

**GLEN ROSE  
INDEPENDENT SCHOOL DISTRICT**

**ANNUAL FINANCIAL REPORT**

**FOR THE YEAR ENDED AUGUST 31, 2022**

Glen Rose Independent School District  
Annual Financial Report  
For The Year Ended August 31, 2022

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Annual Financial Report  
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## Introductory Section

CERTIFICATE OF BOARD

Glen Rose Independent School District  
Name of School District

Somervell  
County

213-901  
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended August 31, 2022, at a meeting of the board of trustees of such school district on the 23 day of January, 2023.

  
Signature of Board Secretary

  
Signature of Board President

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

## Financial Section



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

**Independent Auditor's Report**

To the Board of Trustees  
Glen Rose Independent School District  
P.O. Box 2129  
Glen Rose, Texas 76043

**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 Glen Rose Independent School District ("the District"), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise the Glen Rose Independent School District's basic financial statements as listed in the table of contents.

In our opinion, the financial statements present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of Glen Rose Independent School District as of August 31, 2022, and the respective changes in financial position 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 Glen Rose Independent School District and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

***Emphasis of Matter***

As described in Note A to the financial statements, in Fiscal Year 2022, Glen Rose Independent School District adopted new accounting guidance, Governmental Accounting Standards Board Statement No. 87, *Leases*. Our opinion is not modified with respect to this matter.

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

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about Glen Rose 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 and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with generally accepted auditing standards and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of Glen Rose Independent School District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about Glen Rose 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, budgetary comparison information, schedule of the District's proportionate share of the net pension liability, schedule of the District's pension contributions, schedule of the District's proportionate share of the net OPEB liability, and schedule of the District's OPEB contributions identified as Required Supplementary Information in the table of contents be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.



### **Supplementary Information**

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise Glen Rose Independent School District's basic financial statements. The accompanying financial information listed as other supplementary information in the table of contents, except for Exhibit J-5, and 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 purposes of additional analysis and are not a required part of the basic financial statements. The information is the responsibility of management and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the other supplementary information and the schedule of expenditures of federal awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

### **Other Information**

Management is responsible for the other information included in the annual report. The other information comprises the introductory section and Exhibit J-5 but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

### **Other Reporting Required by Government Auditing Standards**

In accordance with *Government Auditing Standards*, we have also issued our report dated January 20, 2023 on our consideration of Glen Rose Independent School District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Glen Rose Independent School District's internal control over financial reporting and compliance.



Snow Garrett Williams  
January 20, 2023

## Basic Financial Statements

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

Data Control Codes		1	Governmental Activities
<b>ASSETS:</b>			
1110	Cash and Cash Equivalents	\$	1,052,062
1120	Current Investments		24,472,472
1225	Property Taxes Receivable (Net)		256,627
1240	Due from Other Governments		1,173,853
1290	Other Receivables (Net)		5,304
1300	Inventories		82
1410	Unrealized Expenses		671,309
Capital Assets:			
1510	Land		2,903,976
1520	Buildings and Improvements, (Net)		25,586,429
1530	Furniture and Equipment (Net)		2,053,319
1550	Right to Use Assets (Net)		84,608
1000	Total Assets		<u>58,260,041</u>
<b>DEFERRED OUTFLOWS OF RESOURCES:</b>			
	Deferred Outflow Related to Pensions		7,203,807
	Deferred Outflow Related to OPEB		<u>2,322,658</u>
1700	Total Deferred Outflows of Resources		<u>9,526,465</u>
<b>LIABILITIES:</b>			
2110	Accounts Payable		1,470,675
2140	Interest Payable		15,222
2165	Accrued Liabilities		837,182
2180	Due to Other Governments		689,921
2300	Unearned Revenue		115,823
Noncurrent Liabilities:			
2501	Due Within One Year		1,953,979
2502	Due in More Than One Year		6,640,730
2540	Net Pension Liability		5,752,048
2545	Net OPEB Liability		<u>6,788,565</u>
2000	Total Liabilities		<u>24,264,145</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>			
	Deferred Revenue		49,400
	Deferred Inflow Related to Pensions		6,586,531
	Deferred Inflow Related to OPEB		<u>4,954,778</u>
2600	Total Deferred Inflows of Resources		<u>11,590,709</u>
<b>NET POSITION:</b>			
3200	Net Investment in Capital Assets and Right to Use Assets		21,984,223
Restricted For:			
3820	State and Federal Programs		359,899
3850	Debt Service		1,018,064
3880	Scholarships		80,738
3890	Shared Service Arrangement		173,164
3900	Unrestricted		<u>8,315,564</u>
3000	Total Net Position	\$	<u>31,931,652</u>

The accompanying notes are an integral part of this statement.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED AUGUST 31, 2022

Data Control Codes	Functions/Programs	1 Expenses	3 Program Revenues		4 Operating Grants and Contributions	Net (Expense) Revenue and Changes in Net Position
			Charges for Services			
						Governmental Activities
11	Instruction	\$ 14,414,250	\$ 40,807		\$ 1,301,024	\$ (13,072,419)
12	Instructional Resources and Media Services	307,183	463		34,616	(272,104)
13	Curriculum and Staff Development	284,495	1,594		22,045	(260,856)
21	Instructional Leadership	166,614	--		12,249	(154,365)
23	School Leadership	1,100,717	1,445		31,887	(1,067,385)
31	Guidance, Counseling, and Evaluation Services	901,054	599		386,308	(514,147)
33	Health Services	288,566	368		9,790	(278,408)
34	Student Transportation	926,763	--		16,069	(910,694)
35	Food Service	1,261,309	188,059		1,229,496	156,246
36	Cocurricular/Extracurricular Activities	1,701,120	207,675		27,022	(1,466,423)
41	General Administration	1,711,076	2,340		53,780	(1,654,956)
51	Facilities Maintenance and Operations	3,227,745	3,651		184,051	(3,040,043)
52	Security and Monitoring Services	367,037	505		28,421	(338,111)
53	Data Processing Services	198,432	668		5,073	(192,691)
61	Community Services	19,393	25		970	(18,398)
72	Interest on Long-term Debt	141,752	--		21,124	(120,628)
73	Bond Issuance Costs and Fees	(11,600)	--		--	11,600
81	Capital Outlay	388,825	--		--	(388,825)
91	Contracted Instructional Services between Schools	5,531,292	--		--	(5,531,292)
93	Payments Related to Shared Services Arrangements	1,044,721	1,145		249,562	(794,014)
TG	Total Governmental Activities	33,970,744	449,344		3,613,487	(29,907,913)
TP	Total Primary Government	\$ 33,970,744	\$ 449,344		\$ 3,613,487	(29,907,913)
General Revenues:						
MT	Property Taxes, Levied for General Purposes					22,183,789
DT	Property Taxes, Levied for Debt Service					2,545,608
IE	Investment Earnings					283,793
GC	Grants and Contributions Not Restricted to Specific Programs					4,547,460
MI	Miscellaneous					1,819,029
TR	Total General Revenues					31,379,679
CN	Change in Net Position					1,471,766
NB	Net Position - Beginning					30,459,886
NE	Net Position - Ending					\$ 31,931,652

The accompanying notes are an integral part of this statement.

