

ANNUAL COMPREHENSIVE FINANCIAL REPORT



For the Fiscal Year Ended
June 30, 2022





ANNUAL COMPREHENSIVE FINANCIAL REPORT

TOMBALL INDEPENDENT SCHOOL DISTRICT

310 S. Cherry St - Tomball, TX 77375

**For the Fiscal Year Ended
June 30, 2022**

**Prepared by the Finance Department
Jim Ross, Chief Financial Officer
Zack Boles, Assistant Superintendent of Finance**

TOMBALL INDEPENDENT SCHOOL DISTRICT
ANNUAL COMPREHENSIVE FINANCIAL REPORT
For the Year Ended June 30, 2022

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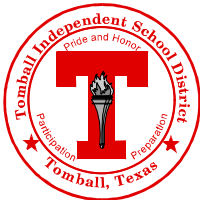
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The background of the entire page is a photograph of a yellow school bus. The bus door is open, and several children are seen from behind, walking up the steps to board the bus. They are wearing backpacks. The scene is brightly lit, suggesting a sunny day. The text 'ANNUAL COMPREHENSIVE FINANCIAL REPORT' is overlaid in the top left corner in a dark blue, serif font.

ANNUAL COMPREHENSIVE FINANCIAL REPORT

A dark blue rectangular box is positioned in the lower right quadrant of the page. It contains the text 'Introductory Section' in a white, serif font, centered within the box.

Introductory Section



Tomball Independent School District

**310 S. Cherry Street
Tomball, Texas 77375**

December 12, 2022

Board of Trustees and Citizens
Tomball Independent School District
310 S. Cherry Street
Tomball, Texas 77375

Dear Board of Trustees:

State law requires that each school district have its fiscal accounts audited annually. A copy of the annual financial report, approved by the Board of Trustees, must be filed with the Texas Education Agency (TEA) by the 150th day after the end of the fiscal year. The independent audit of the financial statements was submitted as prescribed by law. This Annual Comprehensive Financial Report of the Tomball Independent School District (Tomball ISD or the District) is published to provide additional information for the fiscal year ended June 30, 2022.

The independent audit of the financial statements is 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 available in the District's separately issued Single Audit Report.

The Annual Comprehensive Financial Report consists of management's representations concerning the finances of the District. Responsibility for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District's administration. To provide a reasonable basis for making these representations, management of the District has established a comprehensive internal control framework that is designed 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 generally accepted accounting principles (GAAP). Because the cost of internal controls should not outweigh their benefits, 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.

Weaver & Tidwell LLP, a firm of licensed certified public accountants, has issued an unmodified opinion based upon the audit of the District's financial statements for the fiscal year ended June 30, 2022. The independent auditor's report is presented as the first component of the financial section of this report.

Management's Discussion and Analysis (MD&A) immediately follows the report of the independent auditors and provides a narrative introduction, overview, and analysis to accompany the basic financial statements. MD&A complements this letter of transmittal and should be read in conjunction with it.

PROFILE OF THE DISTRICT

In 1937 a petition was presented to the Harris County School Board requesting Tomball be allowed to form its own school district. That petition was granted and all related funds and debts were transferred to the Tomball Independent School District. Tomball ISD is legally recognized as a political subdivision of the State of Texas. The District is not included in any other governmental reporting entity and there are no component units. A seven-member Board of Trustees (the Board) governs the District and has governance responsibilities over all activities related to public elementary and secondary education. Each member is elected to an at-large position for four years in a nonpartisan election. An election is held in November of even-numbered years for either three or four positions. Based on legislative authority codified in the Texas Education Code, the Board (1) has exclusive power to manage and govern the District; (2) can acquire and hold real and personal property; (3) shall have power to levy and collect taxes and to issue bonds; (4) can contract for appointed officers, teachers, and other personnel as well as for goods and services; and (5) has the right of eminent domain to acquire real property.

Serving the city of Tomball and the communities of Lakewood, Canyon Gate, Village Creek, Creekside Park (a section of The Woodlands), Huffsmith, Decker Prairie and Rosehill, Tomball ISD is primarily located in northwestern Harris County with a small portion in southwestern Montgomery County. The District is comprised of 8 elementary schools serving pre-kindergarten to fourth grades, 3 elementary schools serving pre-kindergarten to fifth grades, 3 intermediate schools serving fifth and sixth grades, 4 junior high schools serving seventh and eighth grades, 2 high schools serving ninth to twelfth grades, 1 early college high school, and 1 alternative placement school. The ages of the schools range from one year to fifty years old.

Tomball ISD provides a well-rounded program of public education for children from pre-kindergarten through grade twelve. In addition to basic instructional programs, the District offers special education, gifted and talented, bilingual/ESL, remedial, and career and technology programs, along with co-curricular/extracurricular activities. High school students have the opportunity to earn college credits through College Board Advanced Placement courses, early college attendance, and dual credit programs. The District is fully accredited by the Texas Education Agency (TEA).

The Board determines the District's vision, mission and goals. The District vision is "Tomball ISD students will lead in creating the future". The mission of the District is "Tomball ISD educates students to become responsible, productive citizens by providing innovative, individually rigorous and personally valuable educational experiences".

On or before June 19th of each year, the District must prepare a budget for the next succeeding fiscal year. The annual budget serves as the foundation for the District's financial planning and control. The budget process begins in December with the preparation of the budget calendar, updated enrollment and revenue projections, and tentative expenditure projections. Based on this information, budget development parameters for the next year's budget are established. All the District's budget managers are required to submit requests for appropriations based on those parameters. A preliminary budget is compiled and then presented and discussed with the Board at multiple budget workshops. After review, evaluation and revision in budget workshops, a meeting of the Board is called for the purpose of adopting the final proposed budget. A public hearing is held for taxpayer input after ten days' public notice of the meeting. Following the public hearing the Board adopts an appropriated budget for the general fund, debt service fund and the *National School Breakfast and Lunch Program* special revenue fund on a basis consistent with GAAP. The operating budget of proposed expenditures, and the means of financing them, must be approved and adopted by the Board prior to July 1st. The appropriated budget is prepared by fund and function. Transfers of appropriations between campuses/departments require the approval of the District's Superintendent. Increasing any one of the functional spending categories or revenue object accounts and other resources require the approval of the Board.

LOCAL ECONOMY

Tomball Independent School District encompasses 83 square miles in northwestern Harris County (90%) and southwestern Montgomery County (10%) located approximately 30 miles from downtown Houston, Texas. Harris County is the most populous of the 254 counties in Texas.

The District's proximity to the City of Houston provides the area with access to the nation's largest seaport in foreign waterborne commerce and second largest in total tonnage, one of the nation's leading centers for medical education and research, many colleges and universities, a dynamic cultural arts community, excellent recreational opportunities and a national center of corporate management, commerce and world trade.

The Port of Houston has helped fuel the Houston area's development as a center of international business and trade. Companies that do business internationally find the Houston area attractive because of its well-developed financial infrastructure, skilled work force and diverse population. Ample space and favorable conditions for industrial development, as well as for cargo handling, make the Houston area a choice location for industry. This is a major factor contributing to the Houston area's, as well as Tomball's, positive economic outlook for the future.

The number two taxpayer is Chevron Business & Real Estate. Chevron is based in San Ramon, California, but recently acquired Noble Energy, whose corporate headquarters are in Tomball. The acquisition of Noble Energy provides Chevron with low-cost, proved reserves and attractive undeveloped resources that will enhance an already advantaged upstream portfolio. Chevron employs approximately 1,500 people at the newly acquired complex as of 2020. With expected industrial and commercial growth and the effect of its proximity to the City of Houston, the District anticipates a continuous, steady increase in its tax base.

The District's total tax base has increased on average 9.2 percent annually over the past ten years. The taxable value of property increased 9 percent from fiscal year 2020-2021 to 2021-2022 with a total taxable value of \$13,141,925,057. This taxable base is 71% residential and 29% business or other property. The average taxable value of residences is \$303,473. The District considers build-out space remaining at over 28 percent of usable space.

Completion of the Grand Parkway, the final loop around Houston, and expansion of the Tomball Tollway has made areas within the District more accessible for development. Located within the District are numerous multi-use developments which include retail shopping centers, low to mid-rise office buildings, hotels, industrial parks, financial institutions, restaurants and high-density residential projects. Larger residential developments are located in the west side of the District, with smaller projects located throughout all areas of the District. With the planned addition of over 3,500 homes in these development projects the District expects steady and sustained economic growth well into the future.

LONG-TERM FINANCIAL PLANNING

Tomball ISD has a student enrollment of 21,360 that is larger than 90 percent of the public school districts in Texas. Tomball ISD student enrollment has increased an average of 6.15 percent annually over a ten-year period. District enrollment increased 8.72 percent in 2021-2022 and has risen by 5.9 percent during the 2022-2023 school year. This enrollment growth was anticipated and voters passed a \$494.4 million bond referendum in November 2021. Proceeds of the referendum are being used to build new instructional and support facilities, purchase school buses, renovate and expand the capacity of existing instructional facilities, as well as provide technology to accommodate new students and staff, replace aging technology and increase student access to technology. A new high school, intermediate school, two elementary schools and pre-kindergarten center are being built using these proceeds.

The District's approach to coping with the current overall funding environment for Texas public school districts, combined with the addition of new school facilities and rapid growth, has been to ensure the budget process remains instructionally driven and guided by the goals of the District. One of those goals is for the District to be fiscally responsible. In line with these goals and objectives, Tomball ISD leadership took steps

over a six-year period to set aside reserves for future contingencies and on-going financial stability. These funds remain available for use in day-to-day operations.

The District has fund balance reserves available to fund 32.6% of the 2022-2023 operating budget; well above the existing board policy of maintaining 25% of the current year's operating budget. The total tax rate has not been increased in nine consecutive years. Considering both operating cost increases and funding reductions, the District believes it is well-positioned financially through the 2022-2023 fiscal year.

RELEVANT FINANCIAL POLICIES

Budget planning is an integral part of overall program planning. Budget planning effectively supports the District's activities, and resources are provided to implement desired programs. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered, as well as input from the community, and District and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and are a part of each month's activities.

Evidence of the District's commitment to budget planning and implementation is the selection of Tomball ISD by TXSmartSchools.org as a model 5 star district in the 2020 study. This study was built on the foundational work of the Financial Allocation Study for Texas (FAST), which was commissioned by the State of Texas. TXSmartSchools uses academic, financial, and demographic data to identify school districts and campuses that produce high academic progress while maintaining cost-effective operations. Tomball ISD was recognized as having very high academic achievement with low per pupil costs.

MAJOR INITIATIVES

Tomball Independent School District seeks to help students become skillful, active, reflective, self-disciplined and honorable members of our community through engaging learning experiences in a safe and nurturing environment. During the 2021-2022 school year, student achievement and character development continued to be primary objectives of the District. Strategies focused on raising the academic performance of all students; closing the achievement gap; establishing quality measures to gather information for feedback, improvement and accelerated solutions; encouraging parent and community involvement; developing positive character traits in students; recruiting and retaining quality staff; and building trusting and productive relationships allowed the District to work towards its objectives.

In Tomball ISD, we believe all students must have equal access to a rigorous college, career, and life-ready curriculum. The Tomball ISD standards-based curriculum integrates content with the skills necessary for success in today's 21st century context learning skills, requiring high cognitive demand, and responsive to the needs of all learners.

The District continues to meet or surpass state standards in student achievement in mathematics, science, language arts and social studies. By reviewing individual student test data and gauging the effectiveness of instructional programs, the District has strengthened and expanded its curriculum beyond the requirements of the state-mandated Texas Essential Knowledge and Skills (TEKS) in order to provide Tomball ISD students with an education that is more enriched and broader in scope. Advance offerings are being expanded as more students express a desire to participate. Tomball ISD students continue to excel in obtaining a well-rounded education as evidenced by the near 100 percent of seniors who earned the necessary credits to graduate in May 2022 and passed the state exit exams.

AWARDS AND ACKNOWLEDGEMENTS

Tomball Independent School District received a Certificate of Achievement for Excellence in Financial Reporting from the Government Finance Officers Association (GFOA) for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report, whose contents conform to program standards. Such an Annual Comprehensive Financial Report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe our current Annual Comprehensive Financial Report continues to meet the Certificate of Achievement Program requirements, and we are submitting it to the GFOA for review to determine its eligibility for another certificate.

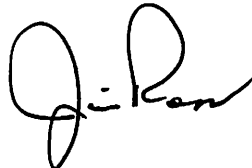
The District also received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2021. This award certifies that the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2021, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe our current report will conform to the Certificate of Excellence Program requirements, and we are submitting it to the ASBO for their review.

We would like to express our appreciation to the Board of Trustees for their concern in providing fiscal accountability to the patrons of our District and for their expertise in financial decisions. Special appreciation goes to the District's finance department and the independent auditor's staff. The preparation of this report could not have been accomplished without their efficient and dedicated service.

Respectfully submitted,



Dr. Martha Salazar-Zamora
Superintendent



Jim Ross
Chief Financial Officer



Zachery Boles
Assistant Superintendent of Finance



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Tomball Independent School District
Texas**

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2021

Christopher P. Morill

Executive Director/CEO



ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

**The Certificate of Excellence in Financial Reporting
is presented to**

Tomball Independent School District

**for its Annual Comprehensive Financial Report
for the Fiscal Year Ended June 30, 2021.**

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

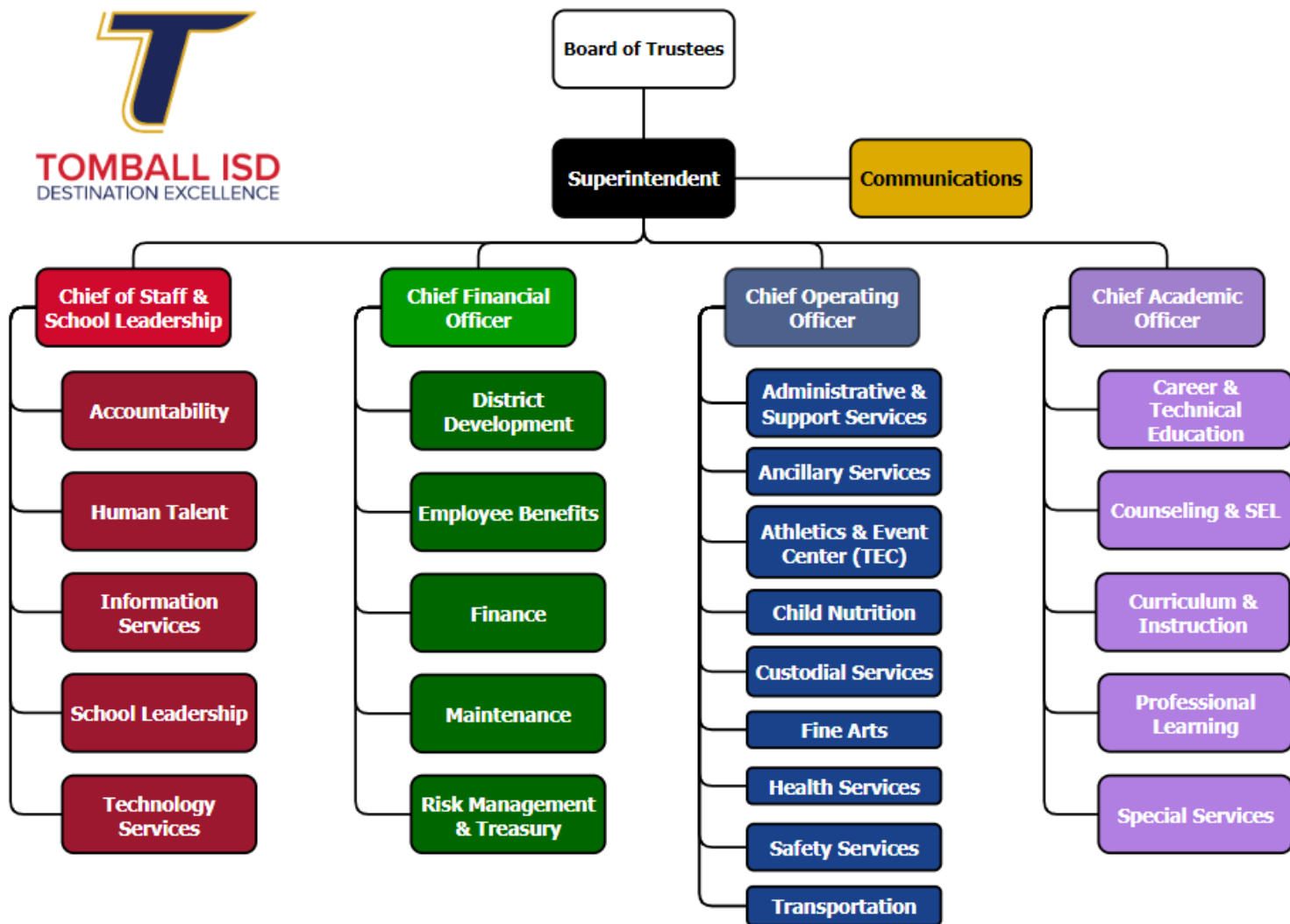


A handwritten signature in black ink, reading 'William A. Sutter'.

William A. Sutter
President

A handwritten signature in black ink, reading 'David J. Lewis'.

David J. Lewis
Executive Director



7/25/2022

TOMBALL INDEPENDENT SCHOOL DISTRICT PRINCIPAL OFFICIALS AND ADVISORS

BOARD OF TRUSTEES

Kathy Handler	President
Lee McLeod	Vice President
John E. McStravick	Secretary
Justin Unser	Assistant Secretary
Mark Lewandowski	Trustee
Michael Pratt	Trustee
Matt Schiel	Trustee

ADMINISTRATION

Dr. Martha Salazar-Zamora	Superintendent
Dr. Amy Schindewolf	Chief of Staff & School Leadership
Dr. Steven Gutierrez	Chief Operating Officer
Jim Ross	Chief Financial Officer
Dr. Michael Webb	Chief Academic Officer

CONSULTANTS AND ADVISORS

Bracewell & Giuliani, LLP
Rogers, Morris & Grover, LLP
Thompson & Horton, LLP
Houston, Texas – General Counsel

Weaver and Tidwell, LLP
Conroe, Texas – Independent Auditors

Orrick, Herrington & Sutcliffe LLP
Houston, Texas – Bond Counsel

BOK Financial Securities, Inc.
Houston, Texas – Financial Advisor

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Financial Section

Independent Auditor's Report

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Tomball Independent School District (the District), as of and for the year ended June 30, 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2022, and the respective changes in financial position and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

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

Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2022, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 87, *Leases*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

District's 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 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, we:

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis and Required Supplementary 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.

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 Supplementary Information is presented for purposes of additional analysis and are not a required part of the basic financial statements.

The Supplementary 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. Such 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 Supplementary Information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the Introductory Section and Statistical Section but does not include the financial statements and our auditor's report thereon. Our opinions on the financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon. In connection with our audit of the financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated October 19, 2022 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 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.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

Conroe, Texas
October 19, 2022

Management's Discussion and Analysis

As management of the Tomball Independent School District (the District), we offer readers of the accompanying report this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2022.

Financial Highlights

- Assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at year-end by \$3,384,581 (net position/(deficit)).
- The District's total net position/(deficit) increased by \$16,514,700 from current operations.
- As of the close of the year, the District's governmental funds had combined ending fund balances of \$258,871,624, an increase of \$104,274,845 as compared to the preceding year.
- At the end of the year, unassigned fund balance of the general fund was \$62,697,297 or 37 percent of the year's total general fund expenditures.
- The District's total bonded debt increased by \$126,397,611 (20 percent) during the 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 comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the basic financial statements. This report contains required supplementary information and supplementary and other 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 enterprise.

The *Statement of Net Position* (Exhibit A-1) presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources, with the difference reported as *net position/(deficit)*. Over time, increases or decreases in net position/(deficit) may serve as an indicator of how the financial position of the District is changing.

The *Statement of Activities* (Exhibit B-1) presents information showing how the District's net position/(deficit) changed during the year. Changes in net position/(deficit) are reported upon occurrence of the underlying event giving rise to the change, regardless of the timing of related cash flows. Thus, revenues and expenses are reported in this statement for some transactions that will not result in cash flows until future fiscal periods (e.g., uncollected taxes and incurred but unpaid workers' compensation benefits).

The government-wide financial operations (*governmental activities*) of the District are principally supported by taxes and intergovernmental revenues. 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, Issuance Costs and Fees, Facilities Repair and Maintenance, Payments to Juvenile Justice Alternative Education Programs, and Other Intergovernmental Charges*.

The business-type activities include Early Excellence Academy and other enterprise activities.

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

Fund Financial Statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, as do other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All 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 cash resources*, as well as on *balances of cash resources* available at the end of the fiscal year. Such information may be useful in evaluating near-term financing requirements.

Because the focus of governmental funds financial statements 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 effect 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 maintained twenty-nine individual governmental funds during the year. 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 capital projects funds, which are considered to be major funds. Data from the other twenty-six governmental funds are combined into a single, aggregated presentation titled *total nonmajor funds*.

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 are noted in the table of contents of this report.

Proprietary Fund. The District maintains two types of proprietary funds. An internal service fund is a type of proprietary fund that uses an accounting process which accumulates and allocates costs internally among the District's various funds and functions. The District uses the internal service fund to account for its self-funded workers' compensation program. Because this service predominantly benefits governmental operations, their financial activities have been included within *governmental activities* in the government-wide financial statements. Enterprise funds are used to report activities for which fees are charged to external users for goods or services (business-type activities). The function of the District's enterprise funds are to provide day care services for children of District employees and activities of the District's Event Center. A fee is charged for these services.

Proprietary funds provide essentially the same type of information as the government-wide financial statements, only in more detail. The internal service fund financial statements are provided with the basic financial statements and provide information for the self-funded workers' compensation program.

The basic proprietary fund financial statements are noted in the table of contents of this report.

Fiduciary Funds. Fiduciary funds are used to account for resources held for the benefit of students and student organizations. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs and activities. A statement of fiduciary net position and a statement of changes in fiduciary net position are presented for fiduciary funds, as noted in the table of contents of this report.

Notes to the Basic 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 basic financial statements are noted in the table of contents of this report.

Other Information. In addition to the basic financial statements and accompanying notes, this report presents required supplementary information and supplementary information, including schedules required by the Texas Education Agency. Such information is noted in the table of contents of this report.

Government-wide Financial Analysis

As mentioned earlier, net position/(deficit) may, over time, serve as an indicator of a District's changing financial position. At the close of the District's most recent fiscal year, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$3,384,581.

Tomball Independent School District's Net Position/(Deficit)

	Governmental Activities		Business-type Activities		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Current and other assets	\$ 297,704,279	\$ 197,636,914	\$ 122,298	\$ 35,826	\$ 297,826,577	\$ 197,672,740
Capital assets, net of depreciation/amortization	599,228,027	561,202,199	-	-	599,228,027	561,202,199
Total assets	896,932,306	758,839,113	122,298	35,826	897,054,604	758,874,939
Total deferred outflows of resources	44,160,093	40,837,718	-	-	44,160,093	40,837,718
Long-term liabilities outstanding	834,773,880	726,548,270	-	-	834,773,880	726,548,270
Other liabilities	39,020,970	44,374,766	55,797	35,826	39,076,767	44,410,592
Total liabilities	873,794,850	770,923,036	55,797	35,826	873,850,647	770,958,862
Total deferred inflows of resources	63,979,469	41,883,914	-	-	63,979,469	41,883,914
Net position (deficit):						
Net investment in capital assets	(35,972,641)	(30,099,053)	-	-	(35,972,641)	(30,099,053)
Restricted	22,366,632	16,123,420	-	-	22,366,632	16,123,420
Unrestricted	16,924,089	845,514	66,501	-	16,990,590	845,514
Total net position (deficit)	\$ 3,318,080	\$ (13,130,119)	\$ 66,501	\$ -	\$ 3,384,581	\$ (13,130,119)

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. The related debt is adjusted for capital project funds that were expended, but not capitalized. 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. At the end of the current fiscal year, the District reports a negative balance in net investment in capital assets, which is attributed to expenditure of bond proceeds not meeting the criteria for capitalization.

