

# Annual Financial Report Summary

For the Fiscal Year Ended June 30, 2022



Pearland Independent School District  
Pearland, TX





# Table of Contents

SUPERINTENDENT’S MESSAGE.....	3
ABOUT THE DISTRICT .....	4
ENROLLMENT DEMOGRAPHICS.....	4
BOARD OF TRUSTEES.....	5
ADMINISTRATION .....	5
WHERE DID GENERAL FUND REVENUES COME FROM? .....	6
PROPERTY VALUES & TAX RATES .....	7
HOW WAS THE GENERAL FUND MONEY SPENT? .....	8
DETAIL OF EXPENDITURES BY FUNCTION .....	8
NET POSITION .....	10
DEBT SERVICE (PAYMENT OF DEBT) .....	11
SPECIAL REVENUE .....	12
CAPITAL PROJECTS.....	12
CHIEF FINANCIAL OFFICER’S MESSAGE.....	13
OUTSTANDING ACHIEVEMENT.....	14
ABOUT THE ANNUAL FINANCIAL REPORT SUMMARY.....	14
TEXAS EDUCATION AGENCY 2021-22 A-F RATING.....	15



**“Taping Up”**  
By Chelsea Hodge  
Dawson High School  
Rodeo Art – Special Merit

# Superintendent's Message

When we look at a school building, we think of teachers, students, coaches, and principals. We see school buses driving up to beautiful facilities transporting the future of tomorrow into the classrooms of today. What we may not think about are the accountants. The resources, compensation, and support our staff receives to reach and teach our students are directly tied to a complicated and cumbersome educational funding methodology deciphered in this annual financial report summary by Chief Financial Officer Jorgannie Carter and her team of Business Office wizards.

The mission of our school district is to empower, inspire, and develop courageous, confident individuals who excel in a global society. We strive to do this by partnering with our community. Simply stated, we work to build Pearland proud every day. Our Business Office reflects this purpose by ensuring that our district has financial transparency and accountability. Recently winning the Meritorious Budget Award from The Association of School Business Officials International highlights the incredible work done by our Business Office in developing high-quality, easy-to-understand budget documents to share the alignment of the district's goals and objectives, and financial recourse with the community.

Over the last three years, our state has seen double-digit inflation, placing tremendous pressure on public schools to fund teacher and staff salaries, health insurance, energy costs, and more. Our current school finance formulas are not flexible enough to meet the ongoing instructional demands or inflationary cost pressures. There are financial challenges ahead for Pearland ISD. We appreciate the past support the community of Pearland has given to maintain Pearland ISD as a standard of achievement when given less funding than other districts. We hope to continue to see an investment in public schools as a priority because the future of Texas depends on our students.

Together we Build Pearland Proud!

Larry Berger  
Pearland ISD Superintendent



**Larry Berger**  
*Pearland ISD Superintendent*



**"8 Second Wrecking Crew"**  
**Katherine Xie**  
**Dawson High School**  
**Rodeo Art Gold Medal**

# About the District

Pearland ISD is one of eight public school districts located in Brazoria County.

In addition to the regular educational program from pre-kindergarten to grade twelve, the District offers programs in areas such as vocational education, special education, bilingual/dual language, gifted and talented, and compensatory education.

All of the District's schools are fully accredited by the TEA and the Southern Association of Colleges and Schools.

## MISSION:

*In partnership with the community, families, and students, Pearland ISD prepares all learners to achieve their highest potential.*

## VISION:

*Pearland ISD will empower, inspire, and develop courageous, confident individuals who excel in a global society.*

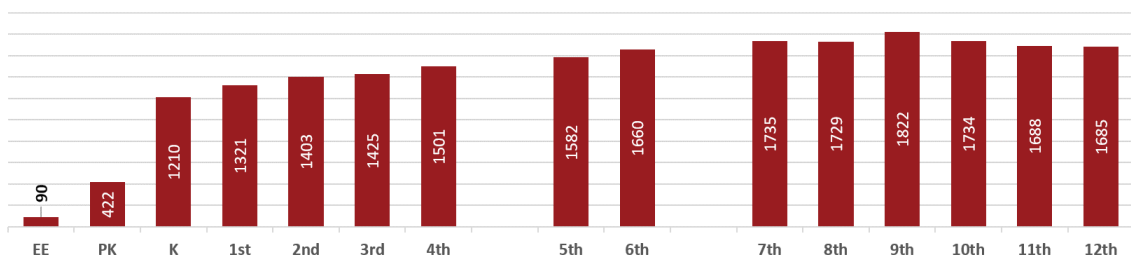
## WE BELIEVE:

