

**GLEN ROSE
INDEPENDENT SCHOOL DISTRICT**

ANNUAL FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2023

Glen Rose Independent School District
Annual Financial Report
For The Year Ended August 31, 2023

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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, 2023, at a meeting of the board of trustees of such school district on the 22 day of January, 2024.



Signature of Board Secretary



Signature of Board President

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

Financial Section



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 the Glen Rose Independent School District ("the District"), as of and for the year ended August 31, 2023, and the related notes to the financial statements, which collectively comprise the 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, 2023, 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

Change in Accounting Principle

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

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about 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 the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the management's discussion and analysis, 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. Such 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 statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated January 22, 2024 on our consideration of 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 Glen Rose Independent School District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering Glen Rose Independent School District's internal control over financial reporting and compliance.



Snow Garrett Williams
January 22, 2024

Management's Discussion and Analysis (Unaudited)

As management of the District, we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended August 31, 2023. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of the District exceeded its liabilities and deferred inflows at the close of the most recent fiscal year by \$34,484,670 (*net position*). Of this amount, \$8,190,576 (*unrestricted net position*) may be used to meet the District's ongoing obligations.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$55,779,443. Approximately 13% of this total amount, \$7,267,446, is *available for spending* at the government's discretion (*unassigned fund balance*).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$7,267,446, or 24% of the total general fund expenditures.

Overview of the Financial Statements

This discussion and analysis are intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

Government-wide financial statements. The *government-wide financial statements* are designed to provide readers with a broad overview of the District's finances, in a manner similar to a private-sector business.

The *statement of net position* presents information on all of the District's assets and deferred outflows and liabilities and deferred inflows, with the difference between the two reported as *net position*. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating.

The *statement of activities* presents information for all of the current year's revenues and expenses regardless of when cash is received or paid. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods.

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no *business-type activities* and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 12-13 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. The fund financial statements provide more detailed information about the District's most significant funds-not the District as a whole.

- Some funds are required by State law and/or bond covenants.
- Other funds may be established by the Board to control and manage money for particular purposes or to show that it is properly using certain taxes or grants.

All of the funds of the District can be divided into two categories: governmental funds and fiduciary funds.

- **Governmental funds.** *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the governmental fund balance sheet and the governmental fund statement of revenues, expenditures, and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*. The District adopts an annual appropriated budget for its general fund, debt service fund and food service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets. The basic governmental fund financial statements can be found on pages 14-19 of this report.
- **Fiduciary funds.** *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All of the District's fiduciary activities are reported in a separate fiduciary fund financial statements that can be found on pages 20-21.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 22-44 of this report.

Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 45-51 of this report.

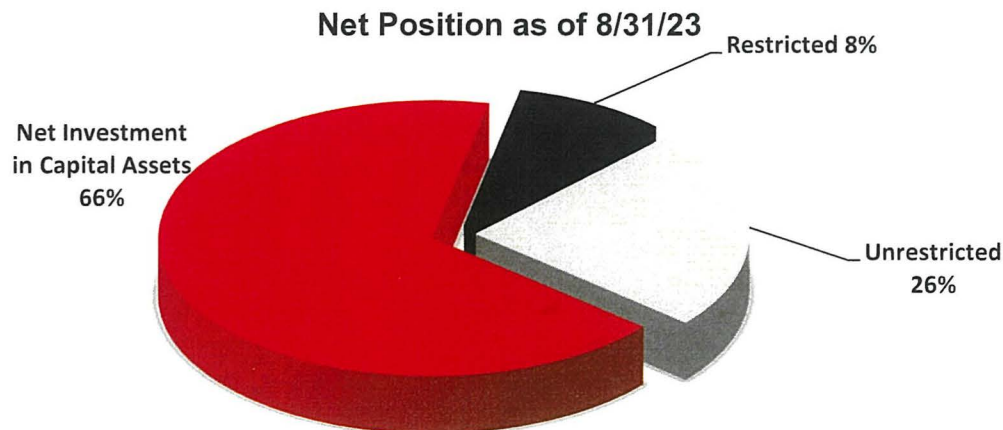


Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, net assets and deferred outflows exceeded liabilities and deferred inflows by \$34,484,670, as of August 31, 2023.

The District's Net Position

	August 31, 2023	August 31, 2022
Current and other assets	\$ 58,641,726	\$ 27,631,709
Capital assets	31,055,595	30,628,332
Total assets	89,697,321	58,260,041
Deferred outflows of resources		
Deferred outflows related to pensions	7,247,245	7,203,807
Deferred outflows related to OPEB	2,939,229	2,322,658
Total deferred outflows of resources	10,186,474	9,526,465
Current liabilities	2,658,082	3,128,823
Long-term liabilities outstanding	52,308,290	21,135,322
Total liabilities	54,966,372	24,264,145
Deferred inflows of resources		
Deferred gain on refunding bond	37,050	49,400
Deferred inflows related to pensions	3,134,158	6,586,531
Deferred inflows related to OPEB	7,261,545	4,954,778
Total deferred inflows of resources	10,432,753	11,590,709
Net position:		
Net Investment in capital assets	23,157,408	21,984,223
Restricted	3,136,686	1,631,865
Unrestricted	8,190,576	8,315,564
Total net position	\$ 34,484,670	\$ 31,931,652



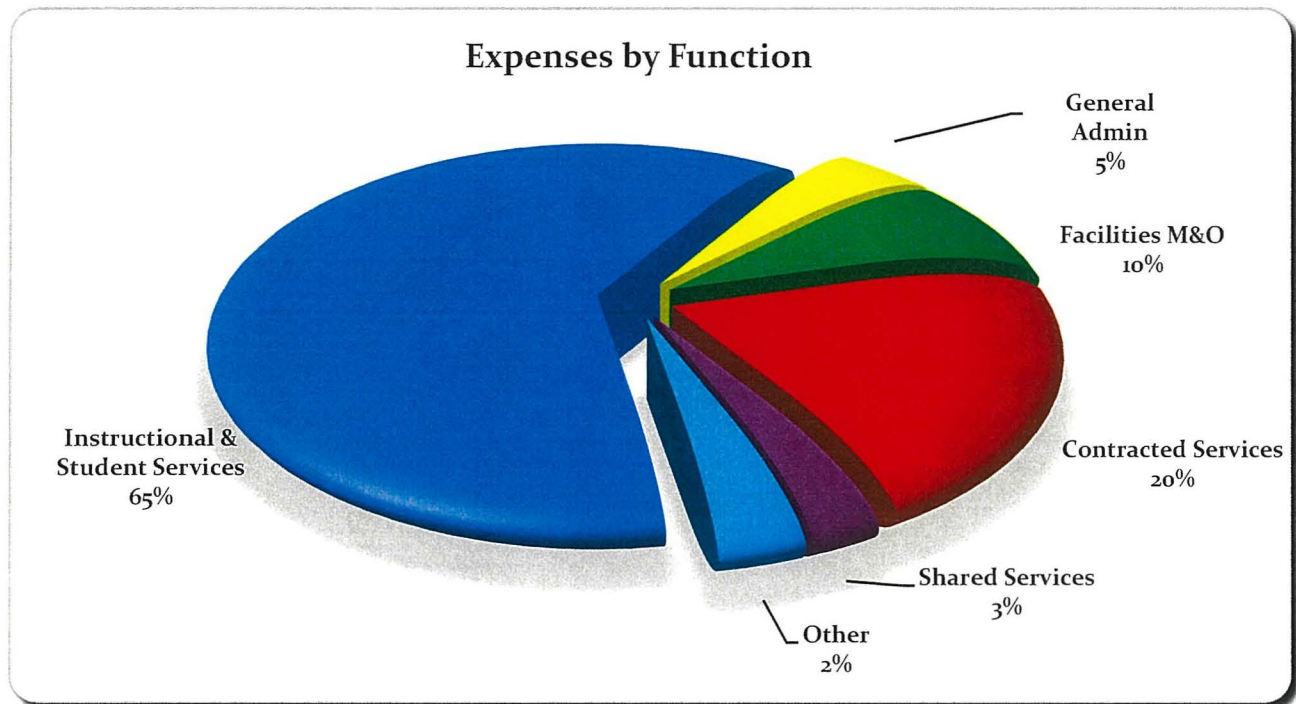
Net investment in capital assets (e.g., land, buildings, furniture and equipment, and construction in progress) is \$23,157,408. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from

other sources, since the capital assets themselves cannot be used to liquidate these liabilities. An additional \$3,136,686 of the District's net position represents resources that are subject to external restrictions on how they may be used. The remaining balance is *unrestricted net position*, \$8,190,576, may be used to meet the District's ongoing obligations. This surplus is not an indication that the District has significant resources available to meet financial obligations next year, but rather the result of having *long-term* commitments that are less than currently available resources and due to bond proceeds for construction projects.

Governmental activities. The District's total net position increased \$2,553,018. The total cost of all *governmental activities* this year was \$39,800,148. The amount that our taxpayers paid for these activities through property taxes was \$29,707,584, or 75%. This increase is due to receiving a larger than expected Available School Fund payment and receiving a tax penalty payment due to a late protest filing. This increase in revenue was not fully offset by increased expenses, therefore, the district's total net position increased.