Net position/(deficit) of \$22,366,632 is restricted for future debt service, grant expenses, and state mandated programs.

The remaining balance of net position, unrestricted \$16,990,590, may be used to meet the District's ongoing obligations to students and creditors.

Governmental Activities. Governmental activities increased the District's net position by \$16,448,199 from current operations. Key elements of this change are as follows:

Tomball Independent School District's Changes in Net Position

	Governmental Activities		Business-type Activities		Total	
	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021	June 30, 2022	June 30, 2021
Revenues:						
Program revenues:						
Charges for services	\$ 7,716,770	\$ 4,894,921	\$ 811,072	\$ 304,121	\$ 8,527,842	\$ 5,199,042
Operating grants and contributions	24,416,725	25,755,122	-	-	24,416,725	25,755,122
General revenues:						
Property taxes, levied for general purposes	116,305,265	113,357,962	-	-	116,305,265	113,357,962
Property taxes, levied for debt service	46,703,736	42,495,848	-	-	46,703,736	42,495,848
Grants and contributions not restricted to specific programs	52,299,688	39,667,602	-	-	52,299,688	39,667,602
Investment earnings	916,165	474,675	356	-	916,521	474,675
Miscellaneous	906,895	503,962	-	-	906,895	503,962
Total revenues	249,265,244	227,150,092	811,428	304,121	250,076,672	227,454,213
Expenses:						
Instruction	127,815,159	131,968,741	-	-	127,815,159	131,968,741
Instructional resources and media services	2,202,537	2,193,104	-	-	2,202,537	2,193,104
Curriculum and instructional staff development	1,752,723	1,727,128	-	-	1,752,723	1,727,128
Instructional leadership	3,599,349	3,442,174	-	-	3,599,349	3,442,174
School leadership	9,393,739	10,495,683	-	-	9,393,739	10,495,683
Guidance, counseling, and evaluation services	6,855,744	7,911,103	-	-	6,855,744	7,911,103
Social work services	62,711	67,589	-	-	62,711	67,589
Health services	1,933,858	2,218,890	-	-	1,933,858	2,218,890
Student transportation	8,331,394	7,794,283	-	-	8,331,394	7,794,283
Food services	8,295,349	6,140,208	-	-	8,295,349	6,140,208
Extracurricular activities	7,218,819	5,547,706	-	-	7,218,819	5,547,706
General administration	5,719,169	5,513,102	-	-	5,719,169	5,513,102
Plant maintenance and operations	17,385,946	15,322,065	-	-	17,385,946	15,322,065
Security and monitoring services	1,954,948	993,433	-	-	1,954,948	993,433
Data processing services	2,481,101	2,500,108	-	-	2,481,101	2,500,108
Community services	115,664	79,461	-	-	115,664	79,461
Interest on long-term debt	20,886,023	20,868,513	-	-	20,886,023	20,868,513
Issuance costs and fees	1,246,666	731,572	-	-	1,246,666	731,572
Facilities repair and maintenance	3,865,694	1,094,422	-	-	3,865,694	1,094,422
Payments to juvenile justice alternative education programs	23,700	24,600	-	-	23,700	24,600
Other intergovernmental charges	1,200,159	1,111,111	-	-	1,200,159	1,111,111
Early Excellence Academy	-	-	616,135	603,159	616,135	603,159
Other enterprise activities	-	-	605,385	-	605,385	-
Total expenses	232,340,452	227,744,996	1,221,520	603,159	233,561,972	228,348,155
Increase (decrease) in net position before transfers	16,924,792	(594,904)	(410,092)	(299,038)	16,514,700	(893,942)
Transfers	(476,593)	(299,038)	476,593	299,038	-	-
Change in net position	16,448,199	(893,942)	66,501	-	16,514,700	(893,942)
Net position - beginning	(13,130,119)	(12,469,144)	-	-	(13,130,119)	(12,469,144)
Implementation of GASB 84	-	232,967	-	-	-	232,967
Net position (deficit) - beginning, as restated	(13,130,119)	(12,236,177)	-	-	(13,130,119)	(12,236,177)
Net position (deficit) - ending	\$ 3,318,080	\$(13,130,119)	\$ 66,501	\$ -	\$ 3,384,581	\$(13,130,119)

The current period increase in net position/(deficit) resulted primarily from the increase grants and contributions not restricted to specific programs which results from an increase in state allotment revenues.

Revenues, aggregating \$249,265,244 were generated primarily from two sources. Property taxes of \$163,009,001 represent 66 percent of total revenues while grants and contributions, including those not restricted for specific program use as well as for general operations, total \$76,716,413 and represent 31 percent of total revenues. The increase in grants and contributions is the result of an increase in state allotment. The remaining 3 percent is generated from investment earnings, charges for services, and miscellaneous revenues.

The primary functional expenses of the District is *Instruction* \$127,815,159, which represents 55 percent of total expenses, while all remaining expense categories are individually 9 percent or less of total expenses. The major increases in the current year occurred in food service, plant maintenance and operations, and facilities repair and maintenance which was effected by services and facilities that were fully operational following the prior year limitations related to the COVID pandemic.

Business-type activities. Business-type activities increased net position by \$66,501 other enterprise activities. The increase in business-type activities from the prior year is due to the introduction in the current year of services related to activities in the District stadium.

Financial Analysis of the Government's Funds

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

Governmental Funds. At the end of the fiscal year, the District's governmental funds had combined ending fund balances of \$258,871,624, an increase of \$104,274,845 from the preceding year. Comments as to each individual major fund's change in fund balance follows.

The general fund is the primary operating fund of the District. At year-end, unassigned fund balance of the general fund was \$62,697,297, while total fund balance was \$107,281,967. To evaluate the general fund's liquidity, it may be helpful to compare both unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 37 percent of total general fund expenditures, while total fund balance represents 63 percent of that same total. The fund balance of the general fund increased \$11,411,736 during the year, primarily due to the increase in state allotment.

The debt service fund ended the year with a total fund balance of \$21,850,708, all of which is restricted for the payment of principal and interest on debt. The debt service fund balance increased \$3,084,529 during the year, primarily because of a property tax revenue increase from the increase in the debt service tax rate.

The capital projects fund ended the year with a total fund balance of \$122,169,111, all of which is restricted for capital acquisitions and contractual obligations. The net increase in fund balance during the current year in the capital projects fund was \$85,823,244 due to the proceeds from a new bond issuance.

Governmental funds financial statements may be found by referring to the table of contents.

Proprietary Funds. The District's proprietary fund financial statements, reflect the District's internal service fund created for its self-funded workers' compensation program, the District's enterprise fund for the Early Excellence Academy, and other enterprise activities. The net change in assets of the internal service fund is eliminated and allocated to the governmental expenses in the government-wide financial statements.

General Fund Budgetary Highlights

The District amends the budget as needed throughout the year. The significant differences in revenues between the original adopted budget and the final amended budget of the general fund were primarily from an increase in projected property tax revenues resulting from revised estimates of the certified taxable values, and an increase in anticipated state allotment. The significant differences in expenditures between the original adopted budget and the final amended budget of the general fund were primarily from Instruction due to an increase in need of personnel and other instructional aides.

There were no significant variances between the final amended budget and actual results of the General Fund.

Capital Assets and Long-term Liabilities

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2022, was \$599,228,027 (net of accumulated depreciation/amortization). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, right of use – buildings, right of use – furniture and equipment, and construction in progress. The increase in investment in capital assets for the current fiscal year was \$37,077,388. The June 30, 2021 right of use assets have been adjusted for the implementation of GASB 87, Leases.

Tomball Independent School District's Capital Assets (net of depreciation/amortization)

	Governmental Activities					
	June 30, 2022		June 30, 2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Land and improvements	\$ 38,323,210	6	\$ 38,323,210	7	\$ -	-
Buildings and improvements	537,821,639	90	329,705,979	59	208,115,660	63
Furniture and equipment	15,786,133	3	16,722,998	3	(936,865)	(6)
Right of use - buildings	301,619	-	100,093	-	201,526	201
Right of use - furniture and equipment	608,091	-	848,347	-	(240,256)	(28)
Construction in progress	6,387,335	1	176,450,012	31	(170,062,677)	(96)
Totals	\$ 599,228,027	100	\$ 562,150,639	100	\$ 37,077,388	

Major capital asset activity during the year included the following:

- * Building and construction in progress additions \$56,376,296
- * Buses \$601,665

Commitments. At the end of the current fiscal year, the District's commitments with construction contractors totaled \$9,036,300.

Additional information on the District's capital assets can be found in Note III, item D of the notes to the financial statements.

Long-term Liabilities. At year-end, the District had the following long-term liabilities:

Tomball Independent School District's Long-term Liabilities Outstanding

	Governmental Activities					
	June 30, 2022		June 30, 2021		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General obligation bonds	\$ 761,609,633	91	\$ 635,212,022	87	\$ 126,397,611	20
Workers' compensation	297,836	-	299,988	-	(2,152)	(1)
Leases payable*	837,339	-	948,440	-	(111,101)	(12)
Net pension liability	24,588,467	3	46,722,611	7	(22,134,144)	(47)
Net OPEB liability	47,440,605	6	44,313,649	6	3,126,956	7
Totals	\$ 834,773,880	100	\$ 727,496,710	100	\$ 107,277,170	

*The balance as of June 30, 2021 has been adjusted to reflect the adaption of GASB 87, Leases

The District's total bonded debt increased by \$126,397,611 (20 percent) during the current fiscal year, which resulted primarily from principal payments. State statutes do not limit the tax rate or amount of local tax support of school districts' bonded indebtedness. However, approval of the Attorney General of the State of Texas is required prior to the sale of bonds.

The District's net pension liability decreased by \$22,134,144 during the year largely due to favorable investment performance of the plan's portfolio.

Additional information on the District's long-term debt, net pension liability, and OPEB liability can be found in Note III, item E of the notes to the financial statements.

Economic Factors and Next Year's Budget and Rates

- * School year (2022-23) student enrollment is 21,360, a 6 percent increase from the preceding year.
- * District staff totals 2,733 employees in 2022-23, excluding substitutes and other part-time employees, of which 1,451 are teachers and 405 are teacher aides and secretaries.
- * The District maintains twenty-two regular education campuses, including an alternative campus for student instruction.
- * Property values of the District are projected to increase approximately 14% for the 2022-23 year.
- * A maintenance and operations tax rate of \$0.854 and a debt service tax rate of \$0.376, a total rate of \$1.23 were adopted for 2022-23. Preceding year rates were \$0.895, \$0.355 and \$1.25, respectively.

All of these factors and others were considered in preparing the District's budget for the 2022-23 fiscal year.

During 2021-22, fund balance in the general fund increased to \$107,281,967. District policy requires the District to maintain an operating cash reserve fund balance each fiscal year end that equals or exceeds the amount necessary to cover three months of the District's average operating expenses for the coming year. The total general fund balance is more than three months of average operating expenses.

Requests for Information

This financial report is intended to provide a general overview of the District's finances for those with an interest in this information. Questions concerning any of the information provided in this report or requests for additional financial information should be addressed to the Chief Financial Officer, Tomball Independent School District, 310 South Cherry Street, Tomball, Texas 77375.

ANNUAL COMPREHENSIVE FINANCIAL REPORT



Basic Financial Statements

Tomball Independent School District

Statement of Net Position

June 30, 2022

Exhibit A-1

		1	2	3
Data Control Codes		Primary Government		
		Governmental	Business-type	
		Activities	Activities	Total
ASSETS				
1110	Cash and cash equivalents	\$ 15,963,776	\$ 261,547	\$ 16,225,323
1120	Investments	250,038,746	-	250,038,746
1220	Property taxes receivables	5,812,022	-	5,812,022
1230	Allowance for uncollectable taxes	(1,445,706)	-	(1,445,706)
1240	Due from other governments	23,871,849	-	23,871,849
1250	Accrued interest	15,874	-	15,874
1260	Internal balances	148,839	(148,839)	-
1290	Other receivables	1,838,220	9,590	1,847,810
1300	Inventories	585,115	-	585,115
1410	Prepaid items	845,582	-	845,582
1490	Other current assets	29,962	-	29,962
	Capital assets:			
1510	Land and improvements	38,323,210	-	38,323,210
1520	Buildings and improvements (net)	537,821,639	-	537,821,639
1530	Furniture and equipment (net)	15,786,133	-	15,786,133
1551	Right of use - buildings (net)	301,619	-	301,619
1559	Right of use - furniture and equipment (net)	608,091	-	608,091
1580	Construction in progress	6,387,335	-	6,387,335
1000	Total assets	896,932,306	122,298	897,054,604
DEFERRED OUTFLOWS OF RESOURCES				
1705	Deferred outflows - pension	19,161,890	-	19,161,890
1706	Deferred outflows - OPEB	18,042,554	-	18,042,554
1710	Deferred charge on refunding	6,955,649	-	6,955,649
1700	Total deferred outflows of resources	44,160,093	-	44,160,093
LIABILITIES				
2110	Accounts payable	12,347,938	20,172	12,368,110
2140	Interest payable	9,909,107	-	9,909,107
2160	Accrued wages payable	16,004,453	35,625	16,040,078
2180	Due to other governments	167	-	167
2300	Unearned revenue	759,305	-	759,305
	Noncurrent liabilities:			
2501	Due within one year	26,291,916	-	26,291,916
	Due in more than one year:			
2502	Bonds, notes, and leases payable	736,452,892	-	736,452,892
2540	Net pension liability	24,588,467	-	24,588,467
2545	Net OPEB liability	47,440,605	-	47,440,605
2000	Total liabilities	873,794,850	55,797	873,850,647
DEFERRED INFLOWS OF RESOURCES				
2601	Deferred inflows - leases	1,765,445	-	1,765,445
2605	Deferred inflows - pension	27,338,187	-	27,338,187
2606	Deferred inflows - OPEB	32,997,381	-	32,997,381
2610	Deferred gain on refunding	1,878,456	-	1,878,456
2600	Total deferred inflows of resources	63,979,469	-	63,979,469
NET POSITION (DEFICIT)				
3200	Net investment in capital assets	(35,972,641)	-	(35,972,641)
3820	Restricted for grants and state mandated programs	9,377,115	-	9,377,115
3850	Restricted for debt service	12,989,517	-	12,989,517
3900	Unrestricted	16,924,089	66,501	16,990,590
3000	TOTAL NET POSITION (DEFICIT)	\$ 3,318,080	\$ 66,501	\$ 3,384,581

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District

Statement of Activities

For the Fiscal Year Ended June 30, 2022

Data Control Codes	Functions/Programs	1	3	4
		Expenses	Program Revenues Charges for Services	Operating Grants and Contributions
	PRIMARY GOVERNMENT			
	Governmental activities			
0011	Instruction	\$ 127,815,159	\$ 2,162,149	\$ 6,465,292
0012	Instructional resources and media services	2,202,537	214,187	33,158
0013	Curriculum and instructional staff development	1,752,723	-	653,944
0021	Instructional leadership	3,599,349	-	93,471
0023	School leadership	9,393,739	-	-
0031	Guidance, counseling, and evaluation services	6,855,744	-	2,280,422
0032	Social work services	62,711	-	-
0033	Health services	1,933,858	-	796,702
0034	Student transportation	8,331,394	-	-
0035	Food services	8,295,349	1,326,266	10,303,524
0036	Extracurricular activities	7,218,819	2,682,090	482,976
0041	General administration	5,719,169	-	1,690,090
0051	Plant maintenance and operations	17,385,946	1,332,078	998,326
0052	Security and monitoring services	1,954,948	-	2,422
0053	Data processing services	2,481,101	-	-
0061	Community services	115,664	-	120,605
0072	Interest on long-term debt	20,886,023	-	495,793
0073	Issuance costs and fees	1,246,666	-	-
0081	Facilities repair and maintenance	3,865,694	-	-
0095	Payments to juvenile justice alternative education programs	23,700	-	-
0099	Other intergovernmental charges	1,200,159	-	-
TG	Total governmental activities	232,340,452	7,716,770	24,416,725
	Business-type activities			
01	Early Excellence Academy	616,135	272,077	-
02	Other enterprise activities	605,385	538,995	-
TB	Total business-type activities	1,221,520	811,072	-
TP	TOTAL PRIMARY GOVERNMENT	<u>\$ 233,561,972</u>	<u>\$ 8,527,842</u>	<u>\$ 24,416,725</u>
	General revenues			
MT	Property taxes, levied for general purposes			
DT	Property taxes, levied for debt service			
GC	Grants and contributions not restricted to specific programs			
IE	Investment earnings			
MI	Miscellaneous			
FR	Transfers			
TR	Total general revenues and transfers			
CN	Change in net position			
NB	Net position(deficit) - beginning			
NE	NET POSITION (DEFICIT) - ENDING			

The Notes to the Financial Statements are an integral part of this statement.

6	7	8
Net (Expense) Revenue and Change in Net Position		
Governmental Activities	Business-type Activities	Total
\$ (119,187,718)	\$ -	\$ (119,187,718)
(1,955,192)	-	(1,955,192)
(1,098,779)	-	(1,098,779)
(3,505,878)	-	(3,505,878)
(9,393,739)	-	(9,393,739)
(4,575,322)	-	(4,575,322)
(62,711)	-	(62,711)
(1,137,156)	-	(1,137,156)
(8,331,394)	-	(8,331,394)
3,334,441	-	3,334,441
(4,053,753)	-	(4,053,753)
(4,029,079)	-	(4,029,079)
(15,055,542)	-	(15,055,542)
(1,952,526)	-	(1,952,526)
(2,481,101)	-	(2,481,101)
4,941	-	4,941
(20,390,230)	-	(20,390,230)
(1,246,666)	-	(1,246,666)
(3,865,694)	-	(3,865,694)
(23,700)	-	(23,700)
(1,200,159)	-	(1,200,159)
(200,206,957)	-	(200,206,957)
-	(344,058)	(344,058)
-	(66,390)	(66,390)
-	(410,448)	(410,448)
(200,206,957)	(410,448)	(200,617,405)
116,305,265	-	116,305,265
46,703,736	-	46,703,736
52,299,688	-	52,299,688
916,165	356	916,521
906,895	-	906,895
(476,593)	476,593	-
216,655,156	476,949	217,132,105
16,448,199	66,501	16,514,700
(13,130,119)	-	(13,130,119)
\$ 3,318,080	\$ 66,501	\$ 3,384,581

Tomball Independent School District

Balance Sheet

Governmental Funds

June 30, 2022

		199	599
Data Control Codes		General Fund	Debt Service Fund
ASSETS			
1110	Cash and cash equivalents	\$ 11,549,592	\$ 42,480
1120	Investments	83,503,226	21,816,282
1220	Property taxes receivables	4,417,136	1,394,886
1230	Allowance for uncollectable taxes	(1,098,736)	(346,970)
1240	Due from other governments	16,295,446	-
1250	Accrued interest	15,874	-
1260	Due from other funds	16,855,457	-
1290	Other receivables	1,837,747	-
1300	Inventories	469,617	-
1410	Prepaid items	845,582	-
1000	Total assets	134,690,941	22,906,678
1000a	TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES	\$ 134,690,941	\$ 22,906,678
LIABILITIES			
2110	Accounts payable	\$ 2,261,933	\$ 8,046
2160	Accrued wages payable	14,966,056	-
2170	Due to other funds	5,096,973	8
2180	Due to other governments	167	-
2300	Unearned revenue	-	-
2000	Total liabilities	22,325,129	8,054
DEFERRED INFLOWS OF RESOURCES			
2600	Unavailable revenue - property taxes	3,318,400	1,047,916
2601	Unavailable revenue - leases	1,765,445	-
	Total deferred inflows of resources	5,083,845	1,047,916
FUND BALANCES			
Nonspendable:			
3410	Inventories	469,617	-
3430	Prepaid items	845,582	-
Restricted for:			
3450	Grants	-	-
3450	State mandated programs	4,627,513	-
3470	Capital acquisitions and contractual obligations	-	-
3480	Debt service	-	21,850,708
Committed to:			
3545	Other	37,933,254	-
Assigned to:			
3590	Purchases on order	708,704	-
3600	Unassigned	62,697,297	-
3000	Total fund balances	107,281,967	21,850,708
4000	TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES, AND FUND BALANCES	\$ 134,690,941	\$ 22,906,678

The Notes to the Financial Statements are an integral part of this statement.

699		98
Capital	Total	Total
Projects Fund	Nonmajor	Governmental
	Funds	Funds
\$ -	\$ 4,371,704	\$ 15,963,776
141,008,276	-	246,327,784
-	-	5,812,022
-	-	(1,445,706)
-	7,576,403	23,871,849
-	-	15,874
1,102	5,053,949	21,910,508
-	473	1,838,220
-	115,498	585,115
-	-	845,582
<u>141,009,378</u>	<u>17,118,027</u>	<u>315,725,024</u>
<u>\$ 141,009,378</u>	<u>\$ 17,118,027</u>	<u>\$ 315,725,024</u>
\$ 9,827,550	\$ 98,516	\$ 12,196,045
-	1,038,397	16,004,453
9,012,717	7,651,971	21,761,669
-	-	167
-	759,305	759,305
<u>18,840,267</u>	<u>9,548,189</u>	<u>50,721,639</u>
-	-	4,366,316
-	-	1,765,445
<u>-</u>	<u>-</u>	<u>6,131,761</u>
-	-	469,617
-	-	845,582
-	4,749,602	4,749,602
-	-	4,627,513
122,169,111	-	122,169,111
-	-	21,850,708
-	2,820,236	40,753,490
-	-	708,704
-	-	62,697,297
<u>122,169,111</u>	<u>7,569,838</u>	<u>258,871,624</u>
<u>\$ 141,009,378</u>	<u>\$ 17,118,027</u>	<u>\$ 315,725,024</u>

Tomball Independent School District**Exhibit C-1R**

Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2022

TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)

\$ 258,871,624

Amounts reported for governmental activities in the statement of net position are different because:

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:

Governmental capital assets costs	\$ 822,878,185	
Accumulated depreciation and amortization of governmental capital assets	(223,650,158)	599,228,027

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.	4,366,316
---	-----------

Long-term liabilities, including bonds payable 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:

Bonds payable, at original par	\$ (685,985,000)	
Premium on bonds payable	(75,624,633)	
Leases payable	(837,339)	
Accrued interest on the bonds	(9,909,107)	
Net pension liability	(24,588,467)	
Net OPEB liability	(47,440,605)	(844,385,151)

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The assets and liabilities of the internal service fund are included with governmental activities.	3,291,195
--	-----------

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.	6,955,649
--	-----------

Deferred gain on refunding is reported as deferred inflow in the statement of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	(1,878,456)
---	-------------

Deferred outflows of resources for pension represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.	19,161,890
--	------------

Deferred inflows of resources for pension represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	(27,338,187)
--	--------------

Deferred outflows of resources for OPEB represents a consumption of net position that applies to a future period(s) and will not be recognized as an outflow of resources (expenses/expenditures) until then.	18,042,554
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Deferred inflows of resources for OPEB represents an acquisition of net position that applies to a future period(s) and will not be recognized as an inflow of resources (revenue) until that time.	(32,997,381)
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TOTAL NET POSITON (DEFICIT) - GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)\$ 3,318,080

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Revenues, Expenditures, and Changes
in Fund Balances
Governmental Funds
For the Fiscal Year Ended June 30, 2022

Data Control Codes		199	599
		General Fund	Debt Service Fund
REVENUES			
5700	Local and intermediate sources	\$ 119,433,711	\$ 46,673,124
5800	State program revenues	59,918,624	495,793
5900	Federal program revenues	3,251,385	-
5020	Total revenues	182,603,720	47,168,917
EXPENDITURES			
Current:			
0011	Instruction	108,480,289	-
0012	Instructional resources and media services	1,946,947	-
0013	Curriculum and instructional staff development	1,164,969	-
0021	Instructional leadership	3,790,328	-
0023	School leadership	9,765,441	-
0031	Guidance, counseling, and evaluation services	4,944,033	-
0032	Social work services	67,664	-
0033	Health services	1,246,522	-
0034	Student transportation	7,898,772	-
0035	Food services	-	-
0036	Extracurricular activities	3,838,512	-
0041	General administration	5,943,842	-
0051	Plant maintenance and operations	16,485,995	-
0052	Security and monitoring services	1,063,561	-
0053	Data processing services	2,576,859	-
0061	Community services	-	-
Debt service:			
0071	Principal on long-term debt	331,948	20,925,000
0072	Interest on long-term debt	10,231	23,034,374
0073	Issuance costs and fees	-	1,246,666
Capital outlay:			
0081	Facilities acquisition and construction	-	-
Intergovernmental:			
0095	Payments to juvenile justice alternative education programs	23,700	-
0099	Other intergovernmental charges	1,200,159	-
6030	Total expenditures	170,779,772	45,206,040
1100	Excess (deficiency) of revenues over expenditures	11,823,948	1,962,877
OTHER FINANCING SOURCES (USES)			
7901	Refunding bonds issued	-	18,690,000
7911	Capital-related debt issued (regular bonds)	-	-
7913	Proceeds from right of use leased assets	64,381	-
7916	Premium on issuance of bonds	-	1,121,652
8911	Transfers out	(476,593)	-
8940	Payment to bond refunding escrow agent	-	(18,690,000)
7080	Total other financing sources (uses)	(412,212)	1,121,652
1200	Net change in fund balances	11,411,736	3,084,529
0100	Fund balances - beginning	95,870,231	18,766,179
3000	FUND BALANCES - ENDING	\$ 107,281,967	\$ 21,850,708

The Notes to the Financial Statements are an integral part of this statement.

