ -	\$ (4,340)
-	-	-	9,835	-	-	-	4,340
<u>\$ 1,348,594</u>	<u>\$ 3,515</u>	<u>\$ 944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ -	\$ 3,515	\$ 944	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>-</u>	<u>3,515</u>	<u>944</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1,348,594	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
<u>1,348,594</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 1,348,594</u>	<u>\$ 3,515</u>	<u>\$ 944</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
ASSETS				
1110 Cash and Cash Equivalents	\$ 4,500	\$ -	\$ -	\$ -
1240 Due from Other Governments	-	-	-	-
1000 Total Assets	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
LIABILITIES				
2110 Accounts Payable	\$ 4,500	\$ -	\$ -	\$ -
2160 Accrued Wages Payable	-	-	-	-
2300 Unearned Revenue	-	-	-	-
2000 Total Liabilities	<u>4,500</u>	<u>-</u>	<u>-</u>	<u>-</u>
FUND BALANCES				
Restricted Fund Balance:				
3450 Federal or State Funds Grant Restriction	-	-	-	-
Committed Fund Balance:				
3545 Other Committed Fund Balance	-	-	-	-
3600 Unassigned Fund Balance	-	-	-	-
3000 Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000 Total Liabilities and Fund Balances	<u>\$ 4,500</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

410 State Instructional Materials	426 Safe Cycle 2 Grant	427 ECHS Planning & Implement. Grant	429 Other State Special Revenue Funds	446 ARP II Mckinney Vent Hom. Ed Prgm	458 SSA JJAEP	459 SSA DAEP at the Alt. Center	461 Campus Activity Funds
\$ 28,440	\$ -	\$ -	\$ -	\$ -	\$ (7,695)	\$ 35,007	\$ 166,722
-	-	-	-	-	10,073	7,500	-
<u>\$ 28,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,378</u>	<u>\$ 42,507</u>	<u>\$ 166,722</u>
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	2,378	42,507	-
28,440	-	-	-	-	-	-	-
<u>28,440</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>2,378</u>	<u>42,507</u>	<u>-</u>
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	166,722
-	-	-	-	-	-	-	-
<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>166,722</u>
<u>\$ 28,440</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 2,378</u>	<u>\$ 42,507</u>	<u>\$ 166,722</u>

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING BALANCE SHEET
 NONMAJOR GOVERNMENTAL FUNDS
 JUNE 30, 2025

Data Control Codes	480 Raising Blended Letters	481 Texas Teachers Collaborative	Total Nonmajor Governmental Funds
ASSETS			
1110 Cash and Cash Equivalents	\$ 21,473	\$ 50,746	\$ 1,634,702
1240 Due from Other Governments	-	-	35,697
1000 Total Assets	<u>\$ 21,473</u>	<u>\$ 50,746</u>	<u>\$ 1,670,399</u>
LIABILITIES			
2110 Accounts Payable	\$ -	\$ -	\$ 9,539
2160 Accrued Wages Payable	-	-	44,885
2300 Unearned Revenue	-	-	28,440
2000 Total Liabilities	<u>-</u>	<u>-</u>	<u>82,864</u>
FUND BALANCES			
Restricted Fund Balance:			
3450 Federal or State Funds Grant Restriction	-	-	1,348,594
Committed Fund Balance:			
3545 Other Committed Fund Balance	-	-	166,722
3600 Unassigned Fund Balance	21,473	50,746	72,219
3000 Total Fund Balances	<u>21,473</u>	<u>50,746</u>	<u>1,587,535</u>
4000 Total Liabilities and Fund Balances	<u>\$ 21,473</u>	<u>\$ 50,746</u>	<u>\$ 1,670,399</u>

