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Pasadena, TX



PASADENA

INDEPENDENT SCHOOL DISTRICT



2022 Annual Comprehensive Financial Report

for the fiscal year ended August 31, 2022

Prepared by the Business & Finance Department | 1515 Cherrybrook Ln., Pasadena, TX 77502



www.pasadenaisd.org



Mission Statement



The mission of Pasadena ISD,
the gateway to unlimited opportunity
for our culturally rich community,
is to empower students to become
accomplished, self-directed,
collaborative, lifelong learners,
who boldly contribute to an increasingly
complex and evolving world by
engaging them in positive relationships,
rigorous curriculum, and
innovative meaningful experiences.







PASADENA INDEPENDENT SCHOOL DISTRICT

Pasadena, Texas

ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended August 31, 2022

DeeAnn Powell, Ed. D.
Superintendent of Schools

Ben Pape
Chief Financial Officer



PASADENA INDEPENDENT SCHOOL DISTRICT

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INTRODUCTORY SECTION







Pasadena Independent School District

Ben Pape
Chief Financial Officer
Email: BPapel@pasadenaisd.org

February 6, 2023

Members of the Board of Trustees and
Citizens of Pasadena Independent School District
1515 Cherrybrook Lane
Pasadena, Texas 77502

Dear Board Members and Citizens:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Pasadena Independent School District (the "District") for the fiscal year ended August 31, 2022. The ACFR is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

This report consists of management's representations concerning the financial condition and operations of the District. Accordingly, management assumes full responsibility for the completeness and reliability of all of the information presented in this report. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed both to protect the District's assets from loss, theft, or misuse and to compile sufficient reliable information for the preparation of the District's financial statements in conformity with GAAP. The District's comprehensive framework of internal controls has been designed to provide reasonable rather than absolute assurance that the financial statements will be free from material misstatement because the cost of internal controls should not outweigh their benefits. As management, we assert, to the best of our knowledge and belief, this financial report is complete and reliable in all material respects.

The District's financial statements have been audited by Whitley Penn, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2022 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion and that the District's financial statements for the period ended August 31, 2022, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented as part of the ACFR's Federal Awards Section. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed

to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors' Report.

Profile of the District

The Pasadena Independent School District, established in 1898, encompasses 85.5 square miles in southeast Harris County just east of Houston, Texas. The District covers portions of the cities of Pasadena, Pearland and Houston, all of the City of South Houston and an unincorporated area of Harris County. The District is a political subdivision of the State of Texas governed by a seven-member Board of Trustees who serve staggered four-year terms. Elections are held in May of every other year. The District has a population of approximately 272,152 and employs approximately 8,432 employees, 3,777 of which are classroom teachers. These employees provide educational services for 49,495 students enrolled in the District. In the last year, the district enrollment has decreased by 2.2%. As the 18th largest district in the state of Texas, the District now serves thirty-six elementary schools (pre-kindergarten through fourth), eleven middle schools (fifth and sixth grade), ten intermediate schools (seventh and eighth grade), six high schools (ninth through twelfth grade), and four alternative or specialized campuses. Hispanic students make up 83% of the student body with the remainder of the student population being comprised of 5% White, 8% African American, 3% Asian, and 1% other.

Budgeting

The Texas Education Code requires the district budget be prepared by August 20, in accordance with Generally Accepted Accounting Principles (GAAP), and be legally adopted before the adoption of the tax rate. Beginning in February, revenue estimates are made based on projected enrollments which drive state aid, estimated property values for local funding, and possible legislative actions. Budgets for the General Fund, Food Service Fund and Debt Service Fund must be included in the official district budget. These budgets must be prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates. Budgetary reporting also is required within the comprehensive annual financial report to demonstrate compliance at the legal level of control for all governmental funds with legally adopted annual budgets.

On the expenditure side, the business office calculates the impact of changes to the pay scales on the budget. Projected State funding increases permitted a three (3%) percent salary increase for 2021-2022. In March and April 2022, personnel requests and staffing changes were reviewed in relation to student/teacher ratios, student demographics, and/or special programs.

Schools receive a basic allotment (weighted for special populations) per student for supplies and materials, staff development expenses, and other operating costs. These allocations address equity issues between schools. In addition, a school may request additional funds for special needs on that campus, addressing the adequacy issue. These "special requests" are evaluated and prioritized to determine those addressing the greatest needs for the district.

Non-campus budgets are developed to support the instructional program. Department managers submit justifications for requests, especially any increases over current year budgets and/or prior year expenditures. Budget managers may also submit requests for facility upgrades. These requests are evaluated according to the costs of the project, age of the building, impact on the instructional program, and whether the request can be coordinated with other construction activities already scheduled. All requests are evaluated in light of revised revenue projections to ensure that resources are adequate to balance the budget. Several budget workshops are held with the Board during the summer to receive their input and direction. Once the budget is adopted in August, the tax rate may be set when the certified taxable values have been determined.

Major Initiatives

"The mission of the Pasadena Independent School District, the gateway to unlimited opportunity for our culturally rich community, is to empower students to become accomplished, self-directed, collaborative, lifelong learners, who boldly contribute to an increasingly complex and evolving world by engaging them in positive relationships, rigorous curriculum, and innovative meaningful experiences." The District developed a five-year strategic plan to help ensure that all of our energies and resources are being dedicated to the right areas to guide the district to success in achieving its objectives:

1. We will ensure rigorous curriculum and meaningful experiences through innovative learning environments that meet the individual needs of each student.
2. We will promote career and college exploration and preparation through the use of systems and structures to meet the needs of all.
3. We will actively recruit, develop, and retain a highly qualified staff.
4. We will use a culturally responsive approach to relentlessly pursue meaningful engagement with parental, business, and community stakeholders.
5. We will promote a safe school environment, teach citizenship, and support the social, emotional and physical well-being of all students and staff.
6. We will promote an exemplary learning environment through the utilization of ancillary service departments that integrate established and innovative practices,

Factors Affecting the Financial Condition

Local Economy

While much of the economic base for the community is the petrochemical industry, Pasadena Independent School District's boundaries encompass relatively few major corporations compared with surrounding districts. Of the approximately 3,500 businesses within the Pasadena city limits, two-thirds are involved in retail trade. Total taxable property values within the PISD, net of mandatory and optional exemptions, is projected to exceed \$16.9 billion for the school year 2022-2023. Per student spending is expected to increase from \$10,972 to \$11,293 in the 2021-2022 school year. Refined average daily attendance (ADA) is projected to decrease. These indicators are reviewed when adopting the general fund budget for 2022-2023. Estimated revenue in the general fund budget for the 2022-2023 school year is \$522.4 million, a decrease of 1.5% over the adopted 2021-2022 budget of \$530.6 million.

General fund expenditures are budgeted to decrease 2% or \$13 million primarily due to the offset of-ESSER Funds. The District adopted a deficit budget for 2022-2023 in the amount of \$7.9 million. The Maintenance and Operations tax rate decreased to \$0.9953 down from \$1.0712 and the Interest and Sinking rate increased to \$0.34 from \$0.31 for a total tax rate of \$1.3353.

Long-term Financial Planning

The District maintains a five-year technology plan and also has a long-range facilities plan. Resources for the accomplishment of these goals will be identified in the district's annual budget. Other major factors in the development of a long-range financial plan include payroll costs, the cost of inflationary items such as insurance, utilities, and fuel. Financial factors are analyzed and updated annually during the process of budget development.

Capital Projects Funding

The district realizes newer campuses provide greater efficiency and therefore strives to replace campuses older than 50 years. The average age of our 66 campuses currently is 33.6 years. On November 8, 2011, the voters approved issuing school bonds totaling \$270.1 million. Proceeds from these bond sales were used to address the need for new schools to manage growth, improve existing schools and facilities, and expand the Career and Technical Education Program. Debt service requirements for this bond issue did not require an increase in the Interest & Sinking tax rate.

The District will continue seeking alternate sources of funding and employ the most cost-effective methodologies in order to continue providing a quality education for all students in the Pasadena Independent School District.

On November 4, 2014, the voters approved issuing school bonds totaling \$175.55 million. Proceeds were used to expand the new Career and Technical High School, expand the Early College Program to all high schools, add a ninth grade campus at Dobie High School, replace three aging campuses, add a new elementary and intermediate school as well as provide needed technology upgrades district-wide. Debt service requirements for this bond issue did not require an increase in the Interest & Sinking tax rate.

On November 7, 2017 voters approved a \$135 million bond election. Proceeds from these bond sales are being used to address the need for the Thompson Intermediate School replacement campus, located on a new site in the Riverstone Ranch development, which will provide enrollment relief to Bondy and Beverly Hills Intermediate schools. Bond proceeds also provided the Red Bluff Elementary school replacement campus, demolishing the 1950 campus, and using the existing site. The remaining funds were used to upgrade the transportation and maintenance facilities as well as provide funding for districtwide technology, new school buses and additional band and orchestra instruments.

Additionally, as mentioned earlier, on May 7, 2022, voters approved a \$305 million bond election. Proceeds from these bond sales are being used to benefit every campus across the district. These voter-approved funds will provide safety and security enhancements, classroom renovations, new buses, additional instruments, athletics upgrades, and enhanced technology. Bond proceeds will also provide priority replacement of schools which include Williams Elementary, Jessup Elementary, Bailey Elementary, and Parks Elementary.

Awards and Acknowledgments

The 2021-2022 School Year was very successful for Pasadena Independent School District and following are only a few of the district's accomplishments:

- Pasadena ISD named HEB Award of Excellence Top 5 Large District
- District's graduation rate increased to an all-time high of 90.9%. District achieved an "A" rating in Academic Growth according to a 2022 accountability report released by the Texas Education Agency.
- 34 District Counseling Programs Recognized for Reinforcing Excellence in the State of Texas (CREST) award.

The District received a "Superior Achievement" rating under the State's FIRST (Financial Integrity Rating System of Texas) program for nineteenth (19) consecutive years, the highest rating given. The district also received ASBO's COE (Certificate of Excellence in financial reporting) for its eighth (8th) consecutive year ending August 31, 2021. The district was awarded the Government and Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past tenth (10th) consecutive school year ending August 31, 2021. The district was also a second (2nd) time recipient of the Texas Association School Board Officials award of Excellence in Financial Management.

We appreciate the support of the Board of Trustees, residents of the district, and the business community, all who work cooperatively to ensure the best education for our students. The preparation of this report could not have been accomplished without the dedicated services of the District's Accounting Department as well as the independent auditing firm of Whitley Penn.

Respectfully submitted,



Ben Pape
Chief Financial Officer

PASADENA INDEPENDENT SCHOOL DISTRICT

Board of Trustees, Length of Service, Term Expiration

Vickie Morgan, President, 36 Years, 2023

Nelda Sullivan, Vice President, 29 Years, 2025

Casey D. Phelan, Secretary, 1 Year, 2025

Kenny Fernandez, Assistant Secretary, 7 Years, 2023

Marshall Kendrick, Member, 33 Years, 2023

Crystal Davila, Member, 1 Year, 2025

Paola Gonzalez Fusilier, Member, 1 Year, 2025

For pictures and profiles visit

<https://www1.pasadenaisd.org/cms/One.aspx?portalId=80772&pageId=217627>

Superintendent of Schools

Dr. DeeAnn Powell

Administrative Cabinet

Dr. DeeAnn Powell, Superintendent

Dr. Karen Hickman, Deputy Superintendent, Academic Achievement

Kevin Fornof, Associate Superintendent Facilities & Construction

Joe Saavedra, Associate Superintendent, Campus Development

Gloria Gallegos, Associate Superintendent, Special Programs

Alyta Harrell, Associate Superintendent, Campus Development

Toni Lopez, Associate Superintendent, Human Resources

Dr. Darla Massey-Jones, Associate Superintendent, Accountability and Compliance

Dr. Troy McCarley, Associate Superintendent, Projects Planning & Communications

Dr. Rhonda Parmer, Associate Superintendent, Campus Development

Dr. Angela Stallings, Associate Superintendent, Campus Development

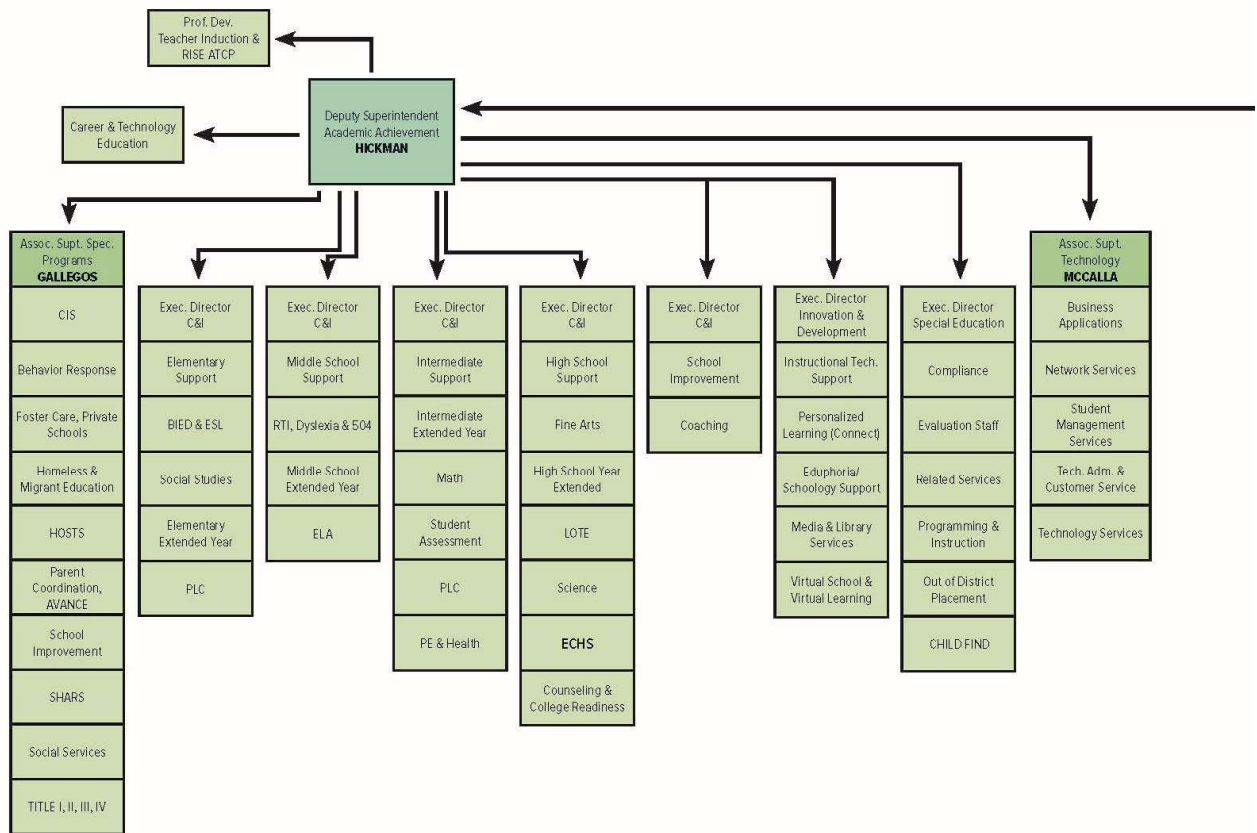
Melissa McCalla, Chief Technology Officer

Ben Pape, Chief Financial Officer

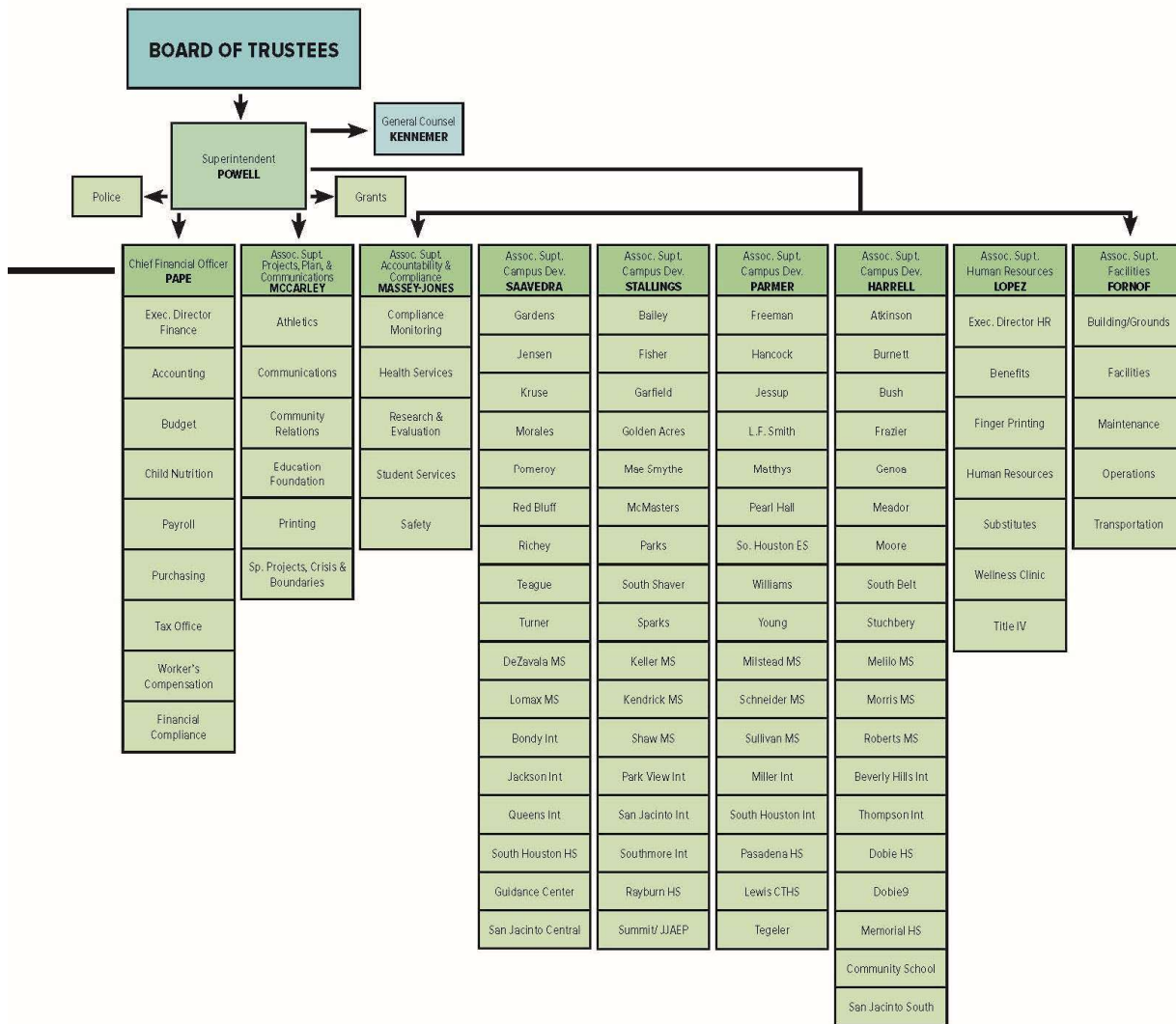
Jodie Kennemer, General Counsel

**PASADENA INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART**

Revised 10/25/22



PASADENA INDEPENDENT SCHOOL DISTRICT
ORGANIZATIONAL CHART (continued)



CERTIFICATE OF BOARD

Pasadena Independent School District

Name of School District

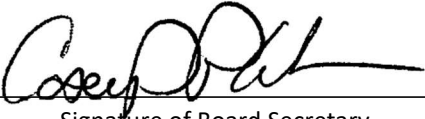
Harris

County

101-917

Co.-Dist Number

We, the undersigned certify that the attached annual financial reports of the above named school district were reviewed and approved, disapproved for the year ended August 31, 2022 at a meeting of the Board of Trustees of such school district on February 6, 2023.



Signature of Board Secretary



Signature of Board President



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pasadena Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Pasadena Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2021.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.



A handwritten signature in black ink, appearing to read 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, appearing to read 'David J. Lewis'.

David J. Lewis
Executive Director



FINANCIAL SECTION





INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Pasadena Independent School District
Pasadena, Texas

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

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2022, and the respective changes in financial position for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor’s Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor’s report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District’s internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District’s ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management’s discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed 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.

To the Board of Trustees
Pasadena Independent School District

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining nonmajor fund financial statements, required Texas Education Agency (TEA) schedules, and 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 was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining nonmajor fund financial statements, required TEA schedules, 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, statistical section, and Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic 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 February 6, 2023 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.



Houston, Texas
February 6, 2023





MANAGEMENT'S DISCUSSION & ANALYSIS





PASADENA INDEPENDENT SCHOOL DISTRICT MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Pasadena Independent School District (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 fiscal year ended August 31, 2022.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$123,159,080 (*net position*). Unrestricted net position reflects a deficit of \$201,110,592 which is caused by the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$423,379,443.
- The District's total net position increased by \$50,101,334. This is due to the decrease in the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$23,964,028.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$277,404,273, a decrease of \$21,501,410 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$148,652,127, or 28.4 percent of total general fund expenditures.
- The District's total net bonded debt decreased by \$29,939,106 (4%) during the current fiscal year.

Overview of the Financial Statements

This discussion and analysis is 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 required supplementary information and supplementary information in addition to the basic financial statements.

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, liabilities, and deferred inflows/outflows of resources, with the difference 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 showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to the change occurs, *regardless of the timing of related cash flows*. Thus, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and earned but unused compensated absences).

The government-wide financial statements of the District are principally supported by taxes and intergovernmental revenues (*governmental activities*). The governmental activities of the District include Instruction, Instructional Resources and Media Services, Curriculum and Instructional Staff Development, Instructional Leadership, School Leadership, Guidance, Counseling, and Evaluation Services, Social Work Services, Health Services, Student Transportation, Food Services, Extracurricular Activities, General Administration, Plant Maintenance and Operations, Security and Monitoring Services, Data Processing Services, Community Services, Interest on Long-term Debt, Facilities Repair and Maintenance, Payments Related to Shared Service Arrangements, Payments Related to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges.

The government-wide financial statements can be found as noted in the table of contents of this report.

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

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 legal requirements. All of the funds of the District can be divided into three categories: governmental funds, proprietary 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 District'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 District'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 maintains thirty-five individual governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, all of which are considered to be major funds. Data from the other thirty governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of combining statements elsewhere in the financial statements.

The District adopts an annual revenue and appropriations budget for its general fund, debt service fund and national school breakfast and lunch program special revenue fund. All other governmental funds adopt project length budgets. Subsequent to adoption, amendments approved by the governing body are reflected in a revised budget column. A budgetary comparison statement has been provided for the general fund, debt service fund, and national school breakfast and lunch program special revenue fund to demonstrate compliance with its budget.

The basic governmental fund financial statements can be found as noted in the table of contents of this report.

Proprietary Fund - The District maintains one type of proprietary fund - internal service funds. *Internal service funds* are an accounting device used to accumulate and allocate costs internally among the District's various funds and functions. The District uses an internal service fund to account for its self-funded health insurance and workers' compensation. Because this service predominantly benefits governmental functions, it has been included within *governmental activities* in the government-wide financial statements. Proprietary fund statements provide the same type of information as the government-wide financial statements, only in more detail.

The basic proprietary fund financial statements can be found as noted in the table of contents of this report.

Fiduciary Fund – The District maintains one type of fiduciary fund – custodial fund. *Custodial funds* are used to account for resources held for the benefit of parties outside of the government. Fiduciary funds are not reported in the government-wide financial statements because the resources of those funds are not available to support the District's own programs. The accounting used for fiduciary funds is much like that used for proprietary funds. The District maintains one type of fiduciary fund. Custodial fund reports resources held by the District in a custodial capacity for students.

The basic fiduciary fund financial statement can be found as noted in the table of contents of this report.

Notes to the Financial Statements - The notes provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found as noted in the table of contents of this report.

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Required Supplementary 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. The required supplementary information relates to comparison of the original adopted budget, the final amended budget, and the actual amounts for the fiscal year. This is required supplementary information for the general fund and any major special revenue funds. The District did not have any major special revenue funds; therefore, only the general fund is presented as required supplementary information. The required supplementary information also provides information on the District’s cost-sharing multiple-employer defined benefit pension and OPEB plan of which the District is a participant. The required supplementary information can be found as noted in the table of contents of this report.

Supplementary Information - The supplementary information is presented immediately following the required supplementary information and can be found as noted in the table of contents of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve, over time, as a useful indicator of a District’s financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year ended August 31, 2022 by \$123,159,080.

Net Position

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 399,932,671	29%	\$ 441,534,741	31%	\$ (41,602,070)	-9%
Capital Assets, net	993,099,965	71%	972,373,110	69%	20,726,855	2%
Total Assets	1,393,032,636	100%	1,413,907,851	100%	(20,875,215)	-1%
Total Deferred Outflows of Resources	109,856,138	100%	132,995,691	100%	(23,139,553)	-17%
Current liabilities	101,740,780	9%	136,952,210	11%	(35,211,430)	-26%
Long-term liabilities	1,023,391,319	91%	1,147,428,058	89%	(124,036,739)	-11%
Total Liabilities	1,125,132,099	100%	1,284,380,268	100%	(159,248,169)	-12%
Total Deferred Inflows of Resources	254,597,595	100%	189,465,528	100%	65,132,067	34%
Net Position:						
Net investment in						
capital assets	277,195,818	225%	266,457,139	365%	10,738,679	4%
Restricted	47,073,854	38%	37,482,936	51%	9,590,918	26%
Unrestricted	(201,110,592)	-163%	(230,882,329)	-316%	29,771,737	-13%
Total Net Position	\$ 123,159,080	100%	\$ 73,057,746	100%	\$ 50,101,334	69%

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

The largest portion of the District’s net position (\$277,195,818) reflects its net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, and construction in progress), less any outstanding related debt used to acquire those assets. 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.

A portion of net position (\$47,073,854) is restricted for grants related to state and federal programs and debt service. And unrestricted net position reported a negative \$201,110,592.

Changes in Net Position

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Revenues						
Program Revenues:						
Charges for services	\$ 8,417,916	1%	\$ 4,862,560	1%	\$ 3,555,356	73%
Operating grants & contributions	198,347,700	27%	120,045,432	18%	78,302,268	65%
General Revenues:						
Property Taxes, Levied for General Purpose	176,705,252	24%	175,407,432	27%	1,297,820	1%
Property Taxes, Levied for Debt Service	50,962,474	7%	51,500,809	8%	(538,335)	-1%
Grants and Contributions Not Restricted to Specific Programs	299,138,834	41%	300,408,900	46%	(1,270,066)	0%
Investment Earnings	(3,442,769)	0%	627,799	0%	(4,070,568)	-648%
Miscellaneous	1,493,177	0%	2,461,361	0%	(968,184)	-39%
Total Revenues	731,622,584	100%	655,314,293	100%	76,308,291	12%
Expenses						
Instruction	373,216,126	55%	372,860,014	57%	356,112	0%
Instructional resources and media services	7,442,440	1%	7,556,719	1%	(114,279)	-2%
Curriculum and staff development	8,681,300	1%	8,955,517	1%	(274,217)	-3%
Instructional leadership	10,005,552	1%	10,695,167	2%	(689,615)	-6%
School leadership	43,696,473	6%	43,914,333	7%	(217,860)	0%
Guidance, counseling, and evaluation services	29,643,770	4%	30,028,751	5%	(384,981)	-1%
Social work services	417,689	0%	367,242	0%	50,447	14%
Health services	5,845,044	1%	5,712,302	1%	132,742	2%
Student transportation	20,613,107	3%	17,920,079	3%	2,693,028	15%
Food service	29,693,419	4%	25,755,624	4%	3,937,795	15%
Extracurricular activities	11,311,982	2%	9,037,301	1%	2,274,681	25%
General administration	14,701,537	2%	14,136,939	2%	564,598	4%
Plant, maintenance and operations	60,997,537	9%	62,743,647	10%	(1,746,110)	-3%
Security and monitoring services	6,551,416	1%	5,582,006	1%	969,410	17%
Data processing services	31,208,857	5%	9,896,833	2%	21,312,024	215%
Community services	521,505	0%	484,272	0%	37,233	8%
Interest and fiscal charges for long term debt	24,026,533	4%	24,434,176	4%	(407,643)	-2%
Facilities Repair and Maintenance	82,194	0%	372,570	0%	(290,376)	-78%
Payments Related to Shared Service Arrangements	1,099,260	0%	1,219,990	0%	(120,730)	-10%
Payments to Juvenile Justice Alternative Education Programs	108,451	0%	39,600	0%	68,851	174%
Other governmental charges	1,657,058	0%	1,597,903	0%	59,155	4%
Total Expenses	681,521,250	100%	653,310,985	100%	28,210,265	4%
Change in Net Position	50,101,334		2,003,308		48,098,026	
Net Position - Beginning	73,057,746		71,054,438		2,003,308	
Net Position - Ending	\$ 123,159,080		\$ 73,057,746		\$ 50,101,334	

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Governmental Activities - The District's net position increased by \$50,101,334 from current operations. Key components of revenues and expenses are as follows:

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues) totaling \$497,486,534 represent 68 percent of total revenues and property taxes totaling \$227,667,726 represent 31 percent of total revenues. The remaining 1 percent is generated from charges for services, investment earnings and miscellaneous revenues.