699		98
Capital	Total	Total
Projects Fund	Nonmajor	Governmental
	Funds	Funds
\$ 316,482	\$ 7,268,061	\$ 173,691,378
-	1,373,928	61,788,345
-	20,956,161	24,207,546
316,482	29,598,150	259,687,269
2,409,215	9,324,782	120,214,286
-	249,033	2,195,980
-	634,374	1,799,343
-	141,129	3,931,457
-	82,697	9,848,138
-	2,392,443	7,336,476
-	-	67,664
-	828,997	2,075,519
601,665	-	8,500,437
-	8,248,923	8,248,923
-	2,571,251	6,409,763
-	-	5,943,842
-	1,039,074	17,525,069
935,273	3,737	2,002,571
-	-	2,576,859
-	126,374	126,374
114,932	-	21,371,880
3,542	-	23,048,147
-	-	1,246,666
60,700,009	-	60,700,009
-	-	23,700
-	-	1,200,159
64,764,636	25,642,814	306,393,262
(64,448,154)	3,955,336	(46,705,993)
-	-	18,690,000
141,925,000	-	141,925,000
271,398	-	335,779
8,075,000	-	9,196,652
-	-	(476,593)
-	-	(18,690,000)
150,271,398	-	150,980,838
85,823,244	3,955,336	104,274,845
36,345,867	3,614,502	154,596,779
\$ 122,169,111	\$ 7,569,838	\$ 258,871,624

Tomball 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 Fiscal Year Ended June 30, 2022

Exhibit C-3

TOTAL NET CHANGES IN FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-2) **\$ 104,274,845**

Amounts reported for governmental activities in the statement of activities are different because:

Capital outlays are reported in governmental funds as expenditures. However, in the statement of activities, the cost of those assets is capitalized and allocated over their estimated useful lives as depreciation/amortization expense.

Capital assets increased	\$ 58,503,571	
Depreciation/amortization expense	<u>(21,414,861)</u>	37,088,710

The net effect of miscellaneous transactions involving capital assets (transfers, adjustments and dispositions) is an increase (decrease) to net position.		(11,322)
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Because property taxes will be collected after the District's fiscal year end, they are not considered "available" revenues and are deferred in the governmental funds. Unavailable tax revenues increased (decreased) by this amount this year.		369,966
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Issuance of bonds and other debt proceeds provides current financial resources to governmental funds, but issuing debt increases long-term liabilities in the statement of net position.

Par value	\$ (160,615,000)	
Premium on issuance of bonds	(9,196,652)	
Lease issued	<u>(335,779)</u>	(170,147,431)

Repayment of bond principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		20,925,000
--	--	------------

Payment to escrow agent to refund bonds from refunding proceeds.		18,690,000
--	--	------------

Repayment of lease principal is an expenditure in the governmental funds, but the repayment reduces long-term liabilities in the statement of net position.		446,880
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Interest on long-term debt in the statement of activities differs from the amount reported in the governmental funds because interest is recognized as an expenditure in the funds when it is due, and thus requires the use of current financial resources. In the statement of activities, however, interest expense is recognized as the interest accrues, regardless of when it is due. The increase (decrease) in interest reported in the statement of activities consist of the following:

Accrued interest on current interest bonds payable (increased) decreased	\$ (1,189,832)	
Amortization of bond premium	3,799,041	
Amortization of deferred charge on refunding	(609,254)	
Amortization of deferred gain on refunding	<u>162,169</u>	2,162,124

An internal service fund is used by the District to charge the costs of workers' compensation benefits to the individual funds. The net activity of the internal service fund was reported in the government-wide statements.		202,889
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The net change in net pension liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ (826,430)	
Deferred inflows (increased) decreased	(19,943,847)	
Net pension liability (increased) decreased	<u>22,134,144</u>	1,363,867

The net change in net OPEB liability, deferred outflows, and deferred inflows is reported in the statement of activities but does not require the use of current financial resources and, therefore, is not reported as expenditures in the governmental funds. The net change consists of the following:

Deferred outflows increased (decreased)	\$ 4,758,059	
Deferred inflows (increased) decreased	(548,432)	
Net OPEB liability (increased) decreased	<u>(3,126,956)</u>	1,082,671

CHANGE IN NET POSITION - GOVERNMENTAL ACTIVITIES (EXHIBIT B-1) **\$ 16,448,199**

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District**Exhibit D-1**

Statement of Net Position

Proprietary Funds

June 30, 2022

	Business-type Activities	Governmental Activities
	Total Enterprise Funds	Internal Service Fund
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 261,547	\$ -
Investments	-	3,710,962
Due from other funds	41,930	-
Other receivables	9,590	-
Other current assets	-	29,962
	<hr/>	<hr/>
Total current assets	313,067	3,740,924
	<hr/>	<hr/>
Total assets	313,067	3,740,924
LIABILITIES		
Current liabilities:		
Accounts payable	20,172	151,893
Claims payable - due within one year	-	297,836
Accrued wages payable	35,625	-
Due to other funds	190,769	-
	<hr/>	<hr/>
Total current liabilities	246,566	449,729
	<hr/>	<hr/>
Total liabilities	246,566	449,729
NET POSITION		
Unrestricted	66,501	3,291,195
	<hr/>	<hr/>
TOTAL NET POSITION	<u>\$ 66,501</u>	<u>\$ 3,291,195</u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Revenues, Expenses, and Changes
in Net Position
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit D-2

	Business-type Activities Total Enterprise Funds	Governmental Activities Internal Service Fund
OPERATING REVENUES		
Charges for services	\$ 811,072	\$ -
Interfund services provided	-	756,128
Total operating revenues	811,072	756,128
OPERATING EXPENSES		
Payroll costs	1,005,486	-
Professional and contracted services	38,668	334,552
Supplies and materials	134,229	-
Other operating costs	43,137	225,760
Total operating expenses	1,221,520	560,312
Operating income (loss)	(410,448)	195,816
NONOPERATING REVENUES		
Earnings from temp. deposits and investments	356	7,073
Total nonoperating revenues	356	7,073
Transfers in	476,593	-
Change in net position	66,501	202,889
Net position - beginning	-	3,088,306
NET POSITION - ENDING	\$ 66,501	\$ 3,291,195

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Cash Flows
Proprietary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit D-3

	Business-type Activities Total Enterprise Funds	Governmental Activities Internal Service Fund
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash received from employer	\$ -	\$ 756,128
Cash received from service provided	985,397	-
Cash payments for claims, net of stop loss reimbursements	-	(253,120)
Cash payments for payroll costs	(1,004,996)	-
Cash payments for contracted services and supplies and materials	(195,803)	(334,552)
Net cash provided by (used for) operating activities	(215,402)	168,456
CASH FLOWS FROM NON-CAPITAL FINANCING ACTIVITIES		
Transfers from other funds	476,593	-
Net cash provided by noncapital financing activities	476,593	-
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest and dividends received on investments	356	7,073
Purchase of investments	-	(175,529)
Net cash provided by (used for) investing activities	356	(168,456)
Net increase (decrease) in cash and cash equivalents	261,547	-
Cash and cash equivalents at beginning of year	-	-
CASH AND CASH EQUIVALENTS AT THE END OF THE YEAR	\$ 261,547	\$ -
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES		
Operating income (loss)	\$ (410,448)	\$ 195,816
Change in assets and liabilities:		
(Increase)decrease in due from other funds	(6,854)	-
(Increase)decrease in receivables	(9,590)	-
(Increase)decrease in prepaid items	750	-
Increase(decrease) in accounts payable	19,481	(25,208)
Increase(decrease) in claims payable	-	(2,152)
Increase(decrease) in accrued wages payable	490	-
Increase(decrease) in due to other funds	190,769	-
NET CASH PROVIDED BY (USED FOR) OPERATING ACTIVITIES	\$ (215,402)	\$ 168,456

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

Exhibit E-1

	Total Custodial Funds
ASSETS	
Cash and cash equivalents	\$ 270,637
Investments	<u>585,130</u>
Total assets	855,767
LIABILITIES	
Accounts payable	<u>23,307</u>
Total liabilities	23,307
NET POSITION	
Restricted for:	
Scholarships	581,720
Student activities	<u>250,740</u>
TOTAL NET POSITION	<u><u>\$ 832,460</u></u>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District
Statement of Changes in Fiduciary Net Position
Fiduciary Funds
For the Fiscal Year Ended June 30, 2022

Exhibit E-2

	Total Custodial Funds
ADDITIONS	
Contributions of gifts	\$ 37,442
Investment earnings	1,559
Fees and other charges	429,343
	<hr/>
Total additions	468,344
DEDUCTIONS	
Tuition	30,420
Operations and activities	399,685
	<hr/>
Total deductions	430,105
	<hr/>
Net change in fiduciary net position	38,239
Net position - beginning	794,221
	<hr/>
NET POSITION - END OF YEAR	\$ 832,460
	<hr/>

The Notes to the Financial Statements are an integral part of this statement.

Tomball Independent School District

Notes to the Financial Statements

Note 1. Summary of Significant Accounting Policies

A. Reporting Entity

The Tomball Independent School District (the District) is governed by a seven-member board of trustees (the Board), which has governance responsibilities over all activities related to public elementary and secondary education within the District. Members of the Board are elected by the public; have authority to make decisions; appoint management and significantly influence operations; and have primary accountability for fiscal matters; the District is not included in any other governmental reporting entity.

B. Description of 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 the nonfiduciary 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*, which normally are supported by taxes and intergovernmental revenues, are reported separately from *business-type activities*, which rely to a significant extent on fees and charges for support.

C. Basis of Presentation – Government-wide Financial Statements

While separate government-wide and fund financial statements are presented, they are interrelated. The governmental activities column incorporates data from governmental funds and internal service funds, while business-type activities incorporate data from the government's enterprise funds. 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.

As a general rule, the effect of interfund activity has been eliminated from the government-wide financial statements. Exceptions to this general rule are payments in lieu of taxes where the amounts are reasonably equivalent in value to the interfund services provided and other charges between the District's enterprise functions and various other functions of the District. Elimination of these charges would distort the direct costs and program revenues reported for the various functions concerned.

D. Basis of Presentation – Fund Financial Statements

The fund financial statements provide information about the District's funds, including its fiduciary funds. Separate statements for each fund category—governmental, proprietary and fiduciary—are presented. The emphasis of fund financial statements is on major governmental and enterprise funds, each displayed in a separate column. All remaining governmental and enterprise 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 accounted for in another fund.

The *debt service fund* is used to account for the accumulation of resources that are restricted for the payment of principal and interest on long-term obligations of governmental funds.

The *capital projects fund* accounts for the acquisition and construction of the District's major capital facilities, other than those financed by proprietary funds.

Tomball Independent School District

Notes to the Financial Statements

The District reports the following nonmajor governmental funds:

The *nonmajor special revenue funds* are used to account for the proceeds of specific revenue sources (other than those identified as a major fund) that are restricted or committed to expenditures for specific purposes.

The District reports the following proprietary fund types:

The *enterprise funds* account for the operations of the District's daycare center and other services related to the District stadium.

The *internal service fund* accounts for workers' compensation claims and administrative expenses provided for other funds of the District on a cost reimbursement basis.

Additionally, the District reports the following fiduciary fund type:

The *custodial fund* is used to account for resources held in a custodial capacity by the District on behalf of student organizations and Tomball Scholarship Foundation, and consist of funds that are the property of student groups and cannot be used by the District in operations. Custodial funds report fiduciary activities that are not held in a trust.

During the course of operations the District has activity between funds for various purposes. Any residual balances outstanding at year end are reported as due from/to other funds and advances to/from other funds. 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 funds) are eliminated so that only the net amount due from/to agency is included in the governmental activities column.

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 are eliminated in governmental activities.

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 or economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide, proprietary, and fiduciary fund financial statements 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.

Tomball Independent School District

Notes to the Financial Statements

The 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. Expenditures generally are recorded when a liability is incurred, as required under accrual accounting. However, debt service expenditures, as well as expenditures related to leases, pension liability, OPEB liability, compensated absences, and claims and judgments are recorded only when payment is due. General capital asset acquisitions are reported as expenditures in governmental funds. Issuance of long-term debt and acquisitions under leases are reported as other financing sources.

Interest associated with the current fiscal period is 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 120 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 120 days of year-end). All other revenue items, including property taxes, are considered to be measurable 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 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.

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). All other outstanding balances between funds are reported as "due to/from other funds."

Property tax receivables include unpaid property taxes at year-end and are shown net of an allowance for uncollectibles. Net property tax receivables are stated at the amount estimated to be collectible based on the District's collection experience. Revenues from property taxes are recognized when levied to the extent they are available (collected within 60 days after the close of the fiscal year). However, not all outstanding property taxes are expected to be collected within one year of the date of the financial statements.

4. Inventories and Prepaid Items

Inventories are valued at cost using the first-in/first-out (FIFO) method and consist of expendable supplies. The cost of such inventories is recorded as expenditures/expenses when consumed rather than when purchased.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

Tomball Independent School District

Notes to the Financial Statements

5. Capital Assets

Capital assets, which include land and improvements, construction in progress, buildings and improvements, furniture and equipment, right to use building and improvements, and right to use furniture and equipment are reported in the applicable governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and sidewalks associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost of more than \$5,000, and an estimated useful life in excess of two years.

As the District constructs or acquires additional capital assets each period, they are capitalized and reported at historical cost. The reported value excludes normal maintenance and repairs which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Donated capital assets are recorded at their estimated acquisition value at the date of donation.

Right to use assets are amortized over the duration of the lease using the straight line method. The buildings and improvements and furniture and equipment of the District are depreciated using the straight line method over the following estimated useful lives:

<u>Capital Asset Class</u>	<u>Lives</u>
Buildings and improvements	7-54
Furniture and equipment	5-20

6. Compensated Absences

It is the District's policy to permit employees to accumulate earned but unused sick pay benefits. There is no liability for unpaid accumulated sick leave since the District does not have a policy to pay any amounts when employees separate from service with the District. The District does not have a liability for unpaid vacation at year-end due to the District's policy does not allow a carryover of vacation not taken at June 30.

7. Long-term Obligations

In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the governmental activities column of the statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount.

In 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.

8. Leases

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

Tomball Independent School District

Notes to the Financial Statements

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 the shorter of the lease term or its useful life.

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

- The District uses 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, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

Lessor

The District is a lessor for noncancellable leases of property and equipment. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District 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 receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

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

Tomball Independent School District

Notes to the Financial Statements

9. Deferred Outflows/Inflows of Resources

Deferred outflows of resources represent a consumption of net assets that applies to future periods and will not be recognized as an outflow of resources (expense/expenditures) until then. *Deferred inflows of resources* represent an acquisition of net assets that applies to future periods and will not be recognized as an inflow of resources (revenue) until that time.

Deferred outflows/inflows of resources are amortized as follows:

- Deferred outflows/inflows from pension and OPEB activities are amortized over the weighted average remaining service life of all participants in the respective qualified pension plan and OPEB plan, except for projected and actual earnings differences on investments which are amortized on a closed basis over a 5-year period.
- District contributions after the measurement date which are recognized in the subsequent year.
- Deferred charge/gain on refunding is amortized over the shorter of the life of the refunded or refunding debt.
- Property taxes are recognized in the period collected.
- Rents are recognized over the life of the lease.

10. Net Position Flow Assumption

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

It is the District's policy to consider restricted – net position to have been depleted before unrestricted – net position is applied.

11. 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). It is the District's policy to use restricted resources first, then unrestricted resources as they are needed. In order to calculate the amounts to report as unrestricted (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. The District considers that committed amounts would be reduced first, followed by assigned amounts, and then unassigned amounts when expenditures are incurred for purposes for which amounts in any unrestricted fund balance classification could be used.

12. Fund Balance Policies

In the fund financial statements, governmental funds report fund balances based on classifications that comprise a hierarchy that is based primarily on the extent to which the District is bound to honor constraints on the specific purposes for which the amounts in the respective governmental funds can be spent. The District reports the following classifications of fund balance:

The *nonspendable* classification accounts for amounts that are not in spendable form. The amounts reported in this category pertain to inventories and prepaid items that the District does not expect to convert to cash.

Tomball Independent School District

Notes to the Financial Statements

The *restricted* classification accounts for 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 long-term debt, and unspent bond proceeds for the construction and equipment of school facilities.

The *committed* classification accounts for amounts that can be used only for specific purposes pursuant to constraints imposed by formal action of the District's Board. These amounts can only be used for the purpose intended, which requires formal Board action by passage of a resolution to establish (as noted in Board minutes), unless the Board modifies or removes the specified use by taking the same formal Board action. The amounts reported in this category include the campus activity fund balances in the special revenue fund and amounts committed for capital replacement projects strategic plan.

The *assigned* classification accounts for amounts that the District intends to use for a specific purpose. The Board delegates to the Superintendent or designee the responsibility to assign funds. The Board may also assign fund balance as it does when appropriating fund balance to cover a gap between estimated revenue and appropriations in the subsequent year's appropriated budget. Unlike commitments, assignments generally exist temporarily. In other words, an additional action does not normally have to be taken for the removal of an assignment. The amounts reported in this category include outstanding encumbrances at the end of the fiscal year.

The *unassigned* classification accounts for the residual amount in the general fund. The general fund is the only fund that reports a positive unassigned fund balance amount. In other governmental funds it is not appropriate to report a positive unassigned fund balance amount.

In the general fund, the District shall maintain at a minimum assigned and unassigned fund balances equal to or exceeding three months of average operating expenditures of the current budget.

13. 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.

14. Other Postemployment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (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.

Tomball Independent School District

Notes to the Financial Statements

G. Revenues and Expenditures/Expenses

1. Program Revenues

Amounts reported as program revenues include 1) charges to customers or applicants 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. All taxes, including those dedicated for specific purposes, and other internally dedicated resources are reported as general revenues rather than as program revenues.

2. Property Taxes

Property values are determined by the County Central Appraisal District as of January 1 of each year. Prior to July 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. Delinquent taxes collected are prorated between the general fund and the debt service fund based on rates adopted for the year of the levy. Deferred inflows of resources are recorded in an amount equal to the net taxes receivable.

3. 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 for interfund services provided. Operating expenses for the internal service fund includes the cost of services and administrative expenses. The principal operating revenues of the District's enterprise funds are fees charged for daycare services and other services related to the District stadium. Operating expenses of the enterprise fund include the cost of payroll, contracted services, supplies, and other miscellaneous operating costs to run the programs. All revenues and expenses not meeting these definitions are reported as nonoperating revenues and expenses for the internal service fund and the enterprise funds.

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 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 TEA in order to ensure accuracy in building a statewide database for policy development and funding plans.

Tomball Independent School District

Notes to the Financial Statements

J. Implementation of New Accounting Standard

The District's current financial statements include the adoption of GASB Statement No. 87, Leases (GASB 87). The primary objective of this statement is to enhance the relevance and consistency of information about governments' leasing activities. This statement establishes a single model for lease accounting based on the principle that leases are financings of the right-to-use an underlying asset. Under GASB 87, 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. The requirements of this statement were originally effective for reporting periods beginning after December 15, 2019; however, issuance of GASB Statement No. 95, Postponement of the Effective Dates of Certain Authoritative Guidance (GASB 95), extended the effective date of GASB 87 to reporting periods beginning after December 15, 2021, with earlier application encouraged. GASB 87 was implemented in the District's 2021-22 financial statements, resulting recognition of \$948,440 of lease assets and lease payables as of July 1, 2021 within governmental activities in the government-wide financial statements. The District also recognized \$2,917,460 of lease receivables and deferred inflows as of July 1, 2021 in the general fund and governmental activities.

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/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 statements.

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 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 campus/department. Transfers of appropriations between campus/departments 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 amendments during the year.

B. Encumbrances

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned fund balances as appropriate. The encumbrances do not constitute expenditures or liabilities because the commitments will be reappropriated and honored during the subsequent year.

Tomball Independent School District

Notes to the Financial Statements

Significant encumbrances included in governmental fund balances are as follows:

	Encumbrances Included in:	
	Restricted Fund Balance	Assigned Fund Balance
General fund	\$ -	\$ 708,704
Capital projects fund	41,833,266	-
Total encumbrances	\$ 41,833,266	\$ 708,704

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 Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District's to adopt, implement, and publicize an investment policy. That policy must address the following areas: (1) safety of principal and liquidity, (2) portfolio diversification, (3) allowable investments, (4) acceptable risk levels, (5) expected rates of return, (6) maximum allowable stated maturity of portfolio investments, (7) maximum average dollar-weighted maturity, allowed based on the stated maturity date for the portfolio, (8) investment staff quality and capabilities, (9) and bid solicitation preferences for certificates of deposit.

The District's is authorized to invest in the following instruments provided that they meet the guidelines of the investment policy:

1. Obligations of, or guaranteed by governmental entities as permitted by Government Code 2256.009
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011
4. A securities lending program as permitted by Government Code 2256.0115
5. Banker's acceptances as permitted by Government Code 2256.012
6. Commercial paper as permitted by Government Code 2256.013
7. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014
8. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015
9. Public funds investment pools as permitted by Government Code 2256.016.

Tomball Independent School District

Notes to the Financial Statements

The District's investment balances, including fiduciary funds, weighted average maturity of such investments, and investment ratings are presented in the following table:

Investment Type	June 30, 2022	Percent of Total Investments	Weighted Average Maturity (Days)	Credit Risk
Investments measured at amortized cost, not subject to level reporting:				
Investment pools:				
TexPool - Prime	\$ 162,292,276	65%	18	AAAm*
TexPool	4,311,485	2%	23	AAAm*
Lone Star Corporate Overnight Fund	308,455	0%	14	AAAm*
Investments measured at net asset value, not subject to level reporting:				
Investment pools:				
Texas CLASS	83,573,504	33%	70	AAAm*
Lone Star Corporate Overnight Plus Fund	138,156	0%	19	AAAf/SI+*
Total	\$ 250,623,876	100%		
Portfolio weighted average maturity			35	

*Standard & Poor's Rating

Investment pools are measured at amortized cost or fair value (net asset value). Such investment is not subject to the fair value hierarchy reporting.

TexPool and TexPool Prime are 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 portfolios consist of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; and AAA rated money market mutual funds. TexPool Prime also consists of commercial paper and certificates of deposit.