Changes in the District's Net Position

	<u>Fiscal Year August 31, 2023</u>	<u>Fiscal Year August 31, 2022</u>
Revenues:		
Program Revenues		
Charges for Services	\$ 734,011	\$ 449,344
Operating Grants and Contributions	3,323,829	3,613,487
General Revenues		
Property Taxes	29,707,584	24,729,397
State Grants	5,155,087	4,547,460
Other	3,432,655	2,102,822
Total Revenues	<u>42,353,166</u>	<u>35,442,510</u>
Expenses:		
Instruction	17,359,572	14,414,250
Instruction Resources & Media Services	331,828	307,183
Curriculum and Staff Development	328,807	284,495
Instructional Leadership	166,322	166,614
School Leadership	1,036,633	1,100,717
Guidance, Counseling & Evaluation Services	859,375	901,054
Health Services	321,708	288,566
Student Transportation	1,033,797	926,763
Food Service	1,143,268	1,261,309
Cocurricular / Extracurricular Activities	1,933,050	1,701,120
General Administration	1,598,750	1,711,076
Facilities Maintenance & Operations	3,178,220	3,227,745
Security and Monitoring Services	382,816	367,037
Data Processing Services	520,055	198,432
Community Services	780	19,393
Interest on Long-Term Debt	131,420	141,752
Bond Issuance Costs and Fees	292,534	(11,600)
Capital Outlay	6,320	388,825
Contracted Instructional Services between Schools	7,947,280	5,531,292
Payments Related to Shared Service Arrangements	1,152,613	1,044,721
Payments to Tax Increment Fund	75,000	-
Total Expenses	<u>39,800,148</u>	<u>33,970,744</u>
Increase (decrease) in net position	2,553,018	1,471,766
Net position - beginning	31,931,652	30,459,886
Net position - ending	<u>\$ 34,484,670</u>	<u>\$ 31,931,652</u>



Financial Analysis of the District's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements, bond covenants, and segregation for particular purposes.

Governmental funds. The focus of the District's *governmental funds* is to provide information on near-term inflows, outflows, and balances of *spendable* resources. Such information is useful in assessing the District's financing requirements. In particular, *unassigned fund balance* may serve as a useful measure of the District's net resources available for spending at the end of a fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$55,779,443, an increase of \$31,517,962. Approximately 13% of this total amount (\$7,267,446) constitutes *unassigned fund balance*. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it is *nonspendable* due to being (1) prepaid items (\$211,836), or has already been *restricted* for (1) federal/state funds grant restrictions (\$490,125), (2) capital acquisitions and contractual obligations (\$29,925,484), (3) retirement of long-term debt (\$2,361,911), and (4) other fund restrictions (\$252,576), *committed* for (1) construction (\$9,711,762), (2) equipment (\$3,674,889), and (3) other commitments (\$1,880,585); and *assigned* for other purposes (\$2,829).

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$7,267,446, out of a total fund balance of \$11,979,282. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 24% of the total general fund expenditures, while total fund balance represents 39% of that same amount.

The fund balance of the District's general fund increased \$2,508,711 during the current fiscal year. Key factors in this increase are:

- The District's revenue exceeded expenditures by \$2,508,711 due to an increase in tax collections and state program revenues from the Available School Fund
- The District transferred a \$1,000,000 to its Capital Projects Fund to fund future technology needs and facility / equipment replacements and improvements

The capital projects fund is used to account for financial resources to be used for the acquisition or construction of major capital facilities and equipment purchases. The fund balance of the District's capital projects fund was \$40,562,135 as of August 31, 2023, all of which is committed for capital projects. The net increase in the capital projects fund balance for the fiscal year ending August 31, 2023, was \$27,541,909 due to the issuance of \$28.7 million in Unlimited Tax Building Bonds, Series 2023.

General Fund Budgetary Highlights

Over the course of the year, the District recommended and the Board approved several revisions to budgeted revenue and appropriations. These amendments were due to allow for unexpected occurrences and to better reflect the activities of the District. Budget revisions were primarily due to:

- Changes in the needs of the District throughout the year due to unexpected occurrences or changes in program needs or goals on the campuses.

The following are significant variations between the final budget and actual amounts for the general fund:

- Actual revenues were higher than budgeted by \$340,210, primarily related to an increase in state program revenues.
- Actual expenditures were lower than budgeted by \$1,409,321 due to reduced expenditures in instruction and plant maintenance and operations.

Capital Asset and Debt Administration

Capital assets. The District's investment in capital assets for its governmental activities as of August 31, 2023, amounts to \$31,055,595 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and improvements, furniture and equipment, and right to use assets.

Major capital asset events during the year included HVAC improvements, road construction at the Intermediate School, lighting for Tiger Stadium, and a one-ton pickup truck.

Districts Capital Assets (net of depreciation/amortization)

	<u>August 31, 2023</u>	<u>August 31, 2022</u>
Land	\$ 2,903,976	\$ 2,903,976
Construction in progress	101,080	-
Buildings and improvements	24,362,284	25,586,429
Furniture and equipment	3,523,772	2,053,319
Right to use assets	164,483	84,608
Total at historical cost	<u>\$ 31,055,595</u>	<u>\$ 30,628,332</u>

Additional information on the District's capital assets can be found in Note C on pages 29 and 30 of this report.

Long-term debt. As of August 31, 2023, the District had total general obligation bonded debt outstanding of \$34,190,000, an increase of \$26,805,000 over the prior year. The unamortized premium for bonds is \$3,429,651, an increase of \$2,305,392 from the previous year. The net pension liability for fiscal year 2023 had an ending balance of \$9,899,857, an increase of \$4,147,809 from the prior year. The net OPEB liability for fiscal year 2023 had an ending balance of \$4,621,812, a decrease of \$2,166,753 from the prior year. The lease liability for fiscal year end 2023 had an ending balance of \$46,471, a decrease of \$38,979 from the prior year. Finally, the SBITA liability had an ending balance of \$120,499 due to the implementation of GASB 96, *Subscription-Based Information Technology Arrangements*.

Additional information on the District's long-term debt can be found in Note E on pages 30-31 of this report.

Standard & Poor's Ratings Services, a Standard & Poor's Financial Services LLC Business ("S&P") has assigned a municipal bond rating of "AAA" to the Bonds based upon the Permanent School Fund Guarantee. S&P generally rates all bond issues guaranteed by the Permanent School Fund of the State of Texas "AAA".

The District's underlying rating for the Bonds (without consideration of the Permanent School Fund guarantee or other credit enhancement) is "AAA" by S&P.

Economic Factors and Next Year's Budgets and Rates

- Tax rate for Maintenance & Operations budget set at \$0.6692 per \$100 valuation and Interest and Sinking rate for \$0.1204 for a total tax rate of \$0.7896.
- The District budgeted revenues of \$36,115,839 and expenditures of \$36,946,295 in the 2023-2024 budget. (Gen Operating; Debt Service; Child Nutrition)
- The District's student attendance rate remains stable at the 95% percent level.
- The District's enrollment increased by approximately 55 students in 2022-2023. Enrollment for 2023-2024 is expected to be 2060.
- All employees will receive a salary increase- Teachers = 2.5% increase to base salary; clerical, manual, and bus staff will receive an increase of 4% of the midpoint; administrative staff will receive a 2.5% of mid-point raise.
- A one-time insurance supplement of \$1,500 will be given during the month of November.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to Glen Rose Independent School District's Business Office.



Basic Financial Statements

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

AUGUST 31, 2023

Data Control Codes		1	Governmental Activities
	ASSETS:		
1110	Cash and Cash Equivalents	\$	704,222
1120	Current Investments		56,173,925
1225	Property Taxes Receivable (Net)		273,324
1240	Due from Other Governments		1,273,115
1290	Other Receivables (Net)		5,304
1410	Unrealized Expenses		211,836
	Capital Assets:		
1510	Land		2,903,976
1520	Buildings and Improvements (Net)		24,362,284
1530	Furniture and Equipment (Net)		3,523,772
1550	Right to Use Assets (Net)		164,483
1580	Construction in Progress		101,080
1000	Total Assets		<u>89,697,321</u>
	DEFERRED OUTFLOWS OF RESOURCES:		
	Deferred Outflow Related to Pensions		7,247,245
	Deferred Outflow Related to OPEB		<u>2,939,229</u>
1700	Total Deferred Outflows of Resources		<u>10,186,474</u>
	LIABILITIES:		
2110	Accounts Payable		1,187,900
2140	Interest Payable		69,123
2165	Accrued Liabilities		1,031,996
2180	Due to Other Governments		11,072
2300	Unearned Revenue		357,991
	Noncurrent Liabilities:		
2501	Due Within One Year		3,014,214
2502	Due in More Than One Year		34,772,407
2540	Net Pension Liability		9,899,857
2545	Net OPEB Liability		<u>4,621,812</u>
2000	Total Liabilities		<u>54,966,372</u>
	DEFERRED INFLOWS OF RESOURCES:		
	Deferred Gain on Refunding		37,050
	Deferred Inflow Related to Pensions		3,134,158
	Deferred Inflow Related to OPEB		<u>7,261,545</u>
2600	Total Deferred Inflows of Resources		<u>10,432,753</u>
	NET POSITION:		
3200	Net Investment in Capital Assets		23,157,408
	Restricted For:		
3820	State and Federal Programs		490,125
3850	Debt Service		2,393,985
3880	Scholarships		86,926
3890	Shared Service Arrangement		165,650
3900	Unrestricted		<u>8,190,576</u>
3000	Total Net Position	\$	<u><u>34,484,670</u></u>

The accompanying notes are an integral part of this statement.