The primary functional expense of the District is instruction (\$373,216,126), which represents 55 percent of total expenses. Plant maintenance and operations (\$60,997,537) represents 9 percent of total expenses. The remaining individual functional categories of expenses are each less than 7 percent of total expenses.

Financial Analysis of the Government's Funds

As noted earlier, the District uses fund accounting to ensure and demonstrate compliance with finance related legal requirements.

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 a District's net resources available for spending at the end of the fiscal year.

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$277,404,273, a decrease of \$21,501,410 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to the decrease in the fund balance of the capital projects fund in the amount of \$44,776,567, excluding transfers from other governmental funds, due to ongoing capital projects.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$148,652,127, while total fund balance reached \$178,185,566. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 28.4 percent of total general fund expenditures, while total fund balance represents 34.1 percent of that same amount. The fund balance of the District's general fund increased by \$12,644,368 during the current fiscal year. The increase is primarily due to less than anticipated expenditures related to instruction, facilities maintenance and operations, and facilities acquisition and construction.

The debt service fund has a total fund balance of \$34,616,008, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$1,285,360 was attributable to increased property tax and state aid revenues from the prior year.

The capital projects fund has a total fund balance of \$49,680,588, of which \$23,506,337 is restricted and \$26,174,251 is committed for building and equipping school facilities and technology projects/enhancements. The net decrease in fund balance during the current year of \$43,960,722 was due spending on current bond projects.

Proprietary Fund - The District's proprietary fund financial statements, internal service funds for health insurance and workers' compensation, provide detail information about the profitability of the funds. The increase in net position of \$1,285,434 is primarily due to a transfer from the general fund of \$6,688,566 to cover health insurance claims. The change in net position of the funds is eliminated and allocated to the governmental expenses in the government-wide financial statements.

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

General Fund Budgetary Highlights

	Budget		
	Original	Final Amended	Actual
Total Revenues	\$ 530,567,821	\$ 543,221,471	\$ 542,660,277
Total Expenditures	(528,817,419)	(555,897,340)	(522,685,094)
Other uses - transfers out	-	(5,815,845)	(7,404,411)
Net Change in Fund Balance	\$ 1,750,402	\$ (18,491,714)	\$ 12,570,772

Difference between the original budget and the final amended budget of the general fund can be briefly summarized as follows:

- Budgeted revenues decreased \$1.1 million due to a decrease in local tax collections.
- Budgeted revenues decreased \$11.1 million primarily due to a state revenue decrease.
- Budgeted expenditures increased by \$27 million due to supply chain disruption in Technology for learning and Facility repairs.

Difference between the final budget and actual revenue was primarily due to decrease in local tax collections. Expenditures had a favorable variance in all functions.

Capital Assets and Long-Term Liabilities

Capital Assets - The District’s investment in capital assets for its governmental type activities as of August 31, 2022 amounts to \$993,099,965 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress. The total increase in the District’s investment in capital assets for the current fiscal year was \$20,726,855.

Capital Assets (Net of Depreciation)

	Governmental Activities					
	2022		2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land	\$ 71,950,888	7%	\$ 71,950,888	7%	\$ -	0%
Buildings and improvements	825,805,448	83%	843,453,192	88%	(17,647,744)	-2%
Furniture and equipment	36,528,802	4%	43,476,842	4%	(6,948,040)	-16%
Construction in progress	56,835,040	6%	13,492,188	1%	43,342,852	321%
Right to use leased assets	1,979,787	0%	-	0%	1,979,787	0%
Totals	\$ 993,099,965	100%	\$ 972,373,110	100%	\$ 20,726,855	2%

Major capital asset events during the current fiscal year included the following:

- \$4,577,875 in additions to buildings and improvements, which includes \$0 transferred from construction in progress to completed projects.
- \$1,739,670 in additions to furniture and equipment, which includes \$0 transferred from construction in progress to completed projects.
- \$2,025,220 in additions to vehicles.

PASADENA INDEPENDENT SCHOOL DISTRICT
MANAGEMENT DISCUSSION AND ANALYSIS (continued)

Construction Commitments - The District has active construction projects as of August 31, 2022. The projects include the construction and equipment of school facilities. At year-end, the District’s remaining commitments with contractors totals \$35.1 million for all ongoing projects. Additional information on the District’s capital assets can be found in Note 3.D. in the notes to the financial statements.

Long-Term Liabilities - Changes in long-term liabilities for the year ended August 31, 2022 are as follows:

	Governmental Activities			
	2022	2021	Increase (Decrease)	
	Amount	Amount	Amount	%
General Obligation Bonds, net	\$ 739,569,975	\$ 769,509,081	\$ (29,939,106)	-4%
Health Insurance Claims	3,248,581	5,548,960	(2,300,379)	-41%
Workers' Compensation Claims	1,902,057	1,962,254	(60,197)	-3%
Compensated Absences	194,745	244,821	(50,076)	-20%
Net Pension Liability	92,055,497	192,750,901	(100,695,404)	-52%
Net OPEB Liability	177,646,693	177,412,041	234,652	0%
Leases Payable	1,957,752	-	1,957,752	0%
	<u>\$ 1,016,575,300</u>	<u>\$ 1,147,428,058</u>	<u>\$ (130,852,758)</u>	<u>-11%</u>

Additional information on the District’s long-term liabilities can be found in Note 3. E. in the notes to the financial statements. Additional information on the District’s net pension liability can be found in Note 4.B. in the notes to the financial statements as indicated in the table of contents of this report. Additional information on the District’s OPEB liability can be found in Note 4.C. to the financial statements as indicated in the table of contents of this report.

Economic Factors and Next Year's Budgets and Tax Rates

The following economic factors were considered in developing the 2022-2023 fiscal year budget:

- Appraised valued used for the 2022-2023 budget preparation is expected to be \$23.6 billion and taxable value expected to be \$19.1 billion.
- General Fund expenditures are budgeted to increase 0.3% or \$1.4 million primarily due to pay increases and personnel requests.
- The District’s 2022-2023 refined average daily attendance is expected to be 45,000 for 2022-2023.

These indicators were taken into account when adopting the general fund budget for 2022-2023. Estimated revenue in the general fund budget for the 2022-2023 school year is \$522 million, a decrease of 1% over the adopted 2021-2022 budget.

The Districted adopted a deficient budget for 2022-2023. The Maintenance and Operations tax rate decreased from \$1.0712 to \$0.9953 and the Interest and Sinking rate to pay the debt increased from \$0.31 to \$0.34 for a total tax rate of \$1.3353.

Requests for Information

This financial report is designed to provide a general overview of the District’s finances for all those with an interest in the District’s finances. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the District’s Business Office, Pasadena Independent School District, 1515 Cherrybrook Lane, Pasadena, Texas 77502.





BASIC FINANCIAL STATEMENTS





PASADENA INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION

August 31, 2022

Exhibit A-1

<u>Data Control Codes</u>		<u>Governmental Activities</u>
Assets		
1110	Cash and temporary investments	\$ 218,061,028
1120	Investments	6,073,662
1225	Property taxes receivables, net	15,265,399
1240	Due from other governments	60,846,953
1250	Accrued interest	71,182
1290	Other receivables, net	6,257,592
1300	Inventories	2,439,190
1410	Prepaid items	8,446,250
	Capital assets not subject to depreciation:	
1510	Land	71,950,888
1580	Construction in progress	56,835,040
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	825,805,448
1530	Furniture and equipment, net	36,528,802
1550	Right to use leased assets, net	1,979,787
1910	Long-term investments	82,471,415
1000	Total Assets	<u><u>1,393,032,636</u></u>
Deferred Outflows of Resources		
	Deferred instruments - rate swaps	6,816,019
	Deferred outflows - pension	56,844,909
	Deferred outflows - OPEB	44,075,433
	Deferred charge on refunding	2,119,777
1700	Total Deferred Outflows of Resources	<u><u>109,856,138</u></u>
Liabilities		
2110	Accounts payable	21,073,507
2140	Interest payable	1,352,970
2150	Payroll deductions and withholdings	5,389,330
2160	Accrued wages payable	44,790,392
2180	Due to other governments	456,925
2190	Due to student groups	487,290
2200	Accrued expenses payable	9,314
2300	Unearned revenue	28,181,052
	Noncurrent Liabilities:	
2501	Due within one year: bonds, claims, compensated absences	28,246,681
	Due in more than one year:	
2502	Bonds, claims, compensated absences	718,626,429
2502	Derivative instruments - rate swaps	6,816,019
2540	Net pension liability	92,055,497
2545	Net other post-employment benefits (OPEB) liability	177,646,693
2000	Total Liabilities	<u><u>1,125,132,099</u></u>
Deferred Inflows of Resources		
	Deferred inflows - pension	110,484,537
	Deferred inflows - OPEB	144,113,058
2600	Total Deferred Inflows of Resources	<u><u>254,597,595</u></u>
Net Position		
3200	Net investment in capital assets	277,195,818
	Restricted for:	
3820	Federal and state programs	10,581,668
3850	Debt service	36,492,186
3900	Unrestricted	(201,110,592)
3000	Total net position	<u><u>\$ 123,159,080</u></u>

PASADENA INDEPENDENT SCHOOL DISTRICT

Exhibit B-1

STATEMENT OF ACTIVITIES

For the Year Ended August 31, 2022

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense)
		Expenses	Charges for Services	Operating Grants and Contributions	Primary Governmental Activities
	Governmental Activities:				
11	Instruction	\$ 373,216,126	\$ 2,105,760	\$ 102,032,354	\$ (269,078,012)
12	Instructional resources & media service	7,442,440	19,001	238,510	(7,184,929)
13	Curriculum and staff development	8,681,300	49	2,392,751	(6,288,500)
21	Instructional leadership	10,005,552	-	1,901,076	(8,104,476)
23	School leadership	43,696,473	23,711	2,064,343	(41,608,419)
31	Guidance, counseling & evaluation	29,643,770	60,826	7,081,902	(22,501,042)
32	Social work services	417,689	-	216,120	(201,569)
33	Health services	5,845,044	6,390	13,603,891	7,765,237
34	Student transportation	20,613,107	-	698,820	(19,914,287)
35	Food service	29,693,419	2,098,888	38,582,107	10,987,576
36	Extracurricular activities	11,311,982	3,917,424	1,266,434	(6,128,124)
41	General administration	14,701,537	54,661	21,069,313	6,422,437
51	Plant, maintenance and operations	60,997,537	54,968	1,852,832	(59,089,737)
52	Security and monitoring services	6,551,416	19,951	483,484	(6,047,981)
53	Data processing services	31,208,857	-	388,273	(30,820,584)
61	Community services	521,505	56,287	261,682	(203,536)
72	Interest and fiscal charges for long term debt	24,026,533	-	4,212,790	(19,813,743)
81	Facilities repair and maintenance	82,194	-	1,018	(81,176)
93	Payments related to shared services arrangements	1,099,260	-	-	(1,099,260)
95	Payments to JJAEP	108,451	-	-	(108,451)
99	Other intergovernmental charges	1,657,058	-	-	(1,657,058)
TG	Total Governmental Activities	<u>681,521,250</u>	<u>8,417,916</u>	<u>198,347,700</u>	<u>(474,755,634)</u>
TP	Total Primary Government	<u>\$ 681,521,250</u>	<u>\$ 8,417,916</u>	<u>\$ 198,347,700</u>	<u>(474,755,634)</u>

**Data
Control
Codes**

General Revenues:		
Taxes:		
MT	Property taxes, levied for general purposes	176,705,252
DT	Property taxes, levied for debt service	50,962,474
SF	State-aid formula grants	299,138,834
IE	Investment earnings	(3,442,769)
MI	Miscellaneous	1,493,177
TR	Total General Revenues	<u>524,856,968</u>
CN	Change in net position	50,101,334
NB	Net Position - Beginning	<u>73,057,746</u>
NE	Net Position - Ending	<u>\$ 123,159,080</u>

PASADENA INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

BALANCE SHEET
GOVERNMENTAL FUNDS
August 31, 2022

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Assets						
1110	Cash and cash equivalents	\$ 123,361,142	\$ 27,926,844	\$ 50,766,373	\$ 11,554,927	\$ 213,609,286
1120	Investments	730,436	-	5,343,226	-	6,073,662
Receivables:						
1220	Delinquent property taxes receivables	23,631,051	6,327,701	-	-	29,958,752
1230	Allowance for uncollectible taxes (credit)	(11,594,800)	(3,098,553)	-	-	(14,693,353)
1240	Receivables from other governments	32,079,202	-	-	28,767,751	60,846,953
1250	Accrued interest	71,182	-	-	-	71,182
1260	Due from other funds	17,090,157	-	60,004	5,245,677	22,395,838
1290	Other receivables	2,089,484	-	-	84,422	2,173,906
1300	Inventories	1,326,417	-	-	1,112,773	2,439,190
1410	Prepaid items	8,161,333	-	-	5,970	8,167,303
1910	Long term investments	67,757,694	12,738,506	1,975,215	-	82,471,415
1000	Total Assets	\$ 264,703,298	\$ 43,894,498	\$ 58,144,818	\$ 46,771,520	\$ 413,514,134
Liabilities:						
2110	Accounts payable	\$ 7,837,428	\$ 43,021	\$ 7,593,656	\$ 1,869,157	\$ 17,343,262
2150	Payroll deduction and withholdings	5,389,330	-	-	-	5,389,330
2160	Accrued wages payable	36,902,653	-	6,658	7,881,081	44,790,392
2170	Due to other funds	-	3,905,392	863,916	19,417,588	24,186,896
2180	Payable to other governments	7,662	-	-	449,263	456,925
2190	Due to student and employee groups	486,540	-	-	750	487,290
2200	Accrued expenditures	9,314	-	-	-	9,314
2300	Unearned revenue	23,848,553	2,100,929	-	2,231,570	28,181,052
2000	Total Liabilities	74,481,480	6,049,342	8,464,230	31,849,409	120,844,461
Deferred Inflows of Resources						
	Unavailable Revenues - Property Taxes	12,036,252	3,229,148	-	-	15,265,400
2600	Total Deferred Inflows of Resources	12,036,252	3,229,148	-	-	15,265,400
Fund Balances:						
Nonspendable:						
3410	Inventories	1,326,417	-	-	-	1,326,417
3430	Prepaid items	8,161,333	-	-	25	8,161,358
Restricted:						
3450	Federal/State grant restrictions	-	-	-	10,701,225	10,701,225
3470	Capital acquisitions	-	-	23,506,337	-	23,506,337
3480	Debt service	-	34,616,008	-	-	34,616,008
Committed:						
3510	Construction repairs, renovations	10,000,000	-	26,174,251	-	36,174,251
3545	Other purposes	-	-	-	4,220,861	4,220,861
Assigned:						
3590	Other assigned	10,045,689	-	-	-	10,045,689
3600	Unassigned	148,652,127	-	-	-	148,652,127
3000	Total Fund Balances	178,185,566	34,616,008	49,680,588	14,922,111	277,404,273
4000	Total Liabilities, Deferred Inflows, and Fund Balances	\$ 264,703,298	\$ 43,894,498	\$ 58,144,818	\$ 46,771,520	\$ 413,514,134

PASADENA INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS TO THE STATEMENT OF NET POSITION

August 31, 2022

Exhibit C-2

**Data
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Codes**

Total Fund Balance, Governmental Funds (Exhibit C-1)

Amounts reported for governmental activities in the statement of net position (A-1) are different because: \$ 277,404,273

Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:

1	Governmental Capital Assets	1,576,812,772
2	Accumulated Depreciation/Amortization of Governmental Capital Assets	(583,712,807)

3	Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.	15,265,400
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Long-term liabilities, including bonds payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of:

4	Bonds Payable	(675,140,000)
5	Premium on Bonds Payable	(64,429,975)
6	Accrued Interest on the Bonds	(1,352,970)
7	Leases Payable	(1,957,752)
8	Compensated Absences	(194,745)
9	Net Pension Liability	(92,055,497)
10	Net OPEB Liability	(177,646,693)

An internal service fund is used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the following internal service funds are included with governmental activities:

11	Employee Health Insurance	2,639,752
12	Workers' Compensation	(915,202)

13	Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds due to it is not a current financial resource available to pay for current expenditures.	2,119,777
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Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.

14	Deferred outflows - pension related	56,844,909
15	Deferred outflows - OPEB related	44,075,433
16	Deferred inflows - pension related	(110,484,537)
17	Deferred inflows - OPEB related	(144,113,058)

19	Total Net Position - Governmental Activities	<u>\$ 123,159,080</u>
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PASADENA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES
IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended August 31, 2022

Exhibit C-3

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
Revenues					
5700 Local, intermediate, and out-of-state	\$ 176,208,336	\$ 50,368,779	\$ 84,553	\$ 8,633,951	\$ 235,295,619
5800 State program revenues	325,920,795	2,528,142	-	4,437,194	332,886,131
5900 Federal program revenues	40,531,146	-	-	149,744,841	190,275,987
5020 Total Revenues	542,660,277	52,896,921	84,553	162,815,986	758,457,737
Expenditures					
Current:					
0011 Instruction	285,803,560	-	-	99,941,230	385,744,790
0012 Instruction resources and media services	7,217,025	-	-	250,365	7,467,390
0013 Curriculum and instructional staff development	6,758,190	-	-	2,332,048	9,090,238
0021 Instructional leadership	8,509,854	-	-	1,901,076	10,410,930
0023 School leadership	41,604,249	-	-	2,086,987	43,691,236
0031 Guidance, counseling and evaluation services	23,736,328	-	-	7,139,990	30,876,318
0032 Social work services	228,813	-	-	216,120	444,933
0033 Health services	5,588,051	-	-	351,032	5,939,083
0034 Student transportation	20,469,036	-	-	698,820	21,167,856
0035 Food services	-	-	-	32,510,816	32,510,816
0036 Extracurricular activities	7,621,200	-	-	3,816,661	11,437,861
0041 General administration	14,501,492	-	-	358,516	14,860,008
0051 Facilities maintenance and operations	58,201,078	-	-	1,480,003	59,681,081
0052 Security and monitoring services	6,235,583	-	-	502,537	6,738,120
0053 Data processing services	29,675,851	-	-	388,273	30,064,124
0061 Community services	214,716	-	-	315,435	530,151
Debt service:					
0071 Principal on long-term debt	1,271,116	23,890,000	-	6,811	25,167,927
0072 Interest on long-term debt	8,038	27,016,143	-	186	27,024,367
0073 Bond issuance costs and fees	-	969,325	-	-	969,325
Capital outlay:					
0081 Facilities acquisition and construction	2,176,145	-	44,861,120	1,018	47,038,283
Intergovernmental:					
0093 Payments related to shared services arrangements	1,099,260	-	-	-	1,099,260
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	108,451	-	-	-	108,451
0099 Other intergovernmental charges	1,657,058	-	-	-	1,657,058
6030 Total Expenditures	522,685,094	51,875,468	44,861,120	154,297,924	773,719,606
1100 Excess (deficiency) of revenues over expenditures	19,975,183	1,021,453	(44,776,567)	8,518,062	(15,261,869)
Other Financing Sources (Uses)					
7911 Issuance of bonds	-	20,560,000	-	-	20,560,000
7913 Proceeds from lease	73,596	-	-	11,522	85,118
7915 Transfers in	-	-	815,845	19,959	835,804
7916 Premium on issuance of bonds	-	2,203,444	-	-	2,203,444
8911 Transfers out	(7,404,411)	-	-	(19,959)	(7,424,370)
8949 Payment to refunding agent	-	(22,499,537)	-	-	(22,499,537)
7080 Total Other Financing Sources (Uses)	(7,330,815)	263,907	815,845	11,522	(6,239,541)
1200 Net change in fund balances	12,644,368	1,285,360	(43,960,722)	8,529,584	(21,501,410)
0100 Fund Balance - Beginning	165,541,198	33,330,648	93,641,310	6,392,527	298,905,683
3000 Fund Balance - Ending	\$ 178,185,566	\$ 34,616,008	\$ 49,680,588	\$ 14,922,111	\$ 277,404,273

PASADENA INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
For the Year Ended August 31, 2022

Exhibit C-4

Data
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	Net change in fund balances - total governmental funds (from C-3)	\$ (21,501,410)
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization in the current period.	
1	Capitalized expenditures reclassified to assets.	51,770,735
2	Depreciation expense taken to Statement of Activities.	(34,194,441)
3	Unavailable tax and grant revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	(59,149)
	Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bond and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.	
4	Principal paid on bonds	23,890,000
5	Principal paid on leases	1,277,927
6	Payment to escrow agent	22,499,537
7	Issuance of bonds	(20,560,000)
8	Issuances of leases	(85,118)
9	Premium received from issuance of bonds	(2,203,444)
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
10	Changes in pension liabilities and related deferred outflows and inflows of resources	13,110,542
11	Changes in OPEB liabilities and related deferred outflows and inflows of resources	10,853,486
12	Accrued interest payable	82,534
13	Amortization of gain/loss on refunding	(536,993)
14	Amortization of premiums and discounts on issuance of bonds	4,421,618
15	Change in accrued compensated absences	50,076
16		<u>1,285,434</u>
	Change in net position of governmental activities	<u>\$ 50,101,334</u>

PASADENA INDEPENDENT SCHOOL DISTRICT**STATEMENT OF NET POSITION****PROPRIETARY FUNDS****August 31, 2022***Exhibit D-1*

	Governmental Activities Internal Service Funds
Assets	
Current assets:	
Cash and cash equivalents	\$ 4,451,742
Receivables:	
Due from other funds	1,955,929
Other receivables	4,083,686
Prepaid items	278,947
Total Current Assets	<u>10,770,304</u>
Total Assets	<u>\$ 10,770,304</u>
Liabilities	
Current liabilities:	
Accounts payable	\$ 3,730,245
Due to other funds	164,871
Claims payable	3,732,882
Non-current liabilities:	
Claims and judgments	1,417,756
Total Liabilities	<u>9,045,754</u>
Net Position	
Unrestricted	1,724,550
Total Net Position	<u>\$ 1,724,550</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended August 31, 2022

Exhibit D-2

	Governmental Activities Internal Service Funds
Operating Revenues	
Interfund services provided and used	\$ 45,664,894
Insurance recovery	5,835,371
Miscellaneous revenue	<u>7,117</u>
Total Operating Revenues	<u>51,507,382</u>
Operating Expenses	
Payroll costs	31,059
Purchased and contracted services	1,728,117
Supplies and materials	138
Claims expense and other operating expenses	<u>55,057,157</u>
Total Operating Expenses	<u>56,816,471</u>
Operating Income (Loss)	<u>(5,309,089)</u>
Non-Operating Revenues (Expenses)	
Investment earnings	<u>5,957</u>
Total Non-Operating Revenues	<u>5,957</u>
Transfers	
Transfers in	<u>6,588,566</u>
Total Transfers	<u>6,588,566</u>
Change in Net Position	1,285,434
Net Position - Beginning	<u>439,116</u>
Net Position - Ending	<u>\$ 1,724,550</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY SERVICE FUNDS
For the Year Ended August 31, 2022

Exhibit D-3

	Governmental Activities
Increase (Decrease) in Cash and Cash Equivalents	
Cash Flows from Operating Activities:	
Cash receipts from interfund services provided	\$ 44,265,859
Cash receipts from (payments to) miscellaneous sources	7,117
Cash payments for insurance claims	1,751,685
Cash payments to employees	(31,059)
Cash payments to suppliers for goods and services	<u>(57,650,619)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(11,657,017)</u>
Cash Flows from Non-Capital Financing Activities:	
Cash payment from other funds	<u>6,588,566</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>6,588,566</u>
Cash Flows from Investing Activities:	
Interest on investments	5,957
Purchase on Investments	<u>7,760,094</u>
Net Cash Provided by (Used for) Investing Activities	<u>7,766,051</u>
Net Increase (Decrease) in Cash and Cash Equivalents	2,697,600
Cash and Cash Equivalents at Beginning of Year	<u>1,754,142</u>
Cash and Cash Equivalents at End of Year	<u>\$ 4,451,742</u>
Reconciliation to Balance Sheet	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 4,451,742</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 4,451,742</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities	
Operating Income (Loss)	\$ (5,309,089)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities	
Change in Assets and Liabilities:	
(Increase) decrease in due from other funds	(1,955,929)
Increase (decrease) in due to other funds	(1,399,035)
Decrease (increase) in Receivables	(4,083,686)
Decrease (increase) in Prepays	(278,947)
Increase (decrease) in Accounts payable	3,730,245
Increase (decrease) in Claims payable	<u>(2,360,576)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (11,657,017)</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION - FIDUCIARY FUND
August 31, 2022

Exhibit E-1

	<u>Custodial Fund</u>
Assets	
Due from others	\$ 486,540
Total Assets	<u>\$ 486,540</u>
Liabilities	
Accounts payable	\$ 5,364
Total Liabilities	<u>\$ 5,364</u>
Net Position	
Restricted for student groups	481,176
Total Net Position	<u>\$ 481,176</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND
For the Year Ended August 31, 2022

Exhibit E-2

	<u>Custodial Fund</u>
Additions	
Contributions	
Gifts and contributions	\$ 33,550
Revenues from student activities	441,624
Revenues from enterprising activities	<u>3,290</u>
Total Additions	<u>478,464</u>
Deductions	
Scholarships awarded	8,750
Payments for student activities	456,627
Payments for enterprising activities	<u>4,583</u>
Total Deductions	<u>469,960</u>
Change in net position	8,504
Net Position - Beginning of Year, As Restated	<u>472,672</u>
Net Position - End of Year	<u><u>\$ 481,176</u></u>



Note 1 - Summary of Significant Accounting Policies

A. Reporting Entity

The Pasadena Independent School District (the "District") is an independent public educational agency operating under applicable laws and regulations of the State of Texas. The District is autonomously governed by a seven-member Board of Trustees elected by the District's residents.

The District prepares its financial statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB). Additionally, the District complies with the requirements of the appropriate version of the Texas Education Agency (TEA) *Financial Accountability System Resource Guide* (FASRG) and the requirements of contracts and grants of agencies from which it receives funds. The District receives funding from local, state and federal government sources and must comply with the requirements of these funding source entities.

The District is considered an independent entity for financial reporting purposes and is considered a primary government. As required by generally accepted accounting principles, these financial statements have been prepared based on considerations regarding the potential for inclusion of other entities, organizations, or functions as part of the District's financial reporting entity. Based on these considerations, the District's financial statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of reporting entity.

Considerations regarding the potential for inclusion of other entities, organizations or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is a part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments. Additionally, prescribed criteria under generally accepted accounting principles include: considerations pertaining to organizations for which the primary government is financially accountable and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

B. Basis of Presentation - Government-wide Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities) report information on all of the non-fiduciary activities of the District. For the most part, the effect of interfund activity has been removed from these statements. *Direct expenses* are not eliminated from the various functional categories. Interfund services that are provided and used are not eliminated in the process of consolidation. *Governmental activities* are normally supported by taxes and intergovernmental revenues.

The statement of activities demonstrates the degree to which the direct expenses of a given function or segment are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function or segment. *Program revenues* include (1) charges to students or users who purchase, use, or directly benefit from goods, services, or privileges provided by a given function or segment and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. Taxes and other items not properly included among program revenues are reported instead as *General revenues*.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Interfund services that are provided and used are not eliminated in the process of consolidation.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Basis of Presentation – Fund Financial Statements

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. The emphasis of fund financial statements is on major governmental funds, each reported in a separate column. All remaining governmental funds are aggregated and reported as nonmajor funds.

The District reports the following major governmental funds:

The *general fund* is the District's primary operating fund. It accounts for all financial resources of the general government, except those required to be accounted for in another fund.

The *debt service fund* accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds.

The *capital projects fund* is used to account for proceeds from sales of bonds and other revenues to be used for construction and equipment of school facilities and technology projects/enhancements.

The District reports the following nonmajor governmental funds:

The *special revenue funds* are used to account for resources restricted to, or committed for specific purposes by a grantor or the District. Federal and state financial assistance generally is accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of the specified project periods. With respect to the National School Breakfast and Lunch Program, Summer Feeding Program, and campus activity funds, funds are rolled over from year to year for use in the program.