Lone Star is duly chartered by the State of Texas Interlocal Cooperation Act, is administered by First Public, LLC, a subsidiary of the Texas Association of School Boards, and managed by Standish Mellon Asset Management and American Beacon Advisors. State Street Bank and Trust Company is the custodial bank.

Tomball Independent School District

Notes to the Financial Statements

The TexPool, TexPool Prime and Lone Star Corporate Overnight 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. TexPool and Lone Star Corporate Overnight 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 Lonestar Corporate Overnight Plus investment pool is an external investment pool measured at fair value. Lonestar Corporate Overnight Plus's strategy provide safety of principal, daily liquidity, and the highest possible rate of return. This fund seeks to maintain a net asset value of one dollar, and its dollar-weighted average maturity is 120 days or fewer. The fund may invest in all securities authorized under the Public Funds Investment Act; however, the fund has additional restrictions for SEC regulated money market mutual funds and fully collateralized repurchase agreements. Lonestar Corporate Overnight Plus has a redemption notice period of one day and may redeem daily. The investment pool's authority 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 pool's liquidity.

Texas CLASS was created in accordance with the requirements contained in section 2256.016 of the Public Funds Investment Act. The Texas CLASS Trust Agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local governmental funds. The parties to the Trust Agreement are Texas local government entities that choose to participate in the Trust, Public Trust Advisors, LLC as Program Administrator, and Wells Fargo Bank Texas, N.A. as Custodian. The Texas CLASS investment pool is an external investment pool measured at fair value, i.e. net asset value. Texas CLASS's strategy is 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 pool. Texas CLASS has 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. The Texas CLASS portfolio consists of U.S. Government securities; collateralized repurchase and reverse repurchase agreements; AAA rate money market mutual funds; and commercial paper.

Credit Risk

Generally, credit risk is the risk that an issuer of an investment will not fulfill its obligation to the holder of the investment. This is measured by the assignment of a rating by a nationally recognized statistical rating organization. The minimum rating required by the Public Funds Investment Act for local government investment pools is AAA or AAAM. During the year ended June 30, 2022, the District was not significantly exposed to credit risk, and its investment pools met the minimum required rating as noted in the preceding table.

Tomball Independent School District

Notes to the Financial Statements

Interest Rate Risk

Interest rate risk is the risk that changes in market interest rates will adversely affect the fair value of an investment. Generally, the longer the maturity of an investment the greater the sensitivity of its fair value to changes in market interest rates. The District monitors interest rate risk utilizing weighted average maturity analysis and specific identification. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of any internally created pool to no more than 180 days and any individual investment not to exceed two years from the date of purchase, unless approved by the governing body. During the year ended June 30, 2022, the District did not invest in any securities which were highly sensitive to interest rate fluctuations.

Concentration of Credit Risk

The District's investment policy does not limit an investment in any one issuer. The investment portfolio shall be diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over-concentration of assets in a specific class of investments, specific maturity, or specific 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 June 30, 2022, District's banks' balances, including fiduciary funds, were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agents and bank's agent in the District's name.

Custodial Credit Risk – Investments

For an investment, this is the risk that, in the event of the failure of the counterparty, the District will not be able to recover the value of its investments or collateral securities that are in the possession of an outside party. District policy requires investments to be in the District's name or held by the District's agent in the District's name. The District is not exposed to custodial risk due to the investments are in the District's name or held by the District's agent in the District's name.

B. Receivables

Tax revenues of the general and debt service fund are reported net of estimated uncollectible amounts. Total change in uncollectible amounts related to revenues of the current period increased (decreased) revenues as follows:

Change in uncollectibles related to general fund property taxes	\$ (62,130)
Change in uncollectibles related to debt service property taxes	<u>(19,621)</u>
Total change in uncollectibles of the current fiscal year	<u>\$ (81,751)</u>

Approximately 60% of the outstanding balance of property taxes is not anticipated to be collected within the next year.

Lease Receivable

During the current fiscal year, the District began leasing a portion of its buildings to a third party. The lease is for two years and the District will receive monthly payments of \$116,555. The District recognized \$1,074,420 in lease revenue and \$194,656 in interest revenue during the current fiscal year related to this lease. As of June 30, 2022, the District's receivable for lease payments was \$1,765,445. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2022, the balance of the deferred inflow of resources was \$1,765,445.

Tomball Independent School District

Notes to the Financial Statements

C. Interfund Receivables, Payables, and Transfers

Receivables/Payables

The composition of interfund balances as of June 30, 2022, is as follows:

<u>Funds</u>	<u>Interfund Receivables</u>	<u>Interfund Payables</u>
General fund	\$ 16,855,457	\$ (5,096,973)
Debt service fund	-	(8)
Capital project fund	1,102	(9,012,717)
Other governmental funds - nonmajor	5,053,949	(7,651,971)
Enterprise fund	41,930	(190,769)
Totals	<u>\$ 21,952,438</u>	<u>\$ (21,952,438)</u>

Interfund balances consist of short-term lending/borrowing arrangements that generally result from payroll and other regularly occurring charges that are primarily paid by one fund and then charged back to the appropriate other fund. Balance between general fund and capital project fund is for construction costs of new school facilities to be reimbursed to the general fund. Additionally, some lending/borrowing may occur between general fund and two or more nonmajor governmental funds.

Transfers

The composition of interfund transfers between the various funds at June 30, 2022, is as follows:

<u>Transfers Out</u>	<u>Transfer In</u>	<u>Amount</u>
General fund	Enterprise fund	<u>\$ 476,593</u>
		<u>\$ 476,593</u>

The transfer was made to supplement the operations of the daycare center and other enterprise funds.

Tomball Independent School District

Notes to the Financial Statements

D. Capital Assets

Capital asset activity for the fiscal year ended June 30, 2022 was as follows:

	Beginning Balance	Additions	Retirements, Transfers, and Adjustments	Ending Balance
Governmental activities:				
Capital assets, not being depreciated:				
Land and improvements	\$ 38,323,210	\$ -	\$ -	\$ 38,323,210
Construction in progress	176,450,012	56,376,296	(226,438,973)	6,387,335
Total capital assets, not being depreciated	214,773,222	56,376,296	(226,438,973)	44,710,545
Capital assets, being depreciated:				
Buildings and improvements	493,194,811	-	226,252,351	719,447,162
Buildings and improvements, leased right-to-use*	100,093	271,398	-	371,491
Furniture and equipment	55,810,494	1,791,496	(154,409)	57,447,581
Furniture and equipment, leased right-to-use*	848,347	64,381	(11,322)	901,406
Total capital assets, being depreciated	549,953,745	2,127,275	226,086,620	778,167,640
Less accumulated depreciation/amortization for:				
Buildings and improvements	(163,488,832)	(18,136,691)	-	(181,625,523)
Buildings and improvements, leased right-to-use	-	(69,872)	-	(69,872)
Furniture and equipment	(39,087,496)	(2,914,983)	341,031	(41,661,448)
Furniture and equipment, leased right-to-use	-	(293,315)	-	(293,315)
Total accumulated depreciation/amortization	(202,576,328)	(21,414,861)	341,031	(223,650,158)
Total capital assets, being depreciated, net	347,377,417	(19,287,586)	226,427,651	554,517,482
Governmental activities capital assets, net	\$ 562,150,639	\$ 37,088,710	\$ (11,322)	\$ 599,228,027

* Right to use leased assets have been adjusted to reflect a beginning balance for the adoption of GASB 87, Leases.

Tomball Independent School District

Notes to the Financial Statements

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

Governmental activities:	
11 Instruction	\$ 17,428,959
12 Instructional resources and media services	154,915
13 Curriculum and instructional staff development	3,901
21 Instructional leadership	4,271
23 School leadership	346,825
31 Guidance, counseling, and evaluation services	115,192
33 Health services	34,994
34 Student transportation	904,968
35 Food services	313,950
36 Extracurricular activities	1,048,837
41 General administration	301,285
51 Plant maintenance and operations	638,094
52 Security and monitoring services	10,535
53 Data processing services	106,668
61 Community services	1,467
Total depreciation/amortization expense-governmental activities	\$ 21,414,861

Construction Commitments

The District has active construction projects as of June 30, 2022. The projects include the construction and equipment of school facilities. At fiscal year end, the District's commitments with contractors are as follows:

Project	Remaining Commitment
Site Development - Juergan Rd Property	\$ 697,550
Site Development - Rosehill Property	342,500
Star Academy Renovation - TIC	6,221,910
Tomball Memorial High School Expansion Project	1,772,458
Tomball District Stadium	1,882
Total	\$ 9,036,300

The commitment for construction and equipment of school facilities is being financed by general obligation bonds secured by tax revenues and local funds.

E. Long-term Liabilities

The District's long-term liabilities consist of bond indebtedness, leases payable, workers' compensation, and net pension and net OPEB liability. The current requirements for general obligation bonds principal and interest expenditures are accounted for in the debt service fund. The current requirements for leases payable principal and interest expenditures are accounted for in the general fund and capital projects fund. The current requirements for workers' compensation claims are accounted for in the internal service fund. Other long-term liabilities are generally liquidated with resources of the general fund.

Tomball Independent School District

Notes to the Financial Statements

Changes in Long-term Liabilities

Long-term liability activity for the fiscal year ended June 30, 2022, was as follows:

	Beginning Balance	Additions	Reductions	Ending Balance	Due Within One Year
Governmental activities:					
Bonds payable:					
General obligation bonds, par	\$ 564,985,000	\$ 160,615,000	\$ (39,615,000)	\$ 685,985,000	\$ 25,540,000
Issuance premiums (CIB's)	70,227,022	9,196,652	(3,799,041)	75,624,633	-
Total bonds payable	635,212,022	169,811,652	(43,414,041)	761,609,633	25,540,000
Workers' compensation	299,988	255,330	(257,482)	297,836	297,836
Leases payable*	948,440	335,779	(446,880)	837,339	454,080
Net pension liability	46,722,611	4,946,715	(27,080,859)	24,588,467	-
Net OPEB liability	44,313,649	8,502,762	(5,375,806)	47,440,605	-
Governmental activities long-term liabilities	\$ 727,496,710	\$ 183,852,238	\$ (76,575,068)	\$ 834,773,880	\$ 26,291,916

*The balance as of June 30, 2021 has been adjusted to reflect the adaption of GASB 87, Leases

The internal service fund predominantly serves the governmental funds. Accordingly, long-term liabilities for the internal service fund are included as part of the above totals for governmental activities.

General Obligation Bonds

The District issues general obligation bonds to provide funds for the construction and equipment of school buildings (BLDG) and to refund general obligation bonds (REF). General obligation bonds are direct obligations and pledge the full faith and credit of the District.

The following is a summary of changes in the general obligation bonds for the fiscal year ended June 30, 2022:

Series	Interest Rate	Original Issue	Maturity Date	Beginning Balance	Additions	Reductions	Ending Balance
2002 B BLDG	4.27%	\$ 19,650,000	2026	\$ 16,615,000	\$ -	\$ (3,165,000)	\$ 13,450,000
2014 A BLDG	2.00-5.00%	17,775,000	2033	15,310,000	-	(405,000)	14,905,000
2014 B BLDG	0.45-3.00%	63,320,000	2043	63,320,000	18,690,000	(18,690,000)	63,320,000
2015 BLDG/REF	2.00-5.00%	137,450,000	2043	134,860,000	-	(6,880,000)	127,980,000
2016 BLDG/REF	2.00-5.00%	99,645,000	2043	69,695,000	-	(2,970,000)	66,725,000
2018 BLDG	4.00-5.00%	133,405,000	2044	132,485,000	-	(710,000)	131,775,000
2020 BLDG	3.00-5.00%	108,355,000	2045	106,820,000	-	(5,625,000)	101,195,000
2020 A REF	3.00-5.00%	27,475,000	2034	25,880,000	-	(1,170,000)	24,710,000
2022 BLDG	2.05-5.00%	141,925,000	2044	-	141,925,000	-	141,925,000
Totals				\$ 564,985,000	\$ 160,615,000	\$ (39,615,000)	\$ 685,985,000

Tomball Independent School District

Notes to the Financial Statements

Annual debt service requirements to maturity for general obligation bonds are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 25,540,000	\$ 26,632,442	\$ 52,172,442
2024	20,890,000	25,977,090	46,867,090
2025	21,450,000	25,647,647	47,097,647
2026	22,525,000	24,949,361	47,474,361
2027	24,505,000	23,848,405	48,353,405
2028	26,140,000	22,623,155	48,763,155
2029	27,410,000	21,396,005	48,806,005
2030	28,715,000	20,083,005	48,798,005
2031	30,020,000	18,781,805	48,801,805
2032	31,375,000	17,474,030	48,849,030
2033	32,755,000	16,073,830	48,828,830
2034	34,115,000	14,706,380	48,821,380
2035	28,300,000	13,358,505	41,658,505
2036	29,410,000	12,214,205	41,624,205
2037	30,525,000	11,143,065	41,668,065
2038	31,715,000	9,980,630	41,695,630
2039	32,960,000	8,765,030	41,725,030
2040	34,270,000	7,489,893	41,759,893
2041	35,645,000	6,148,863	41,793,863
2042	37,025,000	4,740,238	41,765,238
2043	38,405,000	3,386,188	41,791,188
2044	27,595,000	1,976,613	29,571,613
2045	15,630,000	1,006,763	16,636,763
2046	9,405,000	505,223	9,910,223
2047	9,660,000	255,990	9,915,990
Totals	\$ 685,985,000	\$ 339,164,361	\$ 1,025,149,361

As of June 30, 2022, the District has \$344,460,000 of authorized but unissued bonds from the November 2021 bond election.

In prior years, the District defeased certain bonds through the issuance of new bonds and placed the proceeds in an irrevocable trust to provide for all future debt service payments of the old bonds. Securities being utilized to repay the refinanced debt as it becomes due consist solely of U.S. government obligations. Accordingly, the trust account securities and the liability for the defeased bonds are not included in the District's basic financial statements. At June 30, 2022, the District had no outstanding defeased bonds.

In August 2021, the District remarketed \$18,690,000 in variable rate unlimited tax schoolhouse bonds (Series 2014B-2) at a rate of 0.26%. The remarketing was a two year par remarketing with a mandatory tender date of August 15, 2024.

Tomball Independent School District

Notes to the Financial Statements

In February 2022, the District issued \$141,925,000 of unlimited tax school building bonds with an interest rate of 2.05% - 5%. The bond proceeds will be used for the construction, acquisition and equipment of school buildings in the District (including the rehabilitation, renovation, expansion and improvement, the purchase of necessary sites for school buildings, the purchase of new school buses, and the improvement and upgrading of technology systems and infrastructure). The debt service on the bond is due semi-annually on February and August 15th and will mature on February 15, 2047.

Leases Payable

The District has entered into multiple lease agreements as lessee. The leases allow the right-to-use copiers and portable buildings over the term of the lease. The District is required to make monthly, payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

	Interest Rate(s)	Liability at July 1, 2021	Lease Term in Years	Ending Balance
Governmental activities:				
Copiers	2.99%	\$ 848,347	3-4	\$ 570,862
Portable buildings	2.99%	100,093	2-4	266,477
Total governmental activities				\$ 837,339

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending June 30,	Principal	Interest	Total Requirements
2023	\$ 454,080	\$ 18,317	\$ 472,397
2024	340,101	5,001	345,102
2025	43,158	319	43,477
Total governmental activities	\$ 837,339	\$ 23,637	\$ 860,976

The value of the right-to-use assets as of the end of the current fiscal year was \$1,272,897 and had accumulated amortization of \$363,187.

F. Fund Balance

Other committed fund balance includes the following commitments of funds:

General fund - strategic plan projects	\$ 1,933,254
General fund - future construction projects	36,000,000
Other nonmajor governmental funds - campus activities	2,820,236
Total other committed fund balance	\$ 40,753,490

Tomball Independent School District

Notes to the Financial Statements

G. Revenues from Local and Intermediate Sources

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

	General	Debt Service	Capital Projects	Nonmajor Governmental Funds	Totals
Property taxes	\$ 116,024,091	\$ 46,614,944	\$ -	\$ -	\$ 162,639,035
Food service	-	-	-	1,315,953	1,315,953
Investment earnings	533,182	58,180	316,482	1,248	909,092
Campus activities	470,624	-	-	4,452,533	4,923,157
Other	2,405,814	-	-	1,498,327	3,904,141
Totals	<u>\$ 119,433,711</u>	<u>\$ 46,673,124</u>	<u>\$ 316,482</u>	<u>\$ 7,268,061</u>	<u>\$ 173,691,378</u>

Note 4. Other Information

A. Risk Management

Property/Liability

The District is exposed to various risks of loss related to property/liability losses and tax-assessor bond for which the District carries commercial insurance. In addition, the District participates in the Texas Association of School Boards Risk Management Fund (Fund) for liability, vehicle coverage, and privacy and information security insurance. The Fund was created to formulate, develop and administer a program of modified self-funding for the Fund's membership, obtain competitive costs for coverages and develop a comprehensive loss control program. The District pays an annual premium to the Fund for its liability coverage and transfers the risk of loss to the Fund. The District's agreement with the Fund provides that the Fund will be self-sustaining through member premiums and may provide, through commercial companies, reinsurance contracts. In the event that the Fund was to discontinue operations, the member districts would be responsible for any eligible claims not funded by the Fund. In addition, there were no significant reductions in coverage in the past fiscal year and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

Health Care Coverage

During the fiscal year ended June 30, 2022, employees of the District were covered by TRS-Active Care (the Plan) a statewide health coverage program for Texas public education employees, implemented by the TRS. The District paid premiums of \$225 per month, per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay premiums for dependents. All premiums were paid to the TRS. The legislature created the Plan for public school employee group health coverage in 2002-03, requiring all Districts with fewer than 500 employees to participate in the Plan.

Workers' Compensation

The District established a limited risk management program for workers' compensation in 2004 by participating as a self-funded member of the Texas Public Schools Workers' Compensation Project (Pool). The Pool was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. As a self-funded member of the Pool, the District is solely responsible for all claims costs, both reported and unreported. A third party administrator provides administrative services to its self-funded members including claims administration and customer service.

Tomball Independent School District

Notes to the Financial Statements

Premiums are paid into the internal service fund by the other funds and are available to pay claims, claim reserves, and administrative costs of the program.

Liabilities of the fund 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 (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are re-evaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other claim adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example from stop-loss or subrogation, are another component of the claims liability estimate. The Texas Public Schools Workers' Compensation Project limits the liability per occurrence to \$350,000. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past two fiscal years. Changes in the balances of claims liabilities during the past two years are as follows:

	Year Ended 6/30/2022	Year Ended 6/30/2021
Unpaid claims, beginning of fiscal year	\$ 299,988	\$ 289,210
Incurred claims, including provision (adjustment) for IBNR	255,330	180,234
Claim payments	(257,482)	(169,456)
Unpaid claims, end of fiscal year	\$ 297,836	\$ 299,988

B. Contingencies

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 June 30, 2022, these programs are subject to financial and compliance audits by the grantor agencies. The District is also subject to audit by the TEA of the attendance data upon which payments from the agency are based. These audits could result in questioned costs or refunds to be paid back to the granting agencies.

C. Defined Benefit Pension Plan

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) and 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.

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

Tomball Independent School District

Notes to the Financial Statements

Pension Plan Fiduciary Net Position

Detailed information about the TRS's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafmr.aspx; 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% (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 where 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 cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

Contributions

Contribution requirements are established or amended pursuant to Article XVI, 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. 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.

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

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Member	8.00%	7.70%
Non-employer contributing entity (State)	7.75%	7.50%
Employers (District)	7.75%	7.50%

The contribution amounts for the District's fiscal year 2022 are as follows:

District contributions	\$ 4,926,938
Member contributions	10,628,360
NECE on-behalf contributions (State)	7,010,527

Tomball Independent School District

Notes to the Financial Statements

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.

As the non-employer contributing entity, 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 the 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, local or non-educational and general 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 surcharges an employer is subject to:

- 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.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.6% of the member's salary beginning in September 1, 2020, gradually increasing to 2.0% on September 1, 2024.

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

At June 30, 2022, the District reported a liability of \$24,588,467 for its proportionate share of the TRS's net pension liability. 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 are as follows:

District's proportionate share of the net pension liability	\$ 24,588,467
State's proportionate share of the net pension liability associated with the District	<u>35,685,911</u>
Total	<u>\$ 60,274,378</u>

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

At the measurement date of August 31, 2021, the District's proportion of the collective net pension liability was 0.0965524% which was an increase of 0.0093149% from its proportion measured as of August 31, 2020.

Tomball Independent School District

Notes to the Financial Statements

For the fiscal year ended June 30, 2022, the District recognized pension expense of \$3,705,739 and revenue of \$142,668 for support provided by the State.

At June 30, 2022, the District reported deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 41,148	\$ 1,731,048
Changes of assumptions	8,691,543	3,788,767
Difference between projected and actual earnings on pension plan investments	-	20,617,111
Changes in proportion and difference between District's contributions and the proportionate share of contributions	6,135,200	1,201,261
District contributions paid subsequent to the measurement date	4,293,999	-
Totals	\$ 19,161,890	\$ 27,338,187

\$4,293,999 reported as 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 June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	
2023	\$ (1,509,245)
2024	(1,942,988)
2025	(3,952,973)
2026	(5,672,196)
2027	441,703
Thereafter	165,403
Total	\$ (12,470,296)

Tomball Independent School District

Notes to the Financial Statements

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was performed as of August 31, 2020. Update procedures were used to roll forward the total pension liability to August 31, 2021 and was determined using the following actuarial methods and assumptions:

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair value
Single discount rate	7.25%
Long-term expected rate of return	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
Ad hoc postemployment benefit changes	None
Active mortality rates	Based on 90% of the RP 2014 Employee Mortality Tables for males and females with full generational mortality. 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 most recently published projection scale U-MP.

The actuarial methods and assumptions are primarily based on a study of actual experience for the three year period ending August 31, 2017 and adopted in July 2018.

Tomball Independent School District

Notes to the Financial Statements

Discount Rate and Long-Term Expected Rate of Return

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 pension plan investments of 7.25%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the statutorily required rates. Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Asset Class*	Target Allocation**	Long-term Expected Geometric Real Rate of Return***	Expected Contribution to Long-Term Portfolio Returns
Global equity:			
U.S.	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%
Stable value hedge funds	5.00%	2.20%	0.12%
Real return:			
Real estate	15.00%	4.50%	1.00%
Energy, natural resources and infrastructure	6.00%	4.70%	0.35%
Risk parity:			
Risk parity	8.00%	2.80%	0.28%
Asset allocation leverage:			
Cash	2.00%	-0.70%	-0.01%
Asset allocation leverage cash	-6.00%	-0.50%	0.03%
Inflation expectation			2.20%
Volatility drag****			-0.95%
Total	100.00%		6.90%

*Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on the FY 2021 policy model.

*** Capital market assumptions come from Aon Hewitt (as of 8/31/2021).

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

Tomball Independent School District

Notes to the Financial Statements

Discount Rate Sensitivity Analysis

The following table presents the District's proportionate share of the TRS net pension liability calculated using the discount rate of 7.25%, as well as what the District's proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease (6.25%)	Current Discount Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the net pension liability	\$ 53,729,703	\$ 24,588,467	\$ 946,079

Change of Assumptions Since the Prior Measurement Date

There were no changes of assumptions that affected measurement of the total pension liability during the measurement period.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

D. Defined Other Postemployment 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 that has a special funding situation. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees. It is established and administered in accordance with the Texas Insurance Code, Chapter 1575.

OPEB Plan Fiduciary Net Position

Detailed information about the TRS-Care's fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at http://www.trs.texas.gov/Pages/about_archive_cafr.aspx; 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 cost of living adjustments (COLAs). The Board of Trustees of TRS 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.