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	205	211 ESEA I, A Improving Basic Program	224 IDEA - Part B Formula	225 IDEA - Part B Preschool
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	-	-	-
5900 Federal Program Revenues	335,650	604,912	581,966	1,150
5020 Total Revenues	335,650	604,912	581,966	1,150
EXPENDITURES:				
Current:				
0011 Instruction	335,650	437,930	427,297	1,150
0013 Curriculum and Instructional Staff Development	-	11,972	-	-
0021 Instructional Leadership	-	144,601	-	-
0023 School Leadership	-	3,941	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	154,669	-
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	6,468	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
6030 Total Expenditures	335,650	604,912	581,966	1,150
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

240 National Breakfast and Lunch Program	244 Career and Technical - Basic Grant	255 ESEA II,A Training and Recruiting	263 Title III, A English Lang. Acquisition	279 ESSER III TCLAS ARP Act	282 ESSER III ARP Act	287 PG Equipment Upgrade Grant	288 Rifle Body Armor Grant
\$ 644,256	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
9,841	-	-	-	-	-	-	6,789
1,801,592	48,193	153,023	22,606	3,491	30,668	59,259	4,340
2,455,689	48,193	153,023	22,606	3,491	30,668	59,259	11,129
-	48,193	-	10,380	3,491	22,751	-	-
-	-	153,023	11,757	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	4,340
-	-	-	-	-	6,125	-	-
-	-	-	-	-	-	-	-
2,758,061	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
61,388	-	-	-	-	-	-	-
-	-	-	-	-	1,792	59,259	6,789
-	-	-	469	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	-
2,819,449	48,193	153,023	22,606	3,491	30,668	59,259	11,129
(363,760)	-	-	-	-	-	-	-
1,712,354	-	-	-	-	-	-	-
\$ 1,348,594	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	289 Other Federal Special Revenue Funds	385 Visually Impaired SSVI	392 Non-Ed. Community Based Support	397 Advanced Placement Incentives
REVENUES:				
5700 Total Local and Intermediate Sources	\$ -	\$ -	\$ -	\$ -
5800 State Program Revenues	-	2,492	7,500	204
5900 Federal Program Revenues	18,420	-	-	-
5020 Total Revenues	18,420	2,492	7,500	204
EXPENDITURES:				
Current:				
0011 Instruction	11,220	2,492	7,500	-
0013 Curriculum and Instructional Staff Development	7,200	-	-	-
0021 Instructional Leadership	-	-	-	-
0023 School Leadership	-	-	-	-
0031 Guidance, Counseling, and Evaluation Services	-	-	-	204
0032 Social Work Services	-	-	-	-
0033 Health Services	-	-	-	-
0035 Food Services	-	-	-	-
0036 Extracurricular Activities	-	-	-	-
0041 General Administration	-	-	-	-
0051 Facilities Maintenance and Operations	-	-	-	-
0052 Security and Monitoring Services	-	-	-	-
0061 Community Services	-	-	-	-
Debt Service:				
0071 Principal on Long-Term Liabilities	-	-	-	-
0072 Interest on Long-Term Liabilities	-	-	-	-
6030 Total Expenditures	18,420	2,492	7,500	204
1200 Net Change in Fund Balance	-	-	-	-
0100 Fund Balance - July 1 (Beginning)	-	-	-	-
3000 Fund Balance - June 30 (Ending)	\$ -	\$ -	\$ -	\$ -

410 State Instructional Materials	426 Safe Cycle 2 Grant	427 ECHS Planning & Implement. Grant	429 Other State Special Revenue Funds	446 ARP II Mckinney Vent Hom. Ed Prgm	458 SSA JJAEP	459 SSA DAEP at the Alt. Center	461 Campus Activity Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 86,256	\$ 606,820	\$ 141,612
358,524	170,781	7,202	71,764	-	3,847	40,580	-
-	-	-	-	75	-	-	-
358,524	170,781	7,202	71,764	75	90,103	647,400	141,612
362,880	-	7,045	3,850	-	32,500	359,123	45,730
-	-	157	-	-	-	-	-
-	-	-	-	-	-	-	-
-	-	-	-	-	19,317	144,158	-
-	-	-	-	75	8,042	72,173	-
-	-	-	-	-	-	-	-
-	-	-	-	-	13,015	31,960	-
-	-	-	-	-	-	-	-
-	-	-	-	-	-	-	108,183
-	-	-	-	-	-	-	3,079
-	-	-	-	-	7,838	39,264	-
-	170,781	-	67,914	-	8,891	-	700
-	-	-	-	-	-	-	-
-	-	-	-	-	466	673	-
-	-	-	-	-	34	49	-
362,880	170,781	7,202	71,764	75	90,103	647,400	157,692
(4,356)	-	-	-	-	-	-	(16,080)
4,356	-	-	-	-	-	-	182,802
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ 166,722