GLEN ROSE INDEPENDENT SCHOOL DISTRICTSTATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2023

Data Control Codes	Functions/Programs	1 Expenses	3 Charges for Services	4 Program Revenues		Net (Expense) Revenue and Changes in Net Position
				Operating Grants and Contributions	Governmental Activities	
	Governmental Activities:					
11	Instruction	\$ 17,359,572	\$ 43,768	\$ 1,498,373	\$	(15,817,431)
12	Instructional Resources and Media Services	331,828	1,813	25,698		(304,317)
13	Curriculum and Staff Development	328,807	1,141	16,778		(310,888)
21	Instructional Leadership	166,322	--	(1,915)		(168,237)
23	School Leadership	1,036,633	1,874	(6,406)		(1,041,165)
31	Guidance, Counseling, and Evaluation Services	859,375	789	370,277		(488,309)
33	Health Services	321,708	565	(715)		(321,858)
34	Student Transportation	1,033,797	--	3,625		(1,030,172)
35	Food Service	1,143,268	423,982	792,630		73,344
36	Cocurricular/Extracurricular Activities	1,933,050	248,777	21,912		(1,662,361)
41	General Administration	1,598,750	2,735	57,806		(1,538,209)
51	Facilities Maintenance and Operations	3,178,220	5,093	117,473		(3,055,654)
52	Security and Monitoring Services	382,816	966	31,832		(350,018)
53	Data Processing Services	520,055	899	68,884		(450,272)
61	Community Services	780	--	--		(780)
72	Interest on Long-term Debt	131,420	--	47,838		(83,582)
73	Bond Issuance Costs and Fees	292,534	--	--		(292,534)
81	Capital Outlay	6,320	--	--		(6,320)
91	Contracted Instructional Services between Schools	7,947,280	--	--		(7,947,280)
93	Payments Related to Shared Services Arrangements	1,152,613	1,609	279,739		(871,265)
97	Payments to Tax Increment Fund	75,000	--	--		(75,000)
TG	Total Governmental Activities	<u>39,800,148</u>	<u>734,011</u>	<u>3,323,829</u>		<u>(35,742,308)</u>
TP	Total Primary Government	<u>\$ 39,800,148</u>	<u>\$ 734,011</u>	<u>\$ 3,323,829</u>		<u>(35,742,308)</u>
	General Revenues:					
MT	Property Taxes, Levied for General Purposes					26,238,880
DT	Property Taxes, Levied for Debt Service					3,468,704
IE	Investment Earnings					1,578,320
GC	Grants and Contributions Not Restricted to Specific Programs					5,155,087
MI	Miscellaneous					<u>1,854,335</u>
TR	Total General Revenues					<u>38,295,326</u>
CN	Change in Net Position					2,553,018
NB	Net Position - Beginning					<u>31,931,652</u>
NE	Net Position - Ending					<u>\$ 34,484,670</u>

The accompanying notes are an integral part of this statement.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

BALANCE SHEET - GOVERNMENTAL FUNDS

AUGUST 31, 2023

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
ASSETS:				
1110 Cash and Cash Equivalents	\$ 663,860	\$ --	\$ 40,362	\$ 704,222
1120 Current Investments	13,797,995	40,079,033	2,296,897	56,173,925
1225 Taxes Receivable	377,385	--	46,461	423,846
1230 Allowance for Uncollectible Taxes (Credit)	(136,135)	--	(14,387)	(150,522)
1240 Due from Other Governments	323,254	--	949,861	1,273,115
1260 Due from Other Funds	481,636	975,115	1,166,241	2,622,992
1290 Other Receivables	3,298	--	2,006	5,304
1410 Unrealized Expenditures	211,836	--	--	211,836
1000 Total Assets	<u>\$ 15,723,129</u>	<u>\$ 41,054,148</u>	<u>\$ 4,487,441</u>	<u>\$ 61,264,718</u>
LIABILITIES:				
Current Liabilities:				
2110 Accounts Payable	\$ 237,505	\$ 480,104	\$ 470,291	\$ 1,187,900
2150 Payroll Deductions and Withholdings	73,331	--	45,923	119,254
2160 Accrued Wages Payable	765,000	--	147,742	912,742
2170 Due to Other Funds	2,129,449	11,909	481,634	2,622,992
2180 Due to Other Governments	--	--	11,072	11,072
2300 Unearned Revenue	297,312	--	60,679	357,991
2000 Total Liabilities	<u>3,502,597</u>	<u>492,013</u>	<u>1,217,341</u>	<u>5,211,951</u>
DEFERRED INFLOWS OF RESOURCES:				
Property Taxes	241,250	--	32,074	273,324
2600 Total Deferred Inflows of Resources	<u>241,250</u>	<u>--</u>	<u>32,074</u>	<u>273,324</u>
FUND BALANCES:				
Nonspendable Fund Balances:				
3430 Prepaid Items	211,836	--	--	211,836
Restricted Fund Balances:				
3450 Federal/State Funds Grant Restrictions	--	--	490,125	490,125
3470 Capital Acquisitions and Contractual Obligations	--	29,925,484	--	29,925,484
3480 Retirement of Long-Term Debt	--	--	2,361,911	2,361,911
3490 Other Restrictions of Fund Balance	--	--	252,576	252,576
Committed Fund Balances:				
3510 Construction	1,500,000	8,211,762	--	9,711,762
3530 Capital Expenditures for Equipment	1,250,000	2,424,889	--	3,674,889
3545 Other Committed Fund Balance	1,750,000	--	130,585	1,880,585
Assigned Fund Balances:				
3590 Other Assigned Fund Balance	--	--	2,829	2,829
3600 Unassigned	7,267,446	--	--	7,267,446
3000 Total Fund Balances	<u>11,979,282</u>	<u>40,562,135</u>	<u>3,238,026</u>	<u>55,779,443</u>
Total Liabilities, Deferred Inflow of Resources and Fund Balances	<u>\$ 15,723,129</u>	<u>\$ 41,054,148</u>	<u>\$ 4,487,441</u>	<u>\$ 61,264,718</u>

The accompanying notes are an integral part of this statement.

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

Total fund balances - governmental funds balance sheet	\$ 55,779,443
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.	273,324
Capital assets used in governmental activities are not reported in the funds.	31,055,595
Deferred Resource Outflows related to the pension plan are not reported in the funds.	7,247,245
Deferred Resource Outflows related to the OPEB plan are not reported in the funds.	2,939,229
Recognition of the District's proportionate share of the net pension liability is not reported in the funds.	(9,899,857)
Recognition of the District's proportionate share of the net OPEB liability is not reported in the funds.	(4,621,812)
Deferred Resource Inflows related to the pension plan are not reported in the funds.	(3,134,158)
Deferred Resource Inflows related to the OPEB plan are not reported in the funds.	(7,261,545)
Payables for bond principal which are not due in the current period are not reported in the funds.	(34,190,000)
Payables for right to use leases which are not due in the current period are not reported in the funds.	(46,471)
Payables for bond interest which are not due in the current period are not reported in the funds.	(69,123)
Premiums on bonds which are not due and payable in the current period are not reported in the funds.	(3,429,651)
Deferred gain on refunding bonds is not reported in the funds.	(37,050)
Payables for right to use SBITAs which are not due in the current period are not reported in the funds.	<u>(120,499)</u>
Net position of governmental activities - Statement of Net Position	<u>\$ 34,484,670</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, 2023