Tomball Independent School District

Notes to the Financial Statements

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

TRS-Care Monthly Plan Premium Rates

	Medicare	Non-medicare
Retiree and surviving spouse	\$ 135	\$ 200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408
Retiree and family	1,020	999

Contributions

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

Texas Insurance Code, section 1575.202 establishes the State's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2022	2021
Active employee	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers (District)	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2022 are as follows:

District contributions	\$ 1,074,177
Member contributions	868,116
NECE on-behalf contributions (State)	1,597,031

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 hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$567,426, \$598,573 and \$480,755 in 2022, 2021, and 2020, respectively, for on-behalf payments for Medicare Part D.

Tomball Independent School District

Notes to the Financial Statements

TRS-Care received a supplemental appropriation from the State of Texas as the Non-Employer Contributing Entity in the amount of \$5.5 million in fiscal year 2021 for consumer protections against medical health care billing by certain out-of-network providers.

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

At June 30, 2022, the District reported a liability of \$47,440,605 for its proportionate share of the TRS's net OPEB liability. 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 are as follows:

District's proportionate share of the net OPEB liability	\$ 47,440,605
State's proportionate share of the net OPEB liability associated with the District	<u>63,559,838</u>
Total	<u><u>\$ 111,000,443</u></u>

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

At the measurement date of August 31, 2021, the employer's proportion of the collective net OPEB liability was 0.1229845% which was an increase 0.0064141% from its proportion measured as of August 31, 2020.

For the fiscal year ended June 30, 2022, the District recognized net OPEB expense of (\$2,354,337) and revenue of (\$2,345,843) for support provided by the State.

At June 30, 2022, the District reported 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	\$ 2,042,543	\$ 22,964,571
Changes of assumptions	5,254,604	10,032,810
Difference between projected and actual earnings on OPEB plan investments	51,505	-
Changes in proportion and difference between District's contributions and the proportionate share of contributions	9,765,766	-
District contributions paid subsequent to the measurement date	<u>928,136</u>	<u>-</u>
Totals	<u><u>\$ 18,042,554</u></u>	<u><u>\$ 32,997,381</u></u>

Tomball Independent School District

Notes to the Financial Statements

\$928,136 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2023. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ending June 30,	
2023	\$ (3,422,933)
2024	(3,424,094)
2025	(3,423,776)
2026	(2,175,013)
2027	(484,402)
Thereafter	<u>(2,952,745)</u>
Total	<u>\$ (15,882,963)</u>

Actuarial Methods and Assumptions

The actuarial valuation of the total OPEB liability 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 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 following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2020 TRS annual pension actuarial valuation:

<u>Demographic Assumptions</u>	<u>Economic Assumptions</u>
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	Salary increases
Rates of disability	

See Note 4.C for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017.

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

Tomball Independent School District

Notes to the Financial Statements

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual entry age normal
Single discount rate	1.95%
Aging factors	Based on plan specific experience
Election rates	Normal retirement: 65% participation prior to age 65 and 40% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05 % to 9.05 %, including inflation
Ad hoc postemployment benefit changes	None

Discount Rate

A single discount rate of 1.95% was used to measure the total OPEB liability at August 31, 2021. This was a decrease of 0.38% in the discount rate since the August 31, 2020 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current members and therefore, the single discount rate is equal to the prevailing municipal bond rate. 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" as of August 31, 2021.

Sensitivity Analysis of Rates

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (1.95%) in measuring the net OPEB liability.

	1% Decrease (0.95%)	Current Discount Rate (1.95%)	1% Increase (2.95%)
District's proportionate share of the net OPEB liability	\$ 57,224,300	\$ 47,440,605	\$ 39,740,517

Tomball Independent School District

Notes to the Financial Statements

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	<u>1% Decrease</u>	<u>Current Healthcare Cost Trend Rate</u>	<u>1% Increase</u>
District's proportionate share of the net OPEB liability	\$ 38,425,318	\$ 47,440,605	\$ 59,536,880

Change of Assumptions Since the Prior Measurement Date

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

- The 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.

Change of Benefit Terms Since the Prior Measurement Date

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

E. Subsequent Events

In August 2022, the District remarketed \$25,650,000 in variable rate unlimited tax school building bonds (Series 2014B-3) at a rate of 3.875%. The remarketing was a conversion to a fixed rate period with the bonds maturing February 15, 2043, and the bonds are subject to redemption prior to maturity at the option of the District after February 15, 2032.

A blurred background image showing a group of students in a library or study hall. In the foreground, a young woman with glasses and a blue cardigan is looking down at a laptop. Behind her, another student is visible, and in the background, a woman in a pink shirt is standing near bookshelves filled with books.

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Exhibit F-1

Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual General Fund For the Fiscal Year Ended June 30, 2022

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES:					
5700	Local and intermediate sources	\$ 119,146,313	\$ 121,517,199	\$ 119,433,711	\$ (2,083,488)
5800	State program revenues	51,328,687	54,617,500	59,918,624	5,301,124
5900	Federal program revenues	1,525,000	1,525,000	3,251,385	1,726,385
5020	Total revenues	172,000,000	177,659,699	182,603,720	4,944,021
EXPENDITURES:					
Current:					
0011	Instruction	104,887,492	110,895,969	108,480,289	2,415,680
0012	Instructional resources and media services	2,002,673	2,100,908	1,946,947	153,961
0013	Curriculum and instructional staff development	1,018,098	1,905,793	1,164,969	740,824
0021	Instructional leadership	4,321,261	4,111,645	3,790,328	321,317
0023	School leadership	10,664,177	10,077,631	9,765,441	312,190
0031	Guidance, counseling, and evaluation services	6,700,961	5,856,790	4,944,033	912,757
0032	Social work services	82,842	72,842	67,664	5,178
0033	Health services	2,566,920	1,416,220	1,246,522	169,698
0034	Student transportation	7,508,246	8,538,246	7,898,772	639,474
0036	Extracurricular activities	3,954,243	3,968,661	3,838,512	130,149
0041	General administration	6,828,600	6,318,911	5,943,842	375,069
0051	Plant maintenance and operations	16,517,405	17,718,392	16,485,995	1,232,397
0052	Security and monitoring services	1,145,650	1,131,128	1,063,561	67,567
0053	Data processing services	2,435,432	2,740,223	2,576,859	163,364
0061	Community services	21,000	21,000	-	21,000
Debt service:					
0071	Principal on long-term debt	-	338,842	331,948	6,894
0072	Interest on long-term debt	-	11,158	10,231	927
Intergovernmental:					
0095	Payments to juvenile justice alternative education programs	25,000	25,000	23,700	1,300
0099	Other intergovernmental charges	1,320,000	1,320,000	1,200,159	119,841
6030	Total expenditures	172,000,000	178,569,359	170,779,772	7,789,587
1100	Excess (deficiency) of revenues over expenditures	-	(909,660)	11,823,948	12,733,608
OTHER FINANCING SOURCES (USES):					
7912	Sale of real and personal property	-	-	64,381	64,381
8911	Transfers out	-	-	(476,593)	(476,593)
7080	Total other financing sources (uses)	-	-	(412,212)	(412,212)
1200	Net change in fund balance	-	(909,660)	11,411,736	12,321,396
0100	Fund balance - beginning	95,870,231	95,870,231	95,870,231	-
3000	FUND BALANCE - ENDING	\$ 95,870,231	\$ 94,960,571	\$ 107,281,967	\$ 12,321,396

The Notes to the Required Supplementary Information are an integral part of this schedule.

Tomball Independent School District

Exhibit F-2

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 Fiscal Years*

Year	District's Proportion of Net Pension Liability	District's Proportionate Share of the Net Pension Liability	State's Proportionate Share of the Net Pension Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total Pension Liability
2022	0.0965524%	\$ 24,588,467	\$ 35,685,911	\$ 60,274,378	\$ 121,951,928	20.16%	88.79%
2021	0.0872380%	\$ 46,722,611	\$ 78,647,035	\$ 125,369,646	\$ 112,021,202	41.71%	75.54%
2020	0.0912794%	\$ 47,449,886	\$ 74,000,263	\$ 121,450,149	\$ 104,902,147	45.23%	75.24%
2019	0.0862370%	\$ 47,466,948	\$ 79,633,648	\$ 127,100,596	\$ 99,005,244	47.94%	73.74%
2018	0.0806489%	\$ 25,787,180	\$ 44,942,097	\$ 70,729,277	\$ 91,129,164	28.30%	82.17%
2017	0.0759820%	\$ 28,712,462	\$ 52,721,003	\$ 81,433,465	\$ 85,237,654	33.69%	78.00%
2016	0.0726416%	\$ 25,677,839	\$ 46,303,923	\$ 71,981,762	\$ 75,594,269	33.97%	78.43%
2015	0.0448068%	\$ 11,968,516	\$ 39,015,269	\$ 50,983,785	\$ 70,486,571	16.98%	83.25%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

Tomball Independent School District**Exhibit F-3**

Schedule of the District's Contributions to the
Teacher Retirement System of Texas Pension Plan
For the Last Eight Fiscal Years***

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 4,926,938	\$ (4,926,938)	\$ -	\$ 133,561,208	3.69%
2021	\$ 4,023,285	\$ (4,023,285)	\$ -	\$ 120,244,562	3.35%
2020	\$ 3,562,019	\$ (3,562,019)	\$ -	\$ 110,953,482	3.21%
2019*	\$ 2,715,207	\$ (2,715,207)	\$ -	\$ 88,950,802	3.05%
2018**	\$ 2,907,501	\$ (2,907,501)	\$ -	\$ 99,005,244	2.94%
2017**	\$ 2,643,201	\$ (2,643,201)	\$ -	\$ 91,129,164	2.90%
2016**	\$ 2,410,138	\$ (2,410,138)	\$ -	\$ 85,237,654	2.83%
2015**	\$ 2,150,950	\$ (2,150,950)	\$ -	\$ 75,594,269	2.85%

* The amounts presented for the period was determined as of the District's fiscal period (ten months) end June 30.

** The amounts presented for the fiscal years were determined as of the District's fiscal year end August 31.

*** Ten years of data is not available.

Tomball Independent School District

Exhibit F-4

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 Fiscal Years*

Year	District's Proportion of Net OPEB Liability	District's Proportionate Share of the Net OPEB Liability	State's Proportionate Share of the Net OPEB Liability Associated with the District	Total	District's Covered Payroll	District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability
2022	0.1229845%	\$ 47,440,605	\$ 63,559,838	\$ 111,000,443	\$ 121,951,928	38.90%	6.18%
2021	0.1165703%	\$ 44,313,649	\$ 59,546,922	\$ 103,860,571	\$ 112,021,202	39.56%	4.99%
2020	0.1153593%	\$ 54,554,847	\$ 72,491,187	\$ 127,046,034	\$ 104,902,147	52.01%	2.66%
2019	0.1112496%	\$ 55,547,927	\$ 88,029,154	\$ 143,577,081	\$ 99,005,244	56.11%	1.57%
2018	0.0997547%	\$ 43,379,594	\$ 74,360,157	\$ 117,739,751	\$ 91,129,164	47.60%	0.91%

* The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, August 31 of the prior year.
Ten years of data is not available.

Tomball Independent School District**Exhibit F-5**

Schedule of the District's Contributions to the
Teacher Retirement System of Texas OPEB Plan
For the Last Five Fiscal Years***

Year	Contractually Required Contributions	Contributions in Relation to the Contractually Required Contributions	Contribution Deficiency (Excess)	District's Covered Payroll	Contributions as a Percentage of Covered Payroll
2022	\$ 1,074,177	\$ (1,074,177)	\$ -	\$ 133,561,208	0.80%
2021	\$ 945,213	\$ (945,213)	\$ -	\$ 120,244,562	0.79%
2020	\$ 879,386	\$ (879,386)	\$ -	\$ 110,953,482	0.79%
2019*	\$ 694,924	\$ (694,924)	\$ -	\$ 88,950,802	0.78%
2018**	\$ 765,767	\$ (765,767)	\$ -	\$ 99,005,244	0.77%

* The amounts presented for the period was determined as of the District's fiscal period (ten months) end June 30.

** The amounts presented for the fiscal years were determined as of the District's fiscal year end August 31.

*** Ten years of data is not available.

Tomball Independent School District

Notes to the Required Supplementary Information

Note 1. Budget

A. Budgetary Information

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the general fund, debt service fund, and the National School Breakfast and Lunch Program special revenue fund. The Texas Education Code requires the budget to be prepared not later than June 19 and adopted by June 30 of each year. The budgets are prepared on a basis of accounting that is used for reporting in accordance with generally accepted accounting principles.

The following procedures are followed in establishing the budgetary data reflected in the fund financial schedules:

1. Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to July 1, the budget is formally approved and adopted by the Board.

The appropriated budget is prepared by fund and function. The District's campus/department heads may make transfers of appropriations within a campus or department. Transfers of appropriations between campuses or departments require the approval of the District's management. Increasing any one of the functional spending categories, or revenues object accounts and other resources and uses 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. All annual appropriations lapse at fiscal year end.

B. Variance Between Original and Final Budget

The District's general fund budget differs from the original budget due to budget revisions that were made during the fiscal period. The net increase of \$6,569,359 was primarily due to an increase in District staff, improved staff retention and incentive payments, increases in student transportation, and increases in plant maintenance and operations.

Note 2. Net Pension Liability and Net OPEB Liability

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability and net OPEB liability:

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Notes to the Required Supplementary Information

Changes in actuarial assumptions and inputs

Measurement Date August 31,	Net Pension Liability		Net OPEB Liability
	Discount Rate	Long-term Expected Rate of Return	Discount Rate
2021	7.250%	7.250%	1.950%
2020	7.250%	7.250%	2.330%
2019	7.250%	7.250%	2.630%
2018	6.907%	7.250%	3.690%
2017	8.000%	8.000%	3.420%
2016	8.000%	8.000%	
2015	8.000%	8.000%	
2014	8.000%	8.000%	

Changes in demographic and economic assumptions

For measurement date August 31, 2018 – Net Pension Liability and Net OPEB Liability:

- Demographic assumptions including post-retirement mortality, termination rates, and rates of retirement and economic assumptions, including rates of salary increase for individual participants were updated based on the experience study performed for TRS for the period ending August 31, 2017.

Changes in benefit terms

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Changes of benefit terms were made effective September 1, 2017 by the 85th Texas Legislature.

Other changes

For Measurement Date August 31, 2020 – Net OPEB Liability:

- The participation rate for post-65 retirees was lowered from 50% to 40%.
- The ultimate health care trend rate assumption decreased to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

For Measurement Date August 31, 2019 – Net Pension Liability:

- With the enactment of SB3 by the 2019 Texas Legislature, an assumption was made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

For Measurement Date August 31, 2019 – Net OPEB Liability:

- The participation rate for pre-65 retirees was lowered from 70% to 65%. The participation rate for post-65 retirees was lowered from 75% to 50%. 25% of pre-65 retirees are assumed to discontinue their coverage at age 65.
- The trend rates were reset to better reflect the plan's anticipated experience.
- The percentage of retirees who are assumed to have two-person coverage was lowered from 20% to 15%. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20% to 10%.

Tomball Independent School District

Notes to the Required Supplementary Information

For Measurement Date August 31, 2018 – Net OPEB Liability:

- Adjustments were made for retirees that were known to have discontinued their health care coverage in fiscal year 2018.
- The health care trend rate assumption was updated to reflect the anticipated return of the Health Insurer Fee (HIF) in 2020.

A young man with dark, curly hair, wearing a grey hoodie, is standing in a library aisle. He is looking down at a book in his hands. The aisle is lined with tall bookshelves filled with books. The lighting is soft and even.

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Major Governmental Fund

Debt Service Fund

The Debt Service Fund is used to account for revenues from property taxes levied specifically for debt service and earnings on temporary investments, and the expenditure of these revenues for payment of long-term debt principal, interest, and related fees.

Tomball Independent School District
Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
Debt Service Fund
For the Fiscal Year Ended June 30, 2022

Exhibit G-1

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 45,739,749	\$ 45,739,749	\$ 46,673,124	\$ 933,375
5800	State program revenues	560,251	560,251	495,793	(64,458)
5020	Total revenues	46,300,000	46,300,000	47,168,917	868,917
EXPENDITURES					
	Debt service:				
0071	Principal on long-term debt	20,925,000	20,950,000	20,925,000	25,000
0072	Interest on long-term debt	23,034,374	24,050,000	23,034,374	1,015,626
0073	Issuance costs and fees	2,340,626	1,300,000	1,246,666	53,334
6030	Total expenditures	46,300,000	46,300,000	45,206,040	1,093,960
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	1,962,877	1,962,877
OTHER FINANCING SOURCES (USES)					
7901	Refunding bonds issued	-	18,690,000	18,690,000	-
7916	Premium on issuance of bonds	-	-	1,121,652	1,121,652
8940	Payment to bond refunding escrow agent	-	(18,690,000)	(18,690,000)	-
7080	Total other financing sources (uses)	-	-	1,121,652	1,121,652
1200	Net change in fund balance	-	-	3,084,529	3,084,529
0100	Fund balance - beginning	18,766,179	18,766,179	18,766,179	-
3000	FUND BALANCE - ENDING	\$ 18,766,179	\$ 18,766,179	\$ 21,850,708	\$ 3,084,529



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Nonmajor Governmental Funds

Special Revenue Funds

The Special Revenue Funds are governmental funds used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specific purposes. The proceeds may be from federal, state, and local sources.

Nonmajor Governmental Funds

Special Revenue Funds

Grants accounted for in the Special Revenue Funds include:

ESEA, Title I, Part A, Improving Basic Programs - funds used to help Local Education Agencies improve teaching and learning in high-poverty schools in particular for children failing, or most at-risk of failing, to meet challenging State academic standards.

IDEA-B, Formula - funds are used to operate education programs for children with disabilities.

IDEA-B, Preschool Grant - funds are used to operate educational programs for preschool children with disabilities.

IDEA-B, Discretionary - funds are used to support an Education Service Center special education component and also targeted support of Local Education Agencies.

National School Breakfast and Lunch Program - fund accounts for revenues originating from the United States Department of Agriculture and fees from child and adult meals, as well as allowable child nutrition program expenditures.

Career and Technical, Basic Grant - funds are used to provide career and technical education to develop new and/or improve career and technology education programs for paid and unpaid employment.

ESEA, Title II, Part A, Teacher and Principal Training and Recruiting ("TPTR") - funds are used to provide financial assistance to LEAs 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, in addition to holding local education agencies and schools accountable for improving student academic achievement.

Title III, Part A, English Language Acquisition and Enhancement - funds are used to improve the education of limited English proficient children and assist children to learn English and meet challenging State academic content and student academic achievement standards.

Nonmajor Governmental Funds

Special Revenue Funds cont'd.

Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the Coronavirus Response and Relief Supplemental Appropriations (CRRSA) Act - funds to support LEAs' ability to operate, instruct its students, address learning loss, prepare schools for reopening, test, repair, and upgrade projects to improve air quality in school buildings during the coronavirus pandemic.

Elementary and Secondary School Emergency Relief Fund III (ESSER III) of the American Rescue Plan Act of 2021- funds 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.

Supplemental Elementary and Secondary School Emergency Relief Fund (ESSER-SUPP) of the American Rescue Plan Act of 2021 - funds used to pay for unreimbursed costs due to the coronavirus disease (COVID-19) pandemic and for intensive educational supports for students not performing satisfactory for each of the 2021–2022 and 2022–2023 school years.

IDEA—Part B, Formula—American Rescue Plan Act of 2021 - funds granted under the ARP Act to operate educational programs for children with disabilities.

IDEA—Part B, Preschool—American Rescue Plan Act of 2021 - funds granted under the ARP Act to operate educational programs for preschool children with disabilities.

Title IV, Part A, Subpart 1 - funds are used to increase the use of technology in order to improve the academic achievement and digital literacy of all students.

Federally Funded Special Revenue Fund - funds are used to enhance the education of limited English proficient students.

Advanced Placement Initiatives - fund accounts for funds awarded under the Texas Advanced Placement Incentive Program, Chapter 28, Subchapter C, TEC.

State Textbook Fund - funds are used to purchase instructional materials, textbooks, software, supplemental materials, DVDs and CD-ROMs, online services, open-source materials, and other means of conveying information electronically.

Nonmajor Governmental Funds

Special Revenue Funds cont'd.

State Funded Special Revenue Fund - fund accounts for state funded special revenue funds that have not been specified above.

Campus Activity Funds - funds are generated by the campus and are not subject to recall by the board of trustees into the General Fund. The funds accounted for are non-agency and discretionary.

Project Lead the Way Grant - fund is used to account for grants received from Project Lead the Way, and has been awarded for use in the District's Career & Technology Education program.

Harris County Department of Education (HCDE) Health Hands - fund is used to enhance districtwide strategies of handwashing, use of masks, and social distancing to decrease the spread of COVID-19 and the resulting student absences.

Raise Your Hand Texas - funds are used to raise blended learners in the school district.

Region IV School Support Grant - fund is used to account for grants received from the Region IV Education Service Center, and has been awarded to use on staff development trainings provided by the Education Service Center.

Educational Grants - fund is used to account for grants received from the Tomball ISD Education Foundation, and has been awarded for use by teachers and campuses to enhance their academic programs.

Chuck Lorre Foundation - fund is used to account for grants received from The Chuck Lorre Foundation, and has been awarded for use in the District's Career & Technology Education program.

Locally Funded Special Revenue Fund - fund accounts for locally funded special revenues that have not been specified above.