# GLEN ROSE INDEPENDENT SCHOOL DISTRICT

## BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2022

Data Control Codes	10 General Fund	50 Debt Service Fund
<b>ASSETS:</b>		
1110 Cash and Cash Equivalents	\$ 726,851	\$ --
1120 Current Investments	10,558,055	934,224
1225 Taxes Receivable	354,472	40,668
1230 Allowance for Uncollectible Taxes (Credit)	(125,716)	(12,797)
1240 Due from Other Governments	505,851	9,673
1260 Due from Other Funds	800,122	46,296
1290 Other Receivables	3,298	--
1300 Inventories	--	--
1410 Unrealized Expenditures	671,309	--
1000 Total Assets	<u>\$ 13,494,242</u>	<u>\$ 1,018,064</u>
<b>LIABILITIES:</b>		
Current Liabilities:		
2110 Accounts Payable	\$ 878,459	\$ --
2150 Payroll Deductions and Withholdings	69,963	--
2160 Accrued Wages Payable	619,511	--
2170 Due to Other Funds	1,433,791	--
2180 Due to Other Governments	678,843	--
2300 Unearned Revenue	114,348	--
2000 Total Liabilities	<u>3,794,915</u>	<u>--</u>
<b>DEFERRED INFLOWS OF RESOURCES:</b>		
Property Taxes	228,756	27,871
2600 Total Deferred Inflows of Resources	<u>228,756</u>	<u>27,871</u>
<b>FUND BALANCES:</b>		
Nonspendable Fund Balances:		
3430 Prepaid Items	671,309	--
Restricted Fund Balances:		
3450 Federal/State Funds Grant Restrictions	--	--
3480 Retirement of Long-Term Debt	--	990,193
3490 Other Restrictions of Fund Balance	--	--
Committed Fund Balances:		
3510 Construction	1,500,000	--
3530 Capital Expenditures for Equipment	1,250,000	--
3545 Other Committed Fund Balance	1,750,000	--
Assigned Fund Balances:		
3590 Other Assigned Fund Balance	--	--
3600 Unassigned	4,299,262	--
3000 Total Fund Balances	<u>9,470,571</u>	<u>990,193</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 13,494,242</u>	<u>\$ 1,018,064</u>

The accompanying notes are an integral part of this statement.

## EXHIBIT C-1

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ --	\$ 325,211	\$ 1,052,062
12,949,329	30,864	24,472,472
--	--	395,140
--	--	(138,513)
--	658,329	1,173,853
682,496	716,908	2,245,822
--	2,006	5,304
--	82	82
--	--	671,309
<u>\$ 13,631,825</u>	<u>\$ 1,733,400</u>	<u>\$ 29,877,531</u>
\$ 392,309	\$ 199,907	\$ 1,470,675
--	46,231	116,194
--	101,477	720,988
219,290	592,741	2,245,822
--	11,078	689,921
--	1,475	115,823
<u>611,599</u>	<u>952,909</u>	<u>5,359,423</u>
--	--	256,627
--	--	<u>256,627</u>
--	--	671,309
--	359,899	359,899
--	--	990,193
--	253,902	253,902
10,863,091	--	12,363,091
2,157,135	--	3,407,135
--	163,861	1,913,861
--	2,829	2,829
--	--	4,299,262
<u>13,020,226</u>	<u>780,491</u>	<u>24,261,481</u>
<u>\$ 13,631,825</u>	<u>\$ 1,733,400</u>	<u>\$ 29,877,531</u>

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE GOVERNMENTAL FUNDS BALANCE SHEET**  
**TO THE STATEMENT OF NET POSITION**  
**AUGUST 31, 2022**

Total fund balances - governmental funds balance sheet	\$ 24,261,481
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.	256,627
Capital assets used in governmental activities are not reported in the funds.	30,628,332
Deferred Resource Outflows related to the pension plan are not reported in the funds.	7,203,807
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	2,322,658
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(5,752,048)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(6,788,565)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(6,586,531)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(4,954,778)
Payables for bond principal which are not due in the current period are not reported in the funds.	(7,385,000)
Payables for right-to-use lease assets which are not due in the current period are not reported in the funds.	(85,450)
Payables for bond interest which are not due in the current period are not reported in the funds.	(15,222)
Premiums on bonds which are not due and payable in the current period are not reported in the funds.	(1,124,259)
Deferred gain on refunding bonds is not reported in the funds.	(49,400)
Net position of governmental activities - Statement of Net Position	<u>\$ 31,931,652</u>

The accompanying notes are an integral part of this statement.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES - GOVERNMENTAL FUNDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Data Control Codes		10	50
		General Fund	Debt Service Fund
<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 22,947,023	\$ 2,576,628
5800	State Program Revenues	5,499,702	21,124
5900	Federal Program Revenues	192,475	--
5020	Total Revenues	<u>28,639,200</u>	<u>2,597,752</u>
<b>EXPENDITURES:</b>			
Current:			
0011	Instruction	11,413,373	--
0012	Instructional Resources and Media Services	259,181	--
0013	Curriculum and Staff Development	246,668	--
0021	Instructional Leadership	--	--
0023	School Leadership	1,023,190	--
0031	Guidance, Counseling, and Evaluation Services	423,738	--
0033	Health Services	260,325	--
0034	Student Transportation	987,879	--
0035	Food Service	--	--
0036	Cocurricular/Extracurricular Activities	1,273,621	--
0041	General Administration	1,587,965	--
0051	Facilities Maintenance and Operations	2,584,763	--
0052	Security and Monitoring Services	199,888	--
0053	Data Processing Services	473,307	--
0061	Community Services	17,664	--
0071	Principal on Long-term Debt	38,208	1,845,000
0072	Interest on Long-term Debt	2,125	423,900
0073	Bond Issuance Costs and Fees	--	750
0081	Capital Outlay	--	--
0091	Contracted Instructional Services		
0091	Between Public Schools	5,531,292	--
0093	Payments to Shared Service Arrangements	809,961	--
6030	Total Expenditures	<u>27,133,148</u>	<u>2,269,650</u>
1100	Excess (Deficiency) of Revenues Over (Under)		
1100	Expenditures	<u>1,506,052</u>	<u>328,102</u>
Other Financing Sources and (Uses):			
7915	Transfers In	--	--
8911	Transfers Out	<u>(500,000)</u>	<u>--</u>
7080	Total Other Financing Sources and (Uses)	<u>(500,000)</u>	<u>--</u>
1200	Net Change in Fund Balances	<u>1,006,052</u>	<u>328,102</u>
0100	Fund Balances - Beginning	8,464,519	662,091
3000	Fund Balances - Ending	<u>\$ 9,470,571</u>	<u>\$ 990,193</u>

The accompanying notes are an integral part of this statement.



EXHIBIT C-2

60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
\$ 125,097	\$ 1,726,913	\$ 27,375,661
--	155,711	5,676,537
--	3,619,335	3,811,810
<u>125,097</u>	<u>5,501,959</u>	<u>36,864,008</u>
69,265	2,619,279	14,101,917
--	29,351	288,532
--	21,084	267,752
--	158,000	158,000
--	21,477	1,044,667
--	418,473	842,211
--	13,388	273,713
--	17,934	1,005,813
11,909	1,170,085	1,181,994
83,022	283,495	1,640,138
--	23,287	1,611,252
551,769	151,782	3,288,314
115,675	18,102	333,665
33,271	10,769	517,347
--	--	17,664
--	--	1,883,208
--	--	426,025
--	--	750
388,825	--	388,825
--	--	5,531,292
--	234,760	1,044,721
<u>1,253,736</u>	<u>5,191,266</u>	<u>35,847,800</u>
(1,128,639)	310,693	1,016,208
500,000	--	500,000
--	--	(500,000)
<u>500,000</u>	--	--
(628,639)	310,693	1,016,208
13,648,865	469,798	23,245,273
<u>\$ 13,020,226</u>	<u>\$ 780,491</u>	<u>\$ 24,261,481</u>

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES,**  
**AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF ACTIVITIES**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Net change in fund balances - total governmental funds	\$ 1,016,208
Amounts reported for governmental activities in the Statement of Activities ("SOA") are different because:	
Certain property tax revenues are deferred in the funds. This is the change in these amounts this year.	(94,098)
Capital outlays are not reported as expenses in the SOA.	874,315
The depreciation/amortization of capital assets used in governmental activities is not reported in the funds.	(2,736,751)
GASB 68 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These pension contributions made after the measurement date of the plan increased ending net position.	614,707
Pension contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction to net pension liability.	(440,043)
Changes in the net pension liability and related deferred inflows and outflows are recognized in the government wide financials but are not reported in the fund statements. The net effect of the change is a decrease in net position.	(153,567)
GASB 75 required that certain plan expenditures be de-expended and recorded as deferred resource outflows. These OPEB contributions made after the measurement date of the plan increased net position.	158,041
OPEB contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction in the net OPEB liability.	(137,495)
Changes in the net OPEB liability and related deferred inflows and outflows are recognized in the government wide financials but are not reported in the fund financial statements. The effect of the change is an increase in net position.	190,618
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,845,000
Repayment of right-to-use lease principal is an expenditure in the funds but is not an expense in the SOA.	38,208
(Increase) decrease in accrued interest on bonds from beginning of period to end of period.	3,208
Deferred gain on refunding bonds is amortized in the SOA but not in the funds.	12,350
Premiums on bonds are amortized in the SOA but not in the funds.	281,065
Change in net position of governmental activities - Statement of Activities	\$ <u>1,471,766</u>

