



# Annual Report of Local Debt Information

**Fiscal Year Ended August 31, 2020**

*Pursuant to Local Government Code, Section 140.008*

This report was posted on the District's website on February 26, 2021.



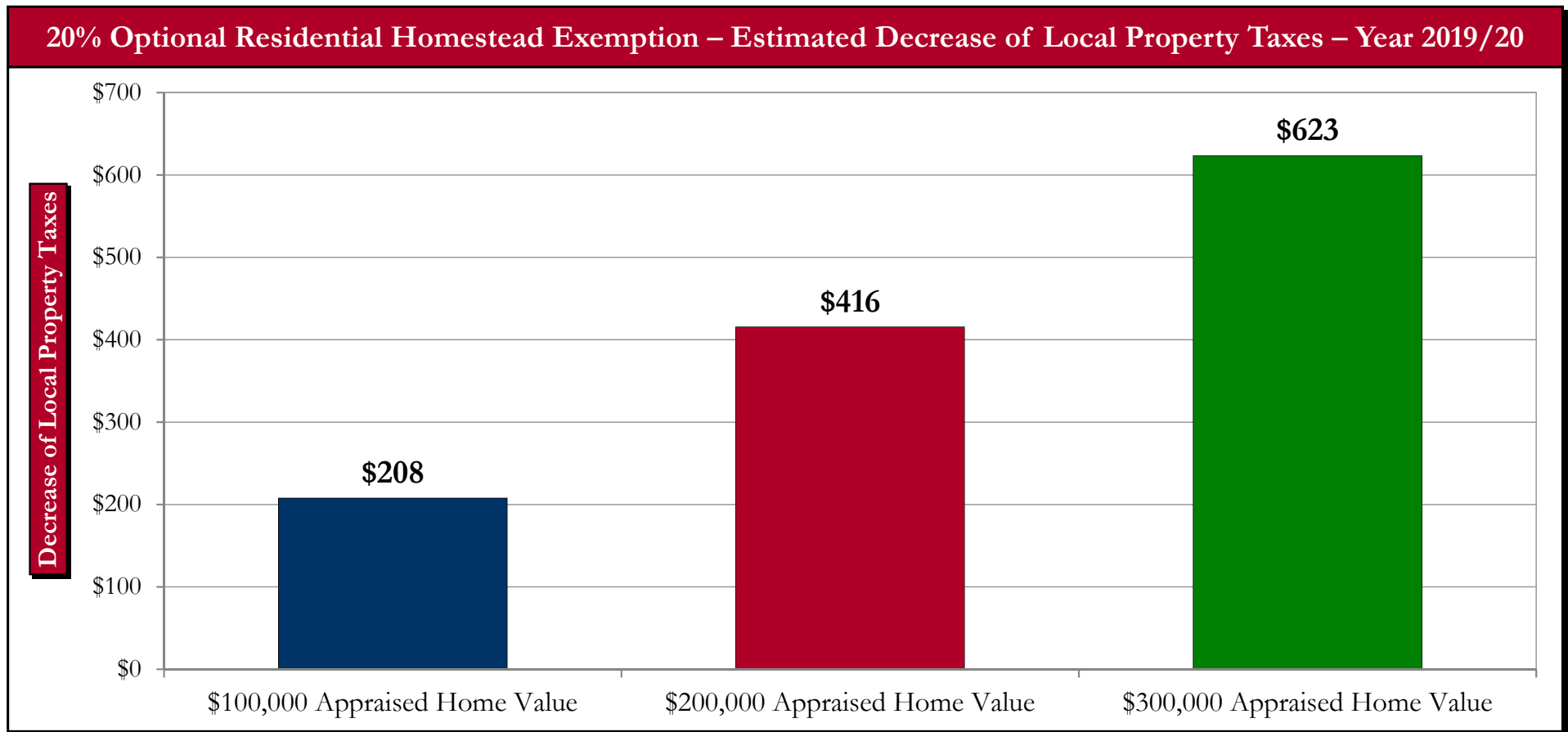
# Overview of Certain Financial/Bond Ratings

- ❑ **Overview:** Glen Rose Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
  - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
    - ✓ Based on data for year 2018/19, the District was assigned a 2019/20 FIRST Rating of “Superior” and the District’s score was 96 out of a possible 100 points.
  - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as S&P Global Ratings, that evaluate the District’s financial strength and its ability to pay its existing bonds.
    - ✓ **S&P Global Ratings:** Assigns a “AA” credit rating to the District, defined as “Having a very strong capacity to meet its financial commitments. It differs from the highest rating only to a small degree.”



# Overview of 20% Optional Residential Homestead Exemption Provided By District

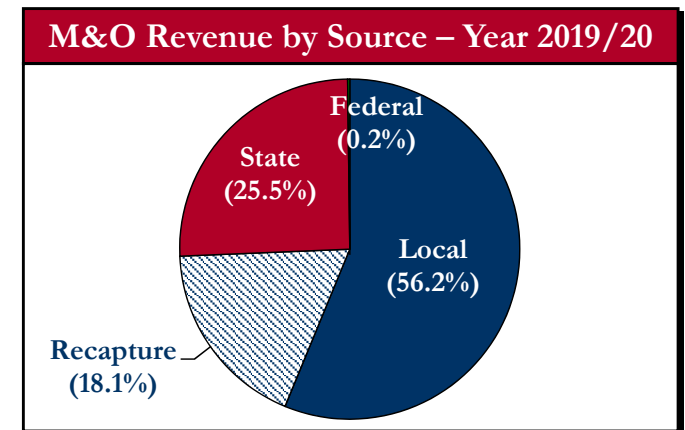
- ❑ **Local Option, Additional Homestead Exemption:** Unlike many Texas school districts, the District has approved an additional residential homestead exemption equal to 20% of the assessed value. In this regard, the residential homestead exemption lowers the taxable value of a taxpayer's home for purposes of levying the District's tax rate.
- ❑ The following summarizes the estimated benefit that accrued to residential homeowners in year 2019/20.