Tomball Independent School District

Combining Balance Sheet
Nonmajor Governmental Funds
Special Revenue Funds
June 30, 2022

		211	224	225
Data Control Codes		ESSA Title I Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool Grant
	ASSETS			
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	152,588	1,287,910	4,050
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
		<hr/>	<hr/>	<hr/>
1000	TOTAL ASSETS	<u>\$ 152,588</u>	<u>\$ 1,287,910</u>	<u>\$ 4,050</u>
	LIABILITIES			
2110	Accounts payable	\$ 495	\$ 15,468	\$ -
2160	Accrued wages payable	36,057	170,159	-
2170	Due to other funds	116,036	1,102,283	4,050
2300	Unearned revenue	-	-	-
		<hr/>	<hr/>	<hr/>
2000	Total liabilities	152,588	1,287,910	4,050
	FUND BALANCES			
3450	Restricted - grants	-	-	-
3545	Committed - other	-	-	-
		<hr/>	<hr/>	<hr/>
3000	Total fund balances	-	-	-
		<hr/>	<hr/>	<hr/>
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 152,588</u>	<u>\$ 1,287,910</u>	<u>\$ 4,050</u>

226	240	244	255	263	281
IDEA Part B Discretionary	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II Part A Teacher & Principal Training & Recruiting	Title III Part A English Language Acquisition and Enhancement	CRRSA ESSER II
\$ -	\$ 204	\$ -	\$ -	\$ -	\$ -
-	1,131,312	27,349	154,382	65,937	2,620,253
-	4,110,855	-	-	-	-
-	473	-	-	-	-
-	115,498	-	-	-	-
<u>\$ -</u>	<u>\$ 5,358,342</u>	<u>\$ 27,349</u>	<u>\$ 154,382</u>	<u>\$ 65,937</u>	<u>\$ 2,620,253</u>
\$ -	\$ 8,033	\$ 2,664	\$ 24,536	\$ -	\$ -
-	143,184	-	-	-	345,901
-	624,219	24,685	129,846	65,937	2,274,352
-	-	-	-	-	-
-	775,436	27,349	154,382	65,937	2,620,253
-	4,582,906	-	-	-	-
-	-	-	-	-	-
-	4,582,906	-	-	-	-
<u>\$ -</u>	<u>\$ 5,358,342</u>	<u>\$ 27,349</u>	<u>\$ 154,382</u>	<u>\$ 65,937</u>	<u>\$ 2,620,253</u>

Tomball Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds - Continued

June 30, 2022

		282	283	284
Data Control Codes				IDEA - Part B, Formula - American Rescue Plan (ARP) Act
		ARP ESSER III	ESSER Supplemental	
	ASSETS			
1110	Cash and cash equivalents	\$ -	\$ -	\$ -
1240	Due from other governments	1,572,244	133,808	340,659
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000	TOTAL ASSETS	<u>\$ 1,572,244</u>	<u>\$ 133,808</u>	<u>\$ 340,659</u>
	LIABILITIES			
2110	Accounts payable	\$ 9,300	\$ 146	\$ 5,562
2160	Accrued wages payable	288,799	19,045	35,252
2170	Due to other funds	1,274,145	114,617	299,845
2300	Unearned revenue	-	-	-
2000	Total liabilities	1,572,244	133,808	340,659
	FUND BALANCES			
3450	Restricted - grants	-	-	-
3545	Committed - other	-	-	-
3000	Total fund balances	-	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 1,572,244</u>	<u>\$ 133,808</u>	<u>\$ 340,659</u>

285	288	289	397	410	429
IDEA - Part B, Preschool - American Rescue Plan (ARP) Act	Title IV, Part A, Subpart 1	Federally Funded Special Revenue	Advanced Placement Incentives	State Textbook Fund	State Funded Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
8,967	41,115	-	-	-	17,162
-	-	669,997	-	89,308	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,967</u>	<u>\$ 41,115</u>	<u>\$ 669,997</u>	<u>\$ -</u>	<u>\$ 89,308</u>	<u>\$ 17,162</u>
\$ 284	\$ 9,688	\$ -	\$ -	\$ -	\$ -
-	-	-	-	-	-
8,683	31,427	-	-	-	17,162
-	-	669,997	-	89,308	-
8,967	41,115	669,997	-	89,308	17,162
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
<u>\$ 8,967</u>	<u>\$ 41,115</u>	<u>\$ 669,997</u>	<u>\$ -</u>	<u>\$ 89,308</u>	<u>\$ 17,162</u>

Tomball Independent School District

Combining Balance Sheet

Nonmajor Governmental Funds

Special Revenue Funds - Continued

June 30, 2022

		461	493	494
Data Control Codes		Campus Activity Funds	Project Lead the Way Grant	HCDE Health Hands
	ASSETS			
1110	Cash and cash equivalents	\$ 4,371,500	\$ -	\$ -
1240	Due from other governments	-	-	-
1260	Due from other funds	-	-	-
1290	Other receivables	-	-	-
1300	Inventories	-	-	-
1000	TOTAL ASSETS	<u>\$ 4,371,500</u>	<u>\$ -</u>	<u>\$ -</u>
	LIABILITIES			
2110	Accounts payable	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	-
2170	Due to other funds	1,551,264	-	-
2300	Unearned revenue	-	-	-
2000	Total liabilities	1,551,264	-	-
	FUND BALANCES			
3450	Restricted - grants	-	-	-
3545	Committed - other	2,820,236	-	-
3000	Total fund balances	2,820,236	-	-
4000	TOTAL LIABILITIES AND FUND BALANCES	<u>\$ 4,371,500</u>	<u>\$ -</u>	<u>\$ -</u>

495	496	497	498	499	
Raise Your Hand Texas	Region IV School Support Grant	Educational Grants	Chuck Lorre Foundation	Locally Funded Special Revenue Funds	Total Nonmajor Funds (See Exhibit C-1)
\$ -	\$ -	\$ -	\$ -	\$ -	\$ 4,371,704
-	18,667	-	-	-	7,576,403
59,725	-	90,991	30,306	2,767	5,053,949
-	-	-	-	-	473
-	-	-	-	-	115,498
<u>\$ 59,725</u>	<u>\$ 18,667</u>	<u>\$ 90,991</u>	<u>\$ 30,306</u>	<u>\$ 2,767</u>	<u>\$ 17,118,027</u>
\$ 19,000	\$ 483	\$ 375	\$ 2,482	\$ -	\$ 98,516
-	-	-	-	-	1,038,397
-	13,420	-	-	-	7,651,971
-	-	-	-	-	759,305
19,000	13,903	375	2,482	-	9,548,189
40,725	4,764	90,616	27,824	2,767	4,749,602
-	-	-	-	-	2,820,236
<u>40,725</u>	<u>4,764</u>	<u>90,616</u>	<u>27,824</u>	<u>2,767</u>	<u>7,569,838</u>
<u>\$ 59,725</u>	<u>\$ 18,667</u>	<u>\$ 90,991</u>	<u>\$ 30,306</u>	<u>\$ 2,767</u>	<u>\$ 17,118,027</u>

Tomball Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds
For the Fiscal Year Ended June 30, 2022

		211	224	225
Data Control Codes		ESSA Title I Improving Basic Programs	IDEA-B Formula	IDEA-B Preschool Grant
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	620,650	2,671,940	4,050
5020	Total revenues	620,650	2,671,940	4,050
EXPENDITURES				
Current:				
0011	Instruction	463,127	1,694,202	-
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	72,910	12,942	-
0021	Instructional leadership	52,253	1,537	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	963,259	4,050
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	32,360	-	-
6030	Total expenditures	620,650	2,671,940	4,050
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

226	240	244	255	263	281
IDEA Part B Discretionary	National School Breakfast/Lunch Program	Career and Technical Basic Grant	ESSA Title II Part A Teacher & Principal Training & Recruiting	Title III Part A English Language Acquisition and Enhancement	CRRSA ESSER II
\$ -	\$ 1,327,514	\$ -	\$ -	\$ -	\$ -
-	295,142	-	-	-	-
48,167	10,207,870	71,376	247,296	177,429	2,936,044
48,167	11,830,526	71,376	247,296	177,429	2,936,044
-	-	53,341	-	125,345	-
-	-	-	-	-	-
-	-	18,035	183,851	50,923	-
-	-	-	4,645	1,161	-
-	-	-	-	-	-
48,167	-	-	-	-	1,134,868
-	-	-	-	-	826,127
-	8,248,923	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	975,049
-	-	-	-	-	-
-	-	-	58,800	-	-
48,167	8,248,923	71,376	247,296	177,429	2,936,044
-	3,581,603	-	-	-	-
-	1,001,303	-	-	-	-
\$ -	\$ 4,582,906	\$ -	\$ -	\$ -	\$ -

Tomball Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended June 30, 2022

		282	283	284
Data Control Codes				IDEA - Part B, Formula - American Rescue Plan (ARP) Act
		ARP ESSER III	ESSER Supplemental	
REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-
5900	Federal program revenues	3,365,054	133,808	356,277
5020	Total revenues	3,365,054	133,808	356,277
EXPENDITURES				
Current:				
0011	Instruction	2,943,828	117,701	201,109
0012	Instructional resources and media services	-	-	-
0013	Curriculum and instructional staff development	164,996	16,107	-
0021	Instructional leadership	81,533	-	-
0023	School leadership	82,697	-	-
0031	Guidance, counseling, and evaluation services	56,870	-	155,084
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	-	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	35,130	-	84
6030	Total expenditures	3,365,054	133,808	356,277
1200	Net change in fund balances	-	-	-
0100	Fund balances - beginning	-	-	-
3000	FUND BALANCES - ENDING	\$ -	\$ -	\$ -

285	288	289	397	410	429
IDEA - Part B, Preschool - American Rescue Plan (ARP) Act	Title IV, Part A, Subpart 1	Federally Funded Special Revenue	Advanced Placement Incentives	State Textbook Fund	State Funded Special Revenue Funds
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
-	-	-	13,261	1,022,625	42,900
8,967	50,102	57,131	-	-	-
8,967	50,102	57,131	13,261	1,022,625	42,900
8,967	47,582	7,398	1,561	1,022,625	1,752
-	-	-	-	-	-
-	2,520	-	11,700	-	7,006
-	-	-	-	-	-
-	-	-	-	-	-
-	-	-	-	-	30,145
-	-	2,870	-	-	-
-	-	-	-	-	-
-	-	-	-	-	-
-	-	46,863	-	-	17,162
-	-	-	-	-	3,737
-	-	-	-	-	-
8,967	50,102	57,131	13,261	1,022,625	59,802
-	-	-	-	-	(16,902)
-	-	-	-	-	16,902
\$ -	\$ -	\$ -	\$ -	\$ -	\$ -

Tomball Independent School District

Combining Statement of Revenues, Expenditures,
and Changes in Fund Balances
Nonmajor Governmental Funds
Special Revenue Funds - Continued
For the Fiscal Year Ended June 30, 2022

		461	493	494
Data Control Codes		Campus Activity Funds	Project Lead the Way Grant	HCDE Health Hands
	REVENUES			
5700	Local and intermediate sources	\$ 5,484,871	\$ -	\$ 10,000
5800	State program revenues	-	-	-
5900	Federal program revenues	-	-	-
5020	Total revenues	5,484,871	-	10,000
	EXPENDITURES			
	Current:			
0011	Instruction	2,356,636	20,000	10,000
0012	Instructional resources and media services	249,033	-	-
0013	Curriculum and instructional staff development	-	-	-
0021	Instructional leadership	-	-	-
0023	School leadership	-	-	-
0031	Guidance, counseling, and evaluation services	-	-	-
0033	Health services	-	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	2,571,251	-	-
0051	Plant maintenance and operations	-	-	-
0052	Security and monitoring services	-	-	-
0061	Community services	-	-	-
6030	Total expenditures	5,176,920	20,000	10,000
1200	Net change in fund balances	307,951	(20,000)	-
0100	Fund balances - beginning	2,512,285	20,000	-
3000	FUND BALANCES - ENDING	<u>\$ 2,820,236</u>	<u>\$ -</u>	<u>\$ -</u>

495	496	497	498	499	
Raise Your Hand Texas	Region IV School Support Grant	Educational Grants	Chuck Lorre Foundation	Locally Funded Special Revenue Funds	Total Nonmajor Funds (See Exhibit C-2)
\$ 150,000	\$ 18,667	\$ 62,009	\$ 105,000	\$ 110,000	\$ 7,268,061
-	-	-	-	-	1,373,928
-	-	-	-	-	20,956,161
150,000	18,667	62,009	105,000	110,000	29,598,150
45,000	-	14,349	80,159	110,100	9,324,782
-	-	-	-	-	249,033
64,275	13,903	375	14,831	-	634,374
-	-	-	-	-	141,129
-	-	-	-	-	82,697
-	-	-	-	-	2,392,443
-	-	-	-	-	828,997
-	-	-	-	-	8,248,923
-	-	-	-	-	2,571,251
-	-	-	-	-	1,039,074
-	-	-	-	-	3,737
-	-	-	-	-	126,374
109,275	13,903	14,724	94,990	110,100	25,642,814
40,725	4,764	47,285	10,010	(100)	3,955,336
-	-	43,331	17,814	2,867	3,614,502
<u>\$ 40,725</u>	<u>\$ 4,764</u>	<u>\$ 90,616</u>	<u>\$ 27,824</u>	<u>\$ 2,767</u>	<u>\$ 7,569,838</u>

Tomball Independent School District
Exhibit I-1

Schedule of Revenues, Expenditures and Changes
in Fund Balance – Budget and Actual
National School Breakfast and Lunch Program
For the Fiscal Year Ended June 30, 2022

Data Control Codes		1	2	3	Variance with Final Budget
		Budgeted Amounts		Actual	Positive (Negative)
		Original	Final		
REVENUES					
5700	Local and intermediate sources	\$ 4,381,225	\$ 4,381,225	\$ 1,327,514	\$ (3,053,711)
5800	State program revenues	187,000	187,000	295,142	108,142
5900	Federal program revenues	3,417,000	3,917,000	10,207,870	6,290,870
5020	Total revenues	7,985,225	8,485,225	11,830,526	3,345,301
EXPENDITURES					
Current:					
0035	Food services	7,846,805	8,347,000	8,248,923	98,077
6030	Total expenditures	7,846,805	8,347,000	8,248,923	98,077
1200	Net change in fund balance	138,420	138,225	3,581,603	3,443,378
0100	Fund balance - beginning	1,001,303	1,001,303	1,001,303	-
3000	FUND BALANCE - ENDING	\$ 1,139,723	\$ 1,139,528	\$ 4,582,906	\$ 3,443,378

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Custodial Fund

The Custodial fund consists of the Student Activity Funds that are held in a custodial capacity by the District and are the property of the student organizations. The students through fund raising activities and the payment of dues raise these funds. The school principal is responsible, under the authority of the Board, for collecting, controlling, disbursing and accounting for all student activity.

Tomball Independent School District
Combining Statement of Fiduciary Net Position
Fiduciary Funds
June 30, 2022

Exhibit J-1

	806 Custodial Fund	865 Custodial Fund	Total Custodial Funds (See Exhibit E-1)
	Tomball Scholarship Fund	Student Activity	
ASSETS			
Cash and cash equivalents	\$ -	\$ 270,637	\$ 270,637
Investments	585,130	-	585,130
Total assets	585,130	270,637	855,767
LIABILITIES			
Accounts payable	3,410	19,897	23,307
Total liabilities	3,410	19,897	23,307
NET POSITION			
Restricted for:			
Scholarships	581,720	-	581,720
Student activities	-	250,740	250,740
TOTAL NET POSITION	\$ 581,720	\$ 250,740	\$ 832,460

Tomball Independent School District**Exhibit J-2**

Combining Statement of Changes in Fiduciary Net Position

Fiduciary Funds

For the Fiscal Year Ended June 30, 2022

	806 Custodial Fund	865 Custodial Fund	Total Custodial Funds (See Exhibit E-2)
	Tomball Scholarship Fund	Student Activity	
ADDITIONS			
Contributions of gifts	\$ 37,442	\$ -	\$ 37,442
Investment earnings	1,559	-	1,559
Fees and other charges	-	429,343	429,343
Total additions	39,001	429,343	468,344
DEDUCTIONS			
Tuition	30,420	-	30,420
Operations and activities	-	399,685	399,685
Total deductions	30,420	399,685	430,105
Net change in fiduciary net position	8,581	29,658	38,239
Net position - beginning	573,139	221,082	794,221
NET POSITION - END OF YEAR	\$ 581,720	\$ 250,740	\$ 832,460

ANNUAL COMPREHENSIVE FINANCIAL REPORT

Compliance Schedule

The Compliance Schedule is required by the Texas Education Agency and is not required for disclosure in the Annual Comprehensive Financial Report (ACFR).

Tomball Independent School District
Schedule of Delinquent Taxes Receivable
For the Fiscal Year Ended June 30, 2022

Year Ended June 30,	1		2		3	
	Tax Rates				Assessed/Appraised Value For School Tax Purposes	
	Maintenance		Debt Service			
2013 and prior years	\$	Various	\$	Various	\$	Various
2014		1.020		0.340		6,634,270,132
2015		1.020		0.340		7,652,629,504
2016		1.020		0.320		8,905,092,164
2017		1.040		0.300		9,746,642,313
2018		1.040		0.300		10,174,184,328
2019		1.040		0.300		10,462,962,313
2020		0.970		0.320		11,324,561,085
2021		0.940		0.350		12,053,390,000
2022		0.895		0.355		13,141,925,057

1000 TOTALS

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

Exhibit K-1

10 Beginning Balance 7/1/2021	20 Current Year's Total Levy	31 Maintenance Collections	32 Debt Service Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/2022
\$ 792,583	\$ -	\$ 2,205	\$ 651	\$ 2,316	\$ 792,043
132,254	-	594	198	70	131,532
128,823	-	(1,359)	(453)	(1,810)	128,825
133,681	-	4,409	1,383	(197)	127,692
213,096	-	16,167	4,667	(7,171)	185,091
257,167	-	12,889	3,720	(20,355)	220,203
437,693	-	(31,617)	(9,127)	(40,075)	438,362
884,590	-	43,978	14,511	(55,859)	770,242
2,380,418	-	(61,097)	(22,747)	(2,042,453)	421,809
-	164,274,063	115,761,334	45,916,506	-	2,596,223
<u>\$ 5,360,305</u>	<u>\$ 164,274,063</u>	<u>\$ 115,747,503</u>	<u>\$ 45,909,309</u>	<u>\$ (2,165,534)</u>	<u>\$ 5,812,022</u>
		\$ -	\$ -		

ANNUAL COMPREHENSIVE FINANCIAL REPORT

A 3D bar chart with six bars of increasing height, colored blue, green, yellow, red, yellow, and red. To the right, a line graph with three lines (blue, orange, green) is visible on a grid. The background is a light gray with a subtle grid pattern.

Statistical Section

Statistical Section

The statistical section of this report is used to provide detailed data on the physical, economic and social characteristic of the district. This data (both current and historical) is provided so that financial report users will have a broader and more complete understanding of the government unit and its financial affairs than is possible to achieve from the basic financial statements alone. This section is categorized as follows:

Financial Trends Information - data that will assist users in understanding and assessing how the government's financial position has changed over time.

Revenue Capacity Information - data that will help users assess the factors affecting the Districts most significant local revenue source, the property tax.

Debt Capacity Information - data presented to assist in assessing the Districts current debt burden and its ability to issue additional debt in the future.

Demographic and Economic Information - data that will assist with understanding the socioeconomic environment in which the District operates and that facilitates comparisons over time.

Operating Information – data that is intended to provide information about the District's operations and resources that will assist the user or understand and assess the economic condition of the District.

The tables in this section usually cover ten fiscal years and often include data obtained from sources outside the District's accounting records. The source of financial information found in these tables is from the District's Annual Financial Reports for the relevant year, unless indicated otherwise. The tables are unaudited due to nature of the information contained therein.

TOMBALL INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

(Unaudited)

	2022	2021	2020	2019*
Governmental Activities:				
Net Investment in Capital Assets	\$ (35,972,641)	\$ (30,099,053)	\$ (28,823,961)	\$ (32,194,940)
Restricted for Grants	9,377,115	5,117,392	7,146,054	5,232,344
Restricted for Debt Service	12,989,517	11,006,028	9,041,337	7,655,611
Unrestricted	16,924,089	845,514	167,426	(1,363,632)
Total Governmental Activities Net Position	<u>\$ 3,318,080</u>	<u>\$ (13,130,119)</u>	<u>\$ (12,469,144)</u>	<u>\$ (20,670,617)</u>
Business-type Activities:				
Unrestricted	66,501 (3)	-	-	-
Total Business-type Activities Net Position	<u>66,501</u>	<u>-</u>	<u>-</u>	<u>-</u>
Primary Government:				
Net Investment in Capital Assets	\$ (35,972,641)	\$ (30,099,053)	\$ (28,823,961)	\$ (32,194,940)
Restricted for Grants	9,377,115	5,117,392	7,146,054	5,232,344
Restricted for Debt Service	12,989,517	11,006,028	9,041,337	7,655,611
Unrestricted	16,990,590	845,514	167,426	(1,363,632)
Total Primary Government Net Position	<u>\$ 3,384,581</u>	<u>\$ (13,130,119)</u>	<u>\$ (12,469,144)</u>	<u>\$ (20,670,617)</u>

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Net Position decreased primarily due to the effects of a prior period adjustment for the implementation of GASB 68 and GASB 71 relating to pensions.

(2) Net position decreased primarily due to the effects of adjustments for the implementation of GASB 75 relating to OPEB.

(3) The District took over the operation of the concession stands at the new stadium.

Source of Data: District Records - Exhibit A-1 of Audit Report

Table 1

2018	2017	2016	2015	2014	2013
\$ (320,708,264)	\$ (35,064,497)	\$ (8,992,195)	\$ (2,203,806)	\$ (3,450,507)	\$ (7,456,807)
4,130,650	4,557,550	2,558,845	3,182,295	-	-
5,399,771	3,768,107	3,172,636	1,284,935	4,774,887	-
270,276,568	54,546,428	31,230,818	32,955,267	40,486,367	50,071,045
<u>\$ (40,901,275)</u>	<u>\$ 27,807,588</u>	<u>\$ 27,970,104</u>	<u>\$ 35,218,691</u>	<u>\$ 41,810,747</u>	<u>\$ 42,614,238</u>
-	-	-	-	-	-
-	-	-	-	-	-
\$ (320,708,264)	\$ (35,064,497)	\$ (8,992,195)	\$ (2,203,806)	\$ (3,450,507)	\$ (7,456,807)
4,130,650	4,557,550	2,558,845	3,182,295	-	-
5,399,771	3,768,107	3,172,636	1,284,935	4,774,887	-
270,276,568	54,546,428	31,230,818	32,955,267	40,486,367	50,071,045
<u>\$ (40,901,275) (2)</u>	<u>\$ 27,807,588</u>	<u>\$ 27,970,104</u>	<u>\$ 35,218,691 (1)</u>	<u>\$ 41,810,747</u>	<u>\$ 42,614,238</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Expenses	2022	2021	2020	2019*	2018
Governmental Activities:					
Instruction	\$ 127,815,159	\$ 131,968,741	\$ 117,162,418	\$ 98,736,401	\$ 67,436,020
Instructional Resources and Media Services	2,202,537	2,193,104	1,972,057	1,909,061	1,508,963
Curriculum and Instructional Staff Development	1,752,723	1,727,128	2,214,857	2,247,688	1,902,824
Instructional Leadership	3,599,349	3,442,174	2,479,772	1,750,670	1,059,773
School Leadership	9,393,739	10,495,683	10,229,337	8,979,025	6,058,024
Guidance, Counseling, and Evaluation Services	6,855,744	7,911,103	5,607,775	5,135,869	3,138,282
Social Work Services	62,711	67,589	70,272	68,651	47,842
Health Services	1,933,858	2,218,890	1,970,060	1,868,316	1,154,397
Student (Pupil) Transportation	8,331,394	7,794,283	7,902,297	6,657,611	5,144,869
Food Services	8,295,349	6,140,208	7,996,647	6,839,518	5,268,653
Extracurricular Activities	7,218,819	5,547,706	6,082,895	5,595,138	5,768,400
General Administration	5,719,169	5,513,102	5,014,025	3,589,984	3,145,876
Plant Maintenance and Operations	17,385,946	15,322,065	12,984,598	10,813,112	11,549,042
Security and Monitoring Services	1,954,948	993,433	708,438	809,451	560,086
Data Processing Services	2,481,101	2,500,108	2,106,844	1,844,223	2,938,595
Community Services	115,664	79,461	103,157	54,034	69,947
Interest on Long-term Debt	20,886,023	20,868,513	18,862,975	15,460,435	17,176,349
Issuance Cost and Fees	1,246,666	731,572	1,052,253	9,716	1,186,189
Facilities, Repair and Maintenance	3,865,694	1,094,422	-	-	212,816
Payments to Juvenile Justice Alternative Ed. Prog.	23,700	24,600	3,000	22,800	22,800
Other Intergovernmental Charges	1,200,159	1,111,111	1,082,229	1,050,348	1,001,642
Total Governmental Activities Expenses	<u>232,340,452</u>	<u>227,744,996</u> (3)	<u>205,605,906</u> (3)	<u>173,442,051</u> (3)	<u>136,351,389</u> (5)
Business Type Activities:					
Early Excellence Academy	616,135	603,159 (7)	450,164 (7)	-	-
Other Enterprising Activities	605,385 (8)	-	-	-	-
Total Business Type Activities	<u>1,221,520</u>	<u>603,159</u>	<u>450,164</u>	<u>-</u>	<u>-</u>
Total Primary Government Expenses	<u>233,561,972</u>	<u>228,348,155</u>	<u>206,056,070</u>	<u>173,442,051</u>	<u>136,351,389</u>
Program Revenues					
Governmental Activities:					
Charges for Services					
Instruction	2,162,149	750,152	1,086,880	1,234,548	1,649,232
Food Services	1,326,266	2,505,573 (6)	2,968,447 (6)	3,538,527	3,425,524
Extracurricular Activities	2,682,090	1,253,675	1,590,711	1,400,682	1,648,323
Other Activities	1,546,265	385,521	328,672	267,852	389,479
Operating Grants and Contributions	24,416,725	25,755,122	25,184,900	20,260,367	(12,001,949)
Total Government Activities Program Revenues	<u>32,133,495</u>	<u>30,650,043</u>	<u>31,159,610</u>	<u>26,701,976</u>	<u>(4,889,391)</u>
Business Type Activities:					
Charges For Services	811,072 (8)	304,121 (7)	200,473 (7)	-	-
Total Primary Government Program Revenues	<u>32,944,567</u>	<u>30,954,164</u>	<u>31,360,083</u>	<u>26,701,976</u>	<u>-4,889,391</u>
Net (Expense)/Revenue					
Total Primary Government Net Expense	<u>\$ (200,617,405)</u>	<u>\$ (197,393,991)</u>	<u>\$ (174,695,987)</u>	<u>\$ (146,740,075)</u>	<u>\$ (141,240,780)</u>
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property Taxes, Levied for General Purposes	116,305,265	113,357,962	109,963,955 (4)	107,847,269	106,641,291
Property Taxes, Levied for Debt Service	46,703,736	42,495,848	36,475,518	31,368,087	30,909,922
Investment Earnings	916,165	474,675	3,893,169	5,010,899	3,329,028
Grants and Contributions Not Restricted to Specific Programs	52,299,688	39,667,602	32,185,392 (2)	22,626,613 (2)	7,488,953
Miscellaneous	906,895	503,962	379,426	117,865	228,578
Transfers	(476,593)	-	-	-	-
Total Governmental Activities General Revenues	<u>216,655,156</u>	<u>196,500,049</u>	<u>182,897,460</u>	<u>166,970,733</u>	<u>148,597,772</u>
Business Type Activities:					
Investment Earnings	356	-	-	-	-
Transfers	476,593	-	-	-	-
Total Business Type Activities General Revenues	<u>476,949</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total Primary Government Revenues	<u>\$ 217,132,105</u>	<u>\$ 196,500,049</u>	<u>\$ 182,897,460</u>	<u>\$ 166,970,733</u>	<u>\$ 148,597,772</u>
Change in Net Position					
Governmental Activities	16,448,199	(893,942)	8,201,473	20,230,658	7,356,992
Business Type Activities	66,501	-	-	-	-
	<u>\$ 16,514,700</u>	<u>\$ (893,942)</u>	<u>\$ 8,201,473</u>	<u>\$ 20,230,658</u>	<u>\$ 7,356,992</u>

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Higher tax revenues were the result of the District's increased property values.