Additionally, the District reports the following fund types:

The *internal service funds* account for employee health insurance and workers' compensation plans provided to other departments on a cost reimbursement basis.

The *custodial fund* is used to account for assets held by the District as an agent for student organizations.

D. Implementation of New Accounting Standards

GASB No. 87, *Leases*, was issued to better meet the information needs of financial statement users by improving accounting and financial reporting for leases by governments. This Statement increases the usefulness of governments' financial statements by requiring recognition of certain lease assets and liabilities for leases that previously were classified as operating leases and recognized as inflows of resources or outflows of resources based on the payment provisions of the contract. It establishes a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Measurement Focus and Basis of Accounting

The accounting and financial reporting treatment is determined by the applicable measurement focus and basis of accounting. Measurement focus indicates the type of resources being measured such as current financial resources of economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements, proprietary funds, and fiduciary funds are reported using the economic resources measurement focus and the accrual basis of accounting. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met.

Governmental fund financial statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. Revenues are recognized as soon as they are both measurable and available. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. For this purpose, the District considers revenues, excluding property taxes, to be available if they are collected within 60 days of the end of the current fiscal period. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to compensated absences, leases payable, and claims and judgments, are recorded only when payment is due. General capital asset acquisitions, including entering into contracts giving the District the right-to-use leased assets, are reported as expenditures in governmental funds. Issuance of long-term debt and financing through leases are reported as other financing sources.

Interest income associated with the current fiscal period is all considered to be susceptible to accrual and has been recognized as revenues of the current fiscal period. Entitlements are recorded as revenues when all eligibility requirements are met, including any time requirements, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). Expenditure-driven grants are recognized as revenue when the qualifying expenditures have been incurred and all other eligibility requirements have been met, and the amount is received during the period or within the availability period for this revenue source (within 60 days of year-end). All other revenue items, including property taxes, are considered to be measurement and available only when cash is received by the District.

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand and bank demand or time deposits with original maturities of three months or less from the date of acquisition.

2. Investments

Investments for the District, except for certain investment pools, are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost or fair value.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

3. Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). While these balances are reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Balances between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated.

Further, certain activity occurs during the year involving transfers of resources between funds. In fund financial statements these amounts are reported at gross amounts as transfers in/out. While reported in fund financial statements, certain eliminations are made in the preparation of the government-wide financial statements. Transfers between the funds included in governmental activities (i.e., the governmental and internal service funds) are eliminated.

Property tax receivables include unpaid property taxes at year-end along with penalties and interest assessed on these unpaid taxes and are shown net of an allowance for uncollectible taxes. Revenues from property taxes are recognized when levied to the extent they are available. The District considers property taxes as available when collected. However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements. Property values are determined by the Harris County Appraisal District as of January 1 of each year. Prior to September 1 of each year, the District must adopt its annual budget and as soon thereafter as practicable, shall adopt a tax rate thus creating the tax levy. Property taxes for the current calendar year are levied on approximately October 1 of each year and are payable by January 31 of the following year. Property tax receivables are recorded as of the date levied. Unpaid taxes become delinquent on February 1 and a tax lien on real property is created as of July 1 of each year.

4. Inventories and Prepaid Items

Inventories consisting of supplies and materials are valued at weighted average cost and they include maintenance, transportation, office and instructional supplies, and food service commodities. Inventories are recorded as expenditures/expenses when consumed rather than when purchased. Food service commodity inventory is recorded at fair value on the date received. Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life more than one year. As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

5. Capital Assets (continued)

Land and construction in progress are not depreciated. The other tangible and intangible capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements:	
Buildings	50
Buildings Improvements	50
Right to use leased building	Shorter of lease term or 50 years
Furniture and Equipment:	
Vehicles	10
Office Equipment	10
Computer Equipment	10
Right to use leased equipment	Shorter of lease term or 10 years

6. Deferred Outflows/Inflows of Resources

In addition to assets, the statement of financial position includes a separate section for deferred outflows of resources. Deferred outflows of resources represent a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an outflow of resources (expense/expenditure) until then. The District has four items that qualify for reporting in this category. They are the deferred charge on refunding reported in the government-wide statement of net position, deferred amounts related to pension, deferred amounts related to OPEB, and deferred outflows related to rate swap agreements. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes. The deferred amounts related to rate swap agreements results from the change in fair value of the hedging derivative instrument.

In addition to liabilities, the statement of financial position includes a separate section for deferred inflows of resources. Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and therefore will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and grants. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports deferred amounts related to pension and deferred amounts related to OPEB.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

7. Compensated Absences

Vacation

An employee in a position normally requiring 12 months of service who commenced employment with the District prior to August 1, 1998, who resigns, retires, or is dismissed from the District is entitled to cash payment in lieu of vacation for vacation earned during the school year in which such separation from employment occurs. At the time of dismissal, resignation, or retirement, employees may also receive cash payment for unused vacation accrued prior to August 1, 1995, up to a maximum of 20 days. Such cash payment shall be made at the employee's daily rate in the 1994-95 school year.

No person hired on or after August 1, 1998, into a position normally requiring 12 months of service, and any employee promoted, transferred, or reassigned on or after August 1, 1998, into such a position from a position requiring less than 12 months of service, shall be eligible for paid vacation. Such persons shall be employed on a 240-day calendar, ten days of which may be used as non-duty days. Non-duty days cannot be carried over to any succeeding year, nor can they be cashed out at any time.

Sick Leave

An employee retiring under provisions of the Teacher Retirement System (TRS) and who has been continuously employed by the District in a position eligible for sick leave prior to August 1, 1980, shall be eligible for separation pay upon retirement. If an employee has accumulated the maximum number of hours, separation payment shall be one-fourth of the employee's annual salary or wage at the time of retirement.

If the employee has accumulated less than the maximum number of hours, separation payment will be computed by calculating the ratio of accumulated hours divided by the maximum number of hours multiplied by one-fourth of the employee's annual salary or wage.

8. Long-Term Obligations

The District's long-term obligations consist of bond indebtedness, lease liabilities, health insurance, workers' compensation, compensated absences, net pension liability, net OPEB liability and derivative instruments-rate swaps. In the government-wide financial statements and proprietary fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities' column. Bond premiums and discounts are deferred and amortized over the life of the bonds using the bonds outstanding method, which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are expensed in the period incurred.

In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Health insurance and workers' compensation expenditure requirements are accounted for in the internal service fund.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

9. Net Position Flow Assumptions

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.

10. 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 funds' 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 components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

11. Fund Balance Policies

Fund balance of the governmental funds is reported in various categories based on the nature of any limitations requiring the use of resources for specific purposes. The District itself can establish limitations on the use of resources through either a commitment (committed fund balance) or an assignment (assigned fund balance). The District reports the following classifications of fund balance:

Nonspendable fund balance – amounts that are not in spendable form or are required to be maintained intact. As such, the inventories and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1).

Restricted fund balance – amounts that have external constraints imposed upon the use of the resources by bondholders, grantors, laws, or regulations of other governments or imposed by law through constitutional provisions or enabling legislation. The amounts reported in this category include funding from external sources such as state and federal grants, tax levies for the repayment of principal and interest on a long-term debt, and unspent bond proceeds for the construction and equipment of school facilities.

Committed fund balance – amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's highest level of decision-making authority. The board of trustees (the Board) is the highest level of decision-making authority for the District that can, by board action or adoption of a resolution prior to the end of the fiscal year, commit fund balance. Once adopted, the limitation imposed by the board action or resolution remain in place until a similar action is taken (the board action or adoption of another resolution) to remove or revise the limitation. The amounts reported in this category include the campus activity fund balances in the special revenue fund and various board commitments noted in the Exhibit C-1 or the notes to the financial statements.

Assigned fund balance – amounts that the District intends to use for a specific purpose but does not meet the criteria to be classified as committed. The Board has, by policy, delegated to the Superintendent or his/her designee the responsibility to assign funds. The amounts reported in this category include assignments for purchases on order at the end of the fiscal year.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

11. Fund Balance Policies (continued)

Unassigned fund balance – accounts for the residual amount in the general fund. The general fund is the only fund that may report a positive unassigned fund balance amount. In certain situations, other governmental fund may report a negative unassigned fund balance. Also, the District shall strive to maintain an unassigned fund balance in the general fund equal to a minimum of 12.5 percent of the District’s general fund operating expenditures of the immediately preceding year.

12. Pension

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension 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 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’s Pension Plan 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.

13. Other Postemployment 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 postemployment 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.

14. Leases

The District is a lessee for multiple agreements for the noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) 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 initially 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 made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over 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 the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

Note 1 - Summary of Significant Accounting Policies (continued)

F. Assets, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position/Fund Balance (continued)

14. Leases (continued)

The District monitors changes in circumstances that would require a measurement 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.

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

G. Revenues and Expenditures / Expenses

1. Program Revenues

Amounts reported as program revenues include (1) charges to students or users who purchase or directly benefit from goods, services, or privileges provided and (2) grants and contributions that are restricted to meeting the operational or capital requirements of a particular function or segment. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Proprietary Funds Operating and Nonoperating Revenues and Expenses

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. The principal operating revenues of the District's internal service fund are charges to the funds and/or employees for self-funded health services and workers' compensation. Operating expenses for the internal service fund include the cost of services/claims and administrative expenses. All revenues and expenses not meeting this definition are reported as nonoperating revenues and expenses.

H. Use of Estimates

The presentation of financial statements, in conformity with generally accepted accounting principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenues and expenditures during the reporting period. Actual results could differ from those estimates.

I. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

Note 2 - Stewardship, Compliance, and Accountability

A. Budgetary Information

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, National School Breakfast and Lunch Program special revenue fund, and debt service fund. All other governmental funds adopt project length budgets. All annual appropriations lapse at fiscal year-end. The following procedures are followed in establishing the budgetary data reflected in the financial schedules:

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- 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.
- Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

The appropriated budget is prepared by fund, function, and campus/department. The District's campus/department heads may make transfers of appropriations within a department. Transfers of appropriations between campus/department require the approval of the District's management. Transfers of appropriations between functions require the approval of the Board. The legal level of budgetary control (i.e., the level at which expenditures may not legally exceed appropriations) is the function level within a fund. The District made several supplemental budgetary versions throughout the year, primarily in the general fund. These versions are further detailed in the notes to the required supplementary information.

Note 3 - Detailed Notes on All Funds

A. Deposits and Investments

Cash Deposits

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be 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.

Investments

The District's investment policy is in accordance with the Public Funds Investment Act (PFIA), the Public Funds Collateral Act, and federal and state laws. The District further limits its investments to obligations of, or guaranteed by, the U.S. Treasury or the State of Texas, certain U.S. Government Agencies and municipal securities, certificates of deposit, fully collateralized repurchase agreements, banker's acceptances, commercial paper, no-load money market mutual funds and no-load mutual funds, guaranteed investment contracts or public funds investment pools.

Certain investments in the Debt Service Fund are reported as restricted investments to further identify that these funds are held by the District in the investments that are required to be separately identifiable and to be utilized for the future payment of the District's Series 2012 C bonds.

For fiscal year 2022, the District invested in certificates of deposit, commercial paper, U.S. Government Agency securities, U.S. Treasury Notes, municipal bonds, the Texas Local Government Investment Pool (TexPool), Texas Association of School Boards Lone Star Investment Pool (Lone Star), Texas DAILY, Texas Fixed Income Trust, and Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS).

Note 3 - Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, Fair Value Measurement and Application provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs that are used to measure assets and liabilities.

- *Level 1* inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- *Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.
- *Level 3* inputs are unobservable inputs for an asset or liability.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

The District's investment measurements and balances, weighted average maturity, and credit risks of such investments are as follows:

	Fair Value / Amortized Cost	Maturity in Years			WAM	Percentage of Portfolio
		Less than 1	1-5			
Governmental Activities:						
Certificates of Deposit	\$ 2,482,770	\$ 730,436	\$ 1,752,334	417	0.9%	
Local Government Investment Pools:						
Lone Star	68,768,529	68,768,529	-	18	25.2%	
Texas CLASS	32,736,678	32,736,678	-	34	12.0%	
TexPool	39,385,179	39,385,179	-	24	14.4%	
TexPool Prime	32,106,581	32,106,581	-	52	11.8%	
Texas FIT	10,055,207	10,055,207	-	8	3.7%	
Investment Securities:						
Money Market	1,120,181	1,120,181	-	1	0.4%	
Municipal Bonds	2,462,675	487,460	1,975,215	592	0.9%	
Commercial Paper	1,072,016	1,072,016	-	237	0.4%	
US Treasury	4,118,955	3,783,750	335,206	215	1.5%	
Governmental Agencies	78,408,661	-	78,408,661	714	28.8%	
	<u>\$ 272,717,432</u>	<u>\$ 190,246,017</u>	<u>\$ 82,471,416</u>	237	<u>100%</u>	

Note 3 - Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

TexPool is duly chartered and overseen by the State Comptroller's Office, administered and managed by Federated Investors, Inc. State Street Bank serves as the custodial bank. The portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; no-load money market mutual funds regulated by the Securities and Exchange Commission (SEC) and rated AAA or equivalent by at least one nationally recognized rating agency (NRSRO); and securities lending programs.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, and managed by Standish Mellon Asset Management Company, LLC and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank. Lone Star is restricted to invest in obligations of the U.S. or its agencies and instrumentalities, other obligations insured by the U.S., fully collateralized repurchase agreements having a defined termination date, secured by obligations described previously, and SEC-regulated no-load money market mutual funds, the assets which consist exclusively of the obligations described above.

Texas FIT Government Pool (TX-FIT) provides Texas' public entities a conservatively managed, PFIA compliant, investment option with no corporate exposure. The TX-FIT Government Pool seeks preservation of principal, a competitive yield and a stable NAV, while also providing same day liquidity to its participants. Fitch assigns AAmmf rating to TX-FIT.

Texas CLASS is organized under the Sixth Amended and Restated Trust Agreement in accordance with all the requirements contained in section 2256.016 of PFIA. Texas CLASS is administered by Public Trust Advisors, LLC and all funds are held by the custodial agent, Wells Fargo Bank Texas, N.A. Texas CLASS may invest in obligations of the U.S. or its agencies and instrumentalities; repurchase agreements; SEC-registered money market funds rated in the highest rating category by at least one NRSRO; and commercial paper rated A-1, P-1 or equivalent by two nationally recognized rating agencies.

The TexPool, Lone Star Corporate / Government Overnight Funds, Texas DAILY, and TX-FIT investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool. The investment pools transact at a net asset value of \$1.00 per share, have weighted average maturity of 60 days or less and weighted average life of 120 days or less, investments held are highly rated by nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Such investment pools have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The Lone Star Corporate Overnight Plus Fund and Texas CLASS investment pools are external investment pools measured at fair value, i.e. their net asset value. Such investment pool's strategy are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. Lone Star Corporate Overnight Plus Fund and Texas CLASS have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

Note 3 - Detailed Notes on All Funds (continued)

A. Deposits and Investments (continued)

Investments (continued)

Money market funds are reported at fair value are classified in Level 1 of the fair value hierarchy using quoted prices for identical assets.

Certificates of deposit, U.S. government agency securities, U.S. treasury notes, and municipal bond securities are reported at fair value are classified in Level 2 of the fair value hierarchy using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

Commercial paper is classified in Level 2 of the fair value hierarchy, is valued using index pricing and market spreads.

Credit Risk

State law and the District's investment policy limits investments in all categories to top ratings issued by nationally recognized statistical rating organizations. The District's investment ratings are noted in the preceding table.

Interest Rate Risk

The interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment in any internally created pool fund group to no more than 3 years. The maximum allowable stated maturity of any other individual investment owed by the District shall not exceed 5 years from the time of purchase. However, the board may specifically authorize a longer maturity for a given instrument, within legal limits.

Concentration of Credit Risk

The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from overconcentration of assets in a specific class of investments, specific maturity, or specific issuer. The District's investment policy does not limit an investment in any one issuer.

Custodial Credit Risk – Deposits

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2022, the District's bank balances and certificates of deposit of \$42,962,724 were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

Custodial Credit Risk – Investments

Custodial credit risk for investments is the risk that, in the event of the failure of the counterparty (e.g. broker/dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy requires that the investments of the District shall be secured through third-party custodial and safekeeping procedures as designated by the District. The District's agent holds securities in the District's name; therefore, the District is not exposed to custodial credit risk.

Note 3 - Detailed Notes on All Funds (continued)

B. Receivables

Receivables as of August 31, 2022, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Nonmajor Governmental Funds	Total
Receivables:				
Property taxes	\$ 23,631,051	\$ 6,327,701	\$ -	\$ 29,958,752
Due from other governments	32,079,202	-	28,767,751	60,846,953
Accrued interest	71,182	-	-	71,182
Other receivables	2,089,484	-	84,422	2,173,906
Gross receivables	57,870,919	6,327,701	28,852,173	93,050,793
Less allowance for doubtful accounts	(11,594,800)	(3,098,553)	-	(14,693,353)
Net receivables	\$ 46,276,119	\$ 3,229,148	\$ 28,852,173	\$ 78,357,440

C. Interfund Receivables, Payables, and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Interfund balances as of August 31, 2022, were as follows:

	Interfund Receivable	Interfund Payable
Governmental Funds:		
General Fund	\$ 17,090,157	\$ -
Capital Projects Fund	60,004	863,916
Debt Service Fund	-	3,905,392
Nonmajor Governmental Funds	5,245,677	19,417,588
Proprietary Funds:		
Internal Service Funds	1,955,929	164,871
	\$ 24,351,767	\$ 24,351,767

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the District’s transfers for the year ended August 31, 2022:

Transfer Out	Transfer In	Amount
General Fund	Capital Projects Fund	\$ 815,845
General Fund	Internal service funds	6,588,566
Nonmajor governmental funds	Nonmajor governmental funds	19,959
Total		\$ 7,424,370

Transfers from the general fund to the capital projects fund were to fund future capital projects. Transfers from the general fund to the internal service funds were to cover the deficit in the health insurance fund.

Note 3 - Detailed Notes on All Funds (continued)

D. Capital Assets

	Restated			Ending Balance
	Beginning Balance	Additions	Retirements	
	August 31, 2021			August 31, 2022
Capital assets, not being depreciated/amortized:				
Land	\$ 71,950,888	\$ -	\$ -	\$ 71,950,888
Construction in progress	13,492,188	43,342,852	-	56,835,040
Total Capital assets, not being depreciated/amortized	85,443,076	43,342,852	-	128,785,928
Capital assets, being depreciated/amortized:				
Buildings and improvements	1,228,902,336	4,577,875	-	1,233,480,211
Furniture and equipment	153,559,749	1,739,670	-	155,299,419
Vehicles	40,398,785	2,025,220	-	42,424,005
Library books and media	13,623,516	-	-	13,623,516
Right to use leased assets	3,150,561	85,118	(35,986)	3,199,693
Total Capital assets, being depreciated/amortized	1,439,634,947	8,427,883	(35,986)	1,448,026,844
Less accumulated depreciation/amortization for:				
Buildings and improvements	(385,449,144)	(22,225,619)	-	(407,674,763)
Furniture and equipment	(128,409,314)	(8,927,434)	-	(137,336,748)
Vehicles	(23,855,357)	(1,628,416)	-	(25,483,773)
Library books and media	(11,840,537)	(157,080)	-	(11,997,617)
Right to use leased assets	-	(1,255,892)	35,986	(1,219,906)
Total Accumulated depreciation/amortization	(549,554,352)	(34,194,441)	35,986	(583,712,807)
Total Capital Assets, being Depreciated/amortized, net	890,080,595	(25,766,558)	-	864,314,037
Governmental Capital Assets	\$ 975,523,671	\$ 17,576,294	\$ -	\$ 993,099,965

Depreciation expense was charged to functions/programs of the District as follows:

Function	Depreciation	Amortization	Total
	Expense	Expense	
Instruction	\$ 18,262,690	\$ 800,877	\$ 19,063,567
Instructional resources and media services	460,931	-	460,931
Curriculum and staff development	419,328	8,182	427,510
Instructional leadership	543,557	16,894	560,451
School leadership	2,651,336	10,684	2,662,020
Guidance, counseling and evaluation services	1,513,196	-	1,513,196
Social work services	14,573	-	14,573
Health services	356,068	2,491	358,559
Student transportation	1,307,253	35,986	1,343,239
Food Services	-	6,879	6,879
Extracurricular activities	485,463	1,515	486,978
General administration	946,174	330,907	1,277,081
Plant maintenance and operations	3,675,896	29,921	3,705,817
Security and monitoring services	396,930	9,528	406,458
Data processing services	1,891,478	2,028	1,893,506
Community services	13,676	-	13,676
Total depreciation expense	\$ 32,938,549	\$ 1,255,892	\$ 34,194,441

Note 3 - Detailed Notes on All Funds (continued)

D. Capital Assets (continued)

Construction Commitments

The District has active construction projects as of August 31, 2022. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

<u>Project</u>	<u>Approved Construction Budget</u>	<u>Stored and Completed To Date</u>	<u>Remaining Commitment</u>
Maintenance & Warehouse Center	\$ 19,881,474	\$ 17,386,110	\$ 2,495,364
Thompson Intermediate	40,276,347	28,381,126	11,895,221
Administration Building	26,496,600	10,290,591	16,206,009
HVAC Upgrades	2,484,201	678,133	1,806,068
BMCS Upgrades	2,763,000	99,080	2,663,920
Totals	<u>\$ 91,901,622</u>	<u>\$ 56,835,040</u>	<u>\$ 35,066,582</u>

E. Long-Term Debt

The District's long-term debt consist of bond indebtedness, health insurance, workers' compensation, compensated absences, and derivative instruments-rate swaps. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. Health insurance and workers' compensation claims are accounted for in the internal service funds. Other long-term debt is generally liquidated with resources of the general fund.

Changes in Long-Term Debt

Long-term debt activity for the year ended August 31, 2022, was as follows:

	<u>Restated Balance at August 31, 2021</u>	<u>Additions</u>	<u>Retirements</u>	<u>Balance at August 31, 2022</u>	<u>Due Within One Year</u>
Bonds Payable:					
General obligation bonds payable	\$ 701,105,000	\$ 20,560,000	\$ (46,525,000)	\$ 675,140,000	\$ 23,275,000
Issuance premiums	68,404,081	2,203,444	(6,177,550)	64,429,975	-
Total Bonds Payable, net	<u>769,509,081</u>	<u>22,763,444</u>	<u>(52,702,550)</u>	<u>739,569,975</u>	<u>23,275,000</u>
Health Insurance Claims	5,548,960	54,015,845	(56,316,224)	3,248,581	3,248,581
Workers' Compensation Claims	1,962,254	(29,138)	(31,059)	1,902,057	484,301
Compensated Absences	244,821	128,795	(178,871)	194,745	45,136
Leases payable	3,150,561	85,118	(1,277,927)	1,957,752	1,193,663
Government Activities Long-term Liabilities	<u>\$ 780,415,677</u>	<u>\$ 76,964,064</u>	<u>\$ (110,506,631)</u>	<u>\$ 746,873,110</u>	<u>\$ 28,246,681</u>

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school facilities, buses (BLDG), and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District. General obligation bonds currently outstanding are as follows:

Series	Original Issuance Amount	Interest Rate (%)	Final Maturity Date	Beginning Balance	Additions	Reductions	Debt Outstanding
2005B School Building Bonds	\$ 80,000,000	Variable	2035	\$ 79,900,000	\$ -	\$ (3,735,000)	\$ 76,165,000
2012A School Building Bonds	60,755,000	2.00% to 5.00%	2041	24,525,000	-	(24,525,000)	-
2012C School Building Bonds	29,050,000	4.09%	2030	29,050,000	-	-	29,050,000
2013 School Building and Refunding Bonds	226,360,000	1.00% to 5.00%	2043	129,250,000	-	(3,310,000)	125,940,000
2015A School Building Bonds	61,060,000	3.00% to 5.00%	2035	27,840,000	-	(2,640,000)	25,200,000
2015B School Building Bonds	98,375,000	Variable	2044	60,275,000	-	(1,035,000)	59,240,000
2015 Refunding Bonds	50,920,000	3.00% to 5.00%	2035	98,375,000	-	-	98,375,000
2018 School Building Bonds	120,095,000	4.00% to 5.00%	2044	101,800,000	-	(1,680,000)	100,120,000
2019 Refunding Bonds	43,000,000	5.00%	2029	43,000,000	-	(3,460,000)	39,540,000
2020 Refunding Bonds	108,635,000	1.47% to 5.00%	2035	107,090,000	-	(6,140,000)	100,950,000
2021 Refunding Bonds	20,560,000	3.00%	2041	-	20,560,000	-	20,560,000
				<u>\$ 701,105,000</u>	<u>\$ 20,560,000</u>	<u>\$ (46,525,000)</u>	<u>\$ 675,140,000</u>

Variable Rate Unlimited Tax School Building Bonds, Series 2005B

The 2005B series bonds were issued as current interest bonds with a scheduled final maturity on February 15, 2035. Following the initial rate period, the bonds will bear interest at a weekly rate determined by the remarketing agent with a weekly rate period from Thursday in each week through the following Wednesday unless a different rate period is specified by the District; however, the interest rate mode on the bonds may, at the District's option, be converted from time to time to a term rate or monthly rate or to a flexible rate; or to a fixed rate until maturity. The bonds are subject to mandatory redemption and a mandatory redemption schedule has been established.

Original Issuance Amount	End of Initial Rate Period	Final Maturity	Initial Rate	Initial Yield
\$ 80,000,000	8/31/2005	2/1/2035	4.70%	2.35%

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

General Obligation Bonds (continued)

Variable Rate Unlimited Tax School Building Bonds, Series 2015B (continued)

The 2015B series bonds were issued as current interest bonds with a scheduled final maturity on February 15, 2044. Following the initial rate period, the bonds will bear interest at a term rate determined by the remarketing agent with a term rate period of two years unless a different rate period is specified by the District; however, the interest rate mode on the bonds may, at the District's option, be converted from time to time to a weekly rate, monthly rate, quarterly rate, semiannual rate or a different term rate period or to a flexible rate; or to a fixed rate until maturity. The bonds are subject to mandatory redemption and a mandatory redemption schedule has been established. The interest rate borne by the bonds cannot exceed the lesser of a maximum rate of 8 percent or the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended.

<u>Original Issuance Amount</u>	<u>End of Initial Rate Period</u>	<u>Final Maturity</u>	<u>Initial Rate</u>	<u>Initial Yield</u>
\$ 98,375,000	8/15/2019	2/15/2044	3.00%	1.29%

The interest rate borne by the bonds cannot exceed the lesser of a maximum rate of 6.75 percent or the maximum net effective interest rate permitted under Chapter 1204, Texas Government Code, as amended.

Cumulative Sinking Fund

The District designated the Series 2012C bonds as "qualified school construction bonds" within the meaning of section 54F of the Internal Revenue Code of 1986. With respect to the Series 2012C bonds, the District is required to make mandatory deposits into a cumulative sinking fund deposit account held by the bonds' paying agent / registrar bank. The sinking fund deposits will be used to redeem the bonds upon maturity. As of August 31, 2022, the District reported \$0 in restricted investments in the debt service fund, which meets sinking fund provisions. Annual debt service requirements to maturity for general obligation bonds are as follows:

<u>Year Ending August 31,</u>	<u>Principal</u>	<u>Interest</u>	<u>Totals</u>
2023	\$ 23,275,000	\$ 25,922,294	\$ 49,197,294
2024	27,555,000	24,695,826	52,250,826
2025	23,780,000	25,916,896	49,696,896
2026	26,985,000	24,699,771	51,684,771
2027	28,530,000	23,357,114	51,887,114
2028 - 2032	179,390,000	94,406,354	273,796,354
2033 - 2037	155,480,000	61,356,529	216,836,529
2038 - 2042	153,605,000	29,030,625	182,635,625
2043 - 2047	56,540,000	2,012,300	58,552,300
	<u>\$ 675,140,000</u>	<u>311,397,709</u>	<u>\$ 986,537,709</u>

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

Cumulative Sinking Fund (continued)

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it does not have any arbitrage liability as of August 31, 2022.

Previous Years' Refunding of Long-Term Debt

The District periodically enters into transactions in which certain outstanding bonds are refunded by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future bonds are not included in the District's financial statements. At August 31, 2022, the District had \$70,485,000 in defeased bonds outstanding.

Current Year Refunding of Long-Term Debt

In December 2021, the District issued Series 2021 Unlimited Tax Refunding Bonds in the amount of \$20,560,000 with a premium of \$2,203,444. The District contributed \$680,413 of current resources and refunded \$22,635,000 of Series 2012A Unlimited Tax School Building Bonds. The transaction resulted in present value savings of \$8,030,344 and the District reported a deferred gain on refunding in the amount of \$1,891,396.