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
 FUND BALANCES - NONMAJOR GOVERNMENTAL FUNDS
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	480 Raising Blended Letters	481 Texas Teachers Collaborative	Total Nonmajor Governmental Funds
REVENUES:			
5700 Total Local and Intermediate Sources	\$ -	\$ 72,500	\$ 1,551,444
5800 State Program Revenues	-	-	679,524
5900 Federal Program Revenues	-	-	3,665,345
5020 Total Revenues	-	72,500	5,896,313
EXPENDITURES:			
Current:			
0011 Instruction	-	-	2,119,182
0013 Curriculum and Instructional Staff Development	10,955	21,754	216,818
0021 Instructional Leadership	4,105	-	148,706
0023 School Leadership	-	-	167,416
0031 Guidance, Counseling, and Evaluation Services	-	-	239,503
0032 Social Work Services	-	-	6,125
0033 Health Services	-	-	44,975
0035 Food Services	-	-	2,758,061
0036 Extracurricular Activities	-	-	108,183
0041 General Administration	-	-	3,079
0051 Facilities Maintenance and Operations	-	-	108,490
0052 Security and Monitoring Services	-	-	316,126
0061 Community Services	-	-	6,937
Debt Service:			
0071 Principal on Long-Term Liabilities	-	-	1,139
0072 Interest on Long-Term Liabilities	-	-	83
6030 Total Expenditures	15,060	21,754	6,244,823
1200 Net Change in Fund Balance	(15,060)	50,746	(348,510)
0100 Fund Balance - July 1 (Beginning)	36,533	-	1,936,045
3000 Fund Balance - June 30 (Ending)	\$ 21,473	\$ 50,746	\$ 1,587,535

T.E.A. REQUIRED SCHEDULES

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF DELINQUENT TAXES RECEIVABLE
 FOR THE YEAR ENDED JUNE 30, 2025

Last 10 Years Ended	(1)	(2)	(3)
	Tax Rates		Assessed/Appraised Value for School Tax Purposes
	Maintenance	Debt Service	
2016 and prior years	Various	Various	\$ Various
2017	1.040000	0.405000	1,072,404,985
2018	1.040000	0.405000	1,263,053,910
2019	1.040000	0.405000	1,318,464,875
2020	0.970000	0.365000	1,425,928,315
2021	0.930500	0.303900	1,553,477,647
2022	0.872000	0.262400	1,802,771,656
2023	0.854600	0.254923	1,990,295,210
2024	0.669400	0.237300	2,014,937,876
2025 (School year under audit)	0.616900	0.232500	2,259,666,399
1000 TOTALS			
8000 Total Taxes Refunded Under Section 26.1115, Tax Code			

(10) Beginning Balance 7/1/2024	(20) Current Year's Total Levy	(31) Maintenance Collections	(32) Debt Service Collections	(40) Entire Year's Adjustments	(50) Ending Balance 6/30/2025	(99) Taxes Refunded Under Section 26.1115c
\$ 771,907	\$	\$ 52,102	\$ 17,409	\$ (15,809)	\$ 686,587	
64,788		3,400	1,324	1	60,065	
46,139		5,959	2,320	(1)	37,859	
79,804		8,462	3,295	1	68,048	
76,259		9,630	3,624	(247)	62,758	
96,603		20,637	6,740	(364)	68,862	
173,044		42,534	12,799	11,303	129,014	
299,273		54,894	16,374	(28,396)	199,609	
761,531		275,579	97,692	(136,956)	251,304	
	19,193,606	13,035,507	4,544,542	(841,877)	771,680	
<u>\$ 2,369,348</u>	<u>\$ 19,193,606</u>	<u>\$ 13,508,704</u>	<u>\$ 4,706,119</u>	<u>\$ (1,012,345)</u>	<u>\$ 2,335,786</u>	