(2) Increase in state aid to offset state mandated decrease in tax rate.

(3) Increase is due to expenditures related to student growth.

(4) Decrease in tax revenues were the result of the state mandated decrease in tax rate.

(5) Decrease in government-wide expenditures is due to the negative on-behalf reported by the nonemployer contributing entity(State), related to OPEB and Pension liabilities.

(6) The decrease is due to switching to 100% virtual learning in the last quarter of the fiscal year due to the coronavirus pandemic.

Many students remained virtual during the 2020-2021 school reducing the amount of service needed.

(7) The increase is due to the opening of the Early Excellence Academy(staff daycare).

(8) The increase is due to the operation of new enterprise funds: Stadium Concessions, Tomball Event Center, Catering.

Table 2

2017	2016	2015	2014	2013
\$ 89,444,988	\$ 84,015,144	\$ 67,660,376	\$ 64,053,457	\$ 57,529,140
1,866,542	1,820,052	1,516,571	1,446,483	1,490,940
2,067,949	1,950,743	1,259,908	1,059,081	1,085,211
1,771,280	1,486,902	1,366,800	1,201,533	1,047,845
8,357,494	8,528,973	6,953,597	6,443,317	6,047,417
4,924,544	4,563,919	4,025,170	3,833,908	3,710,790
62,157	65,639	65,180	59,804	61,248
1,712,282	1,573,756	1,221,821	1,137,655	1,142,337
5,719,505	5,259,615	5,005,281	4,880,484	4,597,969
6,312,546	6,168,181	5,576,810	5,717,567	4,966,651
6,529,176	5,923,522	5,394,464	5,540,932	5,236,220
4,209,238	3,552,553	3,128,800	3,003,401	2,802,508
12,528,069	11,852,403	10,999,205	13,410,332	10,481,103
535,216	451,809	433,968	447,606	418,110
1,764,694	1,821,953	1,746,946	1,682,560	1,521,517
41,734	51,092	18,842	476,529	58,263
13,880,813	14,925,045	15,404,277	13,603,075	12,948,165
809,128	141,723	387,465	737,654	16,283
1,801,061	3,251,261	2,342,623	901,730	65,523
4,800	2,500	24,727	22,620	7,973
955,313	886,750	796,744	666,950	633,291
<u>165,298,529</u> (3)	<u>158,293,535</u> (3)	<u>135,329,575</u> (3)	<u>130,326,678</u> (3)	<u>115,868,504</u> (3)
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>165,298,529</u>	<u>158,293,535</u>	<u>135,329,575</u>	<u>130,326,678</u>	<u>115,868,504</u>
1,027,249	737,476	759,624	577,779	652,924
3,367,473	3,152,123	3,040,043	2,863,223	2,746,723
1,675,208	1,481,439	1,304,270	1,190,208	1,201,893
494,136	578,978	437,444	648,089	354,689
14,640,850	15,608,695	10,576,894	11,715,123	9,661,952
<u>21,204,916</u>	<u>21,558,711</u>	<u>16,118,275</u>	<u>16,994,422</u>	<u>14,618,181</u>
-	-	-	-	-
<u>21,204,916</u>	<u>21,558,711</u>	<u>16,118,275</u>	<u>16,994,422</u>	<u>14,618,181</u>
<u>\$ (144,093,613)</u>	<u>\$ (136,734,824)</u>	<u>\$ (119,211,300)</u>	<u>\$ (113,332,256)</u>	<u>\$ (101,250,323)</u>
102,830,410	90,717,118 (1)	78,347,780	68,045,469	61,256,505
29,748,099	28,438,655 (1)	26,113,367	22,642,257	21,100,637
1,234,230	480,246	560,734	140,182	128,753
9,935,659	18,885,869	19,807,829	21,697,550	19,944,171
182,699	240,885	127,178	3,307	168,253
-	-	-	-	-
<u>143,931,097</u>	<u>138,762,773</u>	<u>124,956,888</u>	<u>112,528,765</u>	<u>102,598,319</u>
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
<u>\$ 143,931,097</u>	<u>\$ 138,762,773</u>	<u>\$ 124,956,888</u>	<u>\$ 112,528,765</u>	<u>\$ 102,598,319</u>
(162,516)	2,027,949	5,745,588	(803,491)	1,347,996
-	-	-	-	-
<u>\$ (162,516)</u>	<u>\$ 2,027,949</u>	<u>\$ 5,745,588</u>	<u>\$ (803,491)</u>	<u>\$ 1,347,996</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
FUND BALANCES - GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)
(Unaudited)

Fiscal Year:	2022	2021	2020	2019*
General Fund				
Non-spendable	\$ 1,315,199	\$ 1,014,276	\$ 763,860	\$ 702,211
Restricted for Federal/State Funds Grants	4,627,513	4,088,313	5,557,512	3,471,279
Other Committed	37,933,254	38,616,111	3,810,860	16,192,295
Assigned for:				
Construction	-	-	-	-
Claims and Judgements	-	-	-	1,000,000
Capital Expenditures for Equipment	-	-	-	3,000,000
Self-Insurance	-	-	-	1,000,000
Other Assigned Fund Balance	708,704	160,914	1,549,556	6,180,002
Unassigned Fund Balance	62,697,297	51,990,617	79,903,039	48,282,615
Total General Fund	<u>\$ 107,281,967</u>	<u>\$ 95,870,231</u>	<u>\$ 91,584,827</u>	<u>\$ 79,828,402</u>
All Other Governmental Funds				
Non-spendable Inventories	\$ -	\$ 84,537	\$ -	\$ -
Restricted for:				
Federal/State Funds Grant Restrictions	4,749,602 (2)	1,029,079	1,588,542	1,761,065
Capital Acquisition Program and				
Contractual Obligations	122,169,111 (1)	36,345,867	169,767,274 (1)	141,417,321 (1)
Retirement of Long-term Debt	21,850,708	18,766,179	16,082,236	14,744,613
Other Committed	2,820,236	2,512,285	2,065,471	2,215,404
Unassigned Fund Balance	-	(11,399)		
Total All Other Governmental Funds	<u>\$ 151,589,657</u>	<u>\$ 58,726,548</u>	<u>\$ 189,503,523</u>	<u>\$ 160,138,403</u>

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Increase due to sale of bonds for construction of new facilities and renovations of existing facilities.
months to pay liability and complete planned construction.

(2) Increase due to additional Covid 19 Relief funds.

Source of Data: District records - Exhibit C-1 of the Audit Report

Table 3

2018	2017	2016	2015	2014	2013
\$ 556,679	\$ 445,734	\$ 466,366	\$ 458,042	\$ 530,492	\$ 503,409
2,726,850	3,301,960	1,321,388	1,963,946	3,338,633	4,908,891
16,628,581	17,563,802	18,500,000	17,459,120	17,459,120	18,300,000
-	-	-	3,000,000	3,000,000	3,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
3,000,000	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
1,000,000	1,000,000	1,000,000	1,000,000	1,000,000	1,000,000
6,000,000	6,157,308	6,000,000	4,000,000	4,000,000	4,000,000
30,458,625	33,976,827	32,754,397	27,739,914	20,709,537	22,606,078
<u>\$ 61,370,735</u>	<u>\$ 66,445,631</u>	<u>\$ 64,042,151</u>	<u>\$ 59,621,022</u>	<u>\$ 54,037,782</u>	<u>\$ 58,318,378</u>
\$ -	\$ -	\$ -	\$ 138,078	\$ 38,548	\$ 43,529
1,403,800	1,255,590	1,237,457	1,218,349	1,436,254	-
155,729,420 (1)	13,877,292	-	46,777,935	78,123,766	9,460,436
5,762,825	3,812,804	3,346,322	1,500,436	2,053,799	1,795,601
2,176,773	1,969,148	1,671,650	1,611,164	1,388,889	3,521,891
<u>\$ 165,072,818</u>	<u>\$ 20,914,834</u>	<u>\$ 6,255,429</u>	<u>\$ 51,245,962</u>	<u>\$ 83,041,256</u>	<u>\$ 14,821,457</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2022	2021	2020	2019*
REVENUES				
Local and Intermediate	\$ 173,691,378	\$ 162,174,467	\$ 156,557,309	\$ 151,066,324
State Programs	61,788,345 (8)	49,796,027 (8)	41,745,213 (1)	27,415,015
Federal Programs	24,207,546 (8)	13,761,709	8,893,571	8,639,058
Total Revenues	<u>259,687,269</u>	<u>225,732,203</u>	<u>207,196,093</u>	<u>187,120,397</u>
EXPENDITURES				
Current:				
Instruction	120,214,286	119,107,924	96,424,217	81,914,273
Instructional Resources and Media Services	2,195,980	1,994,389	1,668,832	1,648,037
Curriculum and Instructional Staff Development	1,799,343	1,689,497	1,983,646	2,029,778
Instructional Leadership	3,931,457	3,262,938	2,178,355	1,537,187
School Leadership	9,848,138	9,859,921	8,988,180	7,913,941
Guidance, Counseling, and Evaluation Services	7,336,476	7,460,539	4,934,128	4,556,370
Social Work Services	67,664	67,010	65,995	64,855
Health Services	2,075,519	2,114,435	1,751,849	1,681,339
Student (Pupil) Transportation	8,500,437	8,283,502	7,023,995	7,362,615
Food Services	8,248,923	5,513,907	6,763,393	6,083,375
Extracurricular Activities	6,409,763	4,481,530	4,735,214	4,492,272
General Administration	5,943,842	5,468,626	4,751,755	3,379,619
Plant Maintenance and Operations	17,525,069	14,818,699	12,243,524	11,363,078
Security and Monitoring Services	2,002,571	1,316,075	960,105	804,995
Data Processing Services	2,576,859	2,423,830	1,960,752	1,733,965
Community Services	126,374	40,540	71,556	52,756
Payments to Juvenile Justice Alternative Education Programs	23,700	24,600	3,000	22,800
Other Intergovernmental Charges:	1,200,159	1,111,111	1,082,229	1,050,348
Debt Service:				
Principal on Long-term Debt	21,371,880	16,680,000	14,685,000	12,390,000
Interest on Long-term Debt	23,048,147	22,842,689	20,782,224	10,654,393
Issuance Costs and Fees	1,246,666	731,572	1,052,253	9,716
Capital Outlay:				
Facilities Acquisition and Construction	60,700,009	122,864,369	97,612,887	12,851,433
Total Expenditures	<u>306,393,262</u>	<u>352,157,703</u>	<u>291,723,089</u>	<u>173,597,145</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>(46,705,993)</u>	<u>(126,425,500)</u>	<u>(84,526,996)</u>	<u>13,523,252</u>
OTHER FINANCING SOURCES (USES)				
Sale of Bonds, Refunding and Building	160,615,000	46,455,000	134,005,000	-
Premium/Discount from Sale of Bonds	9,196,652	6,426,344	17,543,232	-
Proceeds from Right of Use Leased Assets	335,779 (9)	-	-	-
Sale of Real and Personal Property	-	-	-	-
Transfers In	-	-	-	-
Transfers Out	(476,593)	(299,038)	(249,691)	-
Payment to Refunded Bond Escrow Agent	(18,690,000)	(52,881,344)	(25,650,000)	-
Total Other Financing Sources (Uses)	<u>150,980,838</u>	<u>(299,038)</u>	<u>125,648,541</u>	<u>-</u>
Net Change in Fund Balances	<u>\$ 104,274,845 (4)</u>	<u>\$ (126,724,538) (6)</u>	<u>\$ 41,121,545 (4)</u>	<u>\$ 13,523,252</u>
Debt Service(7) as a Percentage of Noncapital Expenditures(5)	17.92%	17.44%	18.38%	14.68%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Increase primarily due to state legislative changes increasing state funding when the M&O tax rate is compressed.

(2) Increase primarily due to an increase in property tax revenue resulting from an increase in property values.

(3) Decrease due to reduced state funding resulting from increased property values and Chapter 41 recapture.

(4) Increase due to sale of general obligation bonds for construction projects.

(5) Noncapital Expenditures are Total Expenditures less Capital Expenditures as stated in Exhibit C-3.

(6) Decrease primarily due to the use of Capital Projects funds to continue construction and renovations of new and existing facilities.

(7) Debt Service includes principal and interest.

(8) Increase due to receipt of additional funds for Covid Relief.

(9) Leased assets reported based on GASB 87.

Table 4

2018	2017	2016	2015	2014	2013
\$ 149,251,867 (2)	\$ 140,566,562	\$ 126,163,582	\$ 111,174,117	\$ 96,683,324	\$ 88,355,928
15,084,798	16,062,918 (3)	25,402,000	24,982,366	26,887,779	23,903,743
7,241,976	7,138,267	6,284,784	6,120,576	5,984,356	5,278,344
171,578,641	163,767,747	157,850,366	142,277,059	129,555,459	117,538,015
86,077,380	78,181,777	74,070,334	64,575,117	59,582,176	52,798,395
1,772,365	1,625,384	1,563,407	1,334,132	1,243,303	1,254,865
2,543,832	1,957,855	1,906,699	1,282,347	1,057,641	1,082,678
1,745,159	1,641,832	1,442,978	1,403,776	1,197,653	1,042,731
8,592,977	7,809,519	7,889,749	6,773,151	6,117,891	5,673,364
4,750,242	4,574,537	4,300,520	4,009,099	3,711,646	3,578,815
66,190	63,190	62,814	66,379	59,826	61,196
1,696,202	1,613,551	1,508,819	1,202,040	1,097,326	1,094,991
5,793,999	6,875,436	5,126,338	4,364,522	5,006,711	3,974,949
6,004,426	5,729,372	5,615,014	5,329,768	5,247,943	4,406,515
5,481,900	5,100,227	4,551,552	4,155,502	4,199,928	3,823,206
4,017,028	3,674,466	3,435,101	3,177,954	3,001,783	2,796,846
12,463,176	12,912,216	11,518,841	14,170,049	13,805,243	10,223,658
576,931	538,751	447,730	434,801	447,673	417,957
3,232,898	1,824,050	1,683,084	1,677,943	1,539,535	1,390,811
71,841	39,876	51,204	19,398	476,535	58,252
22,800	4,800	2,500	24,727	22,620	7,973
1,001,642	955,313	886,750	796,744	666,950	633,291
14,155,000	14,260,000	11,315,000	8,295,000	7,270,000	8,165,000
18,738,008	15,163,713	15,936,886	18,849,937	15,230,633	13,172,080
1,186,189	809,128	141,723	387,465	737,654	16,283
6,850,465	15,349,757	44,962,727	66,565,469	21,916,073	547,911
186,840,650	180,704,750	198,419,770	208,895,320	153,636,743	116,221,767
(15,262,009)	(16,937,003)	(40,569,404)	(66,618,261)	(24,081,284)	1,316,248
133,405,000	99,645,000	-	137,450,000	81,095,000	-
20,940,097	11,408,431	-	22,403,014	6,025,487	-
-	-	-	-	-	-
-	60,000	-	-	900,000	-
-	878,156	878,156	-	-	-
-	(878,156)	(878,156)	-	-	-
-	(77,113,543)	-	(119,446,807)	-	-
154,345,097	33,999,888	-	40,406,207	88,020,487	-
\$ 139,083,088 (4)	\$ 17,062,885	\$ (40,569,404) (6)	\$ (26,212,054) (6)	\$ 63,939,203 (4)	\$ 1,316,248
18.27%	17.84%	17.57%	19.30%	17.28%	18.50%

TOMBALL INDEPENDENT SCHOOL DISTRICT**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS**

(Unaudited)

Table 5

Fiscal Year	Assessed Value		Less: Exemptions	Actual Taxable Value	Total Direct Rate (1)
	Real Property Value	Personal Property Value			
2022	\$ 15,076,416,188	\$ 775,950,778	\$ 2,710,441,909	13,141,925,057	1.25
2021	13,782,793,678	785,127,434	2,514,531,112	12,053,390,000	1.29
2020	12,895,722,026	873,101,204	2,444,262,145	11,324,561,085	1.29
2019*	11,912,590,160	829,828,817	2,037,893,396	10,704,525,581	1.34
2018	11,187,343,534	1,003,007,501	2,016,166,707	10,174,184,328	1.34
2017	10,686,666,225	1,123,438,494	2,063,462,406	9,746,642,313	1.34
2016	9,751,430,862	1,181,179,447	2,027,518,145	8,905,092,164	1.34
2015	8,164,109,661	1,018,268,070	1,529,748,253	7,652,629,504	1.36
2014	6,907,768,414	1,025,319,254	1,298,817,536	6,634,270,132	1.36
2013	6,188,833,790	1,057,020,308	1,245,816,230	6,000,037,868	1.36

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Tax Rates are per \$100 of actual taxable value.

Source: Harris and Montgomery County (Texas) Appraisal Districts provide the District's tax office with appraised values for properties within the District's taxing authority. Appraised value equals assessed value.

Assessed value less exemptions equals actual taxable value. Taxable value times the tax rate set by the District's Board of Trustees each fall equals the tax levy.

TOMBALL INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS

(PER \$100 OF ACTUAL TAXABLE VALUE)

LAST TEN FISCAL YEARS

(Unaudited)

Taxing Authority	2022	2021	2020	2019*	2018
<u>Overlapping Rates:</u>					
Faulkey Gulley MUD	0.35800	0.37200	0.32000	0.38000	0.38000
Harris County	0.37693	0.39116	0.40713	0.41858	0.41801
Harris County Dept. of Education	0.00499	0.00499	0.00500	0.00519	0.00520
Harris County Flood Control Dist.	0.03349	0.03142	0.02792	0.02877	0.02831
Harris County MUD #280	0.63000	0.65000	0.66000	0.67000	0.62500
Harris County MUD #281	0.51000	0.55000	0.56000	0.57000	0.59000
Harris County MUD #286	0.12180	0.12500	0.12500	0.13000	0.13000
Harris-Montgomery County MUD #386	0.49000	0.04900	0.49000	0.46500	0.46500
Lone Star College System District	0.10780	0.10780	0.10780	0.10780	0.10780
Malcomson Road UD	0.42000	0.44000	0.44000	0.44000	0.44000
Montgomery County	0.40830	0.43120	0.44750	0.46670	0.46670
Northpointe WC&ID	0.26000	0.27000	0.27000	0.27500	0.28000
Northwest Harris County MUD #5	0.73000	0.75000	0.76000	0.77000	0.78000
Northwest Harris County MUD #15	0.55000	0.05650	0.59500	0.58000	0.60000
Port of Houston Authority	0.00872	0.00991	0.01074	0.11550	0.01256
Tomball, City of	0.33339	0.33786	0.34146	0.34146	0.34146
The Woodlands Township	0.22310	0.22310	0.22400	0.22730	0.23000
<u>District Direct Rates:</u>					
Maintenance & Operations	\$ 0.8950	\$ 0.9400	\$ 0.9700	\$ 1.0400	\$ 1.0400
Debt Service	0.3550	0.3500	0.3200	0.3000	0.3000
Total District Direct Rates	\$ 1.2500	\$ 1.2900	\$ 1.2900	\$ 1.3400	\$ 1.3400

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

Source of Data: District's financial advisor.

Table 6

2017	2016	2015	2014	2013
0.38000	0.42000	0.49000	0.52600	0.52600
0.41656	0.41923	0.41731	0.41455	0.40021
0.00520	0.00542	0.00599	0.00635	0.00662
0.02829	0.02733	0.02736	0.02827	0.02809
0.58500	0.61000	0.66500	0.70500	0.70500
0.59000	0.64000	0.74000	0.86000	0.98000
0.13000	0.13000	0.16000	0.18000	0.18000
0.46500	0.46500	0.50000	0.72000	0.94000
0.10780	0.10790	0.10810	0.11600	0.11980
0.44000	0.44000	0.48000	0.53000	0.53000
0.46670	0.47670	0.47670	0.48380	0.48380
0.29000	0.35000	0.38000	0.38500	0.38500
0.78000	0.79000	0.79000	0.79000	0.79000
0.63000	0.65000	0.75000	0.83000	0.83000
0.01256	0.01342	0.01531	0.01716	0.01952
0.34146	0.34146	0.34145	0.34145	0.34145
0.23000	0.23000	0.25000	0.29400	0.31730
\$ 1.0400 0.3000	\$ 1.0200 0.3200	\$ 1.0200 0.3400	\$ 1.0200 0.3400	\$ 1.0100 0.3500
\$ 1.3400	\$ 1.3400	\$ 1.3600	\$ 1.3600	\$ 1.3600

TOMBALL INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 7

Taxpayer	2022			2013		
	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (2)	Actual Taxable Value (1)	Rank	Percentage of Actual Taxable Value (3)
TCH Northwest Assoc.	\$ 119,900,000	1	0.91%			
Chevron Business & Real Estate	113,233,389	2	0.86%			
North Houston TRMC LLC	97,009,963	3	0.74%			
MFI HPE Campus LLC	82,678,848	4	0.63%			
Chasewood TP LLC	67,634,083	5	0.51%			
Centerpoint Energy	66,857,217	6	0.51%			
SYNC at Spring Cypress Lp	41,500,000	7	0.32%			
CS Apartment Holding Co	40,687,605	8	0.31%			
PAC Northpointe LLC	38,500,000	9	0.29%			
Weingarten Investments Inc.	37,160,933	10	0.28%			
Hewlett Packard				\$ 480,375,971	1	8.01%
BJ Services Company				191,216,477	2	3.19%
Tomball Texas Hospital Co LLC				140,843,583	3	2.35%
Hon Hai Precision				44,698,287	4	0.74%
The Woodlands Land Dev				43,881,969	5	0.73%
WalMart Stores				36,779,240	6	0.61%
PCA Cypress Creek LLC				32,113,609	7	0.54%
CTP Office Ltd.				31,132,530	8	0.52%
Mustang Cat-Manufacturing				30,324,697	9	0.51%
Centerpoint Energy				29,807,897	10	0.50%
TOTALS	\$ 705,162,038		5.37%	\$ 1,061,174,260		17.69%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Actual (taxable) value equals appraised/assessed value after exemptions.