The accompanying notes are an integral part of this statement.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF FIDUCIARY NET POSITION**  
**FIDUCIARY FUNDS**  
**AUGUST 31, 2022**

Data Control Codes		Custodial Funds
<b>ASSETS:</b>		
1110	Cash and Cash Equivalents	\$ 124,033
1000	Total Assets	<u>124,033</u>
<b>LIABILITIES:</b>		
2000	Total Liabilities	<u>--</u>
<b>NET POSITION:</b>		
3800	Restricted for Student Activities	124,033
3000	Total Net Position	<u>\$ 124,033</u>

The accompanying notes are an integral part of this statement.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**

## STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

## FIDUCIARY FUNDS

FOR THE YEAR ENDED AUGUST 31, 2022

	Custodial Funds
<b>ADDITIONS:</b>	
Revenues from Student Activities	\$ 339,254
Total Additions	<u>339,254</u>
<b>DEDUCTIONS:</b>	
Payments for Student Activities	344,479
Total Deductions	<u>344,479</u>
Change in Fiduciary Net Position	(5,225)
Net Position-Beginning of the Year	129,258
Net Position-End of the Year	<u>\$ 124,033</u>

The accompanying notes are an integral part of this statement.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**A. Summary of Significant Accounting Policies**

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

**1. Reporting Entity**

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

**2. Basis of Presentation, Basis of Accounting**

**a. Basis of Presentation**

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

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

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

The District reports the following major governmental funds:

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

**Debt Service Fund:** This fund is used to account for and report financial resources restricted, committed, or assigned to expenditure for principal and interest.

**Capital Projects Fund:** This fund is used to account for and report financial resources that are restricted, committed, or assigned to expenditures for the acquisition or construction of capital facilities and other capital assets.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

In addition, the District reports the following fund types:

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

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

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

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

**Governmental Fund Financial Statements:** Governmental funds are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Under this method, revenues are recognized when measurable and available. The District considers all revenues reported in the governmental funds to be available if the revenues are collected within sixty 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. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available. Expenditures are recorded when the related fund liability is incurred, except for principal and interest on general long-term debt, claims and judgments, and compensated absences, which are recognized as expenditures to the extent they have matured. General capital asset acquisitions are reported as expenditures in governmental funds. Proceeds of general long-term debt and acquisitions under leases are reported as other financing sources.

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

3. **Financial Statement Amounts**

a. **Property Taxes**

Property taxes are levied by October 1 on the assessed value listed as of the prior January 1 for all real and business personal property in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1 of the year following the year in which imposed. On January 1 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Property tax revenues are considered available (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 fiscal year.

Allowances for uncollectible tax receivables within the General and Debt Service Funds are based upon historical experience in collecting property taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

b. Inventories and Prepaid Items

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

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

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets are recorded at their estimated fair value at the date of the donation. Right to use lease assets are reported at present value of the future lease payments (lease liability), plus any ancillary cost to place the asset in service, plus any additional payments made at the beginning of the lease term, less any lease incentives received from the lessor prior to the commencement of the lease term. The cost of normal maintenance and repairs that do not add to the value of the asset or materially extend assets' lives are not capitalized. A capitalization threshold of \$5,000 is used.

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

<u>Asset Class</u>	<u>Estimated Useful Lives</u>
Buildings and Improvements	5-45 years
Furniture and Equipment	3-20 years
Right to Use Lease Equipment	38 months

d. Deferred Outflows and Inflows of Resources

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

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

e. Receivable and Payable Balances

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

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

f. Interfund Activity

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

g. Use of Estimates

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

h. Data Control Codes

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

i. Fund Balances - Governmental Funds

Fund balances of the governmental funds are classified as follows:

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

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

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

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

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



**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

j. Net Position Flow Assumption

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

k. Fund Balance Flow Assumptions

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

4. Pensions

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

5. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to / deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

6. Implementation of New Standards

In the current fiscal year, the District implemented the following new standard. The applicable provisions of the new standards are summarized below. Implementation is reflected in the financial statements and the notes to the financial statements. There was no effect on beginning net positions or fund balances due to the implementation of this standard.

*GASB Statement No. 87, Leases*

The objective of this Statement is to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain leased assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**B. Deposits and Investments**

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

**1. Cash Deposits:**

At August 31, 2022, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$25,610,400 and the bank balance was \$25,888,587. The District's cash deposits at August 31, 2022 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

**2. Investments:**

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

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

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

The District's investments at August 31, 2022, consisted of certificates of deposit, ICS accounts, money market savings accounts, money market funds, and investment pools. Certificates of deposit, ICS accounts, and money market savings accounts are entirely covered by FDIC and pledged collateral by the bank and are included in the cash balances in Note B-1.

The District's investments at August 31, 2022 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Value</u>
TexPool - LGIP	Wtd Avg Maturity = 38 days	\$ 7,303
Interbank - ICS Accounts	N/A	19,038,534
NexBank - ICS Money Market Savings	N/A	372,147
Edward Jones - Money Market	Wtd Avg Maturity = 25 days	30,864
East West Bank - Certificates of Deposit	Wtd Avg Maturity = 12 months	5,023,624
Total Investments		<u>\$ 24,472,472</u>

**3. Analysis of Specific Deposit and Investment Risks**

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

a. Credit Risk

Credit risk is the risk that an issuer or other counterparty to an investment will not fulfill its obligations. The ratings of securities by nationally recognized rating agencies are designed to give an indication of credit risk. At year end, the District was not significantly exposed to credit risk.

At August 31, 2022, the District's investments, other than those which are obligations of or guaranteed by the U. S. Government, are rated as to credit quality as follows:

TexPool - LGIP	AAAm
Edward Jones - Money Market	AAAm

b. Custodial Credit Risk

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

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

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

c. Concentration of Credit Risk

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

d. Interest Rate Risk

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

e. Foreign Currency Risk

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

Investment Accounting Policy

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

The District reports its local government investment pools at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. In addition, none of the Pools have any limitations or restrictions on withdrawals such as notice periods or maximum transaction amounts. The Pools do not impose any liquidity fees or redemption gates.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**Public Funds Investment Pools**

Public funds investment pools in Texas ("Pools") are established under the authority of the Interlocal Cooperation Act, Chapter 79 of the Texas Government Code, and are subject to the provisions of the Public Funds Investment Act (the "Act"), Chapter 2256 of the Texas Government Code. In addition to other provisions of the Act designed to promote liquidity and safety of principal, the Act requires Pools to: (1) have an advisory board composed of participants in the pool and other persons who do not have a business relationship with the pool and are qualified to advise the pool; (2) maintain a continuous rating of no lower than AAA or AAA-m or an equivalent rating by at least one nationally recognized rating service; and (3) maintain the market value of its underlying investment portfolio within one half of 1% of the value of its shares. The District's investments in Pools are reported at an amount determined by the fair value per share of the pool's underlying portfolio, unless the pool is 2a7-like, in which case they are reported at share value. A 2a7-like pool is one which is not registered with the Securities and Exchange Commission ("SEC") as an investment company, but nevertheless has a policy that it will, and does, operate in a manner consistent with the SEC's Rule 2a7 of the Investment Company Act of 1940.