\$ -

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - CHILD NUTRITION PROGRAM
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 600,000	\$ 600,000	\$ 644,256	\$ 44,256
5800 State Program Revenues	10,000	10,000	9,841	(159)
5900 Federal Program Revenues	1,960,000	1,960,000	1,801,592	(158,408)
5020 Total Revenues	<u>2,570,000</u>	<u>2,570,000</u>	<u>2,455,689</u>	<u>(114,311)</u>
EXPENDITURES:				
Current:				
0035 Food Services	3,002,300	3,002,300	2,758,061	244,239
0051 Facilities Maintenance and Operations	65,000	65,000	61,388	3,612
Debt Service:				
0071 Principal on Long-Term Liabilities	2,700	2,500	-	2,500
0072 Interest on Long-Term Liabilities	-	200	-	200
6030 Total Expenditures	<u>3,070,000</u>	<u>3,070,000</u>	<u>2,819,449</u>	<u>250,551</u>
1200 Net Change in Fund Balances	(500,000)	(500,000)	(363,760)	136,240
0100 Fund Balance - July 1 (Beginning)	<u>1,712,354</u>	<u>1,712,354</u>	<u>1,712,354</u>	<u>-</u>
3000 Fund Balance - June 30 (Ending)	<u>\$ 1,212,354</u>	<u>\$ 1,212,354</u>	<u>\$ 1,348,594</u>	<u>\$ 136,240</u>

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
 BUDGET AND ACTUAL - DEBT SERVICE FUND
 FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Budgeted Amounts		Actual Amounts (GAAP BASIS)	Variance With Final Budget Positive or (Negative)
	Original	Final		
REVENUES:				
5700 Total Local and Intermediate Sources	\$ 4,420,000	\$ 4,420,000	\$ 5,203,391	\$ 783,391
5800 State Program Revenues	155,000	155,000	1,063,968	908,968
5020 Total Revenues	4,575,000	4,575,000	6,267,359	1,692,359
EXPENDITURES:				
Debt Service:				
0071 Principal on Long-Term Liabilities	3,050,000	3,050,000	3,050,000	-
0072 Interest on Long-Term Liabilities	1,520,000	1,520,000	1,476,319	43,681
0073 Bond Issuance Cost and Fees	5,000	5,000	3,788	1,212
6030 Total Expenditures	4,575,000	4,575,000	4,530,107	44,893
1200 Net Change in Fund Balances	-	-	1,737,252	1,737,252
0100 Fund Balance - July 1 (Beginning)	7,257,148	7,257,148	7,257,148	-
3000 Fund Balance - June 30 (Ending)	\$ 7,257,148	\$ 7,257,148	\$ 8,994,400	\$ 1,737,252

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
 FOR THE YEAR ENDED JUNE 30, 2025

Section A: Compensatory Education Programs

AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$3,262,816
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30)	\$2,559,322

Section B: Bilingual Education Programs

AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	\$231,854
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	\$138,486

FEDERAL SECTION

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

To the Board of Trustees
Floresville Independent School District
1200 5th Street
Floresville, Texas 78114

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 the Floresville Independent School District, as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the Floresville Independent School District's basic financial statements, and have issued our report thereon dated September 5, 2025.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Purpose of this Report

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

Coleman, Horton and Company, LLP

Uvalde, Texas
September 5, 2025

COLEMAN, HORTON & COMPANY, LLP

Certified Public Accountants

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INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR PROGRAM AND ON INTERNAL CONTROL OVER COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE

To the Board of Trustees
Floresville Independent School District
1200 5th Street
Floresville, Texas 78881

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited the Floresville 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 the Floresville Independent School District's major federal programs for the year ended June 30, 2025. Floresville 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, Floresville Independent School District complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2025.