(2) Actual taxable value 2022 equals: \$ 13,141,925,057

(3) Actual taxable value 2013 equals: \$ 6,000,037,868

Source: Harris and Montgomery County (Texas) Appraisal Districts

TOMBALL INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS
(Unaudited)

Table 8

Fiscal Year	Net Tax Levy for the Fiscal Year (1)	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2022	\$ 164,274,063	\$ 161,677,840	98.42%	\$ -	161,677,840	98.42%
2021	153,446,278	153,108,313	99.78%	(83,844)	153,024,469	99.73%
2020	144,933,518	143,661,558	99.12%	501,718	144,163,276	99.47%
2019*	139,416,544	138,012,030	98.99%	966,152	138,978,182	99.69%
2018	135,026,882	135,039,031	100.01%	(232,352)	134,806,679	99.84%
2017	130,158,614	129,031,883	99.13%	941,640	129,973,523	99.86%
2016	118,794,920	117,424,796	98.85%	1,242,432	118,667,228	99.89%
2015	104,067,937	103,047,623	99.02%	891,489	103,939,112	99.88%
2014	90,359,546	89,262,641	98.79%	965,373	90,228,014	99.85%
2013	81,488,337	80,741,322	99.08%	636,931	81,378,253	99.86%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Appraised/assessed value less exemptions equals actual taxable value. The beginning actual taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

Source: Exhibit J-1, per Audit Report provides original levy and continuing adjustments to be reflected as net levy, and provides collections in year of levy as well as subsequent years. Collections are reported from District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS
(Unaudited)

Table 9

Fiscal Year	<u>Governmental Activities</u>		Total Primary Government	Ratio of Debt to Actual Taxable Value (2)	Ratio of Debt to Personal Income (3)	Debt Per Capita(4)	Debt Per Student (5)
	General Obligation Bonds (1)	Leases Payable (1)					
2022	\$ 761,609,633	\$ 837,339	\$ 762,446,972	5.80%	(6)	(6)	37,629
2021	635,212,022	-	635,212,022	5.27%	0.20%	134	34,030
2020	657,380,053	-	657,380,053	5.80%	0.23%	139	35,934
2019*	548,881,402	-	548,881,402	5.13%	0.19%	116	32,403
2018	563,986,782	-	563,986,782	5.54%	0.21%	120	35,397
2017	426,268,627	-	426,268,627	4.37%	0.17%	92	28,547
2016	406,598,509	-	406,598,509	4.57%	0.17%	89	30,221
2015	419,518,993	-	419,518,993	5.48%	0.17%	92	33,242
2014	382,513,067	-	382,513,067	5.77%	0.15%	86	32,133
2013	304,534,957	-	304,534,957	5.08%	0.13%	70	27,278

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.

(2) See Table 5 for actual taxable value data.

(3) See Table 12 for personal income data.

(4) See Table 12 for population data.

(5) See Table 15 for student average daily attendance data.

(6) Data not available for the year.

Source: District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT**Table 10****RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING****LAST TEN FISCAL YEARS****(Unaudited)**

Fiscal Year	General Obligation Bonds (1)	Less Amounts Available in Debt Service Fund (4)	Net General Bonded Debt	Ratio of Net General Bonded Debt to Actual Taxable Value (2)	Net General Bonded Debt per Student (3)
2022	\$ 761,609,633	\$ 12,989,517	748,620,116	5.70%	36,947
2021	635,212,022	11,006,028	624,205,994	5.18%	33,441
2020	657,380,053	9,041,337	648,338,716	5.73%	35,440
2019*	548,881,402	7,655,611	541,225,791	5.06%	31,951
2018	563,986,782	5,399,221	558,587,561	5.49%	35,059
2017	426,268,627	3,768,107	422,500,520	4.33%	28,295
2016	406,598,509	3,172,636	403,425,873	4.53%	29,986
2015	419,518,993	1,284,935	418,234,058	5.47%	33,141
2014	382,513,067	4,774,887	377,738,180	5.69%	31,732
2013	304,534,957	-	304,534,957	5.08%	27,278

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Details regarding the District's outstanding debt, net of premiums, discounts, and adjustments can be found in the Notes to the Financial Statements.

(2) See Table 5 for actual taxable value data.

(3) See Table 15 for student average daily attendance data.

(4) These are the resources that are restricted for the principal payments of general obligation debt per the Debt Service Fund.

Source: District records.

TOMBALL INDEPENDENT SCHOOL DISTRICT**Table 11****DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**

June 30, 2022

(Unaudited)

Taxing Authority	Gross Debt Outstanding	Percent Overlapping (1)	Amount Applicable to School District
<u>Overlapping:</u>			
Governmental Subdivisions			
Harris County	\$ 1,682,992,125	2.22 %	\$ 37,362,425
Harris County Flood Control District	584,900,000	2.22	12,984,780
Harris County Hospital District	76,385,000	2.22	1,695,747
Montgomery County	464,200,000	1.48	6,870,160
Port of Houston Authority	469,434,397	2.22	10,421,444
The Woodlands Township	22,620,000	11.39	2,576,418
Cities			
City of Tomball	28,790,000	99.42	28,623,018
Special Districts			
Harris County Department of Education	20,185,000	2.22	448,107
Southeast Regional Management	13,325,000	0.01	1,333
Harris-Montgomery Counties MUD #386	139,035,000	100.00	139,035,000
Malcomson Road UD	14,205,000	100.00	14,205,000
Northpointe WC&ID	15,365,000	100.00	15,365,000
Northwest Harris County MUD #5	137,315,000	61.91	85,011,717
Northwest Harris County MUD #15	12,280,000	100.00	12,280,000
Wood Trace MUD #1	31,960,000	100.00	31,960,000
Co-Line Special Districts			
Faulkey Gulley MUD	6,210,000	53.36	3,313,656
Harris County MUD #280	2,585,000	100.00	2,585,000
Harris County MUD #281	10,985,000	100.00	10,985,000
Harris County MUD #282	18,795,000	100.00	18,795,000
Harris County MUD #416	13,410,000	100.00	13,410,000
Harris County MUD #542	13,085,000	100.00	13,085,000
Harris County MUD #558	17,530,000	100.00	17,530,000
Co-Line School Districts & Junior College Districts			
Lone Star College System	643,940,000	6.00	38,636,400
Total Overlapping Debt			517,180,204
<u>Direct:</u>			
Tomball Independent School District	762,446,972	100.00	762,446,972
Total Direct and Overlapping Debt			<u>\$ 1,279,627,176</u>

(1) The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: District's Financial Advisor.

TOMBALL INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

Table 12

Fiscal Year	Residential Units (1)	Actual Taxable Value of Residential Units (1)	Average Actual Taxable Value Per Residential Unit	Population (2)	Total Personal Income (2)	Per Capita Personal Income (2)	Unemployment Rate (2)
2022	30,906	\$ 9,379,141,085	303,473	(4)	(4)	(4)	4.9%
2021	28,046	8,647,522,199	308,334	4,728,030 (5)	311,430,719,000 (3)	65,869 (3)	7.4%
2020	27,873	8,067,704,624	289,445	4,731,145 (5)	285,160,839,000 (3)	59,893 (3)	10.0%
2019*	25,636	7,278,665,606	283,924	4,713,325 (3)	282,809,166,000 (3)	60,002 (3)	3.7%
2018	25,589	6,788,889,211	265,305	4,698,619 (5)	272,542,077,000 (3)	58,235 (3)	4.2%
2017	24,435	6,453,436,400	264,106	4,652,980 (3)	247,482,118,000 (3)	53,188 (3)	5.0%
2016	23,156	5,418,685,803	234,008	4,589,928 (3)	236,329,533,000 (3)	51,186 (3)	5.3%
2015	21,534	4,664,726,298	216,621	4,538,028	249,989,500,000	55,088	4.9%
2014	20,896	3,880,071,806	185,685	4,441,370	252,694,912,000	56,896	5.5%
2013	19,542	3,375,945,264	172,753	4,336,853	230,462,963,000	53,141	6.2%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Single family dwellings. Source: Harris and Montgomery County (Texas) Appraisal Districts

(2) Source: TRACER of Texas Workforce Commission for Harris County. (<https://texaslmi.com/LMIbyCategory/LAUS>)

(3) Source: U.S. Bureau of Economic Analysis, Per Capita Personal Income in Harris County, TX - County & Interactive Tables

(4) Data not available for this year.

(5) Source: U.S. Census Bureau (<https://www.census.gov/quickfacts/harriscountytexas>)

TOMBALL INDEPENDENT SCHOOL DISTRICT

PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO
(Unaudited)

Table 13

Employer	2022 (1)			2013 (2)		
	Employees	Rank	Percentage of Total Employment (1)	Employees	Rank	Percentage of Total Employment (2)
Wal-Mart Stores	34,000	1	1.52%			
H-E-B	32,635	2	1.46%	18,887	3	0.94%
Memorial Hermann Healthcare System	29,130	3	1.30%	21,000	1	1.05%
The Methodist Hospital System	28,304	4	1.27%	14,826	7	0.74%
The University of Texas MD Anderson Cancer Center	22,088	5	0.99%	19,486	2	0.97%
Amazon	20,000	6	0.89%			
Kroger	15,000	7	0.67%	14,866	6	0.74%
Texas Children's Hospital	14,378	8	0.64%			
HCA Houston Healthcare	12,614	9	0.56%			
United Airlines	11,834	10	0.53%	16,315	4	0.81%
McDonald's Corporation				16,300	5	0.81%
Exxon-Mobil				13,700	8	0.68%
National Oilwell Varco				12,036	9	0.60%
Shell Oil Company				11,389.00	10	0.57%
	<u>219,983</u>		<u>9.84%</u>	<u>158,805</u>		<u>7.93%</u>

(1) Total employment 2022 equals: 2,236,505

(2) Total employment 2013 equals: 2,003,030

Sources: <https://www.houstonchronicle.com/projects/2022/chronicle-100-top-employers/>
(<https://texaslmi.com/LMIbyCategory/LAUS>) Employment data is for Harris County only.

TOMBALL INDEPENDENT SCHOOL DISTRICT**FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION****LAST TEN FISCAL YEARS**

(Unaudited)

POSITION:	2022	2021	2020	2019*	2018
Administrative/Instructional Officers	17.5	17.9	15.1	17.0	17.0
Assistant/Deputy Superintendents	8.1	8.5	9.0	8.0	8.0
Associate/Assistant Principals	37.2	33.8	35.0	35.8	35.0
Auxiliary Staff	688.9	654.1	700.5	642.9	662.8
Counselors	35.3	34.7	33.8	33.8	31.4
Educational Aides/Interpreters	259.4	236.8	189.0	212.5	210.5
Educational Diagnosticians	17.2	17.2	12.0	13.5	13.0
Librarians	20.0	19.0	18.0	18.0	18.0
Nurses/Physicians	21.4	19.7	17.4	19.8	18.0
Other Support Staff	109.0	86.5	72.3	64.7	62.9
Principals	21.0	20.5	20.0	20.0	19.0
Psychologist/Assoc. Psychologist	25.1	10.0	11.0	8.5	7.0
Superintendents	1.0	1.0	1.0	1.0	1.0
Supervisors	-	-	-	-	-
Teachers	1,273.1	1,172.4	1,082.9	1,045.1	989.2
Therapists	13.9	23.1	20.6	18.6	14.0
Total Employees	2,548.2	2,355.3	2,237.6	2,159.3	2,106.7

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

Source: Texas Education Agency

Table 14

2017	2016	2015	2014	2013
16.0	14.5	12.0	11.0	9.5
3.0	3.0	3.0	4.0	5.0
31.8	30.0	27.0	28.0	24.9
621.7	568.6	551.0	518.9	490.0
29.0	28.0	23.5	22.0	21.0
193.9	180.1	159.2	151.2	140.8
14.0	11.5	12.5	10.9	8.4
18.0	16.0	13.8	13.5	14.0
18.3	19.8	16.4	16.0	13.8
64.9	68.7	61.5	60.5	52.8
19.0	18.0	15.0	15.0	15.0
6.0	7.5	6.5	6.0	6.0
1.0	1.0	1.0	1.0	1.0
-	-	-	-	-
933.7	875.0	806.6	760.7	711.1
13.0	13.0	12.6	12.2	9.7
<u>1,983.2</u>	<u>1,854.7</u>	<u>1,721.6</u>	<u>1,630.8</u>	<u>1,523.0</u>

TOMBALL INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS
(Unaudited)

<u>Fiscal Year</u>	<u>Average Daily Attendance</u>	<u>Operating Expenditures (1)</u>	<u>Cost Per Student</u>	<u>Percentage Change</u>
2022	20,262	\$ 202,222,998	9,980	-0.07%
2021	18,666	186,422,695	9,987	16.77%
2020	18,294	156,464,613	8,553	8.19%
2019*	16,939	133,910,834	7,905	-13.68%
2018	15,933	145,925,102	9,159	1.55%
2017	14,932	134,670,616	9,019	-4.97%
2016	13,454	127,680,878	9,490	5.89%
2015	12,620	113,106,124	8,962	-0.27%
2014	11,904	106,977,074	8,987	6.76%
2013	11,164	93,978,314	8,418	-5.27%

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Operating expenditures (Table 4) are total expenditures less debt service and capital outlay.

(2) Percentage change from prior year is due to adjustments to expenses for implementation of GASB 75.

Source: Texas Education Agency and district records.

Table 15

Government Wide Expenses	Cost Per Student	Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
\$ 232,340,452	11,467	-6.02%	1,273.1	15.92	28.7%
227,744,996	12,201	8.56%	1,172.4	15.92	23.8%
205,605,906	11,239	9.76%	1,082.9	16.89	24.0%
173,442,051	10,239	19.65% (2)	1,045.1	16.21	24.2%
136,351,389	8,558	-22.69% (2)	989.2	16.11	21.7%
165,298,529	11,070	-5.91%	933.7	15.99	21.6%
158,293,535	11,766	9.72%	875.0	15.38	21.7%
135,329,575	10,723	-2.05%	806.6	15.65	22.0%
130,326,678	10,948	5.49%	760.7	15.65	22.0%
115,868,504	10,379	-5.59%	711.1	15.70	23.5%

TOMBALL INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS
(Unaudited)

Table 16

Fiscal Year	Minimum Salary (1)	Maximum Salary (1)	County Average Salary (2)		Statewide Average Salary
			Harris County	Montgomery County	
2022	\$ 56,700	\$ 79,280	\$ 62,356	\$ 62,404	\$ 58,887
2021	56,000	78,556	60,675	61,206	57,641
2020	55,300	77,475	60,160	59,758	57,091
2019*	54,000	75,458	57,423	57,487	54,122
2018	53,200	75,458	56,943	56,509	53,334
2017	52,000	72,615	55,888	55,670	52,525
2016	52,000	72,615	55,791	54,027	51,892
2015	50,000	71,669	54,284	52,730	50,715
2014	50,000	69,632	52,356	51,414	49,692
2013	47,000	70,104	51,124	50,122	48,821

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

(1) Source: District records

(2) Tomball ISD is primarily located in Harris County. Because a small portion of the district is located in Montgomery County, average salaries are being reported for both counties.

TOMBALL INDEPENDENT SCHOOL DISTRICT

SCHOOL BUILDING INFORMATION

LAST TEN FISCAL YEARS*

(Unaudited)

Building:	2022	2021	2020	2019*	2018
HIGH SCHOOL					
Tomball (1974)					
Square Footage	571,164	571,164	571,164	571,164	571,164
Capacity	3,611	3,611	3,628	3,628	3,628
Enrollment	2,563	2,347	2,238	2,059	1,931
Tomball Memorial (2011)					
Square Footage	515,034	515,034	360,000	360,000	360,000
Capacity	3,000	3,000	2,349	2,349	2,349
Enrollment	2,777	2,567	2,406	2,313	2,247
Tomball Star (2017) (Located in Tomball High)					
Square Footage	-	-	-	-	-
Capacity	-	-	-	-	-
Enrollment	353	401	292	224	104
JUNIOR HIGH SCHOOLS					
Tomball (1993)					
Square Footage	169,994	169,994	169,994	169,994	169,994
Capacity	1,256	1,256	1,118	1,118	1,118
Enrollment	799	845	827	766	740
Willow Wood (2003)					
Square Footage	195,960	195,960	195,960	195,960	195,960
Capacity	1,186	1,186	1,264	1,264	1,264
Enrollment	829	1,543	1,492	1,353	1,251
Creekside Park (2016)					
Square Footage	228,346	228,346	228,346	228,346	228,346
Capacity	1,500	1,500	1,500	1,500	1,500
Enrollment	1,074	947	878	765	672
Grand Lakes (2021)					
Square Footage	232,000	-	-	-	-
Capacity	1,500	-	-	-	-
Enrollment	940	-	-	-	-
INTERMEDIATE SCHOOLS					
Tomball (1962)					
Square Footage	133,444	133,444	133,444	133,444	133,444
Capacity	1,063	1,063	975	975	975
Enrollment	890	815	784	763	753
Northpointe (2003)					
Square Footage	106,512	106,512	106,512	106,512	106,512
Capacity	1,011	1,011	980	980	980
Enrollment	735	720	747	753	709
Oakcrest (2015)					
Square Footage	121,597	121,597	121,597	121,597	121,597
Capacity	920	920	920	920	920
Enrollment	761	790	790	693	631

* The District changed its fiscal year end from 8/31 to 6/30 beginning with fiscal year 2019.

Source: District records and Texas Education Agency.

Note: The square footage of buildings may fluctuate due to the addition or removal of portable classroom buildings in addition to constructing permanent additions. Capacities may fluctuate due to a change in program use of various areas of the building.

Table 17

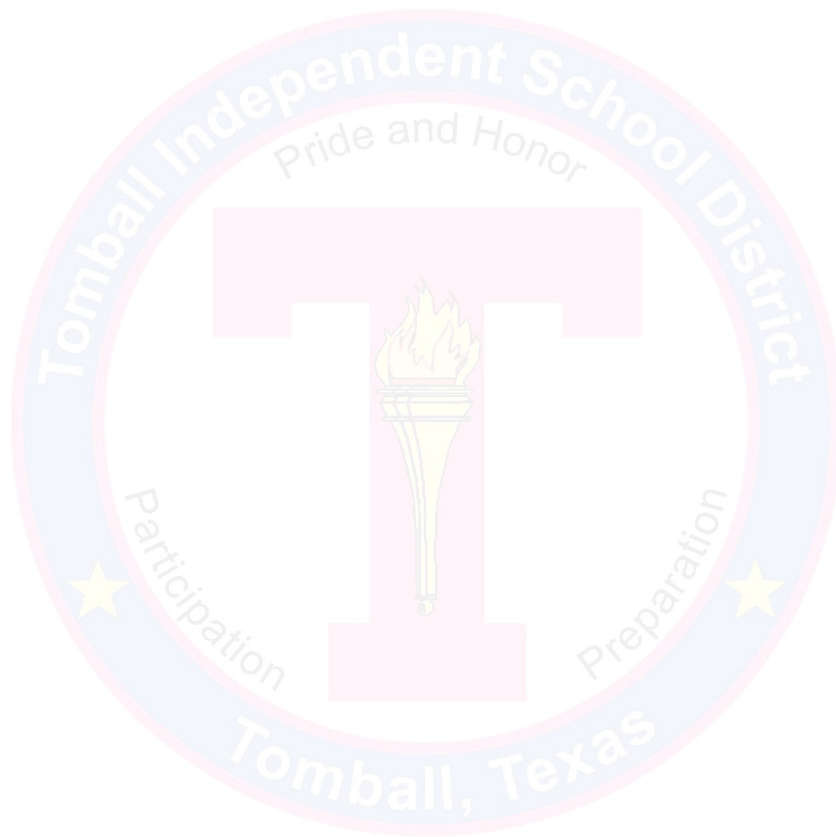
2017	2016	2015	2014	2013
571,164	571,164	571,164	573,156	573,156
3,628	3,611	3,611	3,933	3,628
1,876	1,865	1,624	1,612	1,551
360,000	360,000	360,000	368,640	364,320
2,349	2,349	2,349	2,349	2,343
2,132	2,137	1,942	1,949	1,787
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
169,994	168,932	168,932	168,935	168,935
1,118	1,256	1,256	1,071	1,111
767	1,038	922	896	830
195,960	181,668	181,668	194,870	190,550
1,264	1,186	1,186	1,264	1,191
1,140	1,126	1,028	1,025	1,029
228,346	-	-	-	-
1,500	-	-	-	-
596	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
133,444	132,450	132,450	127,445	127,445
975	1,063	1,063	920	900
708	698	715	700	715
106,512	106,635	106,635	115,152	113,712
980	1,011	1,011	920	900
671	671	1,012	1,019	941
121,597	129,875	-	-	-
920	920	-	-	-
524	518	-	-	-

TOMBALL INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS*

(Unaudited)

Building:	2021	2021	2020	2019*	2018
ELEMENTARY SCHOOLS					
Lakewood (1983)					
Square Footage	90,951	90,951	90,951	90,951	90,951
Capacity	886	886	886	886	886
Enrollment	816	776	889	849	817
Decker Prairie (1983)					
Square Footage	87,367	87,367	87,367	87,367	87,367
Capacity	856	856	888	888	888
Enrollment	736	616	650	706	650
Tomball (1999)					
Square Footage	105,429	105,429	105,429	105,429	105,429
Capacity	866	866	866	866	866
Enrollment	795	703	695	773	717
Willow Creek (1999)					
Square Footage	105,429	105,429	105,429	105,429	105,429
Capacity	866	866	866	866	866
Enrollment	734	731	788	777	797
Rosehill (2003)					
Square Footage	99,500	99,500	99,500	99,500	99,500
Capacity	866	866	866	866	866
Enrollment	654	642	735	448	484
Canyon Pointe (2008)					
Square Footage	99,696	99,696	99,696	99,696	99,696
Capacity	856	856	866	866	866
Enrollment	773	768	767	813	808
Creekside Forest (2010)					
Square Footage	127,310	127,310	127,310	127,310	127,310
Capacity	714	714	746	746	746
Enrollment	572	532	571	546	549
Timber Creek (2012)					
Square Footage	120,000	120,000	120,000	120,000	120,000
Capacity	920	842	888	888	888
Enrollment	730	623	653	573	517
Creekview (2015)					
Square Footage	115,580	115,580	115,580	115,580	115,580
Capacity	920	920	920	920	920
Enrollment	1,017	884	812	724	627
Wildwood (2015)					
Square Footage	115,036	115,036	115,036	115,036	115,036
Capacity	920	920	920	920	920
Enrollment	837	794	1,145	1,041	928
Grand Oaks (2021)					
Square Footage	114,657	114,657	-	-	-
Capacity	920	920	-	-	-
Enrollment	867	583	-	-	-

2017	2016	2015	2014	2013
90,951	93,841	93,841	86,970	88,410
886	1,580	1,580	926	848
799	782	770	766	753
87,367	93,841	93,841	86,970	88,410
888	1,580	1,580	900	926
624	597	604	602	574
105,429	96,841	96,841	99,320	102,200
866	866	866	866	838
724	705	741	720	698
105,429	93,841	93,841	96,440	102,200
866	866	866	866	860
771	763	902	901	847
99,500	93,841	93,841	95,000	96,440
866	866	866	866	826
468	465	568	562	568
99,696	106,448	106,448	102,760	102,760
866	856	856	866	826
769	754	987	963	818
127,310	117,248	117,248	121,880	121,880
746	714	714	722	730
557	461	766	764	761
120,000	115,930	115,930	120,000	120,000
888	842	842	844	844
491	406	656	642	490
115,580	114,657	-	-	-
920	920	-	-	-
527	454	-	-	-
115,036	114,657	-	-	-
920	920	-	-	-
787	760	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-



Not just a district, a destination.

Tomball Independent School District
310 S. Cherry Street
Tomball, Texas 77375

www.tomballisd.net