**TexPool**

The District invests in the Texas Local Government Investment Pool (TexPool), which is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and operates under the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. The State Comptroller of Public Accounts oversees TexPool. Federated Investors, Inc. is the administrator and investment manager of TexPool under a contract with the State Comptroller. In accordance with the Public Funds Investment Act, the State Comptroller has appointed the TexPool Investment Advisory Board to advise with respect to TexPool. The board is composed equally of participants in TexPool Portfolios and other persons who do not have a business relationship with TexPool Portfolios and are qualified to advise in respect to TexPool Portfolios. The Advisory Board members review the investment policy and management fee structure. TexPool is rated AAAM by Standard & Poor's. TexPool uses amortized cost to value portfolio assets and follows criteria established by GASB 79. The stated objective of TexPool is to maintain a stable average \$1.00 per unit net asset value; however, the \$1.00 net asset value is not guaranteed or insured. The financial statements can be obtained from the Texas Trust Safekeeping Trust Company website at [www.ttstc.org](http://www.ttstc.org).

**C. Capital Assets**

Capital asset activity for the year ended August 31, 2022, was as follows:

	Restated* Beginning Balances	Increases	Decreases	Ending Balances
<b>Governmental activities:</b>				
Capital assets not being depreciated/amortized:				
Land	\$ 2,903,976	\$ --	\$ --	\$ 2,903,976
Total capital assets not being depreciated/amortized	<u>2,903,976</u>	<u>--</u>	<u>--</u>	<u>2,903,976</u>
Capital assets being depreciated/amortized:				
Buildings and improvements	80,706,820	345,059	--	81,051,879
Equipment	10,106,601	529,256	--	10,635,857
Leased Equipment (Intangible right to use asset)	123,658	--	--	123,658
Total capital assets being depreciated/amortized	<u>90,937,079</u>	<u>874,315</u>	<u>--</u>	<u>91,811,394</u>
Less accumulated depreciation/amortization for:				
Buildings and improvements	(53,245,562)	(2,219,888)	--	(55,465,450)
Equipment	(8,104,725)	(477,813)	--	(8,582,538)
Leased Equipment (Intangible right to use asset)	--	(39,050)	--	(39,050)
Total accumulated depreciation/amortization	<u>(61,350,287)</u>	<u>(2,736,751)</u>	<u>--</u>	<u>(64,087,038)</u>
Total capital assets being depreciated/ amortized net	<u>29,586,792</u>	<u>(1,862,436)</u>	<u>--</u>	<u>27,724,356</u>
Governmental activities capital assets, net	<u>\$ 32,490,768</u>	<u>\$ (1,862,436)</u>	<u>\$ --</u>	<u>\$ 30,628,332</u>

\* Restated due to the implementation of GASB 87, *Leases*.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Depreciation/amortization was charged to functions as follows:

Instruction	\$ 1,440,633
Instructional Resources and Media Services	28,858
Curriculum and Staff Development	27,125
Instructional Leadership	15,803
School Leadership	109,568
Guidance, Counseling, & Evaluation Services	85,202
Health Services	27,376
Student Transportation	105,124
Food Services	118,138
Extra curricular Activities	164,041
General Administration	151,257
Plant Maintenance and Operations	373,395
Security and Monitoring Services	33,372
Data Processing Services	55,092
Community Services	1,767
	<u>\$ 2,736,751</u>

**D. Interfund Balances and Activities**

**1. Due To and From Other Funds**

Balances due to and due from other funds at August 31, 2022, consisted of the following:

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 592,640
General Fund	Capital Projects Fund	207,381
Nonmajor Governmental Funds	General Fund	704,999
Capital Projects Fund	General Fund	682,496
Nonmajor Governmental Funds	Capital Projects Fund	11,909
Debt Service Fund	General Fund	46,296
General Fund	Nonmajor Governmental Funds	101
	Total	<u>\$ 2,245,822</u>

The outstanding balances between funds result mainly from the time lag between the dates that reimbursable expenditures occur or deposits of revenue are received, the dates the transactions are recorded in the accounting system, and the date the interfund payments are actually settled. All interfund receivables and payables will be liquidated within the next fiscal year.

**2. Transfers To and From Other Funds**

Transfers to and from other funds at August 31, 2022, consisted of the following:

<u>Transfers From</u>	<u>Transfers To</u>	<u>Amount</u>	<u>Reason</u>
General Fund	Capital Projects Fund	\$ 500,000	Future Capital Projects
	Total	<u>\$ 500,000</u>	

**E. Long-Term Obligations**

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**1. Long-Term Obligation Activity**

Long-term obligations include debt and other long-term liabilities. Changes in long-term obligations for the year ended August 31, 2022, are as follows:

	Restated** Beginning Balance	Increases	Decreases	Ending Balance	Amounts Due Within One Year
<u>Governmental activities:</u>					
General Obligation Bonds	\$ 9,230,000	\$ --	\$ 1,845,000	\$ 7,385,000	\$ 1,915,000
Premium on Bonds	1,405,324	--	281,065	1,124,259	--
Lease Liability*	123,658	--	38,208	85,450	38,979
Net Pension Liability *	6,065,353	650,579	963,804	5,752,048	--
Net OPEB Liability *	6,575,557	350,493	137,485	6,788,565	--
Total governmental activities	<u>\$ 23,399,892</u>	<u>\$ 1,001,072</u>	<u>\$ 3,265,562</u>	<u>\$ 21,135,322</u>	<u>\$ 1,953,979</u>

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

Liability	Activity Type	Fund
Net Pension Liability *	Governmental	General Fund
Net OPEB Liability *	Governmental	General Fund
Lease Liability *	Governmental	General Fund

\* Other long-term liabilities

\*\* Restated due to the implementation of GASB 87, *Leases*

**2. Debt Service Requirements**

Debt service requirements on long-term debt at August 31, 2022, are as follows:

<u>Year Ending August 31,</u>	Governmental Activities		
	Bonds		
	Principal	Interest	Total
2023	\$ 1,915,000	\$ 350,100	\$ 2,265,100
2024	1,985,000	273,500	2,258,500
2025	2,090,000	174,250	2,264,250
2026	1,395,000	69,750	1,464,750
Totals	<u>\$ 7,385,000</u>	<u>\$ 867,600</u>	<u>\$ 8,252,600</u>

The interest rate on the Unlimited Tax Refunding Bonds, Series 2020 ranges from 4% to 5% and matures on August 15, 2026.

The District did not have any unused lines of credit, assets pledged as collateral for debt, or terms specified in debt agreements related to significant events of default with finance-related consequences, termination events with finance-related consequences, or subjective acceleration clauses as of August 31, 2022.

**F. Leases**

The District recognized leases in the current year due to the implementation of GASB Statement No. 87, *Leases*.

The lease with Kirbo matures on November 6, 2024 and is for copier equipment totalling \$123,658 payable in monthly installments of \$3,361 at an interest rate of 2%.

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There were no variable payments or residual value guarantees or penalties not included in the measurement of the leases. The District did not have any commitments under leases not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for Fiscal Year 2022.

Future lease payment maturity schedule is as follows:

Year Ended August 31	Principal	Interest	Total
2023	\$ 38,979	\$ 1,353	\$ 40,332
2024	39,766	566	40,332
2025	6,705	17	6,722
	<u>\$ 85,450</u>	<u>\$ 1,936</u>	<u>\$ 87,386</u>

**G. Risk Management**

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During the year ended August 31, 2022, the District carried insurance through various plans described below. There were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

**Property Casualty Program**

During the year ended August 31, 2022, Glen Rose ISD met its statutory property casualty obligations through participation in the Property Casualty Alliance of Texas (the Fund). The Fund was created pursuant to the provisions of the Inter-local Cooperation Act, Chapter 791, Title 7 of the Texas Government Code. All districts participating in the Fund execute Inter-local Agreements that define the responsibilities of the parties. The Fund provides property and casualty coverage and services to its members.

The Fund and its members are protected against higher than expected claims costs through reinsurance contracts for claims in excess of the Fund's self-insured retentions. The Fund uses the services of an independent actuary to help determine the reserve adequacy. As of August 31, 2021, the Fund carries a total of \$9,793,578 in current loss reserves, including \$2,611,438 for claims incurred but not yet reported. Losses and reserves are based on estimates, and could be more or less than originally estimated.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year. The Fund's audited financial statements are available for inspection at the Fund's administrative offices.