Data Control Codes	10 General Fund	60 Capital Projects Fund	Other Governmental Funds	98 Total Governmental Funds
REVENUES:				
5700 Local and Intermediate Sources	\$ 27,534,348	\$ 516,118	\$ 5,807,087	\$ 33,857,553
5800 State Program Revenues	6,218,569	--	288,205	6,506,774
5900 Federal Program Revenues	62,517	--	2,854,962	2,917,479
5020 Total Revenues	<u>33,815,434</u>	<u>516,118</u>	<u>8,950,254</u>	<u>43,281,806</u>
EXPENDITURES:				
Current:				
0011 Instruction	11,869,935	2,102,490	2,655,379	16,627,804
0012 Instructional Resources and Media Services	288,392	--	27,726	316,118
0013 Curriculum and Staff Development	309,563	--	13,217	322,780
0021 Instructional Leadership	--	--	160,077	160,077
0023 School Leadership	996,772	--	86	996,858
0031 Guidance, Counseling, and Evaluation Services	423,532	--	381,320	804,852
0033 Health Services	303,027	--	6,555	309,582
0034 Student Transportation	1,042,070	10,161	--	1,052,231
0035 Food Service	--	43,343	1,091,129	1,134,472
0036 Cocurricular/Extracurricular Activities	1,323,645	8,907	506,313	1,838,865
0041 General Administration	1,459,150	1,500	20,658	1,481,308
0051 Facilities Maintenance and Operations	2,734,977	1,805,948	90,079	4,631,004
0052 Security and Monitoring Services	215,318	115,675	22,522	353,515
0053 Data Processing Services	482,089	19,305	--	501,394
0061 Community Services	720	--	--	720
0071 Principal on Long-term Debt	73,370	--	1,938,498	2,011,868
0072 Interest on Long-term Debt	4,495	--	354,089	358,584
0073 Bond Issuance Costs and Fees	--	302,468	2,416	304,884
0081 Capital Outlay	--	866,880	--	866,880
0091 Contracted Instructional Services				
0091 Between Public Schools	7,947,280	--	--	7,947,280
0093 Payments to Shared Service Arrangements	863,643	--	288,970	1,152,613
0097 Payments to Tax Increment Fund	75,000	--	--	75,000
6030 Total Expenditures	<u>30,412,978</u>	<u>5,276,677</u>	<u>7,559,034</u>	<u>43,248,689</u>
1100 Excess (Deficiency) of Revenues Over (Under)				
1100 Expenditures	<u>3,402,456</u>	<u>(4,760,559)</u>	<u>1,391,220</u>	<u>33,117</u>
Other Financing Sources and (Uses):				
7911 Capital-Related Debt Issued (Regular Bonds)	--	28,720,000	--	28,720,000
7915 Transfers In	--	1,000,000	--	1,000,000
7916 Premium or Discount on Issuance of Bonds	--	2,582,468	3,989	2,586,457
7949 Issuance of Right to Use SBITAs	106,255	--	72,133	178,388
8911 Transfers Out	(1,000,000)	--	--	(1,000,000)
7080 Total Other Financing Sources and (Uses)	<u>(893,745)</u>	<u>32,302,468</u>	<u>76,122</u>	<u>31,484,845</u>
1200 Net Change in Fund Balances	2,508,711	27,541,909	1,467,342	31,517,962
0100 Fund Balances - Beginning	9,470,571	13,020,226	1,770,684	24,261,481
3000 Fund Balances - Ending	<u>\$ 11,979,282</u>	<u>\$ 40,562,135</u>	<u>\$ 3,238,026</u>	<u>\$ 55,779,443</u>

The accompanying notes are an integral part of this statement.

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, 2023

Net change in fund balances - total governmental funds	\$ 31,517,962
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.	16,697
Capital outlays are not reported as expenses in the SOA.	3,050,107
The depreciation / amortization of capital assets used in governmental activities is not reported in the funds.	(2,622,844)
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.	613,295
Pension contributions made before the measurement date and during the previous fiscal year were expended and recorded as a reduction to the net pension liability.	614,707
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 financial statements. The net effect of the change is a decrease in net position.	(650,586)
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.	155,847
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.	(158,041)
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 net effect of the change is an increase in net position.	478,751
Issuance of bonds do not provide revenue in the SOA but are reported as other financing sources in the funds.	(28,720,000)
Bond premiums on issuance are reported in the funds but not in the SOA.	(2,586,457)
Repayment of bond principal is an expenditure in the funds but is not an expense in the SOA.	1,915,000
Repayment of right to use lease principal is an expenditure in the funds but is not an expense in the SOA.	38,979
(Increase) decrease in accrued interest on bonds from beginning of period to end of period.	(53,901)
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
Repayment of SBITA principal is an expenditure in the funds but is not an expense in the SOA.	57,889
Issuance of right to use SBITAs do not provide revenue in the SOA but are reported as other financing sources in the funds.	(178,388)
Change in net position of governmental activities - Statement of Activities	\$ <u>2,553,018</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, 2023**

		Custodial Fund
Data Control Codes		Student Activity
ASSETS:		
1110	Cash and Cash Equivalents	\$ 139,729
1000	Total Assets	<u>139,729</u>
LIABILITIES:		
2000	Total Liabilities	<u>--</u>
NET POSITION:		
3800	Restricted for Student Activity	139,729
3000	Total Net Position	<u>\$ 139,729</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, 2023

	Custodial Funds
	<u> </u>
ADDITIONS:	
Revenues from Student Activities	\$ 359,992
Revenues from Investing Activities	<u>6,850</u>
Total Additions	<u>366,842</u>
 DEDUCTIONS:	
Payments for Student Activities	<u>351,145</u>
Total Deductions	<u>351,145</u>
 Change in Fiduciary Net Position	 15,697
 Net Position-Beginning of the Year	 <u>124,032</u>
Net Position-End of the Year	<u><u>\$ 139,729</u></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, 2023

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.

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.

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.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

Fiduciary funds are reported in the fiduciary fund financial statements. However, because their assets are held in a trustee 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 capital 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.

b. Inventories and Prepaid Items

Supplies and materials are recorded as expenditures when requisitioned. Inventories of supplies on the balance sheet are stated at weighted average cost.

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

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

c. Capital Assets

Purchased or constructed capital assets are reported at cost or estimated historical cost. Donated capital assets or donated works of art and similar items are recorded at their acquisition value at the date of the donation. The cost of 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. Significant accounting policies for right to use assets are located at Note F for leases and Note G for Subscription-Based IT Arrangements (SBITAs).

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	10-45 years
Furniture and Equipment	3-20 years
Right to Use Assets - Leases	38 months
Right to Use Assets - SBITAs	3 years

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.

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.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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.

j. 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, which is a Board resolution. 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 is reported pursuant to a resolution by the Board of Trustees.

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 designate to the Superintendent or designee 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.

At a minimum, the District shall maintain committed, assigned, and unassigned fund balances in the general operating fund equal to or exceeding 20 percent of the total annual operating expenditures. If the committed, assigned, or unassigned fund balances fall below 20 percent of the total annual operating expenditures, the administration shall immediately prepare a plan for Board approval to restore the unassigned fund balance to the 20 percent level. The District was in compliance with this policy at August 31, 2023.

k. 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.

l. 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.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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 position or fund balances due to the implementation of this standard.

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

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

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

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

B. Deposits and Investments

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

1. Cash Deposits:

At August 31, 2023, the carrying amount of the District's deposits (cash, certificates of deposit, and interest-bearing savings accounts included in temporary investments) was \$56,976,417 and the bank balance was \$57,388,176. The District's cash deposits at August 31, 2023 were entirely covered by FDIC insurance or by pledged collateral held by the District's agent bank in the District's name.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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, 2023 consisted of certificates of deposit, money market savings, ICS accounts, money market funds, and local government investment pools. Certificates of deposits, money market savings, and ICS accounts are covered by FDIC and pledged collateral by the bank and are included in the balance in Note B-1.

The District's investments at August 31, 2023 are shown below.

<u>Investment or Investment Type</u>	<u>Maturity</u>	<u>Value</u>
TexPool - LGIP	Wtd Avg Maturity = 23 days	10,595
Interbank - ICS Accounts	N/A	53,207,930
NexBank - ICS Money Market Savings	N/A	389,200
Edward Jones - Money Market	Wtd Avg Maturity = 23 days	30,864
East West Bank - Certificates of Deposit	Wtd Avg Maturity = 12 months	2,535,336
Total Investments		<u>\$ 56,173,925</u>

3. Analysis of Specific Deposit and Investment Risks

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

a. Credit Risk

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

At August 31, 2023, 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.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS

FOR THE YEAR ENDED AUGUST 31, 2023

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 (Pools) at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*. In addition, the Pools do not 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.

Public Funds Investment Pools

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

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.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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.

C. Capital Assets

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

	Beginning Balances	Increases	Decreases	Ending Balances
<u>Governmental activities:</u>				
Capital assets not being depreciated / amortized:				
Land	\$ 2,903,976	\$ -	\$ -	\$ 2,903,976
Construction in progress	-	101,080	-	101,080
Total capital assets not being depreciated / amortized	<u>2,903,976</u>	<u>101,080</u>	<u>-</u>	<u>3,005,056</u>
Capital assets being depreciated / amortized:				
Buildings and improvements	81,051,879	759,480	-	81,811,359
Equipment	10,635,857	2,011,160	-	12,647,017
Right to use assets - leases	123,658	-	-	123,658
Right to use assets - SBITAs	-	178,387	-	178,387
Total capital assets being depreciated / amortized	<u>91,811,394</u>	<u>2,949,027</u>	<u>-</u>	<u>94,760,421</u>
Less accumulated depreciation / amortization for:				
Buildings and improvements	(55,465,450)	(1,983,625)	-	(57,449,075)
Equipment	(8,582,538)	(540,707)	-	(9,123,245)
Right to use assets - leases	(39,050)	(39,050)	-	(78,100)
Right to use assets - SBITAs	-	(59,462)	-	(59,462)
Total accumulated depreciation / amortization	<u>(64,087,038)</u>	<u>(2,622,844)</u>	<u>-</u>	<u>(66,709,882)</u>
Total capital assets being depreciated / amortized, net	<u>27,724,356</u>	<u>326,183</u>	<u>-</u>	<u>28,050,539</u>
Governmental activities capital assets, net	<u>\$ 30,628,332</u>	<u>\$ 427,263</u>	<u>\$ -</u>	<u>\$ 31,055,595</u>

Depreciation / amortization was charged to functions as follows:

Instruction	\$ 1,448,175
Instructional resources and media services	26,201
Curriculum and staff development	33,036
Instructional Leadership	13,268
School leadership	86,815
Guidance, counseling, and evaluation service	67,506
Health services	25,659
Student transportation	87,213
Food services	94,023
Extracurricular activities	152,413
General administration	132,300
Plant maintenance and operations	384,661
Security and monitoring services	29,300
Data processing services	42,214
Community services	60
	<u>\$ 2,622,844</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

D. Interfund Balances and Activities

1. Due To and From Other Funds

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

<u>Due To Fund</u>	<u>Due From Fund</u>	<u>Amount</u>
General Fund	Nonmajor Governmental Funds	\$ 481,636
Nonmajor Governmental Funds	General Fund	1,154,332
Capital Projects Fund	General Fund	975,115
Nonmajor Governmental Funds	Capital Projects Fund	11,909
	Total \$	<u>2,622,992</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 will be liquidated within the next fiscal year. In the government-wide financial statements, all interfund transactions for receivables and payables have been eliminated.