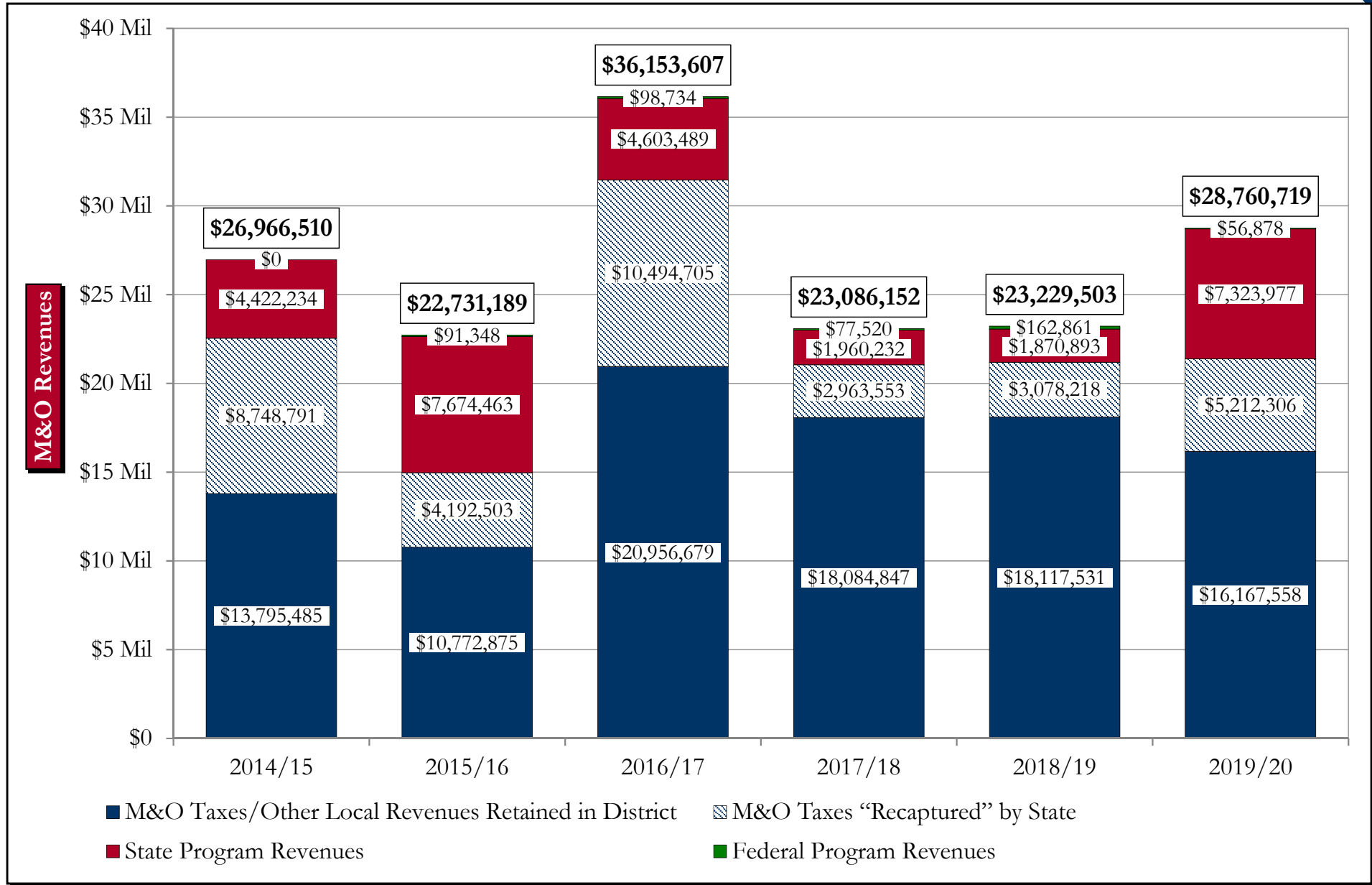
# Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Glen Rose ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Somervell Central Appraisal District and Hood Central Appraisal District:
- **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.
  - ✓ As a Chapter 49 or “Robin Hood” school district, the District’s annual funds for maintenance & operation purposes primarily consist of local M&O taxes, as summarized to the right for year 2019/20. In general, the dollar amount of local M&O revenues retained in the District is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. We note that the local sources include tax collections of \$5,212,306 or 18.1% of total operating funds that are paid to the State as a “recapture” payment.
  - ✓ Beginning in year 2020/21, the District’s M&O tax rate will be subject to compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.