**Workers' Compensation**

The District participated in the Texas Education Insurance Association public entity risk pool, a fully-funded guaranteed cost workers' compensation program serving colleges and school districts throughout Texas. The plan for workers' compensation benefits is authorized by Section 504.011 of the Labor Code. Claims are paid by a third party administrator acting on behalf of the District under the contractual agreement. Administrative fees are included within the provisions of that agreement.

**Unemployment Compensation**

During the year ended August 31, 2022, the District provided unemployment compensation coverage to its employees through participation in the TASB Risk Management Fund (the "Fund"). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Unemployment Compensation Program is authorized by Section 22.005 of the Texas Education Code and Chapter 172 of the Texas Local Government Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties.

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The Fund meets its quarterly obligation to the Texas Workforce Commission. Expenses are accrued monthly until the quarterly payment has been made. Expenses can be reasonably estimated; therefore, there is no need for specific or aggregate stop loss coverage for the Unemployment Compensation pool. For the year ended August 31, 2022, the Fund anticipates that Glen Rose ISD has no additional liability beyond the contractual obligation for payment of contributions.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

**H. Pension Plan**

**1. Plan Description**

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

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

**2. Pension Plan Fiduciary Net Position**

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

**3. Benefits Provided**

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3% (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 cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc cost of living adjustments (COLAs) can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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



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**4. Contributions**

Contribution requirements are established or amended pursuant to Article 16, Section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the System during the fiscal year.

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

<u>Contribution Rates</u>		
	<u>2021</u>	<u>2022</u>
Member	7.70%	8.00%
Non-Employer Contributing Entity (State)	7.50%	7.75%
Employers	7.50%	7.75%
District's 2022 Employer Contributions		\$ 614,707
District's 2022 Member Contributions		\$ 1,226,368
2021 NECE On-Behalf Contributions (State)		\$ 195,822

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member's salary beginning in fiscal year 2021, gradually increasing to 2% 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.

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**5. Actuarial Assumptions**

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

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95% *
Last year ending August 31 in Projection Period	2120
Inflation	2.30%
Salary Increases including inflation	3.05% to 9.05%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2020. For a full description of these assumptions, please see the actuarial valuation report dated November 9, 2020.

**6. Discount Rate**

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50% of payroll in fiscal year 2020 gradually increasing to 9.55% of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.25%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

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

At August 31, 2022, the District reported a liability of \$5,752,048 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	\$ 5,752,048
State's proportionate share that is associated with District	1,168,583
Total	<u>\$ 6,920,631</u>

The net pension liability was measured as of August 31, 2020 and rolled forward to August 31, 2021, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021 the employer's proportion of the collective net pension liability was 0.022587%, which was an increase of .011262% from its proportion measured as of August 31, 2020.

**9. Changes Since the Prior Actuarial Valuation**

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

For the year ended August 31, 2022, the District recognized pension expense of \$598,282, which includes revenue of \$4,672 representing pension expense incurred by the State on behalf of the District.

At August 31, 2022, 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	\$ 9,626	\$ 404,949
Changes in Actuarial Assumptions	2,033,237	886,317
Difference Between Projected and Actual Investment Earnings	--	4,823,017
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	4,546,237	472,248
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability	614,707	--
Total	<u>\$ 7,203,807</u>	<u>\$ 6,586,531</u>

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

Year ended August 31	Pension Expense Amount
2023	\$ 39,476
2024	\$ 25,938
2025	\$ (369,323)
2026	\$ (707,841)
2027	\$ 768,266
Thereafter	\$ 246,053

**I. Defined Other Post-Employment Benefit Plans**

**1. Plan Description**

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

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

**2. OPEB Plan Fiduciary Net Position**

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

**3. Benefits Provided**

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

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

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

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

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**4. Contributions**

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and 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% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter 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.

Contribution Rates		
	<u>2021</u>	<u>2022</u>
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 2022 Employer Contributions	\$	158,041
District's 2022 Member Contributions	\$	99,653
2021 NECE On-Behalf Contributions (State)	\$	184,199

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (*regardless of whether they participate in the TRS-Care OPEB Program*). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5,520,343 in fiscal year 2021 for consumer protections against medical and health care billing by certain out-of-network providers.

**5. Actuarial Assumptions**

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

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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 developed in the experience study performed for TRS for the period ending August 31, 2017. 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, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

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

**Additional Actuarial Methods and Assumptions:**

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05%, including inflation
Election Rates	Normal Retirement - 65% participation rate prior to age 65 and 40% participation rate after age 65. Pre-65 retirees - 25% are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

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

**6. Discount Rate**

A single discount rate of 1.95% was used to measure the Total OPEB Liability. This was a decrease of 0.38% in the discount rate since the previous year. Because the plan is essentially a "pay-as-you-go" plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was used for the long-term rate of return and was applied to all periods of projected benefit payments to determine the total OPEB liability.

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2021 using the Fixed Income Market Data/Yield Curve/ Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

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7. Discount Rate Sensitivity Analysis

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

	1% Decrease in Discount Rate (0.95%)	Current Single Discount Rate (1.95%)	1% Increase in Discount Rate (2.95%)
District's proportionate share of the Net OPEB Liability:	\$ 8,188,573	\$ 6,788,565	\$ 5,686,712

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

At August 31, 2022, the District reported a liability of \$6,788,565 for its proportionate share of the TRS's Net OPEB liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the Net OPEB Liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 6,788,565
State's proportionate share that is associated with the District	9,095,164
Total	<u>\$ 15,883,729</u>

The Net OPEB liability was measured as of August 31, 2020 and rolled forward to August 31, 2021, and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2020 through August 31, 2021.

At August 31, 2021 the District's proportion of the collective net OPEB liability was 0.017599%, which was an increase of 0.000302% from its proportion measured as of August 31, 2020.

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

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of Net OPEB Liability:	\$ 5,498,512	\$ 6,788,565	\$ 8,519,494

9. Changes Since the Prior Actuarial Valuation

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

- The discount rate was changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021. This change increased the Total OPEB Liability.

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

At August 31, 2022, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

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	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 292,280	\$ 3,286,140
Changes in actuarial assumptions	751,913	1,435,656
Difference between projected and actual investment earnings	7,370	--
Changes in proportion and difference between the District's contributions and the proportionate share of contributions	1,113,054	232,982
Contributions paid to TRS subsequent to the measurement date	158,041	--
Total	<u>\$ 2,322,658</u>	<u>\$ 4,954,778</u>

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

Year ended August 31	OPEB Expense Amount
2023	\$ (541,721)
2024	\$ (541,887)
2025	\$ (541,842)
2026	\$ (363,148)
2027	\$ (121,229)
Thereafter	\$ (680,334)

For the year ended August 31, 2022, the District recognized OPEB expense of (\$388,804), which includes revenue of (\$335,681) representing OPEB expense incurred by the State on behalf of the District.

**10. Medicare Part D Subsidies**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2022, the subsidy payment received by TRS-Care on behalf of the District was \$62,465.

**J. Employee Health Care Coverage**

During the year ended August 31, 2022, employees of the District were covered by a health insurance plan (the Plan). The District paid premiums of \$406 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to a third party administrator, acting on behalf of the licensed insurer. The Plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement.

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

Latest financial statements for the Plan are available for their fiscal year end and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.



# **GLEN ROSE INDEPENDENT SCHOOL DISTRICT**

## **NOTES TO THE FINANCIAL STATEMENTS**

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### **K. Commitments and Contingencies**

#### **1. Contingencies**

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

#### **2. Litigation**

No reportable litigation was pending against the District at August 31, 2022.