1. Transfers To and From Other Funds

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

<u>Transfer To Fund</u>	<u>Transfer From Fund</u>	<u>Amount</u>
Capital Projects Fund	General Fund	\$ 1,000,000
		<u>\$ 1,000,000</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.

1. Long-Term Obligation Activity

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

	<u>Beginning Balance</u>	<u>Increases</u>	<u>Decreases</u>	<u>Ending Balance</u>	<u>Amounts Due Within One Year</u>
<u>Governmental activities:</u>					
General Obligation Bonds	\$ 7,385,000	\$ 28,720,000	\$ 1,915,000	\$ 34,190,000	\$ 2,915,000
Premium on Bond	1,124,259	2,586,457	281,065	3,429,651	-
Lease Liability*	85,450	-	38,979	46,471	39,766
Net Pension Liability*	5,752,048	4,925,940	778,131	9,899,857	-
Net OPEB Liability*	6,788,565	-	2,166,753	4,621,812	-
SBITA Liability*	-	178,388	57,889	120,499	59,448
Total governmental activities	\$ 21,135,322	\$ 36,410,785	\$ 5,237,817	\$ 52,308,290	\$ 3,014,214

*Other long-term liabilities

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

<u>Liability</u>	<u>Activity Type</u>	<u>Fund</u>
Net Pension Liability *	Governmental	General
Net OPEB Liability *	Governmental	General
Lease Liability*	Governmental	General
SBITA Liability*	Governmental	General and Special Revenue

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

2. Debt Service Requirements

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

Year Ending August 31	Governmental Activities		
	Bonds		Total
	Principal	Interest	
2024	\$ 2,915,000	\$ 1,649,667	\$ 4,564,667
2025	2,120,000	1,563,750	3,683,750
2026	2,225,000	1,457,750	3,682,750
2027	1,690,000	1,346,500	3,036,500
2028	1,775,000	1,262,000	3,037,000
2029-2033	10,310,000	4,885,750	15,195,750
2034-2038	13,155,000	2,037,500	15,192,500
Totals	\$ 34,190,000	\$ 14,202,917	\$ 48,392,917

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

The interest rate on the Unlimited Tax Building Bonds, Series 2023 is 5% and matures on August 15, 2038.

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, 2023.

F. Leases

The District is a lessee for noncancelable leases. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset, reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more.

At the commencement of a lease, the District measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments. The lease asset is initially measured at the initial amount of the lease liability, adjusted for lease payments made at or before the commencement of the lease term, plus initial direct costs that are ancillary charges to place the lease in service. Subsequently, the lease asset is amortized on a straight-line basis over the shorter of the lease term or its useful life.

Key estimates and judgments related to leases include how the District determines (1) the discount rate it uses to discount the expected lease payments to present value, (2) lease term, and (3) lease payments.

- The District uses its estimated incremental borrowing rate as the discount rate for the lease.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, payments for penalties of terminating the lease, lease incentives receivable from the vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its lease and will remeasure the lease asset and liability if certain changes occur that are expected to significantly affect the amount of the lease liability.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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There were no variable payments or residual value guarantees or penalties not included in the measurement of the lease. The District did not have any commitments under lease not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for Fiscal Year 2023.

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

Future lease payment maturity schedule is as follows:

Year ended August 31	Principal	Interest	Total
2024	\$ 39,766	\$ 566	\$ 40,332
2025	6,705	16	6,721
	<u>\$ 46,471</u>	<u>\$ 582</u>	<u>\$ 47,053</u>

G. Subscription Based IT Arrangements

The District is a contractee for noncancelable Subscription-Based IT Arrangements (SBITAs). The District recognizes a SBITA liability, reported with long-term debt, and a right-to-use SBITA asset, reported with other capital assets, in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of \$20,000 or more.

At the commencement of a SBITA, the District measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments. The SBITA asset is initially measured at the initial amount of the SBITA liability, adjusted for SBITA payments made at or before the commencement of the SBITA term, plus capitalizable initial implementation costs as described in GASB 96 paragraph 29(b). Subsequently, the SBITA asset is amortized on a straight-line basis over the shorter of the SBITA term or it's useful life.

Key estimates and judgments related to SBITAs include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses its estimated incremental borrowing rate as the discount rate for the SBITA.
- The SBITA term includes the noncancelable period of the SBITA.
- SBITA payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, payments for penalties of terminating the SBITA, SBITA incentives receivable from the vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

The District monitors changes in circumstances that would require a remeasurement of its SBITAs and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability.

There were no variable payments or residual value guarantees or penalties not included in the measurement of the SBITAs. The District did not have any commitments under SBITAs not yet commenced at year-end, components of losses associated with asset impairments, or sublease transactions for Fiscal Year 2023.

The District entered into a new SBITA with IXL with an initial value of \$93,605. The subscription is payable in annual installments of \$32,654 at an interest rate of 2.31% and matures on May 16, 2026.

The District entered into a new SBITA with Cisco with an initial value of \$84,782. The subscription is payable in annual installments of \$30,043 at an interest rate of 3.12% and matures on October 15, 2025.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
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Future SBITA payment maturity schedule is as follows:

Year ended August 31	Principal	Interest	Total
2024	\$ 59,448	\$ 3,249	\$ 62,697
2025	61,051	1,646	62,697
	<u>\$ 120,499</u>	<u>\$ 4,895</u>	<u>\$ 125,394</u>

H. Risk Management

The District is exposed to various risks of loss related to torts, theft, damage or destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2023, Glen Rose Independent School 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, 2023, 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 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, 2022, the Fund carries a total of \$11,173,055 in current loss reserves, including \$3,993,237 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 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, 2022 are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on the last day of February. 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, 2023, 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.

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, 2023, 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, 2022, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
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FOR THE YEAR ENDED AUGUST 31, 2023

I. Pension Plan

1. Plan Description

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

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

2. Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov>; 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 COLAs can be granted by the Texas Legislature as noted in the Plan description in (1) above.

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

4. Contributions

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

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

	<u>Contribution Rates</u>	
	<u>2022</u>	<u>2023</u>
Member	8.00%	8.00%
Non-Employer Contributing Entity (State)	7.75%	8.00%
Employers	7.75%	8.00%
District's 2023 Employer Contributions	\$	613,295
District's 2023 Member Contributions	\$	1,238,592
2022 NECE On-Behalf Contributions (State)	\$	769,342

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 1.7% of the member's salary beginning in fiscal year 2022, 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.

5. Actuarial Assumptions

The total pension liability in the August 31, 2021 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term expected Investment Rate of Return	7.00%
Municipal Bond Rate as of August 2022	3.91% *
Last year ending August 31 in Projection Period	2121
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

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

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2021. For a full description of these assumptions, please see the actuarial valuation report dated November 12, 2021.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

6. Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. 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 expected rate of return on pension plan investments is 7.00%. The long-term expected rate of return on plan investments was determined using a building-block method in which best-estimate ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation. Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2022 are summarized below:

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Asset Class *	Target Allocation **	Long-Term Expected Arithmetic Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	4.60%	1.12%
Non-U.S. Developed	13.00%	4.90%	0.90%
Emerging Markets	9.00%	5.40%	0.75%
Private Equity	14.00%	7.70%	1.55%
Stable Value			
Government Bonds	16.00%	1.00%	0.22%
Absolute Return	0.00%	3.70%	0.00%
Stable Value Hedge Funds	5.00%	3.40%	0.18%
Real Return			
Real Estate	15.00%	4.10%	0.94%
Energy, Natural Resources and Infrastructure	6.00%	5.10%	0.37%
Commodities	0.00%	3.60%	0.00%
Risk Parity	8.00%	4.60%	0.43%
Asset Allocation Leverage			
Cash	2.00%	3.00%	0.01%
Asset Allocation Leverage	-6.00%	3.60%	-0.05%
Inflation Expectation			2.70%
Volatility Drag ****			-0.91%
Expected Return	100.00%		8.19%
* Absolute Return includes Credit Sensitive Investments. ** Target allocations are based on the FY2022 policy model. *** Capital Market Assumptions come from Aon Hewitt (as of 08/31/2022). **** The volatility drag results from the conversion between arithmetic and geometric mean returns.			

7. Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using a discount rate of 7.00%, and what the net position liability would be if it were calculated using a discount rate that is 1% lower (6.00%) or 1% higher (8.00%) than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability \$	<u>15,400,425</u>	<u>9,899,857</u>	<u>5,441,390</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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

At August 31, 2023, the District reported a liability of \$9,899,857 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 9,899,857
State's proportionate share that is associated with District	9,788,028
Total	<u>\$ 19,687,885</u>

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

At August 31, 2022 the employer's proportion of the collective net pension liability was 0.016676%, which was a decrease of 0.005911% from its proportion measured as of August 31, 2021.