Interest Rate Swap Agreements

As a means to reduce its borrowing cost in comparison to the issuance of traditional fixed rate bonds at the time of issuance, on March 23, 2005 the District entered into two identical pay fixed/receive variable interest rate synthetic fixed rate swap agreements on the District's \$80,000,000 Variable Rate Unlimited Tax School Building Bonds, Series 2005B (the bonds). The swap agreements and the bonds were issued at the same time. The swap agreements are with Morgan Stanley Capital Services (MS) and Bank of America (BOA), each in original notional amount of \$40,000,000 in order to synthetically fix the interest obligations of the variable interest bonds. The objective of the swaps is to hedge against the potential of rising interest rates in conjunction with the District's \$80,000,000 variable interest rate Unlimited Tax School Building Bonds Series 2005B ("2005B Bonds"). The fair value balance of the derivative instrument outstanding at August 31, 2022, and the changes in fair value of the derivative instrument for the year then ended are as follows:

Cash Flow Hedge:	<u>Amount</u>
Positive/(Negative) fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	\$ (6,816,019)
Current year increase/(decrease) in fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	(9,346,508)

The Swap notional amount totals \$79,900,000, the principal amount of the associated 2005B Bonds. The District's swap agreements contain scheduled reductions to outstanding notional amounts that follow anticipated payments of principal of the 2005B Bonds in varying amounts during the years 2022 to 2035. Under the terms of the swaps, the District will pay a fixed rate of 3.689% and receive a floating rate equal to 68% of one-month London Interbank Offered Rate (LIBOR) Index. All agreements were effective March 23, 2005, the date of issuance of the 2005B Bonds. The termination date is February 1, 2035.

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

Interest Rate Swap Agreements (continued)

The cumulative effective rate on the 2005B Bonds associated with the Swap is as follows:

	Rate Received (Paid)
Fixed rate (paid) received for swap agreement	3.689%
Remarketing fees on 2005B Bonds	0.060%
Liquidity fees on 2005B bonds	0.680%
Ongoing swap interest costs	4.429%
Swap cost (benefit) to date	0.033%
Effective swap rate to date	<u>4.462%</u>

In contrast, the fixed rate the District would have paid on General Obligation Bonds at a comparable maturity on the same sale date would have been 4.92%. The following amounts represent the benefits realized by participating in the Swap agreement:

	Amount
Calculated Benefit to Maturity vs. Fixed Rate Bonds at Time of Original Transaction	\$ 9,172,731
Basis (Cost) / Benefit to Date	\$ 3,553,545
Adjusted Swap Benefit vs. Fixed Rate Bonds	\$ 12,726,276

Fair Value

Because long-term LIBOR Swap interest rates have declined since inception of the Swaps, the Swaps had a negative fair value of \$6,816,019. This value was calculated using the zero-coupon method. This method calculates the future net settlement payments required by the Swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. The fair value is recorded on the Statement of Net Position of the District as a deferred outflow of resources and a liability for the derivative instrument as a governmental activity.

The swaps are classified in Level 2 of the fair value hierarchy.

Credit Risk

As of August 31, 2022, the District was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates increase and the fair value of the Swap become positive, the District would be exposed to credit risk on the Swap in the amount of its fair value.

Counterparty	Notional Amount	Fair Value Amount	Counterparty Credit Rating (Moody's)
Morgan Stanley Capital Services	\$ 39,950,000	\$ (3,409,663)	Aa2
Bank of America, N.A.	39,950,000	(3,406,356)	Aa2
	<u>\$ 79,900,000</u>	<u>\$ (6,816,019)</u>	

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

Basis Risk

The District is exposed to basis risk on the Swaps because the variable payment received is based on LIBOR rather than Securities Industry and Financial Market Association (SIFMA). Should the relationship between LIBOR and SIFMA move to convergence the expected cost savings may not be realized.

Interest Rate Risk

On the pay fixed/receive variable interest rate swaps, the District's net payment increases as LIBOR decreases. When LIBOR decreases, the District receives a lower payout from the Swaps and its net payments on the Swaps increase. Conversely, when LIBOR increases, the District receives a higher payout from the Swaps and its net payments on the Swaps decrease.

Termination Risk

The District may terminate for any reason. The District has the unilateral right to voluntarily terminate the Swap agreements at any time over their term at the then prevailing fair value; therefore, voluntary termination is unlikely by the District if the fair value is negative. A Counterparty may terminate a Swap if the District fails to perform under the terms of the contract. The District's options are to terminate with the Swap providers at an agreed fair value, assign the Swap to a third party based on bids or quotes, or enter into an off-setting transaction (a reversal). If the Swap should be terminated, the associated variable rate bonds would no longer carry synthetic fixed interest rates. Also, if at the time of the termination the Swap has a negative fair value, the District would be liable to the counterparty for a payment equal to the Swap's fair value.

The Swap agreements are subject to termination in the event of default or as follows:

- Agreement with Morgan Stanley Capital Services: If the ratings assigned to either the District's or Morgan Stanley Capital Service's unenhanced long-term debt obligations are withdrawn or reduced to BBB- by S&P or Baa3 by Moody's.
- Agreement with Bank of America: If the ratings assigned to either the District's or Bank of America's long-term debt obligations are withdrawn or reduced to BBB- by S&P or Baa3 by Moody's.

As of August 31, 2022, the debt obligations were rated Aa2 by Moody's Investor Service.

Market - Access Risk

The District has a risk that the remarketing agent will not be able to sell the variable rate bonds at a competitive rate. However, the District's Standby Bond Purchases Agreement mitigates the risk.

Rollover Risk

The District's Series 2005B Bonds and Swaps have matching notional maturity dates of February 1, 2035; therefore, the District is not exposed to rollover risk at this time.

Currently, the District's Stand-by Purchase Bond Agreement is with Bank of America, N.A. and expires on August 29, 2022. The price and availability to renew or secure future agreements are subject to market conditions and may expose the District to possible renewal risk.

Note 3 - Detailed Notes on All Funds (continued)

E. Long-Term Debt (continued)

Swap Payments and Associated Debt

As of August 31, 2022, the following are debt service requirements assuming current interest rates remain the same. As rates vary, variable rate bond interest payments and net Swap payments will vary.

Fiscal Year	Principal	Interest Payments	Variable Rate Receipts	Hedging Net	Total
2023	\$ 7,570,000	\$ 3,205,710	\$ (1,224,736)	\$ 1,980,974	\$ 9,550,974
2024	6,355,000	2,897,341	(1,107,599)	1,789,742	8,144,742
2025	6,230,000	2,618,646	(1,000,385)	1,618,261	7,848,261
2026	6,050,000	2,346,706	(895,850)	1,450,856	7,500,856
2027	5,685,000	2,086,834	(796,221)	1,290,613	6,975,613
2028 - 2032	25,990,000	7,261,124	(2,761,835)	4,499,289	30,489,289
2033 - 2037	18,285,000	1,196,827	(435,806)	761,021	19,046,021
Totals	\$ 76,165,000	\$ 21,613,188	\$ (8,222,432)	\$ 13,390,756	\$ 89,555,756

Leases

The District is a lessor for multiple agreements for the use of printers, copiers, and other various equipment. The initial lease liability was recorded in the amount of \$3,150,561 during the current fiscal year. As of August 31, 2022, the value of the lease liability was \$1,193,663. The leases have interest rates ranging from 0.1850% to 2.0930%. The value of the right-to-use leased assets as of the end of the current fiscal year was \$3,199,693 and had accumulated amortization of \$1,219,906.

The future principal and interest lease payments as of August 31, 2022, were as follows:

Year Ending August 31,	Principal	Interest	Totals
2023	\$ 1,193,663	\$ 6,220	\$ 1,199,883
2024	414,467	3,197	417,664
2025	224,219	1,504	225,723
2026	91,159	660	91,819
2027	10,319	313	10,632
2028 - 2030	23,925	384	24,309
	\$ 1,957,752	12,278	\$ 1,970,030

Note 3 - Detailed Notes on All Funds (continued)

F. Fund Balance

At August 31, 2022, the following amounts are restricted, committed, or assigned in the governmental funds:

<u>Fund</u>	<u>Restricted</u>	<u>Committed</u>	<u>Assigned</u>
General Fund	\$ -	\$ 10,000,000	\$ 10,045,689
Debt Service Fund	34,616,008	-	-
Capital Projects Fund	23,506,337	26,174,251	-
Nonmajor Governmental Funds	10,701,225	4,220,861	-
Total Encumbrances	<u>\$ 68,823,570</u>	<u>\$ 40,395,112</u>	<u>\$ 10,045,689</u>

The committed fund balance includes the following commitments of funds:

Committed Fund Balances

Campus Activity Funds	\$ 4,220,861
Facilities Construction in the General Fund	10,000,000
Self Funded Construction in the Capital Projects Fund	<u>26,174,251</u>
Total Committed Fund Balances	<u>\$ 40,395,112</u>

The assigned fund balance includes the following assignments of funds:

Assigned Fund Balances

Contingency – Unanticipated Deficits or Revenue	
Reductions for Adverse Economic Conditions	\$ 6,845,689
Outstanding Encumbrances	200,000
Potential Land Acquisition/Renovations	<u>3,000,000</u>
Total Assigned Fund Balances	<u>\$ 10,045,689</u>

At August 31, 2022, the District had a deficit net position in the workers' compensation internal service fund in the amount of \$915,202. This amount will be funded in the future by the General Fund.

G. Revenues from Local, Intermediate, and Out-of-State Sources

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

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Governmental Funds</u>	<u>Total</u>
Property Taxes	\$ 176,777,855	\$ 50,949,020	\$ -	\$ -	\$ 227,726,875
Charges for Services	632,915	-	-	7,053,694	7,686,609
Investment Earnings	(3,005,323)	(580,241)	84,553	52,285	(3,448,726)
Other	1,802,889	-	-	1,527,972	3,330,861
Total	<u>\$ 176,208,336</u>	<u>\$ 50,368,779</u>	<u>\$ 84,553</u>	<u>\$ 8,633,951</u>	<u>\$ 235,295,619</u>

Note 4 - Other Information

A. Risk Management

Property/Liability

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, natural disasters and related property/liability losses for which the District carries commercial insurance. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverage for each of the past three fiscal years.

Self-Funded Health Insurance

During the year ended August 31, 2022, employees of the District were covered by a health insurance plan (the "Plan"). The District contributed \$295 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Berkley Life and Health Insurance Company, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$400,000. Liabilities of the self-funded employee group health insurance plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is based on the District's historical experience. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years.

As of August 31, 2022, estimated claims that were unpaid and incurred but not reported totaled \$3,248,581. An analysis of claims liability for the past two fiscal years are as follows:

	<u>2022</u>	<u>2021</u>
Accrual, September 1	\$ 5,548,960	\$ 4,161,271
Current year estimates/provisions	54,015,845	(51,144,113)
Payments for claims	(56,316,224)	52,531,802
Accrual, August 31	<u>\$ 3,248,581</u>	<u>\$ 5,548,960</u>

Guaranteed Cost Workers' Compensation

During the year ended August 31, 2022, the District met its statutory workers' compensation obligations by participating as a policy holder with Texas Mutual Insurance Company (TMIC), the largest writer of workers' compensation coverage in Texas. As a policy holder of TMIC, the District is not responsible for any claim costs and/or payments for compensable claims afforded in the policy, unless declared as self-pay. TMIC provides administrative services, including all claims administration, claims payments, claims review, adjusting and customer service. TMIC has extensive regulatory oversight and subject to the dual regulatory oversight and enforcement regimes of the Texas Department of Insurance (TDI) and the Division of Workers' Compensation (DWC). TMIC has a Financial Strength Rating of "A" (Excellent) by A.M. Best.

Prior to fiscal year 2022, the District participated as a self-funded member of the TASB Risk Management Fund. The District hired a third-party consultant to manage the run off claims currently open with TASB in addition to the current claims with TMIC.

Note 4 - Other Information (continued)

A. Risk Management (continued)

Guaranteed Cost Workers' Compensation (continued)

Settlements have not exceeded coverages for each of the past three fiscal years and there were no significant reductions in insurance coverage from the prior year. The workers' compensation claims liability is presented in the amount of \$1,902,057.

The following year-by-year exposure details the number of annual claims:

<u>Fiscal Year</u>	<u>Claims</u>
2013	588
2014	374
2015	347
2016	342
2017	343
2018	390
2019	375
2020	272
2021	247
2022	308
10-Year Average	<u>359</u>

Changes in the workers' compensation claims liability amounts in the past two fiscal years are as follows:

	<u>2022</u>	<u>2021</u>
Unpaid Claims, Beginning of Fiscal Year	\$ 1,962,254	\$ 1,914,242
Incurred Claims, including provisions (adjustment) for IBNR	(29,138)	667,943
Claim Payments	(31,059)	(619,931)
Unpaid Claims, End of Fiscal Year	<u>\$ 1,902,057</u>	<u>\$ 1,962,254</u>

Contingent Liabilities

The District is a defendant in legal proceedings relating to its operations as a school district. In the best judgment of the District's management, the outcome of any present legal proceedings will not have any adverse material effect on the accompanying financial statements.

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2022, these programs are subject to financial and compliance audits by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. These amounts, if any, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits

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). TRS's defined benefit pension plan is 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.

Pension Plan Fiduciary Net Position

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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 TRS actuary.

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits (continued)

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 thru 2025.

	Contribution Rates	
	Measurement Year	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing agency	7.75%	7.50%
Employers	7.75%	7.50%

	Fiscal Year
	2022
District Contributions	\$ 19,482,254
Employee Contributions	35,452,043
Non-employer Contributing Entity (State)	20,394,534

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 part 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 are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.6% of the member’s salary beginning in fiscal year 2021, gradually increasing to 2% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits (continued)

Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
Municipal Bond Rate as of August 2020	1.95% - 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"
Last year ending August 31 in Projection Period (100 years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

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

Discount Rate

A single discount rate of 7.25% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25%. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent 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 projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2021 are summarized below:

Asset Class ¹	Target Allocation ²	Long-Term Expected Geometric Real Rate of Return ³	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
USA	18.00%	3.60%	0.94%
Non-U.S. Developed	13.00%	4.40%	0.83%
Emerging Markets	9.00%	4.60%	0.74%
Private Equity	14.00%	6.30%	1.36%
Stable Value			
Government Bonds	16.00%	-0.20%	0.01%
Absolute Return	0.00%	1.10%	0.00%
Stable Value Hedge Funds	5.00%	2.20%	0.12%
Real Return			
Real Estate	15.00%	4.50%	1.00%
Energy, Natural Resources & Infrastructure	6.00%	4.70%	0.35%
Commodities	0.00%	1.70%	0.00%
Risk Parity	8.00%	2.80%	0.28%
Leverage			
Cash	2.00%	-0.70%	-0.01%
Asset Allocation Leverage	-6.00%	-0.50%	0.03%
Inflation Expectation			2.20%
Volatility Drag ⁴			-0.95%
Expected Return	100.00%		6.90%

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the fiscal year 2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt as of August 31, 2021.

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits (continued)

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.25 percent) or one percentage point higher (8.25 percent) than the current rate.

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 201,155,872	\$ 92,055,497	\$ 3,541,977

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

At August 31, 2022, the District reported a liability of \$92,055,497 for its proportionate share of the TRS's 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	\$ 92,055,497
State's proportionate share that is associated with the District	<u>127,980,048</u>
Total	<u>\$ 220,035,545</u>

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

At August 31, 2021, the District's proportion of the collective net pension liability was 0.3615% which was an increase of 0.0016% from its proportion measured as of August 31, 2020.

Changes Since the Prior Actuarial Valuation. There were no changes in assumptions since the prior measurement date.

For the year ended August 31, 2022, the District recognized pension expense of \$6,377,430. The District also recognized on-behalf pension expense and revenue of \$511,648 for support provided by the State.

Note 4 - Other Information (continued)

B. Pension Plan and Other Post-Employment Benefits (continued)

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions (continued)

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

	<u>Deferred Outflows of Resources</u>	<u>Deferred Inflows of Resources</u>
Differences between expected and actual experience	\$ 154,052	\$ (6,480,780)
Changes of assumption	32,539,820	(14,184,571)
Net difference between projected and actual earnings on pension plan investments	-	(77,187,339)
Changes in proportion and differences between District contributions and proportionate share of contributions	4,665,769	(12,631,847)
District contributions subsequent to the measurement date	19,485,268	-
Total	<u>\$ 56,844,909</u>	<u>\$ (110,484,537)</u>

Deferred outflows of resources 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, 2023. 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:

<u>Fiscal Year</u>	<u>Pension Expense Amount</u>
2023	\$ (12,323,324)
2024	(13,232,271)
2025	(20,296,746)
2026	(25,756,599)
2027	(1,375,250)
Thereafter	(140,706)
	<u>\$ (73,124,896)</u>

The District will continue to make the required pension contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District's contributions to the net pension liabilities on an annual basis. The contributions are paid by the funds that pay the employees' salaries. These funding sources include the General Fund and Special Revenue funds.

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan

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.

OPEB 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 that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/TRS%20Documents/acfr-2021.pdf>, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

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

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

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

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

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan (continued)

Contributions

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

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

	Contribution Rates	
	2022	2021
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	Fiscal Year
	2022
District Contributions	\$ 4,311,455
Employee Contributions	2,879,366
Non-employer Contributing Entity (State)	6,387,427

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

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

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan (continued)

Actuarial Assumptions

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

Component	Result
Valuation Date	August 31, 2020, rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.
Election Rates	Normal Retirement: 65 percent participation rate prior to age 65 and 40 percent participation rate after age 65. Pre-65 retirees: 25 percent are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation-

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

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan (continued)

Discount Rate

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

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

Discount Rate Sensitivity Analysis

Discount Rate – The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (0.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District's proportional share of the net OPEB liability	\$ 214,282,846	\$ 177,646,693	\$ 148,812,848

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

At August 31, 2022, the District reported a liability of \$177,646,693 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	\$ 177,646,693
State's proportionate share that is associated with the District	238,006,979
Total	<u>\$ 415,653,672</u>

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

At August 31, 2021, the District’s proportion of the collective Net OPEB Liability was 0.4605% which was a decrease of 0.0062% from its proportion measured as of August 31, 2020.

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs (continued)

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 assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 143,887,934	\$ 177,646,693	\$ 222,942,561

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

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

For the year ended August 31, 2022, the District recognized negative OPEB expense of \$6,540,390. The District also recognized negative on-behalf OPEB expense and revenue of \$8,784,275 for support provided by the State.

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

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 7,648,531	\$ (85,993,427)
Changes of assumption	19,676,457	(37,568,988)
Net difference between projected and actual earnings on OPEB plan investments	192,867	-
Changes in proportion and differences between District contributions and proportionate share of contributions	12,245,080	(20,550,643)
District contributions subsequent to the measurement date	4,312,498	-
Total	\$ 44,075,433	\$ (144,113,058)

The deferred outflows of resources resulting from District contributions subsequent to the measurement will be recognized as a reduction of the net pension liability in the year ended August 31, 2023.

Note 4 - Other Information (continued)

C. Defined Other Post-Employment Benefit Plan (continued)

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs (continued)

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

<u>Fiscal Year</u>	<u>OPEB Expense Amount</u>
2023	\$ (19,326,034)
2024	(19,330,384)
2025	(19,329,193)
2026	(14,653,056)
2027	(8,322,397)
Thereafter	(23,389,060)
	<u>\$ (104,350,123)</u>

The District will continue to make the required OPEB contributions based on the statutorily determined rates established by the Teacher Retirement System of Texas (TRS). TRS will apply the District’s contributions to the net OPEB liabilities on an annual basis. The contributions are paid by the funds that pay the employees’ salaries. These funding sources include the General Fund and Special Revenue funds.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, 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 years ended August 31, 2022, 2021, and 2020, the subsidy payments received by TRS-Care on-behalf of the District were \$1,836,129, \$1,904,465, and \$1,797,746, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

D. Subsequent Events

On September 8, 2022 the District issued \$116,900,000 in Unlimited Tax School Building Bonds, Series 2022. The bonds are to be used for acquisition and improvement of new/existing school buildings, new school buses, technology infrastructure, and athletic stadium facilities.

On October 19, 2022 the District issued \$101,230,000 in Unlimited Tax Refunding Bonds, Series 2022. The bonds are to be used to refund \$104,130,000 of Unlimited Tax School Building and Refunding Bonds, Series 2013.

In January 2023, an EF3 tornado damaged multiple locations across the District resulting in approximately \$10 million in damages. The District anticipates the majority of the costs as a result of the tornado will be covered by insurance.





REQUIRED SUPPLEMENTARY INFORMATION





PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCE – BUDGET AND ACTUAL
GENERAL FUND
For the Fiscal Year Ended August 31, 2022

Exhibit G-1

		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local, intermediate, and out-of-state	\$ 177,350,741	\$ 181,277,741	\$ 176,208,336	\$ (5,069,405)
5800	State program revenues	337,081,441	324,127,441	325,920,795	1,793,354
5900	Federal program revenues	16,135,639	37,816,289	40,531,146	2,714,857
5020	Total Revenues	<u>530,567,821</u>	<u>543,221,471</u>	<u>542,660,277</u>	<u>(561,194)</u>
Expenditures					
Current:					
0011	Instruction	310,811,203	300,587,281	285,803,560	14,783,721
0012	Instruction resources and media services	6,983,661	7,397,876	7,217,025	180,851
0013	Curriculum and instructional staff development	7,362,283	7,581,392	6,758,190	823,202
0021	Instructional leadership	8,081,172	9,363,382	8,509,854	853,528
0023	School leadership	38,157,988	41,979,194	41,604,249	374,945
0031	Guidance, counseling and evaluation services	23,080,855	24,239,572	23,736,328	503,244
0032	Social work services	222,776	263,950	228,813	35,137
0033	Health services	5,346,429	5,708,368	5,588,051	120,317
0034	Student transportation	18,548,702	21,688,847	20,469,036	1,219,811
0036	Extracurricular activities	7,673,844	7,868,114	7,621,200	246,914
0041	General administration	13,369,786	14,949,934	14,501,492	448,442
0051	Facilities maintenance and operations	58,494,771	64,565,122	58,201,078	6,364,044
0052	Security and monitoring services	5,650,764	6,712,296	6,235,583	476,713
0053	Data processing services	14,401,060	31,203,831	29,675,851	1,527,980
0061	Community services	244,805	281,284	214,716	66,568
Debt service:					
0071	Principal on long-term debt	-	1,191,962	1,271,116	(79,154)
0072	Interest on long-term debt	-	8,038	8,038	-
Capital outlay:					
0081	Facilities acquisition and construction	7,382,320	7,230,579	2,176,145	5,054,434
Intergovernmental:					
0093	Payments related to shared services arrangements	1,305,000	1,159,260	1,099,260	60,000
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	100,000	200,000	108,451	91,549
0099	Other intergovernmental charges	1,600,000	1,717,058	1,657,058	60,000
6030	Total Expenditures	<u>528,817,419</u>	<u>555,897,340</u>	<u>522,685,094</u>	<u>33,212,246</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,750,402</u>	<u>(12,675,869)</u>	<u>19,975,183</u>	<u>32,651,052</u>
Other Financing Sources (Uses)					
7913	Proceeds from capital lease	-	-	73,596	73,596
8911	Transfers out	-	(5,815,845)	(7,404,411)	(1,588,566)
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>(5,815,845)</u>	<u>(7,330,815)</u>	<u>(1,514,970)</u>
1200	Net change in fund balances	1,750,402	(18,491,714)	12,644,368	31,136,082
0100	Fund Balance - beginning	<u>165,541,198</u>	<u>165,541,198</u>	<u>165,541,198</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 167,291,600</u>	<u>\$ 147,049,484</u>	<u>\$ 178,185,566</u>	<u>\$ 31,136,082</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION

Note 1 - Budget

Budgetary Information

The District adopts annual appropriations type budgets for the General Fund, National School Breakfast and Lunch Program Special Revenue Fund, and the Debt Service Fund as required by law. The remaining Special Revenue Funds (primarily federal grant programs) utilize a managerial type budget approved at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to Federal, State and locally imposed project length budgets and monitoring through submission of reimbursement reports. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund, National School Breakfast and Lunch Program Special Revenue Fund, and the Debt Service Fund during the fiscal year ended August 31, 2022.

The administrative level at which responsibility for control of budgeted appropriations begins is at the organizational level within each function of operations. The finance department reviews closely the expenditure requests submitted by the various organizational heads (principal and department heads) throughout the year to ensure proper spending compliance. No public funds of the District shall be expended in any manner other than as provided for in the budget adopted by the Board of Trustees.

The official school budget was prepared for adoption for budgeted governmental fund types prior to August 20, 2021. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

Encumbrance accounting is utilized in all government fund types. Encumbrances for goods or purchased services are documented by purchase orders or contracts. Under Texas law, appropriations lapse at year-end and encumbrances outstanding at that time are appropriately provided for in the subsequent year's budget.

Excess of Appropriations

The District exceeded the functional expenditure category for principal on long-term debt in the General Fund by \$79,154 and in the National School Breakfast and Lunch Program Fund by \$6,811 due to higher than anticipated debt service costs as a result of the implementation of GASB 87, *Leases*.

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE
NET PENSION LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER
PENSION PLAN - TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Eight Measurement Years

Exhibit G-2

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net pension liability	0.36148%	0.35990%	0.40240%	0.39102%
District's proportionate share of the net pension liability	\$ 92,055,497	\$ 192,750,901	\$ 209,167,194	\$ 215,224,797
State's proportionate share of the net pension liability associated with the District	<u>127,980,048</u>	<u>277,074,385</u>	<u>257,967,666</u>	<u>289,741,506</u>
Total	<u>\$ 220,035,545</u>	<u>\$ 469,825,286</u>	<u>\$ 467,134,860</u>	<u>\$ 504,966,303</u>
District's covered payroll (for Measurement Year)	\$ 424,341,150	\$ 420,738,695	\$ 402,982,794	\$ 393,650,768
District's proportionate share of the net pension liability as a percentage of it's covered payroll	21.69%	45.81%	51.90%	54.67%
Plan fiduciary net position as a percentage of the total pension liability *	88.79%	75.54%	75.24%	73.74%
Plan's net pension liability as a percentage of covered payroll *	51.08%	110.36%	114.93%	128.28%
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>
District's proportion of the net pension liability	0.39015%	0.37514%	0.38029%	0.27776%
District's proportionate share of the net pension liability	\$ 124,749,408	\$ 141,759,250	\$ 134,428,514	\$ 74,193,350
State's proportionate share of the net pension liability associated with the District	<u>174,464,486</u>	<u>207,913,636</u>	<u>194,271,517</u>	<u>164,362,313</u>
Total	<u>\$ 299,213,894</u>	<u>\$ 349,672,886</u>	<u>\$ 328,700,031</u>	<u>\$ 238,555,663</u>
District's covered payroll (for Measurement Year)	\$ 385,280,812	\$ 371,602,326	\$ 349,578,393	\$ 324,945,284
District's proportionate share of the net pension liability as a percentage of it's covered payroll	32.38%	38.15%	38.45%	22.83%
Plan fiduciary net position as a percentage of the total pension liability *	82.17%	78.00%	78.43%	83.25%
Plan's net pension liability as a percentage of covered payroll *	77.66%	94.10%	94.03%	73.41%

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2014.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTION TO THE
TEACHER RETIREMENT SYSTEM OF TEXAS PENSION PLAN
For the Last Eight Fiscal Years

Exhibit G-3

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 19,485,269	\$ 15,423,254	\$ 14,829,764	\$ 14,083,533
Contributions in relation to the contractual required contributions	19,485,269	15,423,254	14,829,764	14,083,533
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 444,860,910	\$ 424,341,150	\$ 420,738,695	\$ 402,982,794
Contributions as a percentage of covered payroll	4.38%	3.63%	3.52%	3.49%
	<u>2018</u>	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 13,394,652	\$ 12,777,649	\$ 11,919,889	\$ 11,260,635
Contributions in relation to the contractual required contributions	13,394,652	12,777,649	11,919,889	11,260,635
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 393,650,768	\$ 385,280,812	\$ 371,602,326	\$ 349,578,393
Contributions as a percentage of covered payroll	3.40%	3.32%	3.21%	3.22%

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2015.

PASADENA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS
Teacher Retirement System of Texas

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 8.0% as of August 31, 2017 to a blended rate of 6.907% as of August 31, 2018. The long-term assumed rate of return changed from 8.0% as of August 31, 2017 to 7.25% as of August 31, 2018. Demographic and economic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2017. The total pension liability as of August 31, 2018 was developed using a roll-forward method from the August 31, 2017 valuation.