### **L. Shared Services Arrangements**

#### **Shared Services Arrangement - Fiscal Agent**

The District is the fiscal agent for a Shared Services Arrangement ("SSA") which provides special education services to the member districts listed below. All services are provided by the fiscal agent. The member districts provide the funds to the fiscal agent. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in a special revenue fund and will be accounted for using Model 3 in the SSA section of the Resource Guide. Expenditures of the SSA are summarized below:

<u>Member Districts</u>	<u>Expenditures</u>
Glen Rose ISD	\$ 903,006
Tolar ISD	274,064
Bluff Dale ISD	54,038
Three Way ISD	30,120
Total	<u>\$ 1,261,228</u>

#### **Shared Services Arrangement - Membership**

The District participates in a shared services arrangement ("SSA") for deaf education with the following school districts:

<u>Member Districts</u>	
Central Texas SSA	Granbury ISD
Greater Erath County SSA	Springtown ISD
Hood-Somervell County Co-Op	Stephenville ISD
Palo Pinto County Co-Op	Weatherford ISD
Parker County Co-Op	Peaster ISD

The District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, Peaster ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the SSA.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE FINANCIAL STATEMENTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**M. Other Committed and Restricted Fund Balance**

Other Committed Fund Balance

Fund		
General Fund	\$	1,750,000 Reserve for Instructional Improvement
Nonmajor Governmental Fund		163,861 Campus Activity Fund
	\$	<u>1,913,861</u>

Other Restricted Fund Balance

Fund		
Nonmajor Governmental Fund	\$	80,738 Reserve for Scholarships
Nonmajor Governmental Fund		173,164 Shared Service Arrangement
	\$	<u>253,902</u>

**N. Excess Expenditures Over Appropriations**

The Debt Service Fund total actual expenditures exceeded final budgeted amounts in Fiscal Year 2022. The District will monitor the budget and expenditures and approve any necessary amendments to ensure this issuance is resolved in the next fiscal year.

**O. Subsequent Events**

The District evaluated subsequent events through January 20, 2023, the date the financial statements were available to be issued and nothing significant requiring disclosure was noted.

## Required Supplementary Information

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

# GLEN ROSE INDEPENDENT SCHOOL DISTRICT

GENERAL FUND  
BUDGETARY COMPARISON SCHEDULE  
FOR THE YEAR ENDED AUGUST 31, 2022

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 22,349,510	\$ 22,626,510	\$ 22,947,023	\$ 320,513
5800	State Program Revenues	4,848,045	5,513,165	5,499,702	(13,463)
5900	Federal Program Revenues	--	--	192,475	192,475
5020	Total Revenues	27,197,555	28,139,675	28,639,200	499,525
EXPENDITURES:					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	11,579,053	11,546,708	11,413,373	133,335
0012	Instructional Resources and Media Services	303,332	274,434	259,181	15,253
0013	Curriculum and Staff Development	263,453	261,275	246,668	14,607
	Total Instruction and Instr. Related Services	12,145,838	12,082,417	11,919,222	163,195
Instructional and School Leadership:					
0023	School Leadership	1,074,171	1,044,171	1,023,190	20,981
	Total Instructional and School Leadership	1,074,171	1,044,171	1,023,190	20,981
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	477,038	437,038	423,738	13,300
0033	Health Services	277,758	277,546	260,325	17,221
0034	Student (Pupil) Transportation	1,038,768	1,047,088	987,879	59,209
0036	Cocurricular/Extracurricular Activities	1,281,319	1,328,575	1,273,621	54,954
	Total Support Services - Student (Pupil)	3,074,883	3,090,247	2,945,563	144,684
Administrative Support Services:					
0041	General Administration	1,392,975	1,390,075	1,587,965	(197,890)
	Total Administrative Support Services	1,392,975	1,390,075	1,587,965	(197,890)
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	2,622,966	3,064,779	2,584,763	480,016
0052	Security and Monitoring Services	211,000	211,000	199,888	11,112
0053	Data Processing Services	475,710	508,992	473,307	35,685
	Total Support Services - Nonstudent Based	3,309,676	3,784,771	3,257,958	526,813
Ancillary Services:					
0061	Community Services	11,830	17,692	17,664	28
	Total Ancillary Services	11,830	17,692	17,664	28
Debt Service:					
0071	Principal on Long-Term Debt	--	--	38,208	(38,208)
0072	Interest on Long-Term Debt	--	--	2,125	(2,125)
	Total Debt Service	--	--	40,333	(40,333)
Intergovernmental Charges:					
0091	Contracted Instr. Services Between Public Schools	5,020,208	5,378,701	5,531,292	(152,591)
0093	Payments to Fiscal Agent/Member Dist.-SSA	779,000	824,000	809,961	14,039
0097	Payments to Tax Increment Fund	--	225,000	--	225,000
	Total Intergovernmental Charges	5,799,208	6,427,701	6,341,253	86,448
6030	Total Expenditures	26,808,581	27,837,074	27,133,148	703,926

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**

GENERAL FUND

BUDGETARY COMPARISON SCHEDULE

FOR THE YEAR ENDED AUGUST 31, 2022

**EXHIBIT G-1**

Page 2 of 2

		1	2	3	Variance with Final Budget
Data Control Codes		Budgeted Amounts			Positive
		Original	Final	Actual	(Negative)
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	388,974	302,601	1,506,052	1,203,451
	Other Financing Sources (Uses):				
8911	Transfers Out	--	--	(500,000)	(500,000)
7080	Total Other Financing Sources and (Uses)	--	--	(500,000)	(500,000)
1200	Net Change in Fund Balance	388,974	302,601	1,006,052	703,451
0100	Fund Balance - Beginning	8,464,519	8,464,519	8,464,519	--
3000	Fund Balance - Ending	\$ 8,853,493	\$ 8,767,120	\$ 9,470,571	\$ 703,451

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PROPORTIONATE**  
**SHARE OF THE NET PENSION LIABILITY**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN MEASUREMENT YEARS \***

	Measurement Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the net pension liability	0.022587%	0.011325%	0.012652%	0.012738%	0.011889%	0.012516%	0.013120%	0.009112%	--	--
District's proportionate share of the collective net pension liability	\$ 5,752,048	\$ 6,065,353	\$ 6,576,887	\$ 7,011,435	\$ 3,801,315	\$ 4,729,598	\$ 4,637,887	\$ 2,433,968	--	\$ --
State's proportionate share of the collective net pension liability associated with the District	1,168,583	9,978,531	8,954,672	9,634,145	5,982,425	7,548,734	7,432,320	6,485,509	--	--
Total	<u>\$ 6,920,631</u>	<u>\$ 16,043,884</u>	<u>\$ 15,531,559</u>	<u>\$ 16,645,580</u>	<u>\$ 9,783,740</u>	<u>\$ 12,278,332</u>	<u>\$ 12,070,207</u>	<u>\$ 8,919,477</u>	<u>--</u>	<u>\$ --</u>
District's covered payroll	\$ 14,385,695	\$ 13,886,400	\$ 13,165,277	\$ 12,699,844	\$ 12,695,465	\$ 13,000,249	\$ 12,841,811	\$ 12,329,310	--	\$ --
District's proportionate share of the net pension liability as a percentage of its covered payroll	39.98%	43.68%	49.96%	55.21%	29.94%	36.38%	36.19%	19.74%	--	--
Plan fiduciary net position as a percentage of the total pension liability	88.79%	75.54%	75.24%	73.74%	82.17%	78.00%	78.43%	83.25%	--	--

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S PENSION CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN FISCAL YEARS \***

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Contractually required contribution	\$ 614,707	\$ 440,043	\$ 467,044	\$ 442,785	\$ 421,941	\$ 385,025	\$ 397,664	\$ 388,500	\$ --	\$ --
Contributions in relation to the contractually required contribution	(614,707)	(440,043)	(467,044)	(442,785)	(421,941)	(385,025)	(397,664)	(388,500)	--	--
Contribution deficiency (excess)	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 15,329,662	\$ 14,385,695	\$ 13,886,400	\$ 13,165,277	\$ 12,699,844	\$ 12,695,465	\$ 13,000,249	\$ 12,814,811	\$ --	\$ --
Contributions as a percentage of covered payroll	4.01%	3.06%	3.36%	3.36%	3.32%	3.03%	3.06%	3.03%	--	--