9. Changes Since the Prior Actuarial Valuation

The actuarial assumptions and methods have been modified since the determination of the prior year's Net Pension Liability. These new assumptions were adopted in conjunction with an actuarial experience study. The primary assumption change was the lowering of the single discount rate from 7.25% to 7.00%.

For the year ended August 31, 2023, the District recognized pension expense of \$2,200,917 and revenue of \$935,624 representing pension expense incurred by the State on behalf of the District.

At August 31, 2023, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between Expected and Actual Actuarial Experience	\$ 143,547	\$ 215,836
Changes in Actuarial Assumptions	1,844,666	459,742
Difference Between Projected and Actual Investment Earnings	978,074	-
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	3,667,663	2,458,580
Contributions paid to TRS subsequent to the measurement date of the Net Pension Liability	613,295	-
Total	<u>\$ 7,247,245</u>	<u>\$ 3,134,158</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

The deferred outflows of resources related to pension resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2024. 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:

Fiscal Year Ended August 31	Pension Expense Amount
2024	\$ 921,024
2025	631,651
2026	374,993
2027	1,482,155
2028	89,969
Thereafter	-

J. 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>; 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

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

4. Contributions

Contribution rates for the TRS-Care plan are established in State Statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers are based on active employee compensation. The TRS board does not have the authority to set or amend contribution rates.

Section 1575.202 of the Texas Insurance Code establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of Salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

<u>Contribution Rates</u>		
	<u>2022</u>	<u>2023</u>
Member	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 2023 Employer Contributions		\$ 155,847
District's 2023 Member Contributions		\$ 100,515
2022 NECE On-Behalf Contributions (State)		\$ 193,394

All employers whose employees are covered by the TRS pension plan are also required to pay a surcharge of \$535 per month when employing a retiree of TRS.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$83 million in fiscal year 2022 from the Federal American Rescue Plan Act (ARPA) to help defray the COVID-19 related health care costs during fiscal year 2022.

5. Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were 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, 2021 TRS pension actuarial valuation that was rolled forward to August 31, 2022:

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

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

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2021 rolled forward to August 31, 2022
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.91% as of August 31, 2022
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the 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 8.25% for Medicare retirees and 7.25% for non-Medicare retirees. There was an initial prescription drug trend rate of 8.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 13 years.

6. Discount Rate

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

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

7. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% lower than and 1% higher than the discount rate that was used (3.91%) in measuring the Net OPEB Liability.

	1% Decrease in Discount Rate (2.91%)	Discount Rate (3.91%)	1% Increase in Discount Rate (4.91%)
District's proportionate share of the net OPEB liability:	\$ <u>5,449,482</u>	\$ <u>4,621,812</u>	\$ <u>3,951,292</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

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

At August 31, 2023, the District reported a liability of \$4,621,812 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	\$	4,621,812
State's proportionate share that is associated with District		5,637,884
Total	\$	<u>10,259,696</u>

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

At August 31, 2022 the District's proportion of the collective net OPEB liability was 0.019303%, which was an increase of 0.001704% from its proportion measured as of August 31, 2021.

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 the net OPEB liability:	\$ <u>3,808,394</u>	\$ <u>4,621,812</u>	\$ <u>5,676,303</u>

9. Changes Since the Prior Actuarial Valuation

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

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

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

The amount of OPEB expense recognized by the District in the reporting period was (\$1,120,771), and revenue of (\$800,061) representing OPEB expense incurred by the State on behalf of the District.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between Expected and Actual Actuarial Experience	\$ 256,956	\$ 3,850,384
Changes in Actuarial Assumptions	703,993	3,210,960
Difference Between Projected and Actual Investment Earnings	13,767	-
Changes in Proportion and Difference between District's Contributions and the Proportionate Share of Contributions	1,808,666	200,201
Contributions paid to TRS subsequent to the measurement date of the Net OPEB liability	155,847	-
Total	\$ <u>2,939,229</u>	\$ <u>7,261,545</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED AUGUST 31, 2023

The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in fiscal year ended August 31, 2024. The net amount of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year Ended August 31	OPEB Expense Amount
2024	\$ (846,731)
2025	(846,681)
2026	(650,685)
2027	(385,342)
2028	(641,109)
Thereafter	(1,107,615)

10. Medicare Part D Subsidies

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal year ended August 31, 2023, the subsidy payment received by TRS-Care on behalf of the District was \$79,189.

K. Employee Health Care Coverage

During the year ended August 31, 2023, employees of the District were covered by a health insurance plan (the Plan). The District 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 and have been filed with the Texas State Board of Insurance, Austin, Texas, and are public records.

L. 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 collectability 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, 2023.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

NOTES TO THE FINANCIAL STATEMENTS FOR THE YEAR ENDED AUGUST 31, 2023

M. 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 are 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	\$ 921,011
Tolar ISD	279,517
Bluff Dale ISD	76,631
Three Way ISD	38,320
Total	\$ <u>1,315,479</u>

Shared Services Arrangement - Membership

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

Member Districts

Central Texas SSA	Granbury ISD
Greater Erath County SSA	Springtown ISD
Hood-Sommervell 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, Birdville 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.

N. Other Committed and Restricted Fund Balance

Other Committed Fund Balance

<u>Fund</u>		
General Fund	\$ 1,750,000	Reserve for Instructional Improvement
Nonmajor Governmental Fund	130,585	Campus Activity Fund
	\$ <u>1,880,585</u>	

Other Restricted Fund Balances

<u>Fund</u>		
Nonmajor Governmental Fund	86,926	Reserve for Scholarships
Nonmajor Governmental Fund	165,650	Shared Service Arrangement
	\$ <u>252,576</u>	

N. Subsequent Events

The District evaluated subsequent events through January 22, 2024, the date the financial statements were available to be issued, and noted 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, 2023

EXHIBIT G-1

Page 1 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
REVENUES:					
5700	Local and Intermediate Sources	\$ 26,537,783	\$ 27,753,590	\$ 27,534,348	\$ (219,242)
5800	State Program Revenues	4,512,412	5,721,634	6,218,569	496,935
5900	Federal Program Revenues	--	--	62,517	62,517
5020	Total Revenues	<u>31,050,195</u>	<u>33,475,224</u>	<u>33,815,434</u>	<u>340,210</u>
EXPENDITURES:					
Current:					
Instruction and Instructional Related Services:					
0011	Instruction	12,679,275	12,619,444	11,869,935	749,509
0012	Instructional Resources and Media Services	309,421	309,512	288,392	21,120
0013	Curriculum and Staff Development	346,379	314,199	309,563	4,636
	Total Instruction and Instr. Related Services	<u>13,335,075</u>	<u>13,243,155</u>	<u>12,467,890</u>	<u>775,265</u>
Instructional and School Leadership:					
0023	School Leadership	1,031,095	1,015,015	996,772	18,243
	Total Instructional and School Leadership	<u>1,031,095</u>	<u>1,015,015</u>	<u>996,772</u>	<u>18,243</u>
Support Services - Student (Pupil):					
0031	Guidance, Counseling and Evaluation Services	462,601	442,601	423,532	19,069
0033	Health Services	284,329	309,389	303,027	6,362
0034	Student (Pupil) Transportation	1,111,895	1,080,581	1,042,070	38,511
0036	Cocurricular/Extracurricular Activities	1,285,402	1,369,402	1,323,645	45,757
	Total Support Services - Student (Pupil)	<u>3,144,227</u>	<u>3,201,973</u>	<u>3,092,274</u>	<u>109,699</u>
Administrative Support Services:					
0041	General Administration	1,483,952	1,504,206	1,459,150	45,056
	Total Administrative Support Services	<u>1,483,952</u>	<u>1,504,206</u>	<u>1,459,150</u>	<u>45,056</u>
Support Services - Nonstudent Based:					
0051	Plant Maintenance and Operations	3,001,425	2,951,425	2,734,977	216,448
0052	Security and Monitoring Services	226,000	226,000	215,318	10,682
0053	Data Processing Services	488,154	493,154	482,089	11,065
	Total Support Services - Nonstudent Based	<u>3,715,579</u>	<u>3,670,579</u>	<u>3,432,384</u>	<u>238,195</u>
Ancillary Services:					
0061	Community Services	11,830	11,830	720	11,110
	Total Ancillary Services	<u>11,830</u>	<u>11,830</u>	<u>720</u>	<u>11,110</u>
Debt Service:					
0071	Principal on Long-Term Debt	--	68,000	73,370	(5,370)
0072	Interest on Long-Term Debt	--	7,000	4,495	2,505
	Total Debt Service	<u>--</u>	<u>75,000</u>	<u>77,865</u>	<u>(2,865)</u>
Intergovernmental Charges:					
0091	Contracted Instr. Services Between Public Schools	7,150,541	8,100,541	7,947,280	153,261
0093	Payments to Fiscal Agent/Member Dist.-SSA	925,000	925,000	863,643	61,357
0097	Payments to Tax Increment Fund	75,000	75,000	75,000	--
	Total Intergovernmental Charges	<u>8,150,541</u>	<u>9,100,541</u>	<u>8,885,923</u>	<u>214,618</u>
6030	Total Expenditures	<u>30,872,299</u>	<u>31,822,299</u>	<u>30,412,978</u>	<u>1,409,321</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