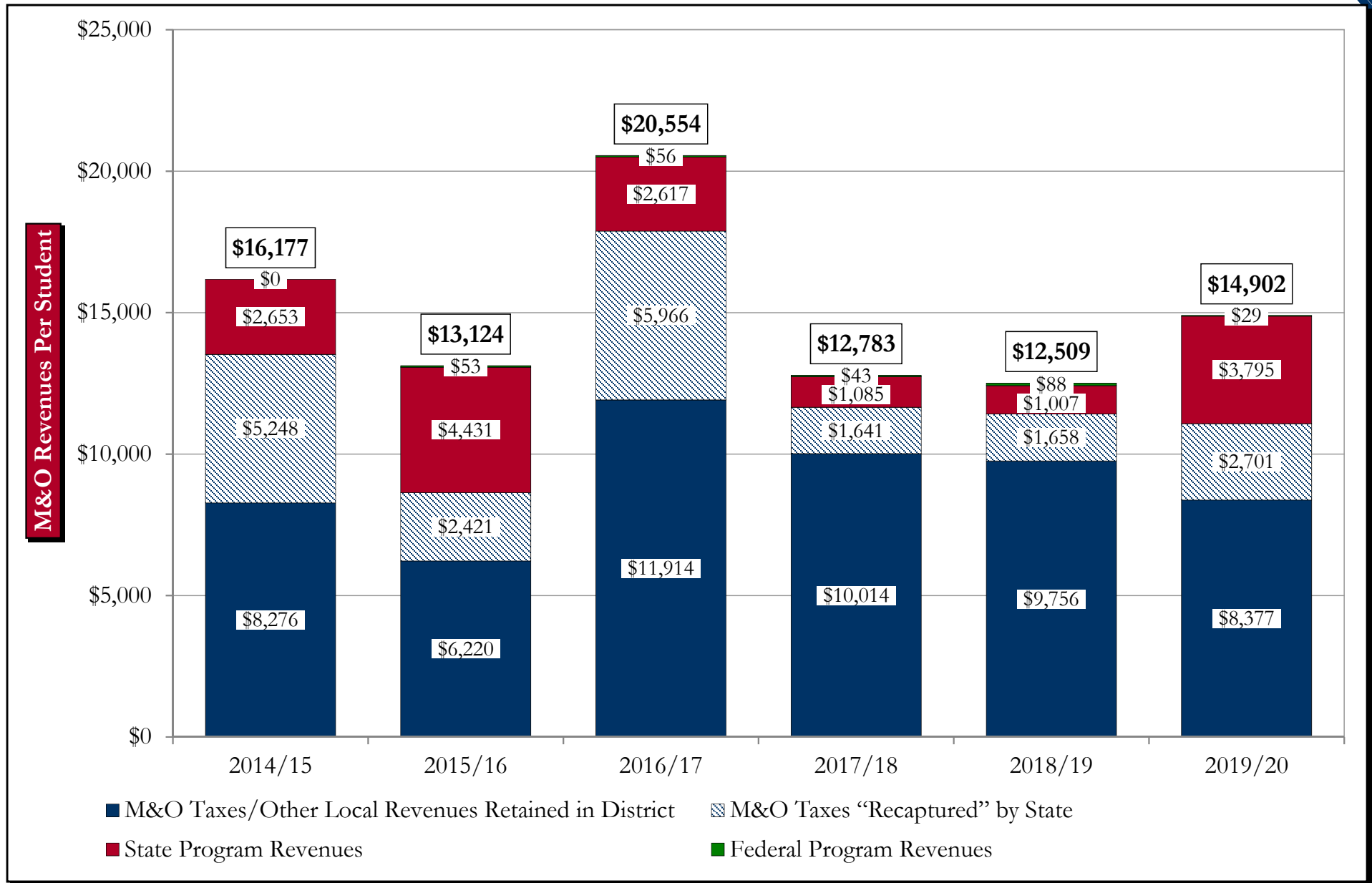
# Historical M&O Revenues By Source



Source: District's Audited Financial Statements and District records.



# Historical M&O Revenues Per Student





# Overview of State Funding System

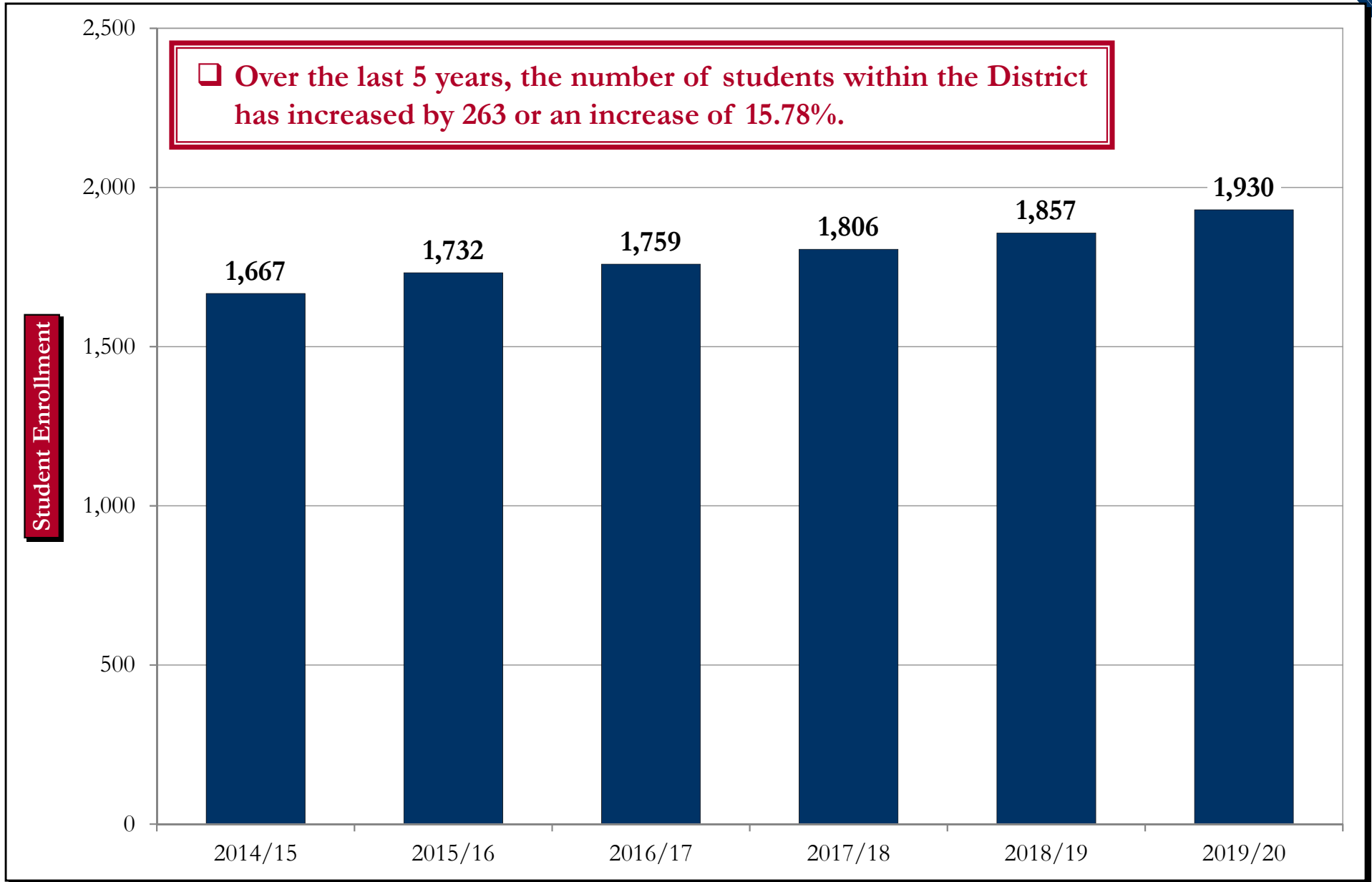
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s bond programs approved by voters over the last 15 years:

<b>District’s Historical Bond Elections Approved By Voters</b>			
<b>Election Date</b>	<b>Purpose</b>	<b>Election Amount</b>	<b>Dollar Amount Of Bonds Remaining To Be Issued</b>
May 8, 2010	School Building	\$19,995,000	\$0
<b>Total Dollar Amount Of Authorized But Unissued Bonds - As of August 31, 2020:</b>			<b>\$0</b>

- ✓ As of fiscal year ended August 31, 2020, the District had \$12,068,286 within its Capital Projects Fund for existing/future projects.



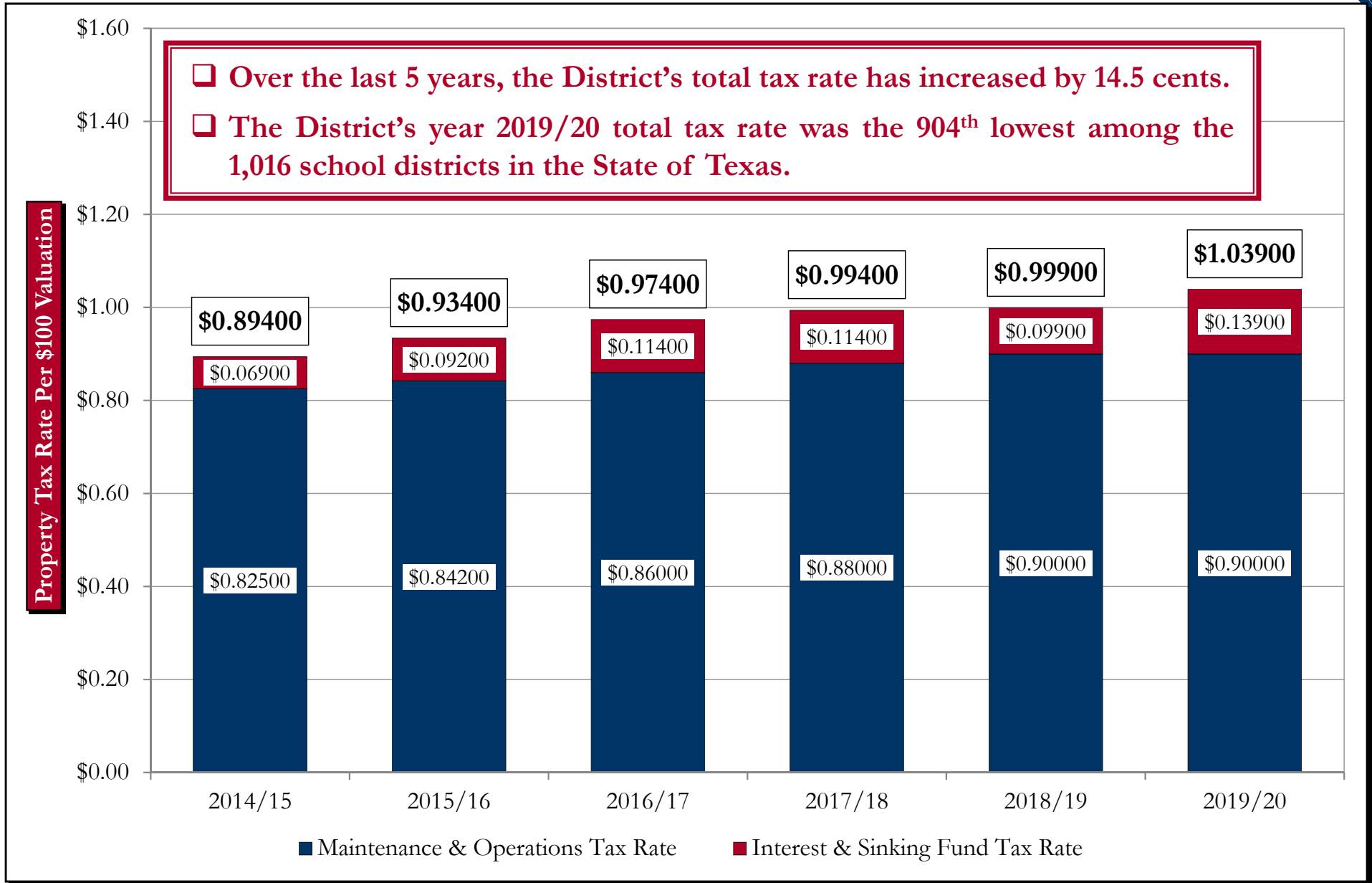
# Historical Student Enrollment





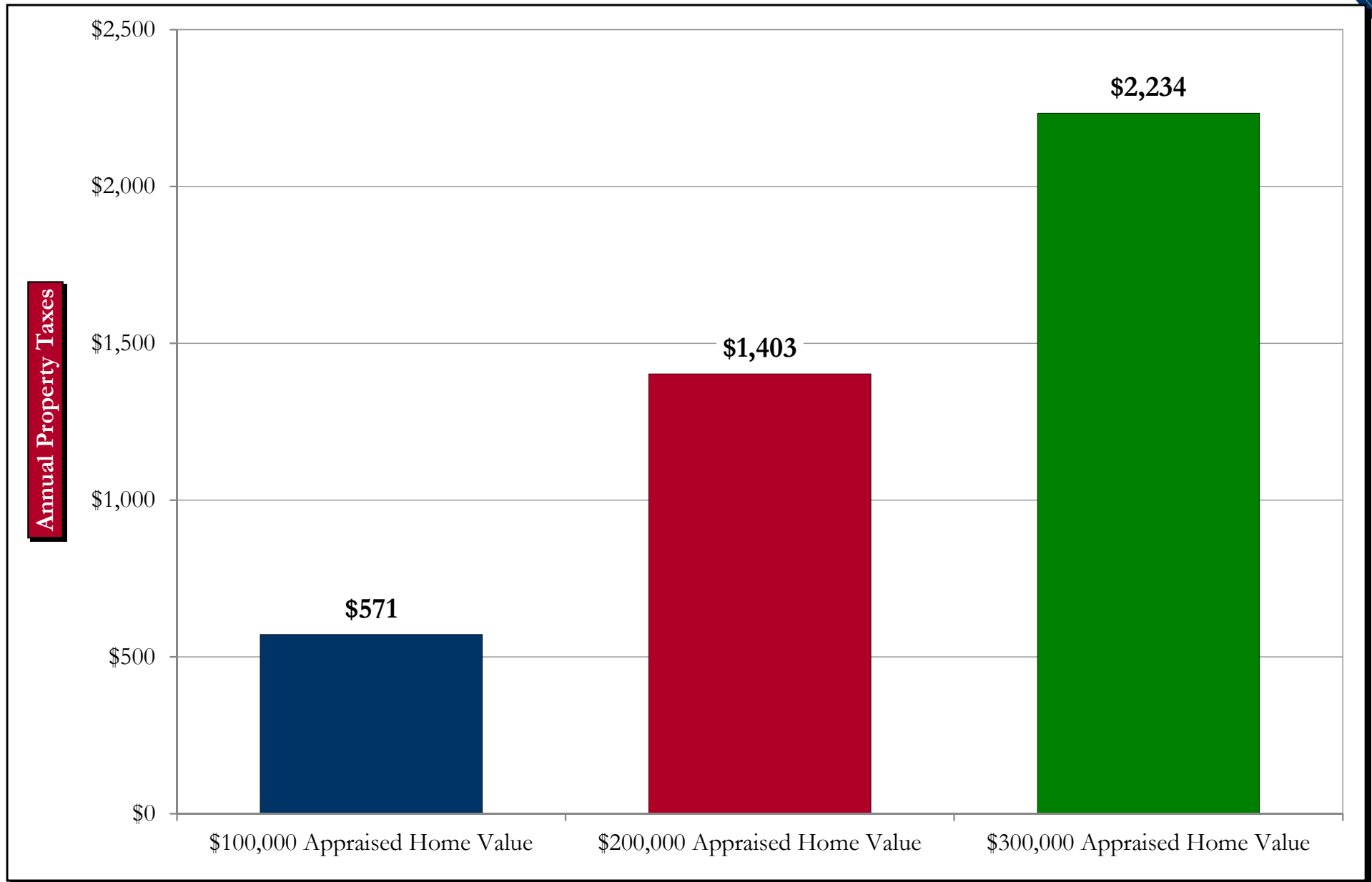


# Historical Tax Rates





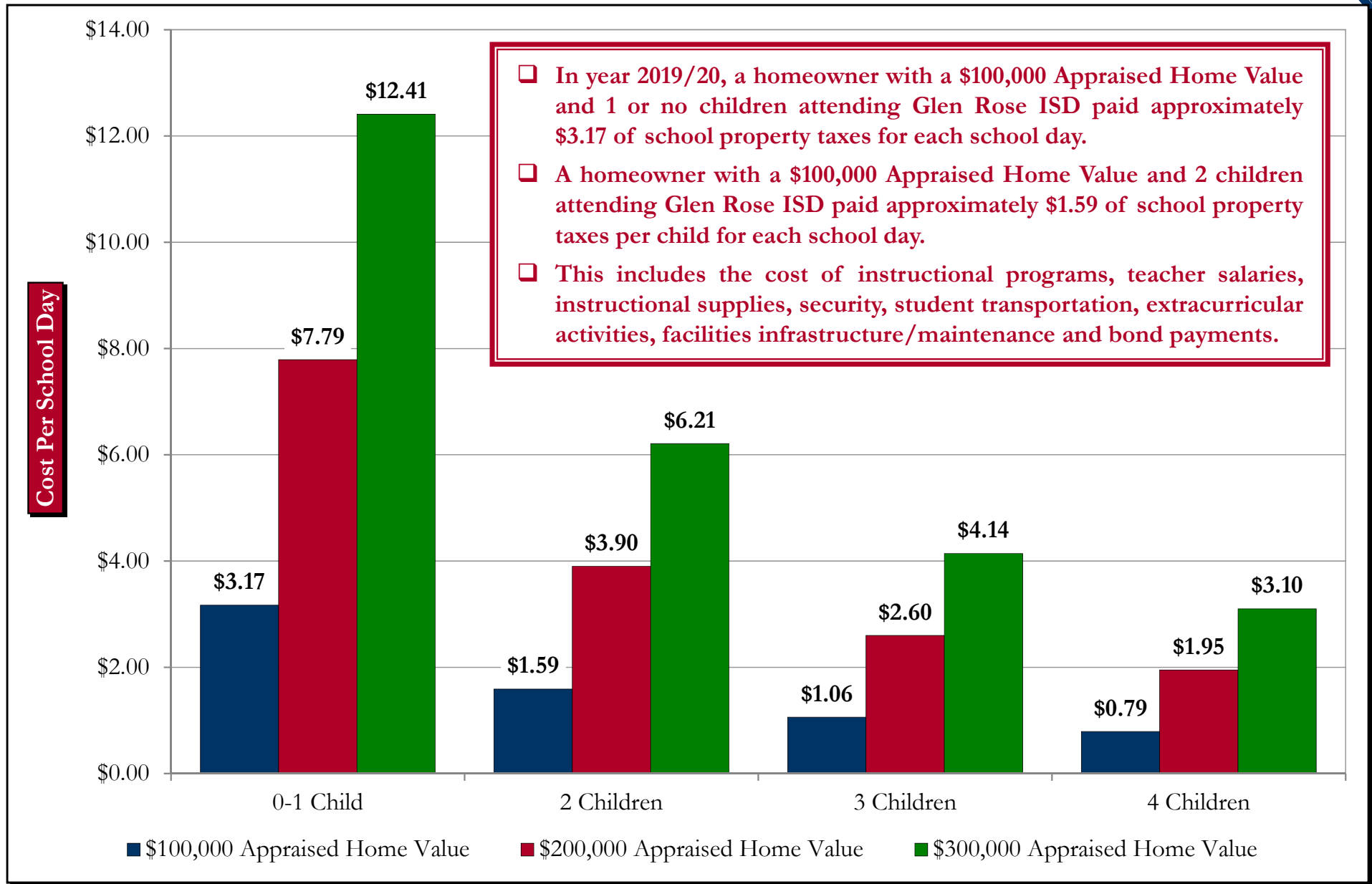
# Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – Year 2019/20



Note: Taxes are net of the \$25,000 State-mandated residential homestead exemption and a 20% local option, additional homestead exemption.



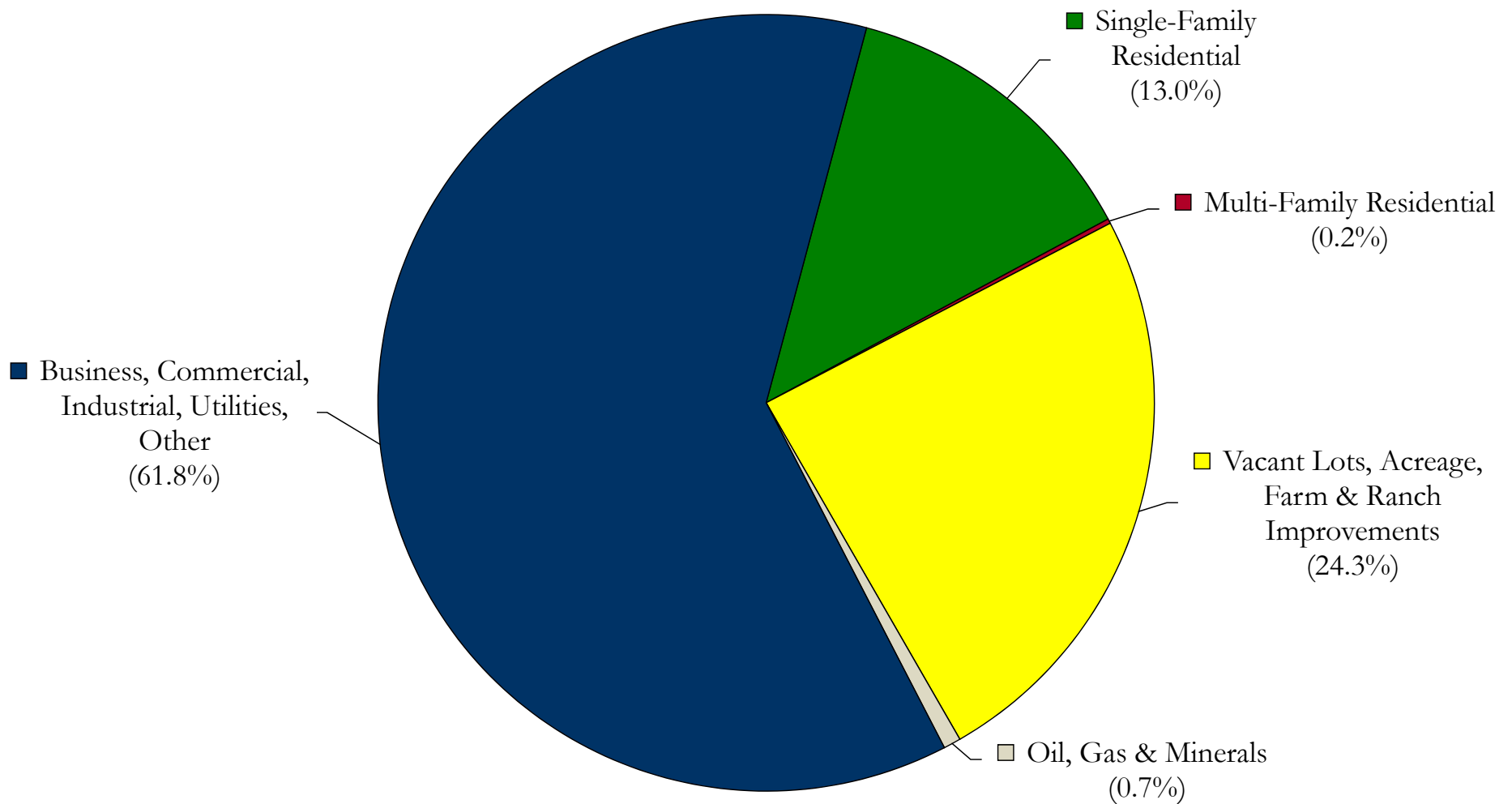
# Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2019/20