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**

## SCHEDULE OF THE DISTRICT'S PROPORTIONATE

## SHARE OF THE NET OPEB LIABILITY

## TEACHER RETIREMENT SYSTEM OF TEXAS

## LAST TEN MEASUREMENT YEARS \*

	Measurement Year									
	2021	2020	2019	2018	2017	2016	2015	2014	2013	2012
District's proportion of the collective net OPEB liability	0.017599%	0.017297%	0.017773%	0.017678%	0.015034%	--	--	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 6,788,565	\$ 6,575,557	\$ 8,404,928	\$ 8,826,792	\$ 6,537,728	\$ --	\$ --	\$ --	\$ --	\$ --
State proportionate share of the collective net OPEB liability associated with the District	9,095,164	8,835,972	11,168,271	10,817,420	9,956,575	--	--	--	--	--
Total	<u>\$ 15,883,729</u>	<u>\$ 15,411,529</u>	<u>\$ 19,573,199</u>	<u>\$ 19,644,212</u>	<u>\$ 16,494,303</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>	<u>\$ --</u>
District's covered payroll	\$ 14,385,695	\$ 13,866,400	\$ 13,164,277	\$ 12,699,844	\$ 12,965,465	\$ --	\$ --	\$ --	\$ --	\$ --
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	47.19%	47.42%	63.84%	69.50%	50.42%	--	--	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	6.18%	4.99%	2.66%	1.57%	0.91%	--	--	--	--	--

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



**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF THE DISTRICT'S OPEB CONTRIBUTIONS**  
**TEACHER RETIREMENT SYSTEM OF TEXAS**  
**LAST TEN FISCAL YEARS \***

	Fiscal Year									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Statutorily or contractually required District contribution	\$ 158,041	\$ 137,495	\$ 131,473	\$ 125,780	\$ 121,953	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(158,041)	(137,495)	(131,473)	(125,780)	(121,953)	--	--	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 15,329,662	\$ 14,385,695	\$ 13,886,400	\$ 13,165,277	\$ 12,699,844	\$ --	\$ --	\$ --	\$ --	\$ --
Contributions as a percentage of covered payroll	1.03%	0.96%	0.95%	0.96%	0.96%	--	--	--	--	--

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**Budget**

The official budget was prepared for adoption for all Governmental Fund Types legally required to adopt a budget (General Funds, Debt Service Funds, and Food Service Funds). The budget was prepared in accordance with accounting practices generally accepted in the United States of America. The following procedures are followed in establishing the budgetary data:

- a. Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year. The operating budget includes proposed expenditures and the means of financing them.
- b. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- c. Prior to the beginning of the fiscal year, the budget is legally enacted through passage of a resolution by the board.

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

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

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

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

**Defined Benefit Pension Plan and Defined Benefit OPEB Plan**

**Changes of benefit terms**

Any changes of benefit terms that affected the measurement of the net pension liability during the measurement period are described in the notes to the financial statements (Note H).

Any changes of benefit terms that affected the measurement of the net OPEB liability during the measurement period are described in the notes to the financial statements (Note I).

**Changes of assumptions**

Any changes of assumptions that affected the measurement year of the net pension liability during the measurement period are described in the notes to the financial statements (Note H).

Any change of assumptions that affected the measurement year of the total net OPEB liability during the measurement period are described in the notes to the financial statements (Note I).

## Other Supplementary Information

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

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT****SCHEDULE OF DELINQUENT TAXES RECEIVABLE****FOR THE YEAR ENDED AUGUST 31, 2022**

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2013 and Prior Years	\$	Various	\$	Various	\$	Various
2014		.8250		.0690		2,950,148,881
2015		.8250		.0690		2,671,133,445
2016		.8420		.0920		3,086,481,049
2017		.8600		.1140		2,260,237,358
2018		.8800		.1140		2,310,025,799
2019		.9000		.1030		2,262,781,404
2020		.9000		.1390		2,220,558,999
2021		.8747		.1003		2,485,486,974
2022 (School Year Under Audit)		.8747		.1003		2,489,731,897
1000 Totals						

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

Column 20, the current year's levy, is the ending levy provided by Somervell County Appraisal District.

Column 3, Assessed/Appraised Value for School Tax Purposes, is calculated based on the current year total levy divided by current total tax rate. The amount includes adjustments for frozen values.

10 Beginning Balance 9/1/21	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/22
\$ 62,973	\$ --	\$ 7,080	\$ 592	\$ --	\$ 55,301
16,850	--	6,451	540	--	9,859
20,577	--	8,380	701	(93)	11,403
26,528	--	8,873	969	--	16,686
26,115	--	10,720	1,421	--	13,974
33,137	--	13,007	1,685	(29)	18,416
46,435	--	51,569	5,673	33,032	22,225
119,528	--	95,310	14,720	43,812	53,310
167,357	--	114,283	13,105	19,981	59,950
--	24,274,886	21,777,171	2,497,142	133,443	134,016
<u>\$ 519,500</u>	<u>\$ 24,274,886</u>	<u>\$ 22,092,844</u>	<u>\$ 2,536,548</u>	<u>\$ 230,146</u>	<u>\$ 395,140</u>
\$ --	\$ --	\$ --	\$ --	\$ --	\$ --

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
**BUDGETARY COMPARISON SCHEDULE**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT J-2**

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	<b>REVENUES:</b>			
5700	Local and Intermediate Sources	\$ 201,750	\$ 200,466	\$ (1,284)
5800	State Program Revenues	4,400	10,161	5,761
5900	Federal Program Revenues	1,154,835	1,213,868	59,033
5020	Total Revenues	<u>1,360,985</u>	<u>1,424,495</u>	<u>63,510</u>
	<b>EXPENDITURES:</b>			
	Current:			
	Support Services - Student (Pupil):			
0035	Food Services	1,200,968	1,141,533	59,435
	Total Support Services - Student (Pupil)	<u>1,200,968</u>	<u>1,141,533</u>	<u>59,435</u>
6030	Total Expenditures	<u>1,200,968</u>	<u>1,141,533</u>	<u>59,435</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	160,017	282,962	122,945
1200	Net Change in Fund Balance	<u>160,017</u>	<u>282,962</u>	<u>122,945</u>
0100	Fund Balance - Beginning	61,931	61,931	--
3000	Fund Balance - Ending	<u>\$ 221,948</u>	<u>\$ 344,893</u>	<u>\$ 122,945</u>

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT****EXHIBIT J-3****DEBT SERVICE FUND****BUDGETARY COMPARISON SCHEDULE****FOR THE YEAR ENDED AUGUST 31, 2022**

Data Control Codes		1	2	3 Variance Positive (Negative)
		Budget	Actual	
REVENUES:				
5700	Local and Intermediate Sources	\$ 2,568,395	\$ 2,576,628	\$ 8,233
5800	State Program Revenues	--	21,124	21,124
5020	Total Revenues	2,568,395	2,597,752	29,357
EXPENDITURES:				
	Debt Service:			
0071	Principal on Long-Term Debt	1,845,000	1,845,000	--
0072	Interest on Long-Term Debt	423,900	423,900	--
0073	Bond Issuance Costs and Fees	4,000	750	(3,250)
	Total Debt Service	2,272,900	2,269,650	(3,250)
6030	Total Expenditures	2,272,900	2,269,650	(3,250)
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	295,495	328,102	32,607
1200	Net Change in Fund Balance	295,495	328,102	32,607
0100	Fund Balance - Beginning	662,091	662,091	--
3000	Fund Balance - Ending	\$ 957,586	\$ 990,193	\$ 32,607

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAM**  
**AS OF AUGUST 31, 2022**

<u>Data Control Codes</u>		<u>Responses</u>
<b><u>Section A: Compensatory Education Programs</u></b>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,052,975
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28 29, 30, 34)	\$ 778,143
<b><u>Section B: Bilingual Education Programs</u></b>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 102,997
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 546,953



**GLEN ROSE INDEPENDENT SCHOOL DISTRICT****EXHIBIT J-5****FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)****GENERAL FUND****AS OF AUGUST 31, 2022**

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2022 (Exhibit C-1 object 3000 for the General Fund only)	\$ 9,470,571
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	671,309
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	--
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	4,500,000
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	--
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	2,261,096
7	Estimate of two months' average cash disbursements during the fiscal year	4,522,191
8	Estimate of delayed payments from state sources (58XX)	--
9	Estimate of underpayment from state sources equal to variance between Legislative Payment Estimate (LPE) and District Planning Estimate (DPE) or District's calculated earned state aid amount	--
10	Estimate of delayed payments from federal sources (59XX)	--
11	Estimate of expenditures to be reimbursed to General Fund from Capital Projects Fund (uses of General Fund cash after bond referendum and prior to issuance of bonds)	--
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	11,954,596
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ (2,484,025)



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Glen Rose Independent School District  
P.O. Box 2129  
Glen Rose, Texas 76043

Members of the Board of Trustees:

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Glen Rose Independent School District, as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise Glen Rose Independent School District's basic financial statements, and have issued our report thereon dated January 20, 2023.