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

EXHIBIT G-1

Page 2 of 2

Data Control Codes		1	2	3	Variance with Final Budget Positive (Negative)
		Budgeted Amounts		Actual	
		Original	Final		
1100	Excess (Deficiency) of Revenues Over (Under)				
1100	Expenditures	<u>177,896</u>	<u>1,652,925</u>	<u>3,402,456</u>	<u>1,749,531</u>
	Other Financing Sources (Uses):				
7949	Issuance of Right to Use SBITAs	--	--	106,255	106,255
8911	Transfers Out	--	--	(1,000,000)	(1,000,000)
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>--</u>	<u>(893,745)</u>	<u>(893,745)</u>
1200	Net Change in Fund Balance	<u>177,896</u>	<u>1,652,925</u>	<u>2,508,711</u>	<u>855,786</u>
0100	Fund Balance - Beginning	<u>9,470,571</u>	<u>9,470,571</u>	<u>9,470,571</u>	--
3000	Fund Balance - Ending	<u>\$ 9,648,467</u>	<u>\$ 11,123,496</u>	<u>\$ 11,979,282</u>	<u>\$ 10,326,357</u>

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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the net pension liability	0.016676%	0.022587%	0.011325%	0.012652%	0.012738%	0.011889%	0.012516%	0.013120%	0.009112%	--
District's proportionate share of the net pension liability	\$ 9,899,857	\$ 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 net pension liability associated with the District	9,788,028	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>\$ 19,687,885</u>	<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>
District's covered payroll	\$ 15,331,083	\$ 14,385,695	\$ 13,886,400	\$ 13,165,277	\$ 12,699,844	\$ 12,695,456	\$ 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	64.57%	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	75.62%	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									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Contractually required contribution	\$ 613,295	\$ 614,707	\$ 440,043	\$ 467,044	\$ 442,785	\$ 421,941	\$ 385,025	\$ 397,664	\$ 388,500	\$ --
Contributions in relation to the contractually required contribution	(613,295)	(614,707)	(440,043)	(467,044)	(442,785)	(421,941)	(385,025)	(397,664)	(388,500)	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 15,578,679	\$ 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	3.94%	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									
	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
District's proportion of the collective net OPEB liability	0.019303%	0.017599%	0.017297%	0.017773%	0.017678%	0.015034%	--	--	--	--
District's proportionate share of the collective net OPEB liability	\$ 4,621,812	\$ 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	5,637,884	9,095,164	8,835,972	11,168,271	10,817,420	9,956,575	--	--	--	--
Total	<u>\$ 10,259,696</u>	<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>
District's covered payroll	\$ 15,331,083	\$ 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	30.15%	47.19%	47.42%	63.84%	69.50%	50.42%	--	--	--	--
Plan fiduciary net position as a percentage of the total OPEB liability	11.52%	6.18%	4.99%	2.66%	1.57%	0.91%	--	--	--	--

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

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

	Fiscal Year									
	2023	2022	2021	2020	2019	2018	2017	2016	2015	2014
Statutorily or contractually required District contribution	\$ 155,847	\$ 158,041	\$ 137,495	\$ 131,473	\$ 125,780	\$ 121,953	--	\$ --	\$ --	\$ --
Contributions recognized by OPEB in relation to statutorily or contractually required contribution	(155,847)	(158,041)	(137,495)	(131,473)	(125,780)	(121,953)	--	--	--	--
Contribution deficiency (excess)	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --	\$ --
District's covered payroll	\$ 15,578,679	\$ 15,329,662	\$ 14,385,695	\$ 13,886,400	\$ 13,165,277	\$ 12,699,844	--	\$ --	\$ --	\$ --
Contributions as a percentage of covered payroll	1.00%	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, 2023

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 Petined 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 I).

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 J).

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 I).

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 J).

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, 2023**

Year Ended August 31	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2014 and Prior Years	\$	Various	\$	Various	\$	Various
2015		.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		.8747		.1003		2,489,731,897
2023 (School Year Under Audit)		.8546		.1204		2,874,231,487

1000 Totals

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

8000 - Taxes Refunded under Section 26.1115, Tax Code for owners who received an exemption
as provided by Section 11.42(f), 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.

EXHIBIT J-1

10 Beginning Balance 9/1/22	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 8/31/23
\$ 65,160	\$ --	\$ 2,058	\$ 161	\$ --	\$ 62,941
11,403	--	535	45	--	10,823
16,686	--	1,177	129	--	15,380
13,974	--	1,301	172	--	12,501
18,416	--	2,093	271	(1)	16,051
22,225	--	2,627	289	240	19,549
53,310	--	21,218	3,277	(120)	28,695
59,950	--	21,630	2,480	(976)	34,864
134,016	--	52,646	6,037	(25,458)	49,875
--	28,023,757	24,411,398	3,439,191	(1)	173,167
<u>\$ 395,140</u>	<u>\$ 28,023,757</u>	<u>\$ 24,516,683</u>	<u>\$ 3,452,052</u>	<u>\$ (26,316)</u>	<u>\$ 423,846</u>
		\$ 75,000			
		\$ --			

GLEN ROSE INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-2**
**NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
 BUDGETARY COMPARISON SCHEDULE
 FOR THE YEAR ENDED AUGUST 31, 2023**

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
REVENUES:				
5700	Local and Intermediate Sources	\$ 408,002	\$ 424,710	\$ 16,708
5800	State Program Revenues	2,500	18,277	15,777
5900	Federal Program Revenues	589,500	773,408	183,908
5020	Total Revenues	<u>1,000,002</u>	<u>1,216,395</u>	<u>216,393</u>
EXPENDITURES:				
Current:				
Support Services - Student (Pupil):				
0035	Food Services	<u>1,189,365</u>	<u>1,090,771</u>	<u>98,594</u>
	Total Support Services - Student (Pupil)	<u>1,189,365</u>	<u>1,090,771</u>	<u>98,594</u>
6030	Total Expenditures	<u>1,189,365</u>	<u>1,090,771</u>	<u>98,594</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>(189,363)</u>	<u>125,624</u>	<u>314,987</u>
Other Financing Sources (Uses):				
7915	Transfers In	<u>20,000</u>	<u>--</u>	<u>(20,000)</u>
7080	Total Other Financing Sources and (Uses)	<u>20,000</u>	<u>--</u>	<u>(20,000)</u>
1200	Net Change in Fund Balance	<u>(169,363)</u>	<u>125,624</u>	<u>294,987</u>
0100	Fund Balance - Beginning	<u>344,894</u>	<u>344,894</u>	<u>--</u>
3000	Fund Balance - Ending	<u>\$ 175,531</u>	<u>\$ 470,518</u>	<u>\$ 294,987</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

EXHIBIT J-3

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

Data Control Codes		1	2	3
		Budget	Actual	Variance Positive (Negative)
	REVENUES:			
5700	Local and Intermediate Sources	\$ 3,593,820	\$ 3,597,349	\$ 3,529
5800	State Program Revenues	--	40,219	40,219
5020	Total Revenues	<u>3,593,820</u>	<u>3,637,568</u>	<u>43,748</u>
	EXPENDITURES:			
	Debt Service:			
0071	Principal on Long-Term Debt	1,915,000	1,915,000	--
0072	Interest on Long-Term Debt	354,089	354,089	--
0073	Bond Issuance Costs and Fees	8,000	750	7,250
	Total Debt Service	<u>2,277,089</u>	<u>2,269,839</u>	<u>7,250</u>
6030	Total Expenditures	<u>2,277,089</u>	<u>2,269,839</u>	<u>7,250</u>
1100	Excess (Deficiency) of Revenues Over (Under)			
1100	Expenditures	<u>1,316,731</u>	<u>1,367,729</u>	<u>50,998</u>
	Other Financing Sources (Uses):			
7916	Premium or Discount on Issuance of Bonds	--	3,989	3,989
7080	Total Other Financing Sources and (Uses)	<u>--</u>	<u>3,989</u>	<u>3,989</u>
1200	Net Change in Fund Balance	1,316,731	1,371,718	54,987
0100	Fund Balance - Beginning	990,193	990,193	--
3000	Fund Balance - Ending	<u>\$ 2,306,924</u>	<u>\$ 2,361,911</u>	<u>\$ 54,987</u>

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

<u>Data Control Codes</u>		<u>Responses</u>
<u>Section A: Compensatory Education Programs</u>		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 1,239,623
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)	\$ 947,578
<u>Section B: Bilingual Education Programs</u>		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 117,617
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 72,949

GLEN ROSE INDEPENDENT SCHOOL DISTRICT**EXHIBIT J-5****FUND BALANCE AND CASH FLOW CALCULATION WORKSHEET (UNAUDITED)****GENERAL FUND****AS OF AUGUST 31, 2023**

Data Control Codes	Explanation	Amount
1	Total General Fund Fund Balance as of August 31, 2023 (Exhibit C-1 object 3000 for the General Fund only)	\$ <u>11,979,282</u>
2	Total General Fund Nonspendable Fund Balance (from Exhibit C-1 - total of object 341X-344X for the General Fund only)	<u>211,836</u>
3	Total General Fund Restricted Fund Balance (from Exhibit C-1 - total of object 345X-349X for the General Fund only)	<u>--</u>
4	Total General Fund Committed Fund Balance (from Exhibit C-1 - total of object 351X-354X for the General Fund only)	<u>4,500,000</u>
5	Total General Fund Assigned Fund Balance (from Exhibit C-1 - total of object 355X-359X for the General Fund only)	<u>--</u>
6	Estimated amount needed to cover fall cash flow deficits in the General Fund (net of borrowed funds and funds representing deferred revenues)	<u>2,534,415</u>
7	Estimate of two months' average cash disbursements during the fiscal year	<u>5,068,830</u>
8	Estimate of delayed payments from state sources (58XX)	<u>--</u>
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	<u>--</u>
10	Estimate of delayed payments from federal sources (59XX)	<u>--</u>
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)	<u>--</u>
12	General Fund Optimum Fund Balance and Cash Flow (Lines 2+3+4+5+6+7+8+9+10+11)	<u>12,315,081</u>
13	Excess (Deficit) Unassigned General Fund Fund Balance (1-12)	\$ <u><u>(335,799)</u></u>



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, 2023, 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 22, 2024.