Measurement Year 2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to just employers whose employees were not covered by OASDI in 2019 and it changed in 2020 to apply to all public schools, charter schools and regional education centers irrespective of participation in OASDI.

Measurement Year 2021: The public education employer contribution rate changed from 1.5% in 2020 to 1.6% in 2021.

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB
LIABILITY OF A COST-SHARING MULTIPLE-EMPLOYER OPEB PLAN
TEACHER RETIREMENT SYSTEM OF TEXAS
For the Last Five Measurement Years

Exhibit G-4

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
District's proportion of the net OPEB liability	0.460530%	0.466700%	0.501700%	0.487809%
District's proportionate share of the net OPEB liability	\$ 177,646,693	\$ 177,412,041	\$ 237,273,584	\$ 243,567,654
State's proportionate share of the net OPEB liability associated with the District	<u>238,006,979</u>	<u>238,399,256</u>	<u>315,283,522</u>	<u>327,217,929</u>
Total	<u>\$ 415,653,672</u>	<u>\$ 415,811,297</u>	<u>\$ 552,557,106</u>	<u>\$ 570,785,583</u>
District's covered payroll (for Measurement Year)	\$ 424,341,150	\$ 420,738,695	\$ 402,982,794	\$ 393,650,768
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	41.86%	42.17%	58.88%	61.87%
Plan fiduciary net position as a percentage of the total OPEB liability *	6.18%	4.99%	2.66%	1.57%
Plan's net OPEB liability as a percentage of covered payroll *	100.13%	101.46%	135.21%	146.64%
	<u>2017</u>			
District's proportion of the net OPEB liability	0.469001%			
District's proportionate share of the net OPEB liability	\$ 203,950,904			
State's proportionate share of the net OPEB liability associated with the District	<u>294,054,584</u>			
Total	<u>\$ 498,005,488</u>			
District's covered payroll (for Measurement Year)	\$ 385,280,812			
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	52.94%			
Plan fiduciary net position as a percentage of the total OPEB liability *	0.91%			
Plan's net OPEB liability as a percentage of covered payroll *	132.55%			

The amounts presented for each Plan year which ends the preceding August 31 of the District's fiscal year.

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2017.

* Per Teacher Retirement System of Texas' comprehensive annual financial report.

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S CONTRIBUTIONS TO THE
TEACHER RETIREMENT SYSTEM OF TEXAS OPEB PLAN
For the Last Five Fiscal Years

Exhibit G-5

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>
Contractually required contributions	\$ 4,312,499	\$ 3,597,180	\$ 3,541,172	\$ 3,560,617
Contributions in relation to the contractually required contributions	<u>4,312,499</u>	<u>3,597,180</u>	<u>3,541,172</u>	<u>3,560,617</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	<u>\$ 444,860,910</u>	<u>\$ 424,341,150</u>	<u>\$ 420,738,695</u>	<u>\$ 402,982,794</u>
Contributions as a percentage of covered payroll	0.97%	0.85%	0.84%	0.88%
	<u>2018</u>			
Contractually required contributions	\$ 3,370,143			
Contributions in relation to the contractually required contributions	<u>3,370,143</u>			
Contribution deficiency (excess)	<u>\$ -</u>			
District's covered payroll	<u>\$ 393,650,768</u>			
Contributions as a percentage of covered payroll	0.86%			

Note: Ten years of data should be presented in this schedule, but data is unavailable prior to 2018.
The District adopted GASB Statement No. 75 during fiscal year 2019.

PASADENA INDEPENDENT SCHOOL DISTRICT
NOTES TO REQUIRED SUPPLEMENTAL INFORMATION - OPEB
Teacher Retirement System of Texas

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.



SUPPLEMENTARY INFORMATION





Nonmajor Governmental Funds
Special Revenue Funds
Fund Name & Description

ESEA, Title X, Part C, Education for Homeless Children and Youth

Accounts on a project basis for funds granted for a variety of staff development and supplemental services, including in-service training, counseling, psychological services and tutoring.

ESEA Title I, Part A, Improving Basic Programs

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, allocated to local educational agencies to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

ESSA Title I, Part C

This fund classification is used to account a project basis for funds granted for programs benefiting children of migrant agriculture or agriculture-related workers and children of migrant fishermen.

IDEA, Part B, Formula

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to operate educational programs for children with disabilities.

IDEA, Part B, Preschool

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted for preschool children with disabilities.

IDEA, Part B, Discretionary

To account, on a project basis, for funds received from the U.S. Department of Education, passed through a regional education service center (ESC), granted for a special education component, targeted support, regional day school program for the deaf, private residential placements, priority projects, and other emerging needs.

National School Breakfast and Lunch Program

To account for receipt and expenditure of funds received from the U.S. Department of Agriculture, passed through the State Department of Education, to provide breakfast and lunch to school children and for other allowable child nutrition program purposes.

Summer Feeding Program

Accounts on a project basis for funds received from Texas Department of Agriculture that are awarded for meals provided to the community based on the average number of daily participants.

Career and Technical Education - Basic Grant

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to provide Career and Technical education to develop new and/or improve Career and Technical education programs for paid and unpaid employment.

ESEA Title II, Part A, Teacher and Principal Training and Recruiting

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, provided to local education agencies to increase student academic achievement through improving teacher and principal quality, and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools and to hold local education agencies and schools accountable for improving student academic achievement.

Nonmajor Governmental Funds
Special Revenue Funds
Fund Name & Description (continued)

ESEA Title III, Part A, English Language Acquisition and Language Enhancement

To account, on a project basis, for funds received from the U.S. Department of Education, passed through the State Department of Education, granted to improve the education of limited English proficient children, by assisting the children in learning the English language and to meet challenging State academic content and student academic achievement standards.

ESEA Title IV, Part B, 21st Century Learning Centers

Accounts on a project basis for funds granted to provide opportunities for communities to establish or expand activities in community learning centers that provide opportunities for academic enrichment and additional services to students and literary and related education development for families of students.

American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth

To account for federal stimulus ESSER funds granted to LEAs through the American Rescue Plan Act to identify homeless children and youth, to provide homeless children and youth with wraparound services to address the challenges of COVID-19, and to enable homeless children and youth to attend school and fully participate in school activities.

Texas COVID Learning Acceleration Supports - (TCLAS)

To account for funds granted for targeted supports to assist LEAs to accelerate student learning due to learning loss caused by the COVID-19 pandemic.

American Rescue Plan Act

To account for federal stimulus funds granted to LEAs through the ARP Act to identify and provide homeless children and youth with services in light of the challenges of COVID-19, and to enable homeless children and youth to attend school and participate fully in school activities.

Elementary and Secondary School Emergency Relief Fund II

Funds used to account for federal stimulus ESSER funds granted to District through the CRSSA Act that support the District's ability to operate and instruct its students during the COVID-19 pandemic.

ESSER III of the American Rescue Plan Act of 2021

Funds used to account for federal stimulus ESSER III funds granted to LEAs through the American Rescue Plan Act to address learning loss and the disproportionate impact of the coronavirus on certain student subgroups, identify and provide homeless children and youth with services in light of challenges of the coronavirus, and enable homeless children and youth to attend school and participate fully in school activities.

IDEA - Part B, Formula - American Rescue Plan

To account for federal stimulus funds granted under the ARP Act to operate educational programs for children with disabilities.

IDEA - Part B, Preschool - American Rescue Plan

To account for federal stimulus funds granted under the ARP Act for preschool children with disabilities.

Federally Funded Special Revenue Funds

Accounts on a project basis for federally funded special revenue funds that have not been specified individually.

Shared Services Arrangements, IDEA, Part B, Discretionary

To account for the fiscal agent activities for funds granted for a special education component, targeted support, regional day school program for the deaf, private residential placements, priority projects, and other emerging needs.

Advanced Placement Incentives

To account, on a project basis, for funds awarded from the State Department of Education to school districts under the Texas Advanced Placement Award Incentive Program.

**Nonmajor Governmental Funds
Special Revenue Funds
Fund Name & Description (continued)**

Texas High School Completion & Success

To account, on a project basis for funds awarded by the State Department of Education to school districts to implement programs to support the improvement of high school graduation rates.

State Instructional Materials Fund

To account, on a project basis, for funds provided through the State Department of Education to aide public school districts in the purchase of adopted instructional materials, technological equipment and technology services.

Juvenile Crisis Intervention Program

To account, on a project basis, for funds awarded by State Office on Juvenile Justice and Delinquency Prevention to support state and local delinquency prevention and intervention efforts and juvenile justice system improvements.

State Funded Special Revenue Funds

Accounts on a project basis for state funded special revenue funds that have not been specified individually.

SSA Regional Day School for the Deaf

Accounts for funds allocated through a shared service arrangement for the staff and activities of the regional day school program for the Deaf (RDSPD).

SSA State Educational Programs

Accounts on a project basis for state funded shared service arrangement special revenue funds that have not been specified individually.

Campus Activity Funds

To account for transactions related to a principal's activity fund that benefits students.

PISD Education Foundation Grant

To account, on a project basis, for funds received from the PISD Education Foundation to the PISD for educator grants. These funds provide equipment, materials, and support to enrich, maintain and expand programs needed to meet the District's stated mission of excellence in education.

Environmental Health Youth Council Program

To account, on a project basis, for funds awarded by the Environmental Youth Council Program designated to improve public health by dramatically reducing exposure to toxic chemicals and pollution.

Early College

To account, on a project basis, for funds awarded by Texas Guaranteed Student Loan Corporation to aide in funding the operation and growth of the Early College High School program at Pasadena High School. Students enrolled in this program have the opportunity to satisfy P.I.S.D. graduation requirements, while earning college credits concurrently through nearby San Jacinto College, ultimately graduating with a high school diploma as well as an Associate's degree.

BridgeUp at Menninger

To account, on a project basis, for funds received for the BridgeUp at Menninger grant.

CASE Partnership

To account, on a project basis, for funds awarded by the Harris County Department of Education to support the district after-school program, which must include activities to support language literacy and numeracy development during out-of-school time hours to students with a documented disability.

Locally Funded Special Revenue Funds

To account for other locally funded special revenue funds not listed above.



PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	206	211	212	224
Data Control Codes	ESEA Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A- Improving Basic Programs	ESSA Title I Part C	IDEA, Part B Formula
Assets				
1110	\$ -	\$ -	\$ 476	\$ -
Receivables:				
1240	1,219	2,864,983	8,100	2,499,951
1260	-	-	-	-
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000 Total Assets	\$ 1,219	\$ 2,864,983	\$ 8,576	\$ 2,499,951
Liabilities and Fund Balance				
Liabilities:				
2110	\$ -	\$ 60,018	\$ -	\$ 6,161
2160	-	1,375,132	8,576	735,575
2170	1,114	1,429,833	-	1,758,215
2180	105	-	-	-
2190	-	-	-	-
2300	-	-	-	-
2000 Total Liabilities	1,219	2,864,983	8,576	2,499,951
Fund Balances:				
Nonspendable:				
3430	-	-	-	-
Restricted:				
3450	-	-	-	-
Committed:				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	-
4000 Total Liabilities and Fund Balances	\$ 1,219	\$ 2,864,983	\$ 8,576	\$ 2,499,951

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	225	226	240	242
Data Control Codes	IDEA, Part B Preschool	IDEA - B - Discretionary	National School Breakfast and Lunch	Summer Feeding Program
Assets				
1110	\$ -	\$ -	\$ 4,832,444	\$ -
Receivables:				
1240	44,221	-	1,908,555	-
1260	-	-	4,029,035	1,216,642
1290	-	-	77,817	-
1300	-	-	1,112,773	-
1410	-	-	5,945	-
1000 Total Assets	\$ 44,221	\$ -	\$ 11,966,569	\$ 1,216,642
Liabilities and Fund Balance				
Liabilities:				
2110	\$ 4,311	\$ -	\$ 1,324,062	\$ -
2160	5,835	-	945,292	-
2170	34,075	-	320,388	279
2180	-	-	-	-
2190	-	-	-	-
2300	-	-	-	-
2000 Total Liabilities	44,221	-	2,589,742	279
Fund Balances:				
Nonspendable:				
3430	-	-	-	-
Restricted:				
3450	-	-	9,376,827	1,216,363
Committed:				
3545	-	-	-	-
3000 Total Fund Balances	-	-	9,376,827	1,216,363
4000 Total Liabilities and Fund Balances	\$ 44,221	\$ -	\$ 11,966,569	\$ 1,216,642

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	244	255	263	265
Data Control Codes	Career and Technical Education - Basic Grant	ESEA Title II, Part A -Teacher and Principal Training and Recruiting	ESEA Title III, Part A - English Language Acquisition and Language Enhancement	ESEA Title IV, Part B - 21st Century Learning Centers
Assets				
1110	\$ -	\$ -	\$ -	\$ -
Receivables:				
1240	160,089	840,140	251,848	393,261
1260	-	-	-	-
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000 Total Assets	\$ 160,089	\$ 840,140	\$ 251,848	\$ 393,261
Liabilities and Fund Balance				
Liabilities:				
2110	\$ 36,075	\$ -	\$ 24,384	\$ 27
2160	33,779	163,565	100,664	90,115
2170	90,235	676,575	126,800	302,655
2180	-	-	-	464
2190	-	-	-	-
2300	-	-	-	-
2000 Total Liabilities	160,089	840,140	251,848	393,261
Fund Balances:				
Nonspendable:				
3430	-	-	-	-
Restricted:				
3450	-	-	-	-
Committed:				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	-
4000 Total Liabilities and Fund Balances	\$ 160,089	\$ 840,140	\$ 251,848	\$ 393,261

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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Data Control Codes		278	279	280	281
		American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	Texas COVID Learning Acceleration Supports - (TCLAS)	American Rescue Plan Act	Elementary and Secondary School Emergency Relief Fund II
	Assets				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	Receivables:				
1240	Receivables from other governments	31,299	-	27,740	6,090,390
1260	Due from other funds	-	-	-	-
1290	Other receivables	305	2,155	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	\$ 31,604	\$ 2,155	\$ 27,740	\$ 6,090,390
	Liabilities and Fund Balance				
	Liabilities:				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	12,674	-	5,190	-
2170	Due to other funds	18,930	544	22,550	6,090,390
2180	Payable to other governments	-	1,611	-	-
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
2000	Total Liabilities	31,604	2,155	27,740	6,090,390
	Fund Balances:				
	Nonspendable:				
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Federal/State grant restrictions	-	-	-	-
	Committed:				
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	-	-	-	-
4000	Total Liabilities and Fund Balances	\$ 31,604	\$ 2,155	\$ 27,740	\$ 6,090,390

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	282	284	285	289
Data Control Codes	ESSER III of the American Rescue Plan Act of 2021	IDEA - Part B, Formula - American Rescue Plan	IDEA - Part B, Preschool - American Rescue Plan	Federally Funded Special Revenue Funds
Assets				
1110	\$ -	\$ -	\$ -	\$ 396,382
Receivables:				
1240	12,067,017	317,729	50,536	429,960
1260	-	-	-	-
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000 Total Assets	\$ 12,067,017	\$ 317,729	\$ 50,536	\$ 826,342
Liabilities and Fund Balance				
Liabilities:				
2110	\$ -	\$ 148,432	\$ -	\$ -
2160	4,164,594	29,233	-	44,520
2170	7,902,423	140,064	50,536	25,186
2180	-	-	-	-
2190	-	-	-	-
2300	-	-	-	756,636
2000 Total Liabilities	12,067,017	317,729	50,536	826,342
Fund Balances:				
Nonspendable:				
3430	-	-	-	-
Restricted:				
3450	-	-	-	-
Committed:				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	-
4000 Total Liabilities and Fund Balances	\$ 12,067,017	\$ 317,729	\$ 50,536	\$ 826,342

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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		315	397	409	410
Data Control Codes		SSA-IDEA-Part B, Discretionary	Advanced Placement Incentives	Texas High School Completion & Success	State Instructional Materials Fund
Assets					
1110	Cash and cash equivalents	\$ 13,745	\$ -	\$ 3,113	\$ 1,274,540
Receivables:					
1240	Receivables from other governments	-	-	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total Assets	<u>\$ 13,745</u>	<u>\$ -</u>	<u>\$ 3,113</u>	<u>\$ 1,274,540</u>
Liabilities and Fund Balance					
Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 118,445
2160	Accrued wages payable	5,876	-	-	-
2170	Due to other funds	-	-	-	-
2180	Payable to other governments	7,869	-	3,113	-
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	1,156,095
2000	Total Liabilities	<u>13,745</u>	<u>-</u>	<u>3,113</u>	<u>1,274,540</u>
Fund Balances:					
Nonspendable:					
3430	Prepaid items	-	-	-	-
Restricted:					
3450	Federal/State grant restrictions	-	-	-	-
Committed:					
3545	Other purposes	-	-	-	-
3000	Total Fund Balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total Liabilities and Fund Balances	<u>\$ 13,745</u>	<u>\$ -</u>	<u>\$ 3,113</u>	<u>\$ 1,274,540</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	427	429	435	458
Data Control Codes	Juvenile Crisis Intervention Program	State Funded Special Revenue Funds	SSA Regional Day School for the Deaf	SSA - State Educational Programs
Assets				
1110	\$ -	\$ -	\$ -	\$ -
Receivables:				
1240	65,425	360,621	133,422	184,910
1260	-	-	-	-
1290	-	-	-	-
1300	-	-	-	-
1410	-	-	-	-
1000 Total Assets	\$ 65,425	\$ 360,621	\$ 133,422	\$ 184,910
Liabilities and Fund Balance				
Liabilities:				
2110	\$ -	\$ 42,152	\$ -	\$ 1,032
2160	11,122	4,348	50,462	88,479
2170	54,303	193,569	82,960	95,399
2180	-	-	-	-
2190	-	-	-	-
2300	-	120,552	-	-
2000 Total Liabilities	65,425	360,621	133,422	184,910
Fund Balances:				
Nonspendable:				
3430	-	-	-	-
Restricted:				
3450	-	-	-	-
Committed:				
3545	-	-	-	-
3000 Total Fund Balances	-	-	-	-
4000 Total Liabilities and Fund Balances	\$ 65,425	\$ 360,621	\$ 133,422	\$ 184,910

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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	461	480	491	492
Data Control Codes	Campus Activity Fund	PISD Education Foundation Grant	Environmental Health Youth Council Program	Early College
Assets				
1110	\$ 4,313,438	\$ 122,692	\$ -	\$ 11,713
Receivables:				
1240	657	33,726	1,952	-
1260	-	-	-	-
1290	4,145	-	-	-
1300	-	-	-	-
1410	25	-	-	-
1000 Total Assets	\$ 4,318,265	\$ 156,418	\$ 1,952	\$ 11,713
Liabilities and Fund Balance				
Liabilities:				
2110	\$ 92,268	\$ 10,839	\$ -	\$ -
2160	4,053	-	-	-
2170	-	-	565	-
2180	308	-	-	-
2190	750	-	-	-
2300	-	145,579	1,387	11,713
2000 Total Liabilities	97,379	156,418	1,952	11,713
Fund Balances:				
Nonspendable:				
3430	25	-	-	-
Restricted:				
3450	-	-	-	-
Committed:				
3545	4,220,861	-	-	-
3000 Total Fund Balances	4,220,886	-	-	-
4000 Total Liabilities and Fund Balances	\$ 4,318,265	\$ 156,418	\$ 1,952	\$ 11,713

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
August 31, 2022

Exhibit H-1
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		497	498	499	
Data Control Codes		BridgeUp at Menninger	CASE Partnership	Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds
Assets					
1110	Cash and cash equivalents	\$ 435,793	\$ 40,141	\$ 110,450	\$ 11,554,927
Receivables:					
1240	Receivables from other governments	-	-	-	28,767,751
1260	Due from other funds	-	-	-	5,245,677
1290	Other receivables	-	-	-	84,422
1300	Inventories	-	-	-	1,112,773
1410	Prepaid items	-	-	-	5,970
1000	Total Assets	<u>\$ 435,793</u>	<u>\$ 40,141</u>	<u>\$ 110,450</u>	<u>\$ 46,771,520</u>
Liabilities and Fund Balance					
Liabilities:					
2110	Accounts payable	\$ -	\$ -	\$ 951	\$ 1,869,157
2160	Accrued wages payable	-	1,997	-	7,881,081
2170	Due to other funds	-	-	-	19,417,588
2180	Payable to other governments	435,793	-	-	449,263
2190	Due to student and employee groups	-	-	-	750
2300	Unearned revenue	-	36,607	3,001	2,231,570
2000	Total Liabilities	<u>435,793</u>	<u>38,604</u>	<u>3,952</u>	<u>31,849,409</u>
Fund Balances:					
Nonspendable:					
3430	Prepaid items	-	-	-	25
Restricted:					
3450	Federal/State grant restrictions	-	1,537	106,498	10,701,225
Committed:					
3545	Other purposes	-	-	-	4,220,861
3000	Total Fund Balances	<u>-</u>	<u>1,537</u>	<u>106,498</u>	<u>14,922,111</u>
4000	Total Liabilities and Fund Balances	<u>\$ 435,793</u>	<u>\$ 40,141</u>	<u>\$ 110,450</u>	<u>\$ 46,771,520</u>



PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
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		206	211	212	224
Data Control Codes		ESEA Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A- Improving Basic Programs	ESSA Title I Part C	IDEA, Part B Formula
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	114,215	18,578,831	110,866	9,447,204
5020	Total revenues	<u>114,215</u>	<u>18,578,831</u>	<u>110,866</u>	<u>9,447,204</u>
Expenditures					
Current:					
0011	Instruction	114,215	15,123,693	-	4,216,452
0012	Instruction resources and media services	-	164	-	-
	Curriculum and instructional staff				
0013	development	-	585,775	59,294	837,230
0021	Instructional leadership	-	439,823	-	263,209
0023	School leadership	-	219,601	-	-
	Guidance, counseling and evaluation				
0031	services	-	1,690,511	51,572	4,130,313
0032	Social work services	-	106,592	-	-
0033	Health services	-	150,008	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	7,250	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	255,414	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>114,215</u>	<u>18,578,831</u>	<u>110,866</u>	<u>9,447,204</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
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		225	226	240	242
Data Control Codes		IDEA, Part B Preschool	IDEA - B - Discretionary	National School Breakfast and Lunch	Summer Feeding Program
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 2,209,918	\$ -
5800	State program revenues	-	-	71,143	-
5900	Federal program revenues	112,664	496,531	37,915,015	-
5020	Total revenues	<u>112,664</u>	<u>496,531</u>	<u>40,196,076</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	112,664	496,531	-	-
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	31,973,612	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	5,897	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	6,811	-
0072	Interest on long-term debt	-	-	186	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>112,664</u>	<u>496,531</u>	<u>31,986,506</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	8,209,570	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	11,522	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>11,522</u>	<u>-</u>
1200	Net change in fund balances	-	-	8,221,092	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>1,155,735</u>	<u>1,216,363</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 9,376,827</u>	<u>\$ 1,216,363</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

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		244	255	263	265
Data Control Codes		Career and Technical Education - Basic Grant	ESEA Title II, Part A -Teacher and Principal Training and Recruiting	ESEA Title III, Part A - English Language Acquisition and Language Enhancement	ESEA Title IV, Part B - 21st Century Learning Centers
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	773,233	2,401,676	1,517,356	1,441,279
5020	Total revenues	773,233	2,401,676	1,517,356	1,441,279
Expenditures					
Current:					
0011	Instruction	433,218	1,876,056	1,378,322	522,747
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	235,802	88,731	7,045
0021	Instructional leadership	19,967	47,044	-	268,132
0023	School leadership	-	242,774	1,469	640,666
	Guidance, counseling and evaluation				
0031	services	320,048	-	48,834	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	538
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	2,151
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	773,233	2,401,676	1,517,356	1,441,279
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	-	-	-	-
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - beginning	-	-	-	-
3000	Fund Balance - ending	\$ -	\$ -	\$ -	\$ -

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

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Data Control Codes		278	279	280	281
		American Rescue Plan Elementary and Secondary School Emergency Relief - Homeless Children and Youth	Texas COVID Learning Acceleration Supports - (TCLAS)	American Rescue Plan Act	Elementary and Secondary School Emergency Relief Fund II
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	120,572	143,777	27,740	47,462,627
5020	Total revenues	<u>120,572</u>	<u>143,777</u>	<u>27,740</u>	<u>47,462,627</u>
Expenditures					
Current:					
0011	Instruction	120,572	143,777	10,311	46,238,720
0012	Instruction resources and media services	-	-	-	107,130
	Curriculum and instructional staff development	-	-	6,966	4,880
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	313,601
	Guidance, counseling and evaluation services	-	-	10,463	-
0031	Social work services	-	-	-	-
0033	Health services	-	-	-	77,483
0034	Student transportation	-	-	-	362,684
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	291,413
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	50,262
0052	Security and monitoring services	-	-	-	16,454
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>120,572</u>	<u>143,777</u>	<u>27,740</u>	<u>47,462,627</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

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	282	284	285	289
Data Control Codes	ESSER III of the American Rescue Plan Act of 2021	IDEA - Part B, Formula - American Rescue Plan	IDEA - Part B, Preschool - American Rescue Plan	Federally Funded Special Revenue Funds
Revenues				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	25,645,354	317,729	3,003,879
5020	Total revenues	<u>25,645,354</u>	<u>317,729</u>	<u>3,003,879</u>
Expenditures				
Current:				
0011	Instruction	21,558,440	302,223	50,536
0012	Instruction resources and media services	119,925	-	-
	Curriculum and instructional staff			
0013	development	69,147	-	144,282
0021	Instructional leadership	115,854	-	481,841
0023	School leadership	646,232	-	-
	Guidance, counseling and evaluation			
0031	services	409,780	15,506	306,584
0032	Social work services	4,121	-	-
0033	Health services	117,439	-	-
0034	Student transportation	336,136	-	-
0035	Food services	537,204	-	-
0036	Extracurricular activities	85,487	-	-
0041	General administration	358,516	-	-
0051	Facilities maintenance and operations	799,761	-	571,052
0052	Security and monitoring services	96,694	-	363,086
0053	Data processing services	385,483	-	-
0061	Community services	4,117	-	-
Debt service:				
0071	Principal on long-term debt	-	-	-
0072	Interest on long-term debt	-	-	-
Capital outlay:				
0081	Facilities acquisition and construction	1,018	-	-
6030	Total Expenditures	<u>25,645,354</u>	<u>317,729</u>	<u>50,536</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-
Other Financing Sources (Uses)				
7913	Proceeds from lease	-	-	-
7915	Transfers in	-	-	-
8911	Transfers out	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

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		315	397	409	410
Data Control Codes		SSA-IDEA-Part B, Discretionary	Advanced Placement Incentives	Texas High School Completion & Success	State Instructional Materials Fund
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	35,207	-	2,554,102
5900	Federal program revenues	63,757	-	-	-
5020	Total revenues	<u>63,757</u>	<u>35,207</u>	<u>-</u>	<u>2,554,102</u>
Expenditures					
Current:					
0011	Instruction	63,757	-	-	2,554,102
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff	-	-	-	-
0013	development	-	35,207	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation	-	-	-	-
0031	services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>63,757</u>	<u>35,207</u>	<u>-</u>	<u>2,554,102</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
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		427	429	435	458
Data Control Codes		Juvenile Crisis Intervention Program	State Funded Special Revenue Funds	SSA Regional Day School for the Deaf	SSA - State Educational Programs
Revenues					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 891,309
5800	State program revenues	105,407	1,041,222	630,113	-
5900	Federal program revenues	-	-	-	-
5020	Total revenues	<u>105,407</u>	<u>1,041,222</u>	<u>630,113</u>	<u>891,309</u>
Expenditures					
Current:					
0011	Instruction	-	712,373	610,935	663,692
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	94,808	3,213	111,336
0021	Instructional leadership	-	229,351	-	35,855
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	-	1,900	15,965	80,426
0032	Social work services	105,407	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	2,790	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>105,407</u>	<u>1,041,222</u>	<u>630,113</u>	<u>891,309</u>
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	-	-	-	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	-	-
0100	Fund Balance - beginning	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

		461	480	491	492
Data Control Codes		Campus Activity Fund	PISD Education Foundation Grant	Environmental Health Youth Council Program	Early College
Revenues					
5700	Local, intermediate, and out-of-state	\$ 4,896,061	\$ 310,197	\$ 8,702	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
5020	Total revenues	<u>4,896,061</u>	<u>310,197</u>	<u>8,702</u>	<u>-</u>
Expenditures					
Current:					
0011	Instruction	1,013,499	302,256	8,702	-
0012	Instruction resources and media services	18,146	-	-	-
	Curriculum and instructional staff				
0013	development	47	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	22,644	-	-	-
	Guidance, counseling and evaluation				
0031	services	58,088	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	6,102	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	3,431,820	7,941	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	52,493	-	-	-
0052	Security and monitoring services	19,053	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	53,753	-	-	-
Debt service:					
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
Capital outlay:					
0081	Facilities acquisition and construction	-	-	-	-
6030	Total Expenditures	<u>4,675,645</u>	<u>310,197</u>	<u>8,702</u>	<u>-</u>
1100	Excess (deficiency) of revenues over expenditures	<u>220,416</u>	<u>-</u>	<u>-</u>	<u>-</u>
Other Financing Sources (Uses)					
7913	Proceeds from lease	-	-	-	-
7915	Transfers in	-	-	-	-
8911	Transfers out	(19,959)	-	-	-
7080	Total Other Financing Sources (Uses)	<u>(19,959)</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	200,457	-	-	-
0100	Fund Balance - beginning	<u>4,020,429</u>	<u>-</u>	<u>-</u>	<u>-</u>
3000	Fund Balance - ending	<u>\$ 4,220,886</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS
For the Year Ended August 31, 2022

Exhibit H-2
Page 9 of 9

		497	498	499		
Data Control Codes		BridgeUp at Menninger	CASE Partnership	Locally Funded Special Revenue Funds	Total Nonmajor Governmental Funds	
Revenues						
5700	Local, intermediate, and out-of-state	\$ 88,067	\$ 74,375	\$ 155,322	\$ 8,633,951	
5800	State program revenues	-	-	-	4,437,194	
5900	Federal program revenues	-	-	-	149,744,841	
5020	Total revenues	88,067	74,375	155,322	162,815,986	
Expenditures						
Current:						
0011	Instruction	88,067	72,838	15,498	99,941,230	
0012	Instruction resources and media services	-	-	5,000	250,365	
	Curriculum and instructional staff					
0013	development	-	-	48,285	2,332,048	
0021	Instructional leadership	-	-	-	1,901,076	
0023	School leadership	-	-	-	2,086,987	
	Guidance, counseling and evaluation					
0031	services	-	-	-	7,139,990	
0032	Social work services	-	-	-	216,120	
0033	Health services	-	-	-	351,032	
0034	Student transportation	-	-	-	698,820	
0035	Food services	-	-	-	32,510,816	
0036	Extracurricular activities	-	-	-	3,816,661	
0041	General administration	-	-	-	358,516	
0051	Facilities maintenance and operations	-	-	-	1,480,003	
0052	Security and monitoring services	-	-	-	502,537	
0053	Data processing services	-	-	-	388,273	
0061	Community services	-	-	-	315,435	
Debt service:						
0071	Principal on long-term debt	-	-	-	6,811	
0072	Interest on long-term debt	-	-	-	186	
Capital outlay:						
0081	Facilities acquisition and construction	-	-	-	1,018	
6030	Total Expenditures	88,067	72,838	68,783	154,297,924	
1100	Excess (deficiency) of revenues over expenditures	-	1,537	86,539	8,518,062	
Other Financing Sources (Uses)						
7913	Proceeds from lease	-	-	-	11,522	
7915	Transfers in	-	-	19,959	19,959	
8911	Transfers out	-	-	-	(19,959)	
7080	Total Other Financing Sources (Uses)	-	-	19,959	11,522	
1200	Net change in fund balances	-	1,537	106,498	8,529,584	
0100	Fund Balance - beginning	-	-	-	6,392,527	
3000	Fund Balance - ending	\$ -	\$ 1,537	\$ 106,498	\$ 14,922,111	



Nonmajor Proprietary Funds
Internal Service Funds
Fund Name & Description

Employee Health Insurance

Accounts for employee health insurance plans provided to other departments on a cost reimbursement basis.