- *Students come first.*
- *All learners are unique, valuable, and teachable.*
- *A successful education includes engaged students, staff, families, and community.*
- *That a positive culture and safe learning environment are critical for the success of all learners.*

# Enrollment Demographics

## 2021-2022 Enrollment by Grade Level

Total 21,007 Students



## Gender



## Receiving Special Education Services

10.7%

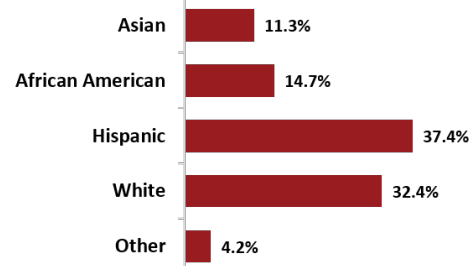
## Economically Disadvantaged

32.9%

## Emergent Bilingual

11.3%

## Race/Ethnicity



# Board of Trustees



**Sean Murphy**  
*President*



**Crystal Carbone**  
*Vice President*



**Lance Botkin**  
*Secretary*



**Toni Carter**  
*Member*



**Dr. Kristofer Schoeffler**  
*Member*



**Amanda Kuhn**  
*Member*



**Nanette Weimer**  
*Member*

# Administration

Larry Berger .....	Superintendent
David Moody .....	Deputy Superintendent
Dr. Nyla Watson .....	Chief Academic Officer
Jorgannie Carter, CPA, RTSBA .....	Chief Financial Officer
Jon-Paul Estes .....	Chief Technology Officer
Dr. Lisa Nixon .....	Asst. Superintendent for Special
Tanya Dawson .....	General Counsel
Dr. Sundie Dahlkamp .....	Executive Director for Human Resource Services
Marlo Keller .....	Executive Director of Elementary Education
Dr. LaKesha Henson-Vaughn .....	Executive Director of Intermediate Schools
Kelly Holt .....	Executive Director of High Schools

# Where Did General Fund Revenues Come From?

**74%** OF DISTRICT REVENUES ARE ACCOUNTED FOR IN THE GENERAL OPERATING FUND



## LOCAL

Local revenues generated \$84.5 million or 44.8% of all general fund revenues. Most local revenues are comprised of property tax collections and increased by 7.5% from the prior fiscal year, due to the community approval of a 3-cent tax increase for maintenance and operations during the November 2021 tax rate election.



## STATE

The district received \$101.7 million in State revenues; an increase of 1.0% from prior year, mainly due to the 3-cent increase which maximized state funding.



## FEDERAL

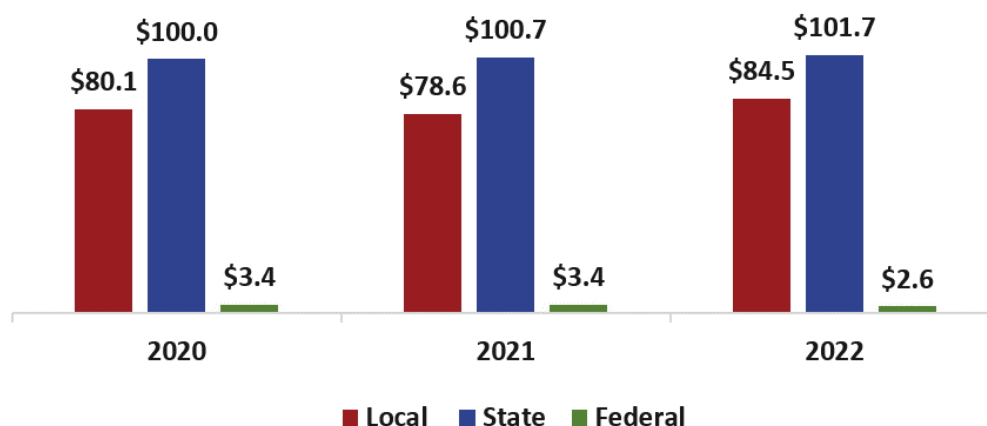
Revenues received from federal sources account for \$2.6 million or 1.4% of total general fund revenues. Most federal revenues come from reimbursements through Medicaid for providing School Health and Related Services (SHARS) and indirect costs charged to grants.

**TOTAL GENERAL  
FUND REVENUES**

**\$188.8 Million**

## General Fund Revenue Sources

(Fiscal Years Ended June 30 | in Millions)





# Property Values & Tax Rates

Property taxes (also called ad valorem taxes) are locally assessed taxes. The Brazoria County Appraisal District (BCAD) appraises property located in the Pearland ISD boundaries and collects property taxes based on the tax rates that are set by the District.