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; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; 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 Floresville 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 Floresville 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 Floresville 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 Floresville 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 generally accepted auditing standards, *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 Floresville Independent School District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with generally accepted auditing standards, *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 Floresville 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 Floresville 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 Floresville 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.

Coleman, Horton and Company, LLP

Uvalde, Texas
September 5, 2025

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF FINDINGS AND QUESTIONED COSTS
 FOR THE YEAR ENDED JUNE 30, 2025

A. Summary of the Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness? Yes X None noted

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

Material weakness(es) identified? Yes X No

Significant deficiency(ies) identified that are not considered to be material weakness? Yes X None noted

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

Any audit findings disclosed that are required to be reported in accordance with section 200.516(a) of the Uniform Guidance? Yes X No

Identification of major programs:

<u>CFDA Number(s)</u>	<u>Name of Federal Program or Cluster</u>
CFDA #84.010A	Title I, Part A
CFDA #93.600	Head Start Program

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

Auditee qualified as low-risk auditee? X Yes No

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
FOR THE YEAR ENDED JUNE 30, 2025

B. Financial Statement Findings

-----None noted-----

C. Federal Award Findings and Questioned Costs

-----None noted-----

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS
FOR THE YEAR ENDED JUNE 30, 2025

Findings/Status

-----None noted-----

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
CORRECTIVE ACTION PLAN
FOR THE YEAR ENDED JUNE 30, 2025

-----None noted-----

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF DEFENSE			
<u>Direct Programs</u>			
ROTC	12.999	247-901	\$ 79,125
Total Direct Programs			<u>79,125</u>
TOTAL U.S. DEPARTMENT OF DEFENSE			<u>79,125</u>
U.S. DEPARTMENT OF EDUCATION			
<u>Passed Through Region Service Centers</u>			
COVID 19 - ARP II	84.425 W	36793649303446224000	75
Empowering Early Childhood Special Education	84.173 A	24-661004711001	4,340
Total Passed Through Region Service Centers			<u>4,415</u>
<u>Passed Through Texas Education Agency</u>			
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	24-610101247901	132,235
ESEA, Title I, Part A - Improving Basic Programs	84.010 A	25-610101247901	472,677
Total Assistance Listing Number 84.010			<u>604,912</u>
*IDEA - Part B, Formula	84.027 A	24-6600012479016600	114,757
*IDEA - Part B, Formula	84.027 A	25-6600012479016600	467,209
Total Assistance Listing Number 84.027			<u>581,966</u>
*IDEA - Part B, Preschool	84.173 A	25-6610012479016610	1,150
Total Special Education Cluster (IDEA)			<u>583,116</u>
Career and Technical - Basic Grant	84.048 A	24-420006247901	250
Career and Technical - Basic Grant	84.048 A	25-420006247901	47,943
Total Assistance Listing Number 84.048			<u>48,193</u>
Title III, Part A - English Language Acquisition	84.365 A	24-671001247901	4,046
Title III, Part A - English Language Acquisition	84.365 A	25-671001247901	18,560
Total Assistance Listing Number 84.365			<u>22,606</u>
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	24-694501247901	37,114
ESEA, Title II, Part A, Teacher Principal Training	84.367 A	25-694501247901	115,909
Total Assistance Listing Number 84.367			<u>153,023</u>
COVID 19 - ESSER III - School Emergency Relief	84.425 U	21-528001247901	30,668
COVID 19 - Learning Supports - (TCLAS) ESSER III	84.425 U	21-528042247901	3,491
Total Assistance Listing Number 84.425			<u>34,159</u>
ESEA, Title IV, Part A, Subpart I-Student Support	84.424 A	25-680101247901	17,057
Summer School LEP	84.369 A	69552402	1,363
Total Passed Through Texas Education Agency			<u>1,464,429</u>
TOTAL U.S. DEPARTMENT OF EDUCATION			<u>1,468,844</u>
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			
<u>Passed Through BCFS Health and Human Services</u>			
*Head Start	93.600	06-CH7073-06-3132	335,650
			<u>335,650</u>
Total Passed Through BCFS Health and Human Services			<u>335,650</u>
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES			<u>335,650</u>
U.S. DEPARTMENT OF JUSTICE			
<u>Direct Programs</u>			