Workers' Compensation Fund

Accounts for employee workers' compensation plans provided to other departments on a cost reimbursement basis.



PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
August 31, 2022

Exhibit I-1

	<u>Employee Health Insurance</u>	<u>Worker's Compensation Fund</u>	<u>Total Internal Service Funds</u>
Assets			
Current assets:			
Cash and cash equivalents	\$ 3,578,963	\$ 872,779	\$ 4,451,742
Receivables:			
Due from other funds	1,955,929	-	1,955,929
Other receivables	4,083,686	-	4,083,686
Prepaid items	-	278,947	278,947
Total Assets	<u>\$ 9,618,578</u>	<u>\$ 1,151,726</u>	<u>\$ 10,770,304</u>
Liabilities			
Current liabilities:			
Accounts payable	\$ 3,730,245	\$ -	\$ 3,730,245
Due to other funds	-	164,871	164,871
Claims payable	3,248,581	484,301	3,732,882
Non-current liabilities:			
Claims and judgments	-	1,417,756	1,417,756
Total Liabilities	<u>6,978,826</u>	<u>2,066,928</u>	<u>9,045,754</u>
Net Position			
Unrestricted net position	2,639,752	(915,202)	1,724,550
Total Net Position	<u>\$ 2,639,752</u>	<u>\$ (915,202)</u>	<u>\$ 1,724,550</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN
NET POSITION
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2022

Exhibit I-2

	Employee Health Insurance	Worker's Compensation Fund	Total Internal Service Funds
Operating Revenues			
Interfund services provided and used	\$ 45,664,894	\$ -	\$ 45,664,894
Insurance recovery	5,835,371	-	5,835,371
Miscellaneous revenue	-	7,117	7,117
Total Operating Revenues	<u>51,500,265</u>	<u>7,117</u>	<u>51,507,382</u>
Operating Expenses			
Payroll costs	-	31,059	31,059
Purchased and contracted services	732,935	995,182	1,728,117
Supplies and materials	69	69	138
Claims expense and other operating expenses	55,057,157	-	55,057,157
Total Operating Expenses	<u>55,790,161</u>	<u>1,026,310</u>	<u>56,816,471</u>
Operating Income (Loss)	(4,289,896)	(1,019,193)	(5,309,089)
Non-Operating Revenues (Expenses)			
Investment earnings	1,709	4,248	5,957
Total Non-Operating Revenues	<u>1,709</u>	<u>4,248</u>	<u>5,957</u>
Transfers			
Transfers in	6,588,566	-	6,588,566
Total Transfers	<u>6,588,566</u>	<u>-</u>	<u>6,588,566</u>
Change in Net Position	2,300,379	(1,014,945)	1,285,434
Net Position - Beginning	339,373	99,743	439,116
Net Position - Ending	<u>\$ 2,639,752</u>	<u>\$ (915,202)</u>	<u>\$ 1,724,550</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
For the Year Ended August 31, 2022

Exhibit I-3

	<u>Employee Health Insurance</u>	<u>Worker's Compensation Fund</u>	<u>Total Internal Service Funds</u>
Increase (Decrease) in Cash and Cash Equivalents			
Cash Flows from Operating Activities:			
Cash receipts from interfund services provided	\$ 44,186,781	\$ 79,078	\$ 44,265,859
Cash receipts from (payments to) miscellaneous sources	-	7,117	7,117
Cash receipts for insurance claims	1,751,685	-	1,751,685
Cash payments to employees	-	(31,059)	(31,059)
Cash payments to suppliers for goods and services	<u>(56,316,224)</u>	<u>(1,334,395)</u>	<u>(57,650,619)</u>
Net Cash Provided by (Used for) Operating Activities	<u>(10,377,758)</u>	<u>(1,279,259)</u>	<u>(11,657,017)</u>
Cash Flows from Non-Capital Financing Activities:			
Cash payment from other fund	<u>6,588,566</u>	-	<u>6,588,566</u>
Net Cash Provided by (Used for) Non-Capital Financing Activities	<u>6,588,566</u>	-	<u>6,588,566</u>
Cash Flows from Investing Activities:			
Interest on investments	1,709	4,248	5,957
Sale (purchase) of investments	<u>5,612,304</u>	<u>2,147,790</u>	<u>7,760,094</u>
Net Cash Provided by (Used for) Investing Activities	<u>5,614,013</u>	<u>2,152,038</u>	<u>7,766,051</u>
Net Increase (Decrease) in Cash and Cash Equivalents	1,824,821	872,779	2,697,600
Cash and Cash Equivalents at Beginning of Year	<u>1,754,142</u>	-	<u>1,754,142</u>
Cash and Cash Equivalents at End of Year	<u>\$ 3,578,963</u>	<u>\$ 872,779</u>	<u>\$ 4,451,742</u>
Reconciliation to Balance Sheet			
Cash and Cash Equivalents Per Cash Flow	<u>\$ 3,578,963</u>	<u>\$ 872,779</u>	<u>\$ 4,451,742</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 3,578,963</u>	<u>\$ 872,779</u>	<u>\$ 4,451,742</u>
Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities			
Operating Income (Loss)	\$ (4,289,896)	\$ (1,019,193)	\$ (5,309,089)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Change in Assets and Liabilities:			
(Increase) decrease in due from other funds	(1,955,929)	-	(1,955,929)
Increase (decrease) in due to other funds	(1,478,113)	79,078	(1,399,035)
Decrease (increase) in Receivables	(4,083,686)	-	(4,083,686)
Decrease (increase) in Prepays	-	(278,947)	(278,947)
Increase (decrease) in Accounts payable	3,730,245	-	3,730,245
Increase (decrease) in Claims payable	<u>(2,300,379)</u>	<u>(60,197)</u>	<u>(2,360,576)</u>
Net Cash Provided by (Used for) Operating Activities	<u>\$ (10,377,758)</u>	<u>\$ (1,279,259)</u>	<u>\$ (11,657,017)</u>



PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCE
BUDGET AND ACTUAL – NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM
For the Year Ended August 31, 2022

Exhibit J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
Revenues					
5700	Local, intermediate, and out-of-state	\$ 5,560,000	\$ 5,594,000	\$ 2,209,918	\$ (3,384,082)
5800	State program revenues	200,000	200,000	71,143	(128,857)
5900	Federal program revenues	32,790,000	33,908,542	37,915,015	4,006,473
5020	Total Revenues	38,550,000	39,702,542	40,196,076	493,534
Expenditures					
Current:					
0035	Food services	38,539,000	39,691,542	31,973,612	7,717,930
0051	Facilities maintenance and operations	11,000	11,000	5,897	5,103
Debt service:					
0071	Principal on long-term debt	-	-	6,811	(6,811)
0072	Interest on long-term debt	-	-	186	(186)
Capital outlay:					
0081	Facilities acquisition and construction	-	583,637	-	583,637
6030	Total Expenditures	38,550,000	40,286,179	31,986,506	8,299,673
1100	Excess (deficiency) of revenues over expenditures	-	(583,637)	8,209,570	8,793,207
Other Financing Sources (Uses)					
7913	Proceeds from capital lease	-	-	11,522	11,522
7080	Total Other Financing Sources (Uses)	-	-	11,522	11,522
1200	Net change in fund balances	-	(583,637)	8,221,092	8,804,729
0100	Fund Balance - Beginning	1,155,735	1,155,735	1,155,735	-
3000	Fund Balance - Ending	\$ 1,155,735	\$ 572,098	\$ 9,376,827	\$ 8,804,729

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCE
BUDGET AND ACTUAL – DEBT SERVICE FUND
For the Year Ended August 31, 2022

Exhibit J-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 53,408,768	\$ 53,408,768	\$ 50,368,779	\$ (3,039,989)
5800	State program revenues	2,047,066	3,094,132	2,528,142	(565,990)
5020	Total Revenues	<u>55,455,834</u>	<u>56,502,900</u>	<u>52,896,921</u>	<u>(3,605,979)</u>
	Expenditures				
	Debt service:				
0071	Principal on long-term debt	25,890,000	26,390,000	23,890,000	2,500,000
0072	Interest on long-term debt	29,535,834	29,947,900	27,016,143	2,931,757
0073	Bond issuance costs and fees	30,000	972,546	969,325	3,221
6030	Total Expenditures	<u>55,455,834</u>	<u>57,310,446</u>	<u>51,875,468</u>	<u>5,434,978</u>
1100	Excess (deficiency) of revenues over expenditures	-	(807,546)	1,021,453	1,828,999
	Other Financing Sources (Uses)				
7911	Issuance of bonds	-	20,560,000	20,560,000	-
7916	Premium on issuance of bonds	-	2,203,444	2,203,444	-
8949	Payment to refunding agent	-	(22,499,537)	(22,499,537)	-
7080	Total Other Financing Sources (Uses)	<u>-</u>	<u>263,907</u>	<u>263,907</u>	<u>-</u>
1200	Net change in fund balances	-	(543,639)	1,285,360	1,828,999
0100	Fund Balance - Beginning	<u>33,330,648</u>	<u>33,330,648</u>	<u>33,330,648</u>	<u>-</u>
3000	Fund Balance - Ending	<u>\$ 33,330,648</u>	<u>\$ 32,787,009</u>	<u>\$ 34,616,008</u>	<u>\$ 1,828,999</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION
PROGRAM COMPLIANCE RESPONSES
For the Year Ended August 31, 2022

Exhibit J-4

Data Codes	Section A: Compensatory Education Programs	Responses
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.	\$ 61,269,727
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)	\$ 37,680,678
Section B: Bilingual Education Programs		
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.	\$ 8,338,525
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 7,090,268



STATISTICAL SECTION

(UNAUDITED)





Statistical Section

(Unaudited)

Page

Financial Trends

120

These schedules contain trend information to assist users in understanding how the District's financial and position has changed over time.

Revenue Capacity Information

131

These schedules contain information to assist users in understanding the factors affecting the District's ability to generate its own-source revenues.

Debt Capacity Information

139

These schedules contain information to assist users in understanding and assessing the District's debt burden and its ability to issue additional debt in the future.

Demographic and Economic Information

145

These schedules contain information to assist users in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time with other school districts.

Operating Information

149

These schedules contain information intended to provide contextual information about the District's operations and resources to assist readers in using the financial statement information to understand and assess the District's economic condition.





FINANCIAL TRENDS



PASADENA INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

For the Last Ten Years

(Accrual Basis of Accounting)

Table 1

Page 1 of 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (2)</u>
Primary Government					
Governmental Activities					
Net investment in capital assets	\$ 277,195,818	\$ 266,457,139	\$ 260,980,118	\$ 277,562,024	\$ 279,117,949
Restricted	47,073,854	37,482,936	32,865,875	37,988,890	43,112,633
Unrestricted	<u>(201,110,592)</u>	<u>(230,882,329)</u>	<u>(222,791,555)</u>	<u>(213,296,609)</u>	<u>(244,189,277)</u>
Total Primary Government Net Position	<u>\$ 123,159,080</u>	<u>\$ 73,057,746</u>	<u>\$ 71,054,438</u>	<u>\$ 102,254,305</u>	<u>\$ 78,041,305</u>

(1) The district Adopted Governmental Accounting Standards Board Statement No. 68 for the year ended August 31, 2015, recognizing the District's share of net pension liability for the Texas Teachers' retirement System. Prior periods have not been restated.

(2) The district adopted Governmental Accounting Standards Board Statement No. 75 for the year ended August 31, 2018, recognizing the District's share of net OPEB liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

PASADENA INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

For the Last Ten Years

(Accrual Basis of Accounting)

Table 1

Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015 (1)</u>	<u>2014</u>	<u>2013</u>
Primary Government					
Governmental Activities					
Net investment in capital assets	\$ 257,255,969	\$ 264,348,878	\$ 261,603,345	\$ 272,843,426	\$ 269,759,098
Restricted	60,713,417	53,609,363	56,355,063	56,505,747	58,428,315
Unrestricted	<u>23,351,447</u>	<u>37,202,599</u>	<u>41,591,030</u>	<u>110,651,866</u>	<u>113,778,767</u>
Total Primary Government Net Position	<u>\$ 341,320,833</u>	<u>\$ 355,160,840</u>	<u>\$ 359,549,438</u>	<u>\$ 440,001,039</u>	<u>\$ 441,966,180</u>

(1) The district Adopted Governmental Accounting Standards Board Statement No. 68 for the year ended August 31, 2015, recognizing the District's share of net pension liability for the Texas Teachers' retirement System. Prior periods have not been restated.

(2) The district adopted Governmental Accounting Standards Board Statement No. 75 for the year ended August 31, 2018, recognizing the District's share of net OPEB liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

PASADENA INDEPENDENT SCHOOL DISTRICT
CHANGE IN NET POSITION
For the Last Ten Years
(Accrual Basis of Accounting)

Table 2
Page 1 of 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018 (2)</u>
Expenses - Governmental Activities:					
Instruction	\$ 373,216,126	\$ 372,860,014	\$ 412,476,671	\$ 391,294,271	\$ 240,757,586
Instructional Resources and Media Services	7,442,440	7,556,719	8,254,580	8,315,278	5,940,698
Curriculum and Staff Development	8,681,300	8,955,517	9,999,796	9,878,356	7,137,987
Instructional Leadership	10,005,552	10,695,167	10,787,004	9,619,143	4,846,925
School Leadership	43,696,473	43,914,333	48,569,450	46,032,004	28,884,806
Guidance, Counseling, and Evaluation Services	29,643,770	30,028,751	33,694,832	30,267,504	15,427,568
Social Work Services	417,689	367,242	316,748	345,638	243,064
Health Services	5,845,044	5,712,302	6,491,585	5,926,990	3,668,580
Student Transportation	20,613,107	17,920,079	19,364,194	19,769,451	14,936,599
Food Service	29,693,419	25,755,624	31,678,818	33,933,645	23,597,639
Extracurricular Activities	11,311,982	9,037,301	11,243,237	12,902,510	10,574,450
General Administration	14,701,537	14,136,939	14,601,283	13,439,947	9,926,979
Plant Maintenance and Operations	60,997,537	62,743,647	60,364,047	61,674,755	56,127,640
Security and Monitoring Services	6,551,416	5,582,006	6,508,045	5,785,455	4,334,104
Data Processing Services	31,208,857	9,896,833	7,370,527	7,067,502	6,734,161
Community Services	521,505	484,272	460,044	545,018	527,262
Interest on Long-term Debt	24,026,533	24,434,176	26,502,700	30,834,342	29,751,023
Bond Issuance Costs and Fees	-	-	1,787,139	-	1,015,195
Facilities Repair and Maintenance	82,194	372,570	86,531	88,731	-
Payments Related to Shared Services Arrangements	1,099,260	1,219,990	903,093	767,296	992,825
Payments to Juvenile Justice Alternative Education Programs	108,451	39,600	98,085	91,716	122,945
Other Intergovernmental Charges	1,657,058	1,597,903	1,522,197	1,488,678	1,379,937
Total Governmental Activities	<u>681,521,250</u>	<u>653,310,985</u>	<u>713,080,606</u>	<u>690,068,230</u>	<u>466,927,973</u>
Program Revenues - Governmental Activities:					
Charges for Services:					
Instruction	2,105,760	1,632,229	1,335,808	2,260,992	2,762,648
Extracurricular Activities	3,917,424	1,501,263	1,475,278	4,338,170	3,586,934
Food Service	2,098,888	1,411,847	5,845,072	4,384,074	3,638,128
Plant Maintenance and Operations	54,968	88,318	9,449	236,494	7,622,616
Other Activities	240,876	228,903	512,008	1,191,718	1,129,073
Operating Grants and Contributions	198,347,700	120,045,432	155,032,044	156,048,283	6,401,325
Total Governmental Activities Program Revenues	<u>206,765,616</u>	<u>124,907,992</u>	<u>164,209,659</u>	<u>168,459,731</u>	<u>25,140,724</u>
Net (Expense)Revenue					
Governmental Activities	<u>(474,755,634)</u>	<u>(528,402,993)</u>	<u>(548,870,947)</u>	<u>(521,608,499)</u>	<u>(441,787,249)</u>
General Revenue - Governmental Activities:					
Property Taxes, Levied for General Purposes	176,705,252	175,407,432	167,471,082	166,441,003	155,069,674
Property Taxes, Levied for Debt Service	50,962,474	51,500,809	42,483,789	38,863,792	36,225,287
Grants and Contributions Not restricted to Specific Programs	299,138,834	300,408,900	300,703,430	327,011,357	335,919,922
Investment Earnings	(3,442,769)	627,799	5,511,638	10,517,950	3,429,956
Miscellaneous	1,493,177	2,461,361	1,501,141	2,987,397	5,489,561
Total Governmental Activities General Revenues	<u>524,856,968</u>	<u>530,406,301</u>	<u>517,671,080</u>	<u>545,821,499</u>	<u>536,134,400</u>
Change in Net Position	<u>\$ 50,101,334</u>	<u>\$ 2,003,308</u>	<u>\$ (31,199,867)</u>	<u>\$ 24,213,000</u>	<u>\$ 94,347,151</u>

Source: District Financial Statements

(1) The district Adopted Government Accounting Standards Board Statement No. 68 for the year ended August 31, 2015, recognizing the District's share of net pension liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

(2) The district Adopted Governmental Accounting Standards Board Statement No. 75 for the year ended August 31, 2018, recognizing the District's share of net OPEB liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

PASADENA INDEPENDENT SCHOOL DISTRICT
CHANGE IN NET POSITION
For the Last Ten Years
(Accrual Basis of Accounting)

Table 2
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	2017	2016	2015 (1)	2014	2013
Expenses - Governmental Activities:					
Instruction	\$ 360,129,894	\$ 354,205,178	\$ 321,831,212	\$ 325,153,833	\$ 281,082,994
Instructional Resources and Media Services	7,646,925	7,659,442	6,972,289	6,465,420	6,094,393
Curriculum and Staff Development	10,143,208	9,649,278	9,497,568	8,820,253	8,561,707
Instructional Leadership	8,982,885	8,145,039	7,399,776	6,863,218	5,890,317
School Leadership	41,386,440	40,624,435	37,633,013	35,211,293	32,962,634
Guidance, Counseling, and Evaluation Services	27,047,028	25,791,822	22,937,986	21,376,942	19,879,822
Social Work Services	309,340	316,556	299,521	264,439	228,199
Health Services	5,391,271	5,318,208	4,943,441	4,708,615	4,421,353
Student Transportation	16,051,727	16,713,137	17,021,162	15,297,552	13,585,958
Food Service	33,725,141	34,678,478	33,761,115	31,073,888	29,204,609
Extracurricular Activities	11,537,877	11,800,578	9,842,788	9,186,672	7,749,509
General Administration	11,983,289	12,625,764	12,002,308	10,951,819	10,296,752
Plant Maintenance and Operations	50,071,209	53,594,631	51,212,353	46,164,145	47,394,544
Security and Monitoring Services	5,144,453	5,322,890	5,204,081	5,041,819	4,605,872
Data Processing Services	7,211,050	9,110,464	6,484,373	6,267,263	5,792,598
Community Services	449,139	330,926	228,640	255,974	269,302
Interest on Long-term Debt	28,362,105	28,880,942	27,139,258	26,158,665	23,960,045
Bond Issuance Costs and Fees	18,065	19,884	1,684,522	144,516	1,390,501
Facilities Repair and Maintenance	56,102	58,547	103,205	65,274	68,173
Payments Related to Shared Services Arrangements	839,131	-	-	-	-
Payments to Juvenile Justice Alternative Education Programs	105,950	93,782	63,843	54,885	67,570
Other Intergovernmental Charges	1,202,272	1,162,022	1,131,892	1,042,995	1,023,578
Total Governmental Activities	627,794,501	626,102,003	577,394,346	560,569,480	504,530,430
Program Revenues - Governmental Activities:					
Charges for Services:					
Instruction	1,661,717	1,929,586	1,584,397	489,246	5,494,559
Extracurricular Activities	3,508,113	3,207,279	2,621,721	4,314,371	1,790,154
Food Service	4,455,876	4,689,417	4,524,601	3,294,157	4,138,638
Plant Maintenance and Operations	246,391	278,805	218,818	185,535	868,469
Other Activities	233,048	183,212	265,082	-	2,005,771
Operating Grants and Contributions	119,058,345	124,107,651	109,565,356	106,967,866	95,170,222
Total Governmental Activities Program Revenues	129,163,490	134,395,950	118,779,975	115,251,175	109,467,813
Net (Expense)Revenue					
Governmental Activities	(498,631,011)	(491,706,053)	(458,614,371)	(445,318,305)	(395,062,617)
General Revenue - Governmental Activities:					
Property Taxes, Levied for General Purposes	130,927,001	124,327,647	116,596,190	112,210,474	104,662,062
Property Taxes, Levied for Debt Service	34,202,242	32,709,809	30,413,560	29,153,316	27,013,750
Grants and Contributions Not restricted to Specific Programs	310,199,845	319,831,829	305,159,815	293,529,741	278,564,818
Investment Earnings	2,868,413	2,024,187	1,369,950	564,220	493,587
Miscellaneous	6,593,503	8,423,983	8,684,632	7,895,413	911,603
Total Governmental Activities General Revenues	484,791,004	487,317,455	462,224,147	443,353,164	411,645,820
Change in Net Position	\$ (13,840,007)	\$ (4,388,598)	\$ 3,609,776	\$ (1,965,141)	\$ 16,583,203

Source: District Financial Statements

(1) The district Adopted Government Accounting Standards Board Statement No. 68 for the year ended August 31, 2015, recognizing the District's share of net pension liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

(2) The district Adopted Governmental Accounting Standards Board Statement No. 75 for the year ended August 31, 2018, recognizing the District's share of net OPEB liability for the Texas Teachers' Retirement System. Prior periods have not been restated.

PASADENA INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
For the Last Ten Years
(Modified Accrual Basis of Accounting)

Table 3
Page 1 of 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
General Fund					
Nonspendable	\$ 9,487,750	\$ 9,292,822	\$ 8,145,087	\$ 8,158,260	\$ 6,875,132
Committed	10,000,000	10,000,000	10,000,000	25,000,000	19,100,000
Assigned	10,045,689	10,045,689	10,045,689	2,242,299	2,242,299
Unassigned	<u>148,652,127</u>	<u>136,202,687</u>	<u>157,620,118</u>	<u>142,647,753</u>	<u>95,659,941</u>
Total General Fund	<u>178,185,566</u>	<u>165,541,198</u>	<u>185,810,894</u>	<u>178,048,312</u>	<u>123,877,372</u>
All Other Governmental Funds					
Nonspendable	25	29,523	39,432	852,802	626
Restricted for:					
Federal and state					
programs	10,701,225	2,343,963	1,264,474	6,290,184	10,164,799
Debt service	34,616,008	33,330,648	29,680,603	30,729,133	32,717,437
Construction	23,506,337	59,044,945	74,964,560	115,600,512	134,624,564
Committed	<u>30,395,112</u>	<u>38,615,406</u>	<u>14,011,442</u>	<u>4,176,336</u>	<u>4,006,640</u>
Total All Other Governmental Funds	<u>\$ 99,218,707</u>	<u>\$ 133,364,485</u>	<u>\$ 119,960,511</u>	<u>\$ 157,648,967</u>	<u>\$ 181,514,066</u>

Source: District Financial Statements

PASADENA INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
For the Last Ten Years
(Modified Accrual Basis of Accounting)

Table 3
Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
General Fund					
Nonspendable	\$ 6,617,970	\$ 978,634	\$ 1,044,438	\$ 1,020,153	\$ 1,105,659
Committed	19,275,000	21,600,000	27,850,000	11,334,110	42,454,094
Assigned	7,988,031	16,620,980	9,683,339	16,320,015	3,200,920
Unassigned	<u>61,902,526</u>	<u>63,593,006</u>	<u>59,255,564</u>	<u>55,059,909</u>	<u>50,062,993</u>
Total General Fund	<u>95,783,527</u>	<u>102,792,620</u>	<u>97,833,341</u>	<u>83,734,187</u>	<u>96,823,666</u>
All Other Governmental Funds					
Nonspendable	-	-	-	-	-
Restricted for:					
Federal and state					
programs	8,290,644	7,060,002	6,454,425	7,844,719	1,002,453
Debt service	51,602,157	45,200,646	49,557,927	47,938,360	44,411,225
Construction	45,881,164	140,601,788	174,501,822	78,878,746	182,202,597
Committed	<u>3,847,278</u>	<u>3,468,105</u>	<u>3,285,163</u>	<u>3,183,811</u>	<u>2,780,877</u>
Total All Other Governmental Funds	<u>\$ 109,621,243</u>	<u>\$ 196,330,541</u>	<u>\$ 233,799,337</u>	<u>\$ 137,845,636</u>	<u>\$ 230,397,152</u>

Source: District Financial Statements

PASADENA INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
Last Ten Years

Table 4
Page 1 of 2

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Revenues					
Local and Intermediate Revenues	\$ 235,295,619	\$ 233,236,009	\$ 226,196,011	\$ 232,753,722	\$ 226,232,576
State Program Revenues	332,886,131	337,948,726	346,148,819	362,474,109	369,211,059
Federal Program Revenues	190,275,987	110,997,732	87,669,777	101,736,330	85,440,369
Total Revenues	<u>758,457,737</u>	<u>682,182,467</u>	<u>660,014,607</u>	<u>696,964,161</u>	<u>680,884,004</u>
Expenditures					
Current:					
Instruction	385,744,790	361,325,354	360,871,927	340,100,145	336,430,749
Instructional Resources and Media Services	7,467,390	7,333,670	7,214,572	7,387,444	7,456,356
Curriculum and Staff Development	9,090,238	8,889,478	8,599,608	8,787,308	9,690,072
Instructional Leadership	10,410,930	10,658,840	9,313,078	8,573,367	7,780,203
School Leadership	43,691,236	42,378,528	42,117,128	39,807,301	39,510,529
Guidance, Counseling, and Evaluation Services	30,876,318	29,723,843	28,829,141	26,442,220	25,609,592
Social Work Services	444,933	365,475	294,848	327,203	321,149
Health Services	5,939,083	5,593,318	5,609,452	5,212,153	5,078,585
Student Transportation	21,167,856	17,164,995	17,508,770	17,609,545	16,648,013
Food Services	32,510,816	26,557,837	30,807,525	35,340,496	32,686,032
Extracurricular Activities	11,437,861	8,898,684	10,367,921	12,070,308	12,099,126
General Administration	14,860,008	13,667,585	12,724,243	11,863,997	12,175,460
Plant Maintenance and Operations	59,681,081	60,914,131	56,187,337	57,193,941	59,275,635
Security and Monitoring Services	6,738,120	5,716,047	6,630,802	5,104,849	5,305,154
Data Processing Services	30,064,124	9,539,749	6,568,864	6,519,907	8,768,088
Community Services	530,151	475,531	439,605	525,466	550,027
Debt Service:					
Principal on Long-term Debt	25,167,927	22,900,000	19,855,000	17,095,000	38,720,000
Interest on Long-term Debt	27,024,367	28,729,466	30,050,570	33,938,719	32,404,732
Bond Issuance Costs and Fees	969,325	33,603	1,787,139	-	1,015,195
Capital Outlay:					
Facilities Acquisition and Construction	47,038,283	25,287,707	31,166,350	24,713,462	54,688,014
Intergovernmental:					
Payments to Shared Services Arrangements	1,099,260	1,219,990	903,093	767,296	992,825
Payments to Juvenile Justice Alternative Education Program	108,451	39,600	98,085	91,716	122,945
Other Intergovernmental Charges	1,657,058	1,597,903	1,522,197	1,488,678	1,379,937
Total Expenditures	<u>773,719,606</u>	<u>689,011,334</u>	<u>689,467,255</u>	<u>660,960,521</u>	<u>708,708,418</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(15,261,869)</u>	<u>(6,828,867)</u>	<u>(29,452,648)</u>	<u>36,003,640</u>	<u>(27,824,414)</u>
Other Financing Sources (Uses)					
Refunding bonds issued	-	-	-	-	-
Issuance of bonds	20,560,000	-	151,635,000	-	120,095,000
Sale of real or personal property	-	-	-	165,487	-
Transfers in	835,804	27,000,000	26,820,069	11,347,480	4,539,406
Premium or discount on issuance of bonds	2,203,444	-	22,392,312	-	15,911,128
Prior year tax refunds per court order	-	-	-	(863,286)	(2,195,046)
Other non-operating revenues	-	-	-	-	-
Transfers out	(7,424,370)	(27,000,000)	(27,820,069)	(16,347,480)	(10,539,406)
Other uses - payment to refunding agent	(22,499,537)	-	(173,537,393)	-	-
Total Other Financing Sources (Uses)	<u>(6,239,541)</u>	<u>-</u>	<u>(510,081)</u>	<u>(5,697,799)</u>	<u>127,811,082</u>
Net Change in Fund Balances	<u>\$ (21,501,410)</u>	<u>\$ (6,828,867)</u>	<u>\$ (29,962,729)</u>	<u>\$ 30,305,841</u>	<u>\$ 99,986,668</u>
Debt Service as a Percentage of Noncapital Expenditures	7.36%	7.81%	7.89%	8.08%	11.11%

Note: Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less capitalized assets per the reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.

PASADENA INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
Last Ten Years

Table 4
Page 2 of 2

	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Revenues					
Local and Intermediate Revenues	\$ 188,361,439	\$ 179,480,336	\$ 169,398,583	\$ 158,078,975	\$ 148,488,211
State Program Revenues	347,413,115	358,808,557	345,388,744	327,493,055	297,008,916
Federal Program Revenues	70,886,398	73,586,963	69,402,718	72,111,900	76,598,991
Total Revenues	<u>606,660,952</u>	<u>611,875,856</u>	<u>584,190,045</u>	<u>557,683,930</u>	<u>522,096,118</u>
Expenditures					
Current:					
Instruction	331,626,355	321,741,170	302,719,650	290,261,005	268,185,484
Instructional Resources and Media Services	7,099,448	7,059,654	6,569,559	6,107,560	5,739,563
Curriculum and Staff Development	9,302,477	8,925,416	9,032,214	8,415,773	8,178,297
Instructional Leadership	8,150,138	7,498,604	7,056,372	6,557,767	5,623,402
School Leadership	38,199,906	37,354,937	35,454,217	33,344,064	31,287,970
Guidance, Counseling, and Evaluation Services	24,464,681	23,679,841	22,005,303	20,591,835	19,192,795
Social Work Services	287,453	291,952	281,774	250,224	219,434
Health Services	4,966,423	4,897,165	4,653,708	4,453,897	4,167,199
Student Transportation	15,049,052	15,401,367	15,796,887	17,462,868	12,870,731
Food Services	33,829,620	32,924,067	33,879,493	34,021,593	29,790,739
Extracurricular Activities	11,008,967	11,059,681	9,463,566	8,819,775	7,423,784
General Administration	11,099,916	11,731,679	11,273,322	10,382,520	9,702,224
Plant Maintenance and Operations	46,962,700	50,496,826	47,980,999	44,133,209	45,135,772
Security and Monitoring Services	5,083,764	5,114,295	4,866,578	5,033,992	4,633,454
Data Processing Services	6,916,037	8,833,256	6,137,993	6,332,759	5,889,444
Community Services	434,303	310,292	265,100	285,057	267,942
Debt Service:					
Principal on Long-term Debt	15,235,000	24,790,000	17,220,000	16,465,000	31,130,000
Interest on Long-term Debt	30,748,363	31,286,022	28,964,382	27,583,613	26,937,545
Bond Issuance Costs and Fees	18,065	19,884	1,684,522	144,516	1,390,501
Capital Outlay:					
Facilities Acquisition and Construction	97,877,863	38,213,916	78,871,404	130,337,442	78,460,508
Intergovernmental:					
Payments to Shared Services Arrangements	839,131	-	-	-	-
Payments to Juvenile Justice Alternative Education Program	105,950	93,782	63,843	54,885	67,570
Other Intergovernmental Charges	1,202,272	1,162,022	1,131,892	1,042,995	1,023,578
Total Expenditures	<u>700,507,884</u>	<u>642,885,828</u>	<u>645,372,778</u>	<u>672,082,349</u>	<u>597,317,936</u>
Excess (Deficiency) of Revenues Over (Under) Expenditures	<u>(93,846,932)</u>	<u>(31,009,972)</u>	<u>(61,182,733)</u>	<u>(114,398,419)</u>	<u>(75,221,818)</u>
Other Financing Sources (Uses)					
Refunding bonds issued	-	-	50,920,000	6,980,000	52,670,000
Issuance of bonds	-	-	159,435,000	-	173,690,000
Sale of real or personal property	1,001,055	-	-	1,120,716	-
Transfers in	45,035	-	22,369,435	22,117,946	9,550,670
Premium or discount on issuance of bonds	-	-	23,809,115	-	35,374,215
Prior year tax refunds per court order	(872,514)	(1,499,545)	(1,304,413)	(891,639)	(957,386)
Other non-operating revenues	-	-	-	(438,806)	-
Transfers out	(45,035)	-	(26,369,435)	(22,117,946)	(9,550,670)
Other uses - payment to refunding agent	-	-	(57,624,114)	(7,012,847)	(86,832,834)
Total Other Financing Sources (Uses)	<u>128,541</u>	<u>(1,499,545)</u>	<u>171,235,588</u>	<u>(242,576)</u>	<u>173,943,995</u>
Net Change in Fund Balances	<u>\$ (93,718,391)</u>	<u>\$ (32,509,517)</u>	<u>\$ 110,052,855</u>	<u>\$ (114,640,995)</u>	<u>\$ 98,722,177</u>
Debt Service as a Percentage of Noncapital Expenditures	11.11%	10.35%	7.91%	8.47%	8.26%

Note: Debt service as a percentage of noncapital expenditures is determined by dividing debt service expenditures by total expenditures less capitalized assets per the reconciliation of statement of revenues, expenditures, and changes in fund balances of governmental funds to the statement of activities.





REVENUE CAPACITY





PASADENA INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES BY SOURCE
Last Ten Fiscal Years

Table 5

	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Local Sources:					
Property tax	\$ 227,726,875	\$ 224,119,468	\$ 208,928,167	\$ 205,654,269	\$ 196,269,431
Other	7,568,744	9,116,541	17,267,844	27,100,098	29,963,145
State Sources	332,886,131	337,948,726	346,148,819	362,474,104	369,211,059
Federal Sources	<u>190,275,987</u>	<u>110,997,732</u>	<u>87,669,777</u>	<u>101,736,330</u>	<u>85,440,369</u>
Total	<u>\$ 758,457,737</u>	<u>\$ 682,182,467</u>	<u>\$ 660,014,607</u>	<u>\$ 696,964,801</u>	<u>\$ 680,884,004</u>
	<u>2017</u>	<u>2016</u>	<u>2015</u>	<u>2014</u>	<u>2013</u>
Local Sources:					
Property tax	\$ 168,841,794	\$ 157,037,456	\$ 149,214,870	\$ 140,009,046	\$ 131,489,515
Other	19,519,645	22,442,880	20,183,713	18,069,929	16,998,696
State Sources	347,413,115	358,808,557	345,388,744	327,493,055	297,008,916
Federal Sources	<u>70,886,398</u>	<u>73,586,963</u>	<u>69,402,718</u>	<u>72,111,900</u>	<u>76,598,991</u>
Total	<u>\$ 606,660,952</u>	<u>\$ 611,875,856</u>	<u>\$ 584,190,045</u>	<u>\$ 557,683,930</u>	<u>\$ 522,096,118</u>

Source: District Financial Statements.

PASADENA INDEPENDENT SCHOOL DISTRICT
ASSESSED AND ESTIMATED ACTUAL VALUE OF TAXABLE PROPERTY
Last Ten Fiscal Years

Table 6

Fiscal Year	Residential Property Value	Commercial Property Value	Personal Property Value	Total Actual Value	Exemptions	Taxable Assessed Value	Tax Rates
2022	\$ 13,911,486,995	\$ 4,306,356,982	\$ 2,742,546,721	\$ 20,960,390,698	\$ (4,428,919,658)	\$ 16,531,471,040	\$ 1.3812
2021	10,214,233,733	7,533,290,079	3,135,238,987	20,882,762,799	(4,457,063,305)	16,425,699,494	\$ 1.3830
2020	9,159,872,068	7,775,694,991	2,956,216,219	19,891,783,278	(4,685,804,535)	15,205,978,743	\$ 1.3784
2019	8,109,193,168	6,668,849,530	2,930,956,716	17,708,999,414	(4,017,080,968)	13,691,918,446	\$ 1.4800
2018	7,834,997,932	7,701,837,301	1,276,594,009	16,813,429,242	(3,702,437,688)	13,110,991,554	\$ 1.4800
2017	7,201,040,235	7,266,169,850	1,436,819,513	15,904,029,598	(3,507,510,857)	12,396,518,741	\$ 1.3500
2016	6,498,176,002	7,099,247,574	1,401,864,088	14,999,287,664	(3,416,183,442)	11,583,104,222	\$ 1.3500
2015	5,935,227,921	6,698,825,873	1,492,753,256	14,126,807,050	(3,257,870,013)	10,868,937,037	\$ 1.3500
2014	5,656,695,787	6,768,502,075	1,219,758,476	13,644,956,338	(3,371,020,931)	10,273,935,407	\$ 1.3500
2013	5,666,046,003	6,217,743,404	1,135,905,080	13,019,694,487	(3,374,982,487)	9,644,712,000	\$ 1.3500

Source: District records and the Harris County Appraisal District.

PASADENA INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX AMOUNT – DIRECT AND OVERLAPPING GOVERNMENTS
Last Ten Years

Table 7

	2022	2021	2020	2019	2018
Pasadena ISD	1.3812	1.3830	1.3784	1.4800	1.4800
Brazoria County MUD #23	0.4400	0.4600	0.4600	0.4600	0.4700
Brazoria County MUD #28	0.8200	0.8200	0.8200	0.8200	0.8200
Clear Brook City MUD	0.5900	0.5900	0.6000	0.6700	0.6700
Clear Lake City Water Authority	0.2600	0.2600	0.2700	0.2700	0.2700
Harris-Brazoria Counties MUD 509	0.8500	0.8500	0.8500	0.8500	0.8500
Harris County	0.3769	0.3912	0.4071	0.4186	0.4180
Harris County Department of Education	0.0050	0.0050	0.0050	0.0052	0.0052
Harris County Flood Control District	0.0335	0.0314	0.0279	0.0288	0.0283
Harris County Hospital District	0.1622	0.1667	0.1659	0.1711	0.1711
Harris County MUD #381	0.5200	0.5600	0.6000	0.6200	0.6300
Harris County MUD #382	0.4700	0.5050	0.5300	0.5500	0.5500
Harris County MUD #410	0.5600	0.5600	0.5600	0.5600	0.5900
Houston, City of	0.5508	0.5618	0.5600	0.5600	0.5400
Kirkmont MUD	0.4500	0.5373	0.5679	0.5883	0.5842
Pasadena, City of	0.5159	0.5337	0.5703	0.6154	0.5754
Pearland, City of	0.7014	0.7200	0.7412	0.7092	0.6851
Port of Houston Authority	0.0087	0.0099	0.0107	0.0116	0.0126
Sagemeadow UD	0.5030	0.4734	0.4800	0.4500	0.4500
San Jacinto CCD	0.1680	0.1694	0.1782	0.1793	0.1833
South Houston, City of	0.6900	0.6981	0.6999	0.6505	0.6433
	2017	2016	2015	2014	2013
Pasadena ISD	1.3500	1.3500	1.3500	1.3500	1.3500
Brazoria County MUD #23	0.4800	0.5400	0.5800	0.6000	0.6100
Brazoria County MUD #28	0.8200	0.8200	0.8200	0.8200	0.8200
Clear Brook City MUD	0.6700	0.6700	0.6700	0.6700	0.6700
Clear Lake City Water Authority	0.2700	0.2700	0.2800	0.2800	0.2800
Harris-Brazoria Counties MUD 509	0.8500	0.8500	0.8500	0.8500	-
Harris County	0.4165	0.4192	0.4173	0.4146	0.4002
Harris County Department of Education	0.0052	0.0054	0.0059	0.0064	0.0066
Harris County Flood Control District	0.0283	0.0273	0.0274	0.0283	0.0281
Harris County Hospital District	0.1718	0.1700	0.1700	0.1700	-
Harris County MUD #381	0.6300	0.7000	0.7400	0.7800	0.7800
Harris County MUD #382	0.5800	0.6300	0.6700	0.6800	0.6900
Harris County MUD #410	0.5900	0.6300	0.6900	0.7500	0.7500
Houston, City of	0.5864	0.6011	0.6311	0.6387	0.6387
Kirkmont MUD	0.5200	0.5350	0.5620	0.5690	0.5400
Pasadena, City of	0.5754	0.5754	0.5769	0.5916	0.5916
Pearland, City of	0.6812	0.7053	0.7121	0.7051	0.7051
Port of Houston Authority	0.0133	0.0134	0.0153	0.0172	0.0195
Sagemeadow UD	0.4600	0.5000	0.5200	0.5200	0.4900
San Jacinto CCD	0.1824	0.1756	0.1856	0.1856	0.1856
South Houston, City of	0.6322	0.6995	0.6445	0.6699	0.7082

Source: Harris County Tax Assessor-Collector

(a) Harris County Toll Road Bonds are considered self-supporting and are not included

PASADENA INDEPENDENT SCHOOL DISTRICT

Table 8

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS PRIOR

	Tax Year 2021 (Fiscal Year 2022)			Tax Year 2011 (Fiscal Year 2012)		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Enterprise Crude Pipeline	\$359,505,139	1	2.17%	\$ -	-	-
CenterPoint Energy Inc.	343,144,981	2	2.08%	176,075,993	2	1.83%
Houston Refining LP	339,289,349	3	2.05%	598,222,329	1	6.20%
Gatx Terminals Corp	309,592,794	4	1.87%	85,730,501	6	0.89%
Pasadena Refining Systems Inc	256,174,956	5	1.55%	156,225,147	3	-
Phillips 66 Company	244,586,479	6	1.48%	-	-	-
K M Liquids Terminals LLC	230,601,396	7	1.39%	-	-	-
Channel Energy Center LP	100,997,500	8	0.61%	88,878,925	4	0.92%
Southwest Airlines CO	81,468,352	9	0.49%	-	-	-
Kir Pasadena LP	77,225,131	10	0.47%	48,099,578	9	-
HD Supply Inc.	-	-	-	88,291,458	5	0.92%
Walmart	-	-	-	61,944,797	7	0.64%
Powell Industries Inc	-	-	-	48,139,230	8	0.50%
Valero Energy	-	-	-	43,660,647	10	0.45%
TOTALS	\$ 2,342,586,077		14.17%	\$ 1,395,268,605		14.47%

Source: District records.

(1) Assessed (taxable) value equals appraised value after exemptions.

(2) Total assessed value-current year (Table 6): \$ 16,531,471,040

(3) Total assessed value-ten years ago (Table 6): \$ 9,644,712,000

PASADENA INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
Last Ten Fiscal Years

Table 9

Fiscal Year	Adjusted Tax Levy	Collected Within the Fiscal Year of the Levy			Total Collections to Date	
		Taxes Collected	Percent of Adjusted Tax Levy	Collections in Subsequent Years	Taxes Collected	Collected as Percent of Current Tax Levy
2022	\$ 228,332,678	\$ 223,562,817	97.9%	\$ -	\$ 223,562,817	97.9%
2021	224,114,803	221,072,932	98.6%	170,390	221,243,322	98.7%
2020	207,382,102	204,103,207	98.4%	455,166	204,558,373	98.6%
2019	200,505,307	199,778,172	99.64	267,163	200,045,335	99.77
2018	192,373,196	190,518,402	99.04	1,351,514	191,869,916	99.74
2017	165,747,568	164,258,092	99.10	998,077	165,256,169	99.70
2016	154,182,219	152,672,348	99.02	1,057,648	153,729,996	99.71
2015	145,757,632	143,824,978	98.67	1,523,331	145,348,309	99.72
2014	137,830,363	135,830,660	98.55	1,664,958	137,495,618	99.76
2013	129,112,164	127,592,900	98.82	1,176,131	128,769,031	99.73

Source: District records





DEBT CAPACITY





PASADENA INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
Last Ten Fiscal Years

Table 10

Fiscal Year	Governmental Activities		Total Primary Government	Percentage of Personal Income (2)	Population (3)	Debt per Capita
	General Obligation Bonds (1)	Notes Payable				
2022	\$ 739,569,975	\$ -	\$ 739,569,975	2.04%	272,152	\$2,717
2021	769,509,081	-	769,509,081	2.12%	234,144	3,286
2020	797,365,821	-	797,365,821	2.53%	233,378	3,417
2019	826,059,285	-	826,059,285	2.47%	246,182	3,355
2018	847,256,260	-	847,256,260	2.98%	271,632	3,119
2017	754,910,583	-	754,910,583	2.37%	274,845	2,747
2016	773,880,747	-	773,880,747	2.56%	265,425	2,916
2015	802,405,911	-	802,405,911	2.72%	259,791	3,089
2014	642,359,180	-	642,359,180	2.17%	254,920	2,520
2013	661,471,965	195,000	661,666,965	2.51%	247,451	2,674

Source: District Financial Statements

(1) Presented net of original issuance discounts and premiums

(2) Personal income is disclosed on Demographic and Economic Statistics table

(3) United States Census Bureau

PASADENA INDEPENDENT SCHOOL DISTRICT
RATIOS OF NET GENERAL BONDED DEBT OUTSTANDING
Last Ten Fiscal Years

Table 11

Fiscal Year Ended	General Bonded Debt (1)	Less Amounts Available in Debt Service Fund (2)	Net Bonded Debt	Ratio of Net Bonded Debt to Total Actual Property Value (3)	Net Bonded Debt per Student (4)
2022	\$ 739,569,975	\$ 34,616,008	\$ 704,953,967	4.26%	\$ 15,779
2021	769,509,081	33,330,648	736,178,433	4.48%	15,874
2020	797,365,821	29,680,603	767,685,218	5.05%	16,608
2019	826,059,285	30,729,133	795,330,152	5.81%	16,311
2018	847,256,260	32,717,437	814,538,823	6.21%	15,701
2017	754,910,583	51,602,157	703,308,426	5.67%	13,596
2016	773,880,747	45,200,646	728,680,101	6.29%	14,065
2015	802,405,911	49,557,927	752,847,984	6.93%	14,637
2014	642,359,180	47,938,360	594,420,820	5.79%	11,773
2013	661,471,965	44,411,225	617,060,740	6.40%	12,461

Source of data - District records

- (1) Presented net of original issuance discounts and premiums.
- (2) This is the amount restricted for debt service principal payments.
- (3) See Table 6 for total assessed value data.
- (4) See Table 16 for average daily attendance data.

PASADENA INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
August 31, 2022

Table 12

<u>Taxing Authority</u>	<u>Debt Outstanding</u>	<u>Percent Overlapping (1)</u>	<u>Amount Applicable to School District</u>
<u>Overlapping:</u>			
Governmental Subdivisions			
Harris County (2)	\$ 1,863,542,125	2.98%	\$ 55,533,555
Harris County Department of Education	20,185,000	2.98%	601,513
Port of Houston Authority	469,434,397	2.98%	13,989,145
San Jacinto Community College District	551,322,427	26.11%	145,549,121
Cities			
Houston, City of	3,163,795,000	2.50%	79,094,875
Pasadena, City of	177,255,000	59.06%	104,686,803
Pearland, City of	415,695,000	0.24%	997,668
South Houston, City of	3,455,000	100.00%	3,455,000
Special Districts			
Brazoria County MUD #28	13,625,000	21.86%	23,163
Clear Brook City MUD	58,225,000	40.86%	10,631,885
Clear Lake City Water Authority	88,775,000	0.47%	36,273,465
Harris-Brazoria Counties MUD No. 509	117,475,000	73.78%	552,133
Harris County Flood Control District	48,165,000	2.98%	35,536,137
Harris County Hospital District	584,900,000	2.98%	17,430,020
Harris County MUD #381	76,385,000	100.00%	2,276,273
Harris County MUD #382	16,745,000	99.42%	12,475,025
Harris County MUD #410	10,130,000	71.93%	10,071,246
Harris County Toll Road	21,120,000	3.34%	15,191,616
Kirkmont MUD	3,650,000	100.00%	3,650,000
Sagemeadow Utility District	18,865,000	100.00%	18,865,000
Total Overlapping Debt			\$ 566,883,643
<u>Direct:</u>			
Pasadena Independent School District	739,569,975	100.00%	\$ 739,569,975
Total Direct and Overlapping Debt			\$ 1,306,453,618
Total Direct and Overlapping Debt % of A.V.		6.77%	
Total Direct and Overlapping Debt per Capita		\$5,976	

Source: Municipal Advisory Council

(1) Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the District. The percentage of overlapping debt is estimated using actual taxable property values. Percentages were estimated by determining the portion of the overlapping taxing authorities' actual value that is within the District boundaries and dividing it by the overlapping taxing authorities' total actual taxable value.

(2) Harris County Toll Road bonds are self-supporting and are not included in the amount shown for Harris County.





DEMOGRAPHIC & ECONOMIC INFORMATION





PASADENA INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
Last Ten Fiscal Years

Table 13

Fiscal Year	Unemployment Rate (%) (1)	Estimated Population (2)	Median Household Income (3)	Residential Units (4)	Personal Income (5)	Total Assessed Value of Residential Units (4)	Average Assessed Value Per Residential Unit (4)	Peak School Enrollment
2022	5.1%	272,152	\$ 63,022	57,490	\$ 3,623,134,780	\$ 10,548,929,322	\$ 183,492	49,258
2021	9.7%	234,144	\$ 55,039	57,189	\$ 3,147,625,371	\$ 10,214,233,733	\$ 178,605	50,614
2020	6.7%	233,378	61,705	54,291	3,350,026,155	9,159,872,068	168,718	53,157
2019	3.8%	246,182	50,207	56,577	2,840,561,439	8,109,193,168	143,330	53,374
2018	5.5%	271,632	56,565	56,263	3,182,516,595	7,834,997,932	139,257	54,712
2017	4.2%	274,845	54,724	55,299	3,026,182,476	7,201,040,235	130,220	56,282
2016	4.9%	265,425	54,230	54,363	2,948,105,490	6,498,176,002	119,533	56,019
2015	4.8%	259,791	53,822	55,126	2,966,991,572	5,935,227,921	107,667	55,570
2014	5.2%	254,920	45,843	57,541	2,637,852,063	5,656,695,787	98,307	54,505
2013	6.1%	247,451	41,922	62,513	2,620,669,986	5,666,046,003	90,638	53,636

Sources: (1) US Bureau of Labor Statistics
(2) Municipal Advisory Council of Texas
(3) US Census Bureau - Harris County
(4) Harris County Appraisal District
(5) Median household income x residential units

PASADENA INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS

Current Year and Nine Years Prior (Unaudited)

Table 14

Employer	2022			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pasadena Independent School District	7,981	1	34.23%	5,800	1	26.39%
Turner Industries	3,364	2	14.43%			
San Jacinto College	2,776	3	11.91%	2,924	3	13.30%
The Boeing Company	2,334	4	10.01%	2,300	4	10.46%
University of Houston-Clear Lake	1,593	5	6.83%			
HCA Houston Healthcare	1,473	6	6.32%			
Lyondell Chemical Co.	1,175	7	5.04%			
Kaneka North America	1,111	8	4.77%			
City of Pasadena	1,068	9	4.58%	1,030	10	4.69%
Pinnacle ART	438	10	1.88%			
Dorsett Brothers Concrete Supply Inc.				3,400	2	15.47%
Shell - Deer Park				1,400	7	6.37%
Mundy Company				1,500	5	6.82%
Zachry Industries Inc.				1,400	6	6.37%
SGS Petroleum Service Corp				1,127	8	5.13%
Silver Eagle Distributors, L.P.				1,100	9	5.00%
Totals:	23,313		100.00%	21,981		100.00%

Source: Municipal Advisory Council



OPERATING INFORMATION





PASADENA INDEPENDENT SCHOOL DISTRICT
FULL TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
Last Ten Fiscal Years

Table 15

Full-Time Equivalent:	2022	2021	2020	2019	2018	2017	2016	2015	2014	2013
Professional Staff:										
Teachers	3,828	3,752	3,736	3,926	3,887	3,846	3,761	3,642	3,540	3,430
Support Staff:										
Counselors	137	130	119	106	104	102	100	96	91	91
Educational Diagnosticians	48	42	42	41	44	41	41	37	37	32
Librarians	63	71	64	72	72	71	69	64	63	65
School Nurses	71	69	69	72	72	69	68	66	65	63
Teacher Facilitators	158	155	153	178	178	138	133	129	124	124
Therapists	66	61	61	61	61	59	52	52	60	52
School Psychologists	45	34	34	49	49	44	46	47	39	40
Other Support Staff	259	295	274	240	241	237	234	195	189	151
Subtotal	847	857	816	819	821	761	743	686	668	618
Administrators:										
Admin/Instr Officers	64	63	64	64	64	63	64	59	52	56
Principals	73	73	73	67	67	67	67	62	62	62
Assistant Principals	133	128	127	132	138	131	132	125	125	116
Superintendent	1	1	1	1	1	1	1	1	1	1
Assoc. Superintendents	13	13	13	13	13	13	14	14	15	14
Subtotal	284	278	278	277	283	275	278	261	255	249
Total Professional Staff	4,959	4,887	4,830	5,022	4,991	4,882	4,782	4,589	4,463	4,297
Educational Aides	1,071	1,062	1,059	973	970	908	885	844	776	766
Auxiliary Staff	2,382	2,375	2,424	2,405	2,395	2,343	2,307	2,217	2,163	2,121
Total Personnel	8,412	8,324	8,313	8,400	8,356	8,133	7,974	7,650	7,402	7,184