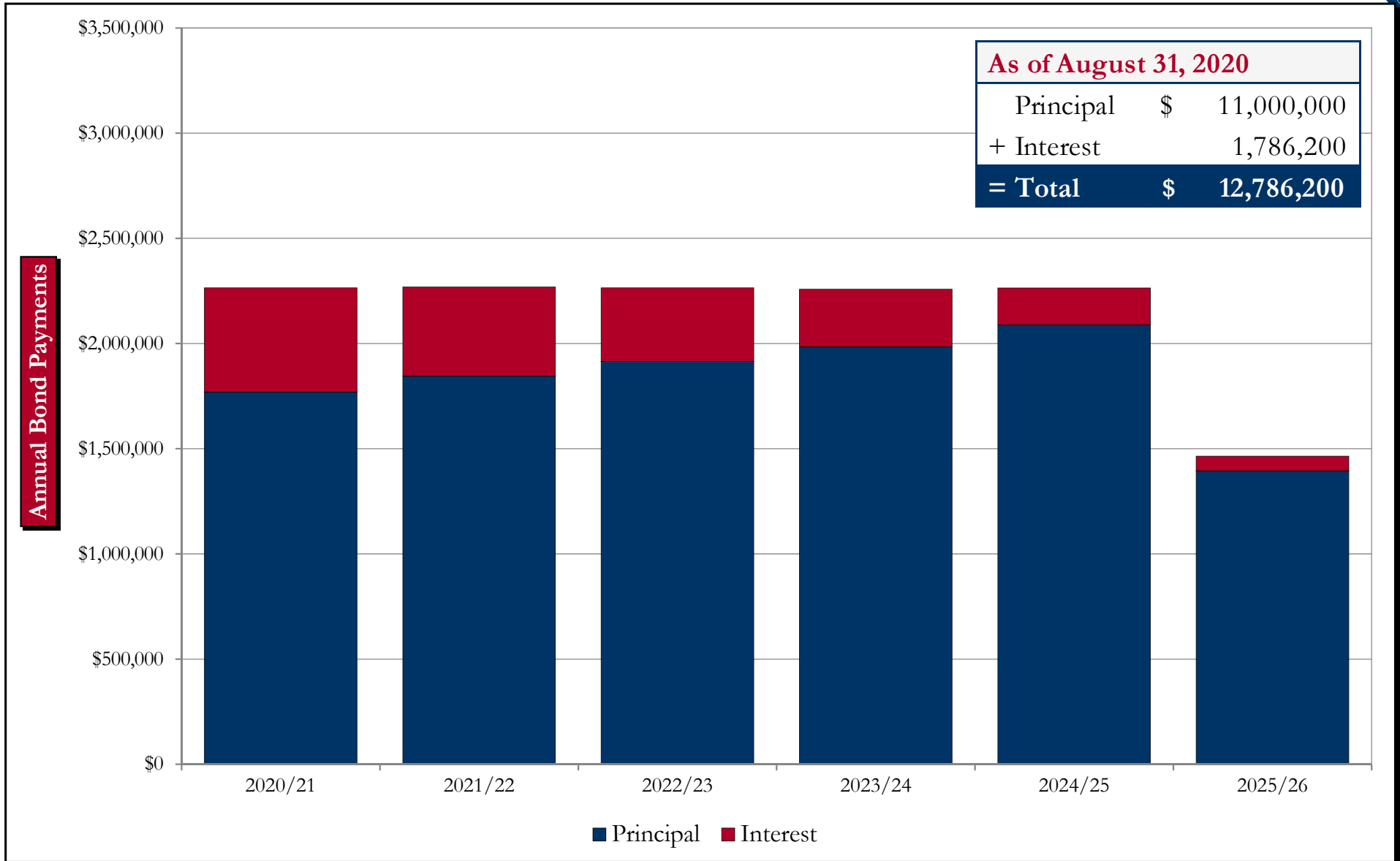
# Composition of Total Assessed Valuation – Year 2019/20

For year 2019/20, Single-Family Residential properties comprised 13.0% of the District's total assessed valuation and other property categories comprised 87.0%.





# Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31. Does not include any federal subsidies.



# Savings from District's Recent Bond Refunding and Prepayment Programs to Lower Interest Costs

- Glen Rose ISD has implemented 2 bond refunding programs and prepaid \$1.955 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$1.8 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2010	2003, 2006, 2007	\$ 11,265,000	\$ 579,503
Unlimited Tax Refunding Bonds, Series 2020	2010-A, 2010-B	12,440,000	926,030
<b>Total - Bond Refunding Programs at a Lower Interest Rate</b>	---	<b>\$ 23,705,000</b>	<b>\$ 1,505,533</b>
Prepayment of Series 2003 Bonds - August 2009	2003	\$ 700,000	\$ 48,300
Prepayment of Series 2006 Bonds - August 2010	2006	455,000	112,613
Prepayment of Series 2010-A Bonds - February 2020	2010-A	800,000	175,500
<b>Total - Prepayment of Bonds Prior to Scheduled Maturity</b>	---	<b>\$ 1,955,000</b>	<b>\$ 336,413</b>
<b>Totals</b>	---	<b>\$ 25,660,000</b>	<b>\$ 1,841,946</b>



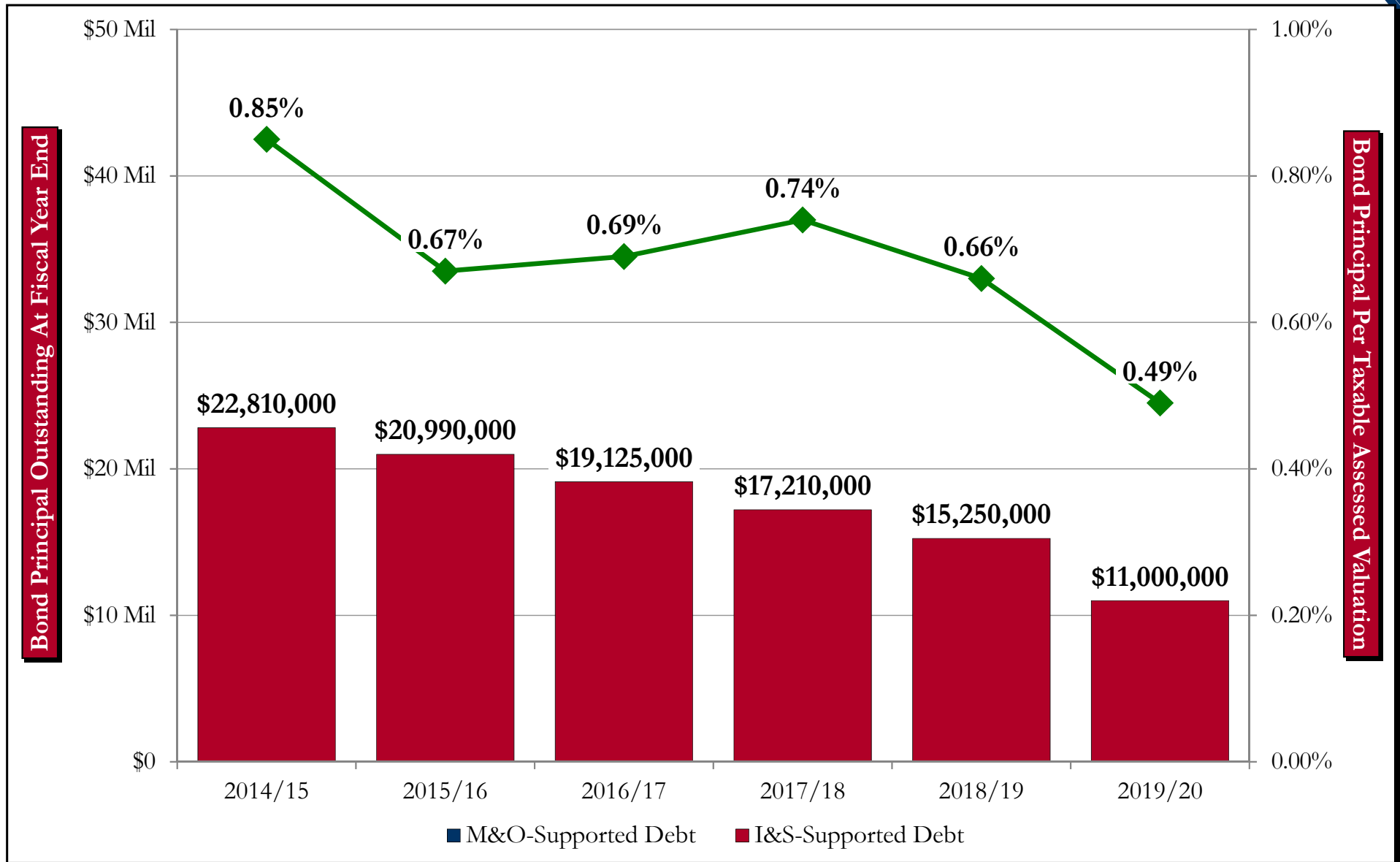
# Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2020

- ❑ The following debt obligations are payable from ad valorem taxes (i.e. I&S taxes) levied annually against all taxable property located within the District, without legal limit as to rate or amount.

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax Refunding Bonds, Series 2020	Refunding at a lower interest rate, etc.	\$11,105,000.00	\$11,000,000.00	\$12,786,200.00	\$1,112.57	\$1,293.23	08/15/2026	\$12,761,871.55	\$12,761,871.55	\$0.00



# Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



Note: The District has no outstanding debt payable from M&O taxes.





# Contact Information

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