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 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 were not 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 22, 2024.

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.

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

Snow Garrett Williams
January 22, 2024



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, 2023. 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, 2023.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; 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.

Other Matters

The results of our auditing procedures disclosed an instance of noncompliance which is required to be reported in accordance with the Uniform Guidance and which is described in the accompanying schedule of findings and questioned costs as items 2023-001. Our opinion on each each major federal program is not modified with respect to this matters.

Government Auditing Standards requires the auditor to perform limited procedures on Glen Rose Independent School District's response to the noncompliance finding identified in our audit and described in the accompanying schedule of of findings and questioned costs. Glen Rose Independent School District's response was not subjected to the auditing procedures applied in the audit of the financial statements and, accordingly we express no opinion on the response.

Report on Internal Control Over Compliance

Our consideration of internal control over compliance was for the limited purpose described in the Auditor' 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, as discussed below, we did identify certain deficiencies in internal control over compliance that we consider to be significant deficiencies.

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. We consider the deficiency in internal control over compliance described in the accompanying schedule of findings and questioned costs item 2023-001 to be a significant deficiency.

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.

Government Auditing Standards requires the auditor to perform limited procedures on Glen Rose Independent School District's response to the internal control over compliance finding identified in our compliance audit described in the accompanying schedule of findings and questioned costs. Glen Rose Independent School District's response was not subjected to the other auditing procedures applied in the audit of compliance and, accordingly, we express no opinion on the response.

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.



Snow Garrett Williams
January 22, 2024

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

A. Summary of Auditor's Results

1. Financial Statements

Type of auditor's report issued: Unmodified

Internal control over financial reporting:

One or more material weaknesses identified? Yes X No

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

Noncompliance material to financial statements noted? Yes X No

2. Federal Awards

Internal control over major programs:

One or more material weaknesses identified? Yes X No

One or more significant deficiencies identified that are not considered to be material weaknesses? X Yes No

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

Version of compliance supplement used in audit: May 2023

Any audit findings disclosed that are required to be reported in accordance with Title 2 U.S. Code of Federal Regulations (CFR) Part 200, para. 200.516(a)?? X Yes 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)

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

Auditee qualified as low-risk auditee? X Yes No

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

B. Financial Statement Findings

None.

C. Federal Award Findings and Questioned Costs

2023-001- Allowable Activities/Allowable Costs- Nonpayroll expenditures

Type of Finding: Significant Deficiency in Internal Controls over Compliance/ Noncompliance
Federal Agency: U.S. Department of Education
Federal Program Name: Education Stabilization Fund (ESF) COVID-19
Assistance Listing Number: 84.425D, U
Pass-Through Entity: Texas Department of Education
Pass-Through Number(s): All Pass-Through Numbers Present in the SEFA
Award Period:
Statistically Valid Sample: No, and not intended to be a Statistically Valid Sample.

Criteria or Specific Requirements

In accordance with 2 CFR 200 Subpart E, a cost is allocable to a particular Federal award or other cost objective if the goods or services involved are chargeable or assignable to that Federal award or cost objective in accordance with relative benefits received.

Condition

During our testing over allowable activities/costs, we noted that the District prepaid for multiple years of a software subscription from ESSER II funds. Benefits not yet received may not be paid with ESSER funds; therefore, only one year of service per grant year is allowable. The portion of the payment that was for access to the software in Fiscal Year 2023 was allowable, but the portion of the payment for access to the software in Fiscal Years 2024 and 2025 was unallowable since the benefit was not yet received.

Questioned Costs

\$37,650

Context

The condition was identified as a result of dual-purpose test work performed for internal controls over compliance/compliance with the allowable activities and allowable costs requirements through review of supporting documentation of non-payroll expenditures. Once this was identified and communicated to the District, the District was able reclassify the portion of the payment that was for access to the software in fiscal years 2024 and 2025 to the General Fund prior to August 31, 2023. The District identified eligible expenditures recorded in the General Fund in Fiscal Year 2023 and reclassified to ESSER II to replace the unallowable expenditures.

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF FINDINGS AND QUESTIONED COSTS

FOR THE YEAR ENDED AUGUST 31, 2023

Cause

Historically, the District has not prepaid for subscriptions that will be used in future years and was unaware that this was not allowed to be paid from federal funds.

Effect

The District did not comply with allowable activities and allowable costs requirements prescribed by 2 CFR Part 200 Uniform Guidance.

Repeat Finding

No

Recommendation

The District should review allowable activities and allowable costs requirements, and enhance controls to ensure compliance with the requirements.

Views of Responsible Officials

There is no disagreement with the audit finding. See corrective action plan.



GLEN ROSE
Independent School District
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www.grisd.net

LOVE....SERVE....LEAD

Finding 2023-001

Responsible Parties:

Kayla O'Quinn, Director of Finance

Corrective Action Plan:

The responsible parties will more closely review program guidelines for each individual grant program before approving expenditure requests. The District will review allowable activities and allowable costs requirements, and enhance controls to ensure compliance with the requirements.

Completion Date:

9/30/2023

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

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
CHILD NUTRITION CLUSTER:			
<u>U.S. Department of Agriculture</u>			
Passed Through State Department of Education:			
School Breakfast Program	10.553	71402301	\$ 130,262
National School Lunch Program	10.555	71302301	503,332
Total Passed Through State Department of Education			633,594
Passed Through Texas Department of Agriculture:			
Commodity Supplemental Food Program (Non-cash)	10.555	NT4XL1YGLGC5	70,351
Supply Chain Assistance	10.555	NT4XL1YGLGC5	68,729
Total ALN 10.555			642,412
Total Passed Through Texas Department of Agriculture			642,412
Total U.S. Department of Agriculture			772,674
Total Child Nutrition Cluster			772,674
SPECIAL EDUCATION (IDEA) CLUSTER:			
<u>U.S. Department of Education</u>			
Passed Through State Department of Education:			
SSA IDEA - Part B, Discretionary	84.027	66002312	\$ 232,870
SSA IDEA - Part B, Formula	84.027	236600012139016600	623,154
SSA IDEA - Part B, Formula	84.027	226600012139016600	137,123
Total ALN 84.027			232,870
SSA IDEA - Part B, Preschool	84.173	236610012139016610	11,873
Total Passed Through State Department of Education			1,005,020
Total U.S. Department of Education			1,005,020
Total Special Education (IDEA) Cluster			\$ 232,870
OTHER PROGRAMS:			
<u>U.S. Department of Agriculture</u>			
Passed Through Texas Department of Agriculture:			
Commodity Storage Reimbursement Grant	10.560	NT4XL1YGLGC5	106
State Pandemic Electronic Benefit Transfer (P-EBT-COVID-19)	10.649	NT4XL1YGLGC5	628
Total Passed Through Texas Department of Agriculture			734
Total U.S. Department of Agriculture			\$ 734

GLEN ROSE INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
FOR THE YEAR ENDED AUGUST 31, 2023

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	23680101213901	\$ --	\$ 20,700
Title III, Part A-English Language Acquisition and Language Enhancement	84.365A	22671001213901		21,681
LEP Summer School	84.369A	69552102		1,439
Career and Technical Education - Basic Grant	84.048A	23420006213901		17,453
ESEA Title I Part A - Improving Basic Programs	84.010A	23610101213901		223,666
ESEA Title II, Part A - Teacher & Principal Training & Recruiting	84.367A	23694501213901		52,340
Elementary and Secondary School Emergency Relief Fund (ESSER II-COVID 19)	84.425D	21521001213901		97,578
Elementary and Secondary School Emergency Relief Fund (ESSER III-COVID 19)	84.425U	21528001213901		586,725
Total ALN 84.425				<u>684,303</u>
Total Passed Through State Department of Education				<u>1,021,582</u>
Total U.S. Department of Education				<u>1,021,582</u>
TOTAL EXPENDITURES OF FEDERAL AWARDS			\$ <u>232,870</u>	\$ <u>2,800,010</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, 2023

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	\$	2,917,479
Less:		
SHARS		(117,469)
Total Expenditures of Federal Awards	\$	<u>2,800,010</u>

GLEN ROSE INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
AS OF AUGUST 31, 2023**

<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 to not have made timely payments.) Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government code, Texas Education Code, Texas Administrative Code and other statutes, laws and rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion on CABs included in government-wide financial statements at fiscal year-end	\$ --