Source: Texas Education Agency Website

PASADENA INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
Last Ten Fiscal Years

Table 16
Page 1 of 2

Fiscal Year	Average Daily Attendance	Operating Expenditures (1)	Cost Per Student	Percentage Change	Government - Wide Expenses (2)
2022	44,677	\$ 669,848,692	\$ 14,993	14.00%	\$ 681,521,250
2021	46,375	609,931,890	13,152	0.76%	653,310,985
2020	46,223	603,327,935	13,053	9.66%	713,080,606
2019	48,759	580,365,420	11,903	6.94%	689,840,642
2018	51,877	577,430,402	11,131	4.00%	466,927,973
2017	51,730	553,626,182	10,702	1.41%	627,794,501
2016	51,809	546,744,724	10,553	4.66%	626,102,003
2015	51,436	518,632,470	10,083	2.32%	577,394,346
2014	50,490	497,551,778	9,854	6.22%	560,569,480
2013	49,519	459,399,382	9,277	0.93%	504,530,430

Source: Nonfinancial information from district records.
 ADA number is from TEA Finance Website

- (1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position)
- (2) Government-wide expenses include only governmental activities

PASADENA INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
Last Ten Fiscal Years

Table 16
Page 2 of 2

Fiscal Year	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2022	\$ 15,254	8.28%	3,828	11.67	83.00%
2021	14,088	-8.68%	3,752	12.36	83.00%
2020	15,427	9.04%	3,736	12.37	82.00%
2019	14,148	-25.83%	3,926	12.42	76.00%
2018	9,001	-25.83%	3,887	13.35	76.00%
2017	12,136	7.72%	3,846	13.45	77.70%
2016	12,085	1.10%	3,761	13.78	77.80%
2015	11,225	9.05%	3,642	14.12	79.50%
2014	11,103	2.26%	3,540	14.26	79.50%
2013	10,189	-2.45%	3,430	14.44	79.60%

Source: Nonfinancial information from district records.
 ADA number is from TEA Finance Website

- (1) Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position)
- (2) Government-wide expenses include only governmental activities



PASADENA INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
Last Ten Fiscal Years

Table 17

<u>Fiscal Year</u>	<u>District Average Salary (1)</u>	<u>Region IV Average Salary (2)</u>	<u>Statewide Average Salary (1)</u>
2022	\$ 61,700	\$ 58,902	\$ 54,590
2021	\$ 60,082	\$ 57,641	\$ 53,288
2020	59,590	60,292	52,162
2019	56,548	57,707	54,122
2018	54,646	57,600	52,363
2017	54,351	55,992	52,525
2016	54,877	55,580	51,891
2015	53,652	54,157	50,715
2014	52,509	52,222	49,692
2013	51,331	50,968	48,821

Sources:

- (1) TEA website, Texas Academic Performance Report
- (2) Region IV Education Service Center

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

Table 18
Page 1 of 2

CAMPUS	Year Constructed	Building Age (Years)	Last Major Add/Reno	Building Capacity	# of Portable Classrooms	Portable Capacity	Total Capacity	2021-2022 Enrollment	% of Capacity Used
<u>HIGH SCHOOL</u>									
Dobie	2003	19	2008	3,500	38	950	4,450	2,903	65%
Dobie 9th	2018	4		1,100	-	-	1,100	970	88%
Dr. Lewis CTHS	2014	8	2017	1,500	-	-	1,500	1,478	99%
Pasadena	1933	89	2001	3,024	2	50	3,074	1,458	47%
Pasadena Memorial	2003	19	2006	2,816	18	450	3,266	2,979	91%
Sam Rayburn	1963	59	2002	2,528	30	750	3,278	2,637	80%
South Houston	1956	66	2001	2,450	27	675	3,125	2,313	74%
<u>INTERMEDIATE</u>									
Beverly Hills	1967	55	2004	1,500	2	50	1,550	887	57%
Bondy	1993	29		1,144	1	25	1,169	961	82%
Jackson	1997	25	2002	1,384	-	-	1,384	633	46%
Miller	1968	54		980	10	250	1,230	880	72%
Park View	1966	56		960	9	225	1,185	611	52%
Queens	2014	8		900	-	-	900	628	70%
San Jacinto	2008	14		850	-	-	850	630	74%
South Houston	1989	33	1990	1,108	4	100	1,208	688	57%
Southmore	2008	14		850	2	50	900	709	79%
Thompson	1972	50		995	15	375	1,370	903	66%
<u>MIDDLE SCHOOLS</u>									
DeZavala	2002	20	2009	850	6	132	982	559	57%
Keller	2014	8		850	-	-	850	646	76%
Kendrick	2015	7		850	-	-	850	727	86%
Lomax	2007	15	2014	850	6	150	1,000	636	64%
Melillo	2008	14	2014	850	6	150	1,000	606	61%
Milstead	2007	15	2014	950	6	150	1,100	684	62%
Morris	1963	59	2004	850	14	350	1,200	715	60%
Roberts	2015	7		850	-	-	850	564	66%
Schneider	2006	16		850	2	50	900	664	74%
Shaw	2008	14		850	2	50	900	681	76%
Sullivan	2015	7		850	-	-	850	534	63%
<u>ALTERNATIVE</u>									
College Readiness Ctr	1990	32	2010	800	-	-	800		0%
Community School	1990	32	2003	107	-	-	107	152	142%
Guidance Center/Summit	2004	18		200	-	-	200		0%
Tegeler	1991	31	2013	520	8	120	640	335	52%

Source: District records

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION

Table 18
Page 2 of 2

CAMPUS	Year Constructed	Building Age (Years)	Last Major Add/Reno	Building Capacity	# of Portable Classrooms	Portable Capacity	Total Capacity	2021-2022 Enrollment	% of Capacity Used
<u>ELEMENTARY</u>									
Atkinson	1969	53		607	8	176	783	444	57%
Bailey	1959	63		585	27	594	1,179	623	53%
Burnett	2002	20	2002	585	21	462	1,047	501	48%
Laura Bush	2006	16		750	10	220	970	599	62%
Fisher	1963	59		637	19	418	1,055	560	53%
Frazier	2002	20	2002	512	4	88	600	424	71%
Freeman	1960	62		585	5	110	695	439	63%
Gardens	2014	8		800	-	-	800	473	59%
Garfield	2002	20	2002	694	14	308	1,002	559	56%
Genoa	2002	20		721	12	264	985	556	56%
Golden Acres	1998	24		635	6	132	767	373	49%
Hancock	2016	6		800	-	-	800	403	50%
Jensen	1998	24	1998	669	9	198	867	573	66%
Jessup	1958	64		800	18	396	1,196	560	47%
Kruse	2009	13		825	3	66	891	452	51%
L.F. Smith	1959	63		825	-	-	825	616	75%
Matthys	1992	30		777	6	132	909	497	55%
McMasters	2001	21	2001	430	8	176	606	378	62%
Meador	1963	59		627	8	176	803	468	58%
Moore	1980	42		700	-	-	700	377	54%
Morales	1992	30		644	2	44	688	403	59%
Parks	2001	21	2001	687	-	-	687	611	89%
Pearl Hall	2007	15		800	4	88	888	531	60%
Pomeroy	1959	63		1,058	-	-	1,058	785	74%
Red Bluff	2001	21		750	-	-	750	477	64%
Richey	2008	14		815	4	88	903	505	56%
Smythe, Mae	1955	67		750	-	-	750	708	94%
South Belt	2009	13		780	-	-	780	724	93%
So. Houston	2013	9	2013	800	-	-	800	448	56%
So. Shaver	1949	73		800	-	-	800	532	67%
Sparks	1993	29		649	2	44	693	354	51%
Stuchbery	1967	55		587	5	110	697	620	89%
Teague	1977	45		593	8	176	769	737	96%
Turner	1992	30		680	-	-	680	552	81%
Williams	1958	64		672	8	176	848	470	55%
Young	1980	42		660	12	264	924	626	68%

Source: District records

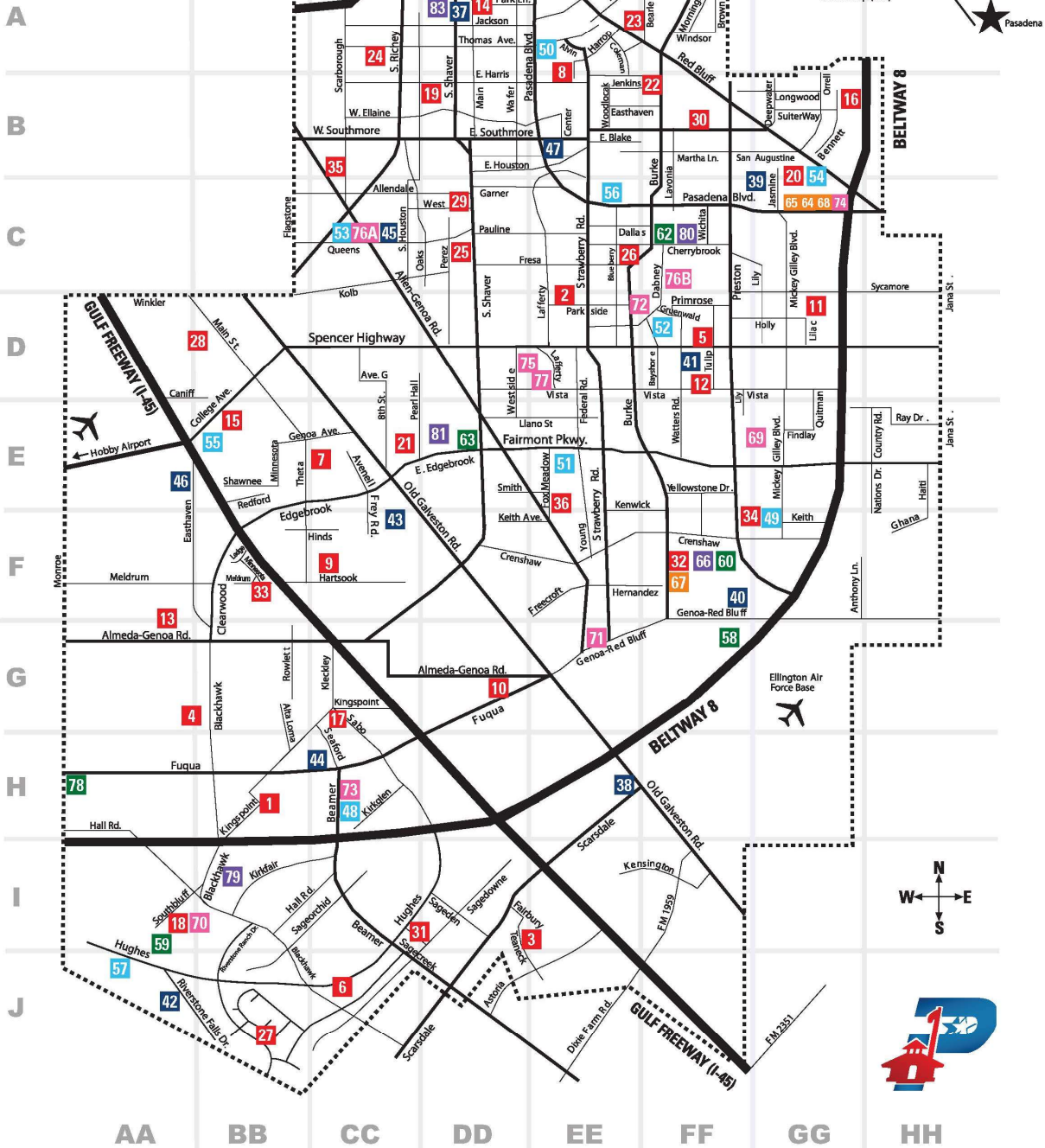
PASADENA ISD DISTRICT MAP

PASADENA INDEPENDENT SCHOOL DISTRICT

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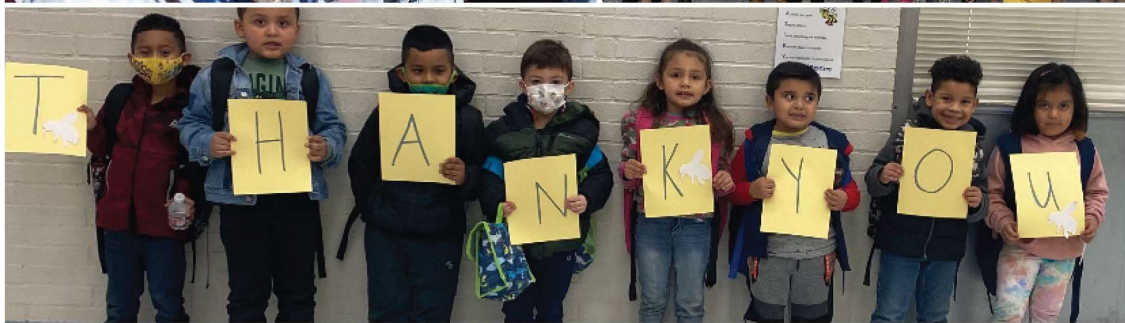
School Site
Locator







FEDERAL AWARDS





PASADENA INDEPENDENT SCHOOL DISTRICT
Required Responses to Selected School FIRST Indicators
For The Year Ended August 31, 2022

Schedule L-1

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.	\$ -0-

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).



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

To the Board of Trustees
Pasadena Independent School District
Pasadena, Texas

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pasadena Independent School District (the “District”), as of and for the year ended August 31, 2022, and the related notes to the financial statements, which collectively comprise District’s basic financial statements, and have issued our report thereon dated February 6, 2023.

Internal Control Over Financial Reporting

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

Compliance and Other Matters

As part of obtaining reasonable assurance about whether the 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*.

To the Board of Trustees
Pasadena Independent School District

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 "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
February 6, 2023

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

To the Board of Trustees
Pasadena Independent School District
Pasadena, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Program

We have audited Pasadena Independent School District, (the “District”) compliance with the types of compliance requirements described in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District’s major federal programs for the year ended August 31, 2022, The 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, the District's complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2022.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor’s Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the 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 the 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 the 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 the District's compliance based on our audit. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

In performing an audit in accordance with GAAS, *Government Auditing Standards*, and the Uniform Guidance, we

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the 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 the 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 the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

To the Board of Trustees
Pasadena Independent School District

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Whitley Penn LLP

Houston, Texas
February 6, 2023

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS
For The Year Ended August 31, 2022

I. Summary of Auditors' Results

Financial Statements

Type of auditors' report issued:	Unmodified
Internal control over financial reporting:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	None reported
Noncompliance material to financial statements noted?	No

Federal Awards

Internal control over major programs:	
Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditors' report issued on compliance with major programs:	Unmodified
Any audit findings disclosed that are required to be reported in accordance with 2 CFR 200.516 (a) ?	No

Identification of major programs:

<u>Name of Federal Program or Cluster</u>	<u>Assistance Listing Number (ALN)</u>
COVID-19 - CRRSA ESSER II	84.425D
COVID-19 - ARP ESSER III	84.425U
COVID-19 - TCLAS-ESSER III	84.425U
COVID-19 - TCLAS-High-Quality After-School	84.425U
COVID-19 - ARP Homeless I-TEHCY Supplemental	84.425W
COVID-19 - ARP Homeless II	84.425W
ESEA Title I, Part A - Improving Basic Programs	84.010A
Title I - School Improvement Grant	84.010A
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A
COVID-19 - Emergency Connectivity	32.009

Dollar Threshold Considered Between Type A and Type B Federal Programs	\$3,000,000
Auditee qualified as low risk auditee?	Yes

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)
For The Year Ended August 31, 2022

II. Financial Statement Finding

None reported

III. Federal Awards Findings and Questioned Costs

None reported.

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended August 31, 2022

Exhibit K-1
Page 1 of 2

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. Department of Education				
Direct Award				
289	<i>COPS School Violence Prevention Program</i>	84.184S	2019SVWX0001	\$ 41,063
289	<i>COPS School Violence Prevention Program</i>	84.184S	15JCOPS-21-GG-03636-SSIX	322,024
289	<i>STOP School Violence Prevention Program</i>	84.184S	2020-YS-BX-0119	295,512
	<i>Total ALN 84.184</i>			<u>658,599</u>
Passed Through State Department of Education:				
206	<i>Texas Support for Homeless Education Program</i>	84.196A	224600057110005	118,311
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	23610101101917	1,524,699
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	22610101101917	17,756,930
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	21610101101917	83
211	<i>Title I - School Improvement Grant</i>	84.010A	21610141101917	476
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	20610101101917	811
	<i>Total ALN 84.010</i>			<u>19,282,999</u>
212	<i>Title I, Part C - Migrant Education Program</i>	84.011A	23615001101917	8,899
212	<i>Title I, Part C - Migrant Education Program</i>	84.011A	22615001101917	103,505
	<i>Total ALN 84.011</i>			<u>112,404</u>
224	<i>IDEA - Part B, Formula</i>	84.027A	236600011019176000	790,949
224	<i>IDEA - Part B, Formula</i>	84.027A	226600011019176000	8,664,519
224	<i>IDEA - Part B, Formula</i>	84.027A	216600011019176000	172,314
224	<i>IDEA - Part B, Formula</i>	84.027A	206600011019176000	200,648
225	<i>IDEA - Part B, Preschool</i>	84.173A	236610011019176000	6,055
225	<i>IDEA - Part B, Preschool</i>	84.173A	226610011019176000	97,403
225	<i>IDEA - Part B, Preschool</i>	84.173A	206610011019176000	(132)
225	<i>IDEA - Part B, Preschool</i>	84.173A	206610011019176000	13,185
226	<i>IDEA - Part B High Cost</i>	84.027A	66002006	496,531
284	<i>COVID-19 - IDEA-B Formula - ARP</i>	84.027X	225350011019175000	329,607
285	<i>COVID-19 - IDEA-B Preschool - ARP</i>	84.173X	225360011019175000	52,431
Passed Through Region 4 Education Service Center:				
315	<i>DEAF</i>	84.027A	3159-93-878	63,757
	<i>Total Special Education Cluster (ALN 84.027, 84.173)</i>			<u>10,887,267</u>
Passed Through State Department of Education (continued)				
244	<i>Career and Technical - Basic Grant</i>	84.048A	23420006101917	37,699
244	<i>Career and Technical - Basic Grant</i>	84.048A	22420006101917	766,128
244	<i>Career and Technical - Basic Grant</i>	84.048A	21420006101917	(3,934)
	<i>Total ALN 84.048</i>			<u>799,893</u>
255	<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	23694501101917	169,718
255	<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	22694501101917	1,845,866
255	<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	21694501101917	3,641
255	<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	20694501101917	469,581
	<i>Total ALN 84.367</i>			<u>2,488,806</u>
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	23671001101917	100,664
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	22671001101917	1,388,541
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	21671001101917	148
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	20671001101917	58,275
	<i>Total CFDA 84.365</i>			<u>1,547,628</u>
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	236950267110035	93,507
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	226950267110035	1,403,599
	<i>Total CFDA 84.287</i>			<u>1,497,106</u>

PASADENA INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended August 31, 2022

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
U. S. Department of Education (continued)				
Passed Through State Department of Education (continued)				
281	COVID-19 - CRRSA ESSER II	84.425D	21521001101917	52,197,627
199	COVID-19 - CRRSA ESSER II	84.425D	21521001101917	574,395
282	COVID-19 - ARP ESSER III	84.425U	21528001101917	27,733,122
279	COVID-19 - TCLAS-ESSER III	84.425U	21528042101917	158,202
282	COVID-19 - TCLAS-High-Quality After-School	84.425U	21528042101917	110,097
278	COVID-19 - ARP Homeless I-TEHCY Supplemental	84.425W	215330017110062	131,402
280	COVID-19 - ARP Homeless II	84.425W	21533002101917	29,950
	Total ALN 84.425			<u>80,934,795</u>
289	Title IV, Part A, Subpart 1	84.424A	23680101101917	39,003
289	Title IV, Part A, Subpart 1	84.424A	22680101101917	1,410,031
289	Title IV, Part A, Subpart 1	84.424A	20680101101917	161,429
	Total ALN 84.424			<u>1,610,463</u>
Total U. S. Department of Education				<u>119,938,271</u>
U. S. Department of Agriculture				
Passed Through the Texas Department of Agriculture:				
National School Lunch Program - USDA Commodities (non-cash assistance)				
240		10.555	00527	3,159,347
240	COVID-19 - EOC Reimbursement Program	10.555	00527	41,013
Passed Through State Department of Education:				
240	School Breakfast Program	10.553	71402201	7,071,547
240	School Breakfast Program - Seamless Summer Option	10.553	71402201	124,017
240	National School Lunch Program	10.555	71302201	28,022,831
240	National School Lunch Program - Seamless Summer Option	10.555	71302201	511,630
	Total Child Nutrition Cluster (ALN 10.553, 10.555)			<u>38,930,385</u>
Passed Through the Texas Department of Agriculture:				
240	Child and Adult Care Food Program (CACFP)	10.558	00527	478,696
240	COVID-19 - P-EBT Admin Reimbursement Program	10.649	00527	5,814
Total U. S. Department of Agriculture				<u>39,414,895</u>
Federal Communications Commission (FCC)				
199	COVID-19 - Emergency Connectivity	32.009	ECF202107037	15,023,890
Total Federal Communications Commission (FCC)				<u>15,023,890</u>
U. S. Department of Health and Human Services				
Passed Through State Department of Education:				
199	COVID-19 School Health Support	93.323	39352201	415,221
289	COVID-19 School Health Support	93.323	39352201	806,327
				<u>1,221,548</u>
Passed through Texas Health and Human Services Commission				
199	Medicaid Administrative Claiming (MAC)	93.778	529-07-0157-00079	648,010
	Total Medicaid Cluster (ALN 93.778)			<u>648,010</u>
Total U. S. Department of Health and Human Services				<u>648,010</u>
U.S. Department of Housing & Urban Development				
Passed through Texas Health and Human Services Commission				
199	Community Development Block Grant	14.218	068-CV132-8593	419,289
	Total CDBG - Entitlement Grants Cluster (ALN 14.218)			<u>419,289</u>
Total U.S. Department of Housing & Urban Development				<u>419,289</u>
U.S. Department of Defense				
199	Reserve Officers' Training Corp. (ROTC)	12.000	N/A	370,012
Total U.S. Department of Defense				<u>370,012</u>
U.S. Department of Homeland Security				
Passed through Texas Department of Emergency Management				
199	FEMA - Disaster Grants - Public Assistance	97.036	FEMA-DR-4332-TX	11,930
199	FEMA - Disaster Grants - Public Assistance	97.036	FEMA-DR-4332-TX	(1,150,626)
Total U.S. Department of Homeland Security				<u>(1,138,696)</u>
Total Expenditures of Federal Awards				<u>\$ 175,897,219</u>

Note 1 - Basis of Accounting

The District accounts for all awards under federal programs in the General and Certain Special Revenue Funds in accordance with the Texas Education Agency’s Financial Accountability System Resource Guide. These programs are accounted for using a current financial resources measurement focus.

The modified accrual basis of accounting is used for these funds. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e., both measurable and available, and expenditures in the accounting period in which the liability is incurred, if measurable, except for certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and accordingly, when such funds are received, they are recorded as unearned revenues until earned. Generally, unused balances are returned to the grantor at the close of specified project periods.

Noncash commodities are recorded at their fair value at the time of donation. The District has elected not to use the 10 percent de minimus indirect cost rate as allowed under Uniform Guidance.

Note 2 - Basis of Presentation

The accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2022. The information in this schedule is presented in accordance with the requirements Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

Note 3 - Reconciliation of Basic Financial Statements

Total Expenditures of Federal Awards per Exhibit K-1	\$ 175,897,219
General Fund - Federal Revenue Excluded:	
School Health and Related Services (SHARS)	12,610,951
Interest Subsidy on Qualified School Construction Bond	1,120,147
E-Rate Schools and Libraries Universal Service Support Mechanism	647,670
Total Expenditures of Federal Awards per Exhibit C-3	<u><u>\$ 190,275,987</u></u>

PASADENA INDEPENDENT SCHOOL DISTRICT
NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS
For The Year Ended August 31, 2022

Note 4 – General Fund Federal Program Revenues

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the general fund for the year ended August 31, 2022, are as follows:

<u>Program Source</u>	<u>ALN</u>	<u>Amount</u>
SHARS	N/A	\$ 12,610,951
Interest Subsidy on Qualified School Construction Bond	N/A	1,120,147
Medicaid Administrative Claiming Program	93.778	648,010
ROTC	12.000	370,012
E-Rate Schools and Libraries Universal Service Support Mechanism	N/A	647,670
COVID-19 - CRRSA ESSER II	84.425D	145,642
Community Development Block Grant	14.218	419,289
FEMA - Disaster Grants - Public Assistance	97.036	11,930
COVID-19 - Emergency Connectivity	32.009	15,023,890
FEMA - Disaster Grants - Public Assistance	97.036	(1,150,626)
COVID-19 School Health Support	93.323	415,221
Indirect Costs:		
School Breakfast Program	10.553	302,056
National School Lunch Program	10.555	1,197,824
ESEA Title I, Part A - Improving Basic Programs	84.010A	704,168
Title I, Part C - Migrant Education Program	84.011A	1,538
IDEA - Part B, Formula	84.027A	381,226
COVID-19 - IDEA-B Formula - ARP	84.027X	11,878
Career and Technical - Basic Grant	84.048A	26,660
IDEA - Part B, Preschool	84.173A	3,847
COVID-19 - IDEA-B Preschool - ARP	84.173X	1,895
COPS School Violence Prevention Program	84.184S	7,084
Texas Support for Homeless Education Program	84.196A	4,096
Title IV, Part B 21st Century Community Learning Centers	84.287C	55,827
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	30,272
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	87,130
Title IV, Part A, Subpart 1	84.424A	64,426
COVID-19 - CRRSA ESSER II	84.425D	5,163,753
COVID-19 - ARP ESSER III	84.425U	2,212,290
COVID-19 - ARP Homeless I-TEHCY Supplemental	84.425W	13,040
Total Indirect Costs		<u>10,269,010</u>
Total		<u><u>\$ 40,531,146</u></u>

Note 5 – Amounts on the Schedule of Expenditures of Federal Awards for Expenditures Occurring in Previous Fiscal Years

The District periodically receives grant awards subsequent to the fiscal year in which the original expenditure occurred. The following amounts were awarded in fiscal year 2022 as reimbursement for prior period expenditures.

<u>Program Source</u>	<u>ALN</u>	<u>Amount</u>
COVID-19 - CRRSA ESSER II	84.425D	\$ 145,642
Community Development Block Grant	14.218	419,289
FEMA - Disaster Grants - Public Assistance	97.036	11,930
COVID-19 - Emergency Connectivity	32.009	15,023,890
FEMA - Disaster Grants - Public Assistance	97.036	(1,150,626)
COVID-19 School Health Support	93.323	415,221
		<u>\$ 14,865,346</u>

PASADENA INDEPENDENT SCHOOL DISTRICT

SUMMARY SCHEDULE OF PRIOR FINDINGS

For The Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations Section 200.511 states, "The auditee is responsible for follow-up and corrective action on all audit findings. As part of this responsibility, the auditee must prepare a summary schedule of prior audit findings." The summary schedule of prior audit findings must report the status of the following:

- All audit findings included in the prior audit's schedule of findings and questioned costs and
- All audit findings reported in the prior audit's summary schedule of prior audit findings except audit findings listed as corrected.

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2022 has been prepared to address these requirements.

I. Prior Audit Findings

None noted



PASADENA INDEPENDENT SCHOOL DISTRICT

CORRECTIVE ACTION PLAN

For the Year Ended August 31, 2022

Federal regulations, Title 2 U.S. Code of Federal Regulations §200.511 states, “At the completion of the audit, the auditee must prepare, in a document separate from the auditor’s findings described in §200.516 Audit findings, a corrective action plan to address each audit finding included in the current year auditor’s reports.”

The Corrective Action Plan for the year ended August 31, 2022 has been prepared to address these requirements.

I. Corrective Action Plan

Not applicable



It is the policy of the Pasadena Independent School District not to discriminate on the basis of age, color, handicap or disability, ancestry, national origin, marital status, race, religion, sex, veteran status, political affiliation, sexual orientation, gender identity and/or gender expression in its educational or employment programs and activities.