**Report on Internal Control Over Financial Reporting**

In planning and performing our audit of the financial statements, we considered Glen Rose 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 Glen Rose Independent School District's internal control. Accordingly, we do not express an opinion on the effectiveness of Glen Rose 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 have not been identified.

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

As part of obtaining reasonable assurance about whether Glen Rose 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*.

We noted certain matters that we reported to management of Glen Rose Independent School District in a separate letter dated January 20, 2023.

### **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.



Snow Garrett Williams  
January 20, 2023



**SNOW GARRETT WILLIAMS**  
CERTIFIED PUBLIC ACCOUNTANTS

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

Board of Trustees  
Glen Rose Independent School District  
P.O. Box 2129  
Glen Rose, Texas 76043

Members of the Board of Trustees:

**Report on Compliance for Each Major Federal Program**

***Opinion on Each Major Federal Program***

We have audited Glen Rose 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 Glen Rose Independent School District's major federal programs for the year ended August 31, 2022. Glen Rose 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, Glen Rose Independent School District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

***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 Glen Rose 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 Glen Rose 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 Glen Rose 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 Glen Rose 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 Glen Rose 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 Glen Rose 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 Glen Rose 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 Glen Rose 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.

A handwritten signature in black ink that reads "Snow Garrett Williams". The signature is written in a cursive, flowing style.

Snow Garrett Williams  
January 20, 2023



**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**A. Summary of Auditor's Results**

**1. Financial Statements**

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified?        Yes   X   No

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

Noncompliance material to financial statements noted?        Yes   X   No

**2. Federal Awards**

Internal control over major programs:

One or more material weaknesses identified?        Yes   X   No

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

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

Version of compliance supplement used in audit: April 2022

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

Identification of major programs:

<u>Assistance Listing Number(s)</u>	<u>Name of Federal Program or Cluster</u>
84.425D / 84.425U	Elementary and Secondary School Emergency Relief (ESSER)
10.553 / 10.555	Child Nurtrition Cluster

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

Auditee qualified as low-risk auditee?   X   Yes        No

**B. Financial Statement Findings**

NONE

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**C. Federal Award Findings and Questioned Costs**

NONE



**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

<u>Finding/Recommendation</u>	<u>Current Status</u>	<u>Management's Explanation If Not Implemented</u>
2021-001 - Accuracy of Reporting to the Teacher Retirement System of Texas (TRS) and Proper Recording of TRS Expenditures - Significant Deficiency in Controls	District corrected the issue in FY22.	N/A

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**CORRECTIVE ACTION PLAN**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

A corrective action plan is not needed.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT K-1**

(1)	(2)	(2A)	(3)
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients  Federal Expenditures
<b>CHILD NUTRITION CLUSTER:</b>			
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	71402201	\$ 225,580
National School Lunch Program	10.555	71302201	845,580
Total Passed Through State Department of Education			<u>1,071,160</u>
Passed Through Texas Department of Agriculture:			
Commodity Supplemental Food Program (Non-cash)	10.555	NT4XL1YGLGC5	87,475
Emergency Operation Cost Reimbursement Program (COVID-19)	10.555	NT4XL1YGLGC5	54,619
Total ALN 10.555			<u>987,674</u>
Total Passed Through Texas Department of Agriculture			<u>987,674</u>
Total U.S. Department of Agriculture			<u>1,213,254</u>
Total Child Nutrition Cluster			<u>1,213,254</u>
<b>SPECIAL EDUCATION (IDEA) CLUSTER:</b>			
<u>U.S. Department of Education</u>			
Passed Through State Department of Education:			
SSA IDEA - Part B, Discretionary	84.027	66002212	\$ 201,960
SSA IDEA - Part B, Formula	84.027	226600012139016600	596,492
Total ALN 84.027			<u>798,452</u>
SSA IDEA - Part B, Preschool	84.173	226610012139016610	11,858
Total Passed Through State Department of Education			<u>810,310</u>
Total U.S. Department of Education			<u>810,310</u>
Total Special Education (IDEA) Cluster			<u>\$ 201,960</u> <u>810,310</u>
<b>OTHER PROGRAMS:</b>			
<u>U.S. Department of Agriculture</u>			
Passed Through Texas Department of Agriculture:			
State Pandemic Electronic Benefit Transfer (P-EBT-COVID-19)	10.649	NT4XL1YGLGC5	614
Total Passed Through Texas Department of Agriculture			<u>614</u>
Total U.S. Department of Agriculture			<u>614</u>
<u>U.S. Department of Health &amp; Human Services</u>			
Passed Through State Department of Education:			
Epidemiology and Laboratory Capacity for Infectious Diseases (COVID-19)	93.323	39352201	74,093
Total Passed Through State Department of Education			<u>74,093</u>
Total U.S. Department of Health & Human Services			<u>\$ 74,093</u>

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

**EXHIBIT K-1**

(1)	(2)	(2A)	(3)	
Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Federal ALN Number	Pass- Through Entity Identifying Number	Passed Through to Subrecipients	Federal Expenditures
<u>U.S. Department of Education</u>				
Passed Through State Department of Education:				
Title IV Part A, Subpart 1	84.424A	22680101213901	\$	\$ 17,534
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	22671001213901		19,597
Career and Technical Education - Basic Grant	84.048	22420006213901		14,000
ESEA Title I Part A - Improving Basic Programs	84.010A	22610101213901		232,738
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	22694501213901		46,429
Elementary and Secondary School Emergency Relief Fund (ESSER II-COVID 19)	84.425D	21521001213901		589,850
Elementary and Secondary School Emergency Relief Fund (ESSER III-COVID 19)	84.425U	21528001213901		552,029
Total ALN 84.425				<u>1,141,879</u>
Total Passed Through State Department of Education				<u>1,472,177</u>
Total U.S. Department of Education				<u>1,472,177</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>201,960</u> \$	<u>3,570,447</u>

The accompanying notes are an integral part of this schedule.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO THE SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2022**

Basis of Presentation

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

Summary of Significant Accounting Policies

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

Glen Rose Independent School District has elected not to use the 10% de minimis indirect cost rate allowed under the Uniform Guidance.

Reconciliation

The following table reconciles expenditures per the Schedule of Expenditures of Federal Awards to the federal program revenues per the Statement of Revenues, Expenditures, and Changes in Fund Balance - Government Funds.

Federal Program Revenues	\$	3,811,810
Less:		
SHARS		(241,363)
Total Expenditures of Federal Awards	\$	<u>3,570,447</u>

COVID-19 Testing Kits

The K-12 COVID-19 Testing Program Kits were provided by the Texas Department of State Health Services in coordination with the Texas Education Agency and recorded at fair market value of \$26,250 at the time of receipt.

**GLEN ROSE INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS**  
**AS OF AUGUST 31, 2022**

<u>Data Control Codes</u>		<u>Responses</u>
SF1	Was there an unmodified opinion in the Annual Financial Report on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teacher Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered <b>to not have made</b> timely payments.)	Yes
	Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued.	
	Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ --