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
 SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
 FOR THE YEAR ENDED JUNE 30, 2025

(1)	(2)	(3)	(4)
FEDERAL GRANTOR/ PASS-THROUGH GRANTOR/ PROGRAM or CLUSTER TITLE	Federal Assistance Listing No.	Pass-Through Entity Identifying Number	Federal Expenditures
Patrol Vehicle Replacement Project	16.738	4810501	59,259
Total Direct Programs			<u>59,259</u>
TOTAL U.S. DEPARTMENT OF JUSTICE			<u>59,259</u>
U.S. DEPARTMENT OF AGRICULTURE			
<u>Passed Through the Texas Department of Agriculture</u>			
*School Breakfast Program	10.553	71402501	420,334
*National School Lunch Program - Cash Assistance	10.555	71302501	1,198,789
*National School Lunch Prog. - Non-Cash Assistance	10.555	N/A	182,469
Total Assistance Listing Number 10.555			<u>1,381,258</u>
Total Child Nutrition Cluster			<u>1,801,592</u>
Total Passed Through the Texas Department of Agriculture			<u>1,801,592</u>
TOTAL U.S. DEPARTMENT OF AGRICULTURE			<u>1,801,592</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			<u>\$ 3,744,470</u>

*Clustered Programs

**Schedule does not include federal revenue reported in the General Fund consisting of indirect costs of \$78,557 and SHARS of \$65,527 for a total of \$144,084.

FLORESVILLE INDEPENDENT SCHOOL DISTRICT
NOTES ON ACCOUNTING POLICIES FOR FEDERAL AWARDS
FOR THE YEAR ENDED JUNE 30, 2025

- * For all Federal programs, the District uses the fund types specified in the Texas Education Agency's *Financial Accountability System Resource Guide*. Special revenue funds are used to account for resources restricted to, or designated for, specific purposes by a grantor. Federal and state financial assistance generally is accounted for in a Special Revenue Fund. Generally, unused balances are returned to the grantor at the close of specified project periods.
- * The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The Governmental Fund types are accounted for using a current financial resources measurement focus. All Federal grant funds were accounted for in a Special Revenue Fund or, in some instances, in the General Fund which are Governmental Fund type funds.

With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets. The modified accrual basis of accounting is used for the Governmental Fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest on General Long-Term Debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources. Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

- * The District must submit to the pass-through entity, no later than 90 calendar days (or an earlier date as agreed upon by the pass-through entity and the District) after the end date of the period of performance, all financial, performance, and other reports as required by the terms and conditions of the Federal award. The Federal awarding agency or pass-through entity may approve extensions when requested and justified by the non-federal entity, as applicable (2 CFR 200.344(a)).

Unless the Federal awarding agency or pass-through entity authorizes an extension, a non-federal entity must liquidate all financial obligations incurred under the Federal award no later than 120 calendar days after the end date of the performance as specified in the terms and conditions of the Federal award (2 CFR 200.344(b)).

- * CFDA numbers for commodity assistance are the CFDA numbers of the programs under which USDA donated the commodities.
- * Indirect cost reimbursement for federal programs for this fiscal year was received in the amount of \$78,557.

SCHOOLS FIRST QUESTIONNAIRE

FLORESVILLE INDEPENDENT SCHOOL DISTRICT

Fiscal Year 2025

SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If payments were not made or warrant hold not cleared within 30 days of when due, then payments are NOT timely.)	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, answer is still YES.)	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 and/or substantial doubt about the district's ability to continue as a going concern?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts, and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year end?	Yes
SF8	Did the school district's administration and school board members discuss any changes and/or impact to local, state, and federal funding at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year end.	\$-0-