## PROPERTY VALUES

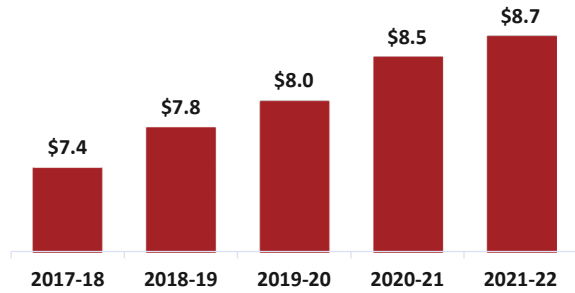
Property values for fiscal year 2021-22 increased by \$215 million or 2.5% from 2020-21.

## TAX RATE

In November 2021, voters approved a tax ratification election adding three cents to the Maintenance and Operations (M&O) tax rate; the District was able to reduce its debt service (I&S) tax rate by three cents to ensure no impact to voters. In addition, an increase in property values lowered the M&O tax rate resulting in a net decrease of 0.33 cents from fiscal year 2020-21. The adopted tax rate of \$1.3152 for fiscal year 2021-22 is the lowest in over four decades.

## Property Values

(In Billions)



## TAX RATE HISTORY

2019-20      2020-21      2021-22

M&O      0.97      0.8929      0.9196

I&S      0.4256      0.4256      0.3956

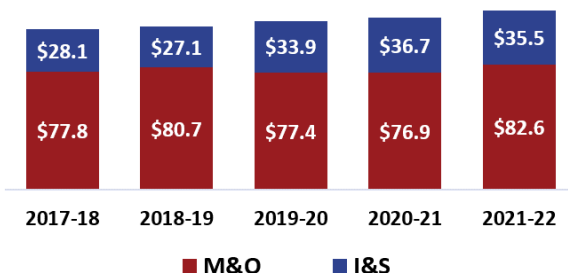
TOTAL      1.3956      1.3185      1.3152

## TAX COLLECTIONS

The District collected 98.7% of assessed taxes during the year.

## Net Tax Levy

(in Millions)



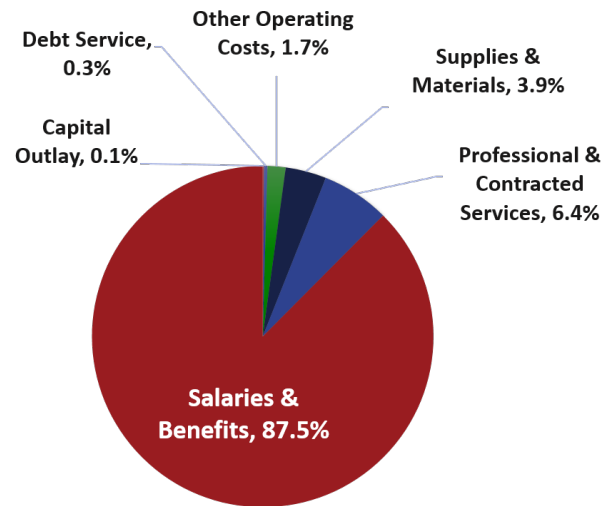
**"Tools of the Trade"**  
By Avery Gilman  
Dawson High School  
Rodeo Art – Special Merit

# How was the General Fund Money Spent?

Pearland ISD had \$187.4 million in general fund expenditures during fiscal year 2021-22; an increase of \$4.3 million or 2.3% from prior year. The increase in expenditures was due to a 2% general pay increase for all staff, the conversion of healthcare assistants to nurses, and reverting payroll costs that were paid with federal relief funds in fiscal year 2020-21 into the general fund for fiscal year 2021-22.

The primary use of general funds is for instruction and instructional related services totaling 61.1% of expenditures; spending our funds where it matters most... in the classroom.

## Expenditures by Object



## Detail of Expenditures by Function

### INSTRUCTION (57.2%)

Direct costs related to the interaction between teachers and students.

### INSTRUCTIONAL RESOURCES & MEDIA SERVICES (1.0%)

Costs to operate campus libraries.

### CURRICULUM & STAFF DEVELOPMENT (2.9%)

Costs to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students.

### INSTRUCTIONAL LEADERSHIP (1.6%)

Costs for managing, directing, supervising and providing leadership to campus staff.

### SCHOOL LEADERSHIP (6.7%)

Costs for directing, managing, and supervising campus operations.

### GUIDANCE & COUNSELING SERVICES (4.2%)

Costs of psychological services, student evaluation, testing, and educational and occupational counseling.

### HEALTH SERVICES (1.3%)

Costs for physical health services such as appropriate medical, dental, and nursing services to students.

### GENERAL ADMINISTRATION (2.9%)

Costs associated with the overall general administrative support services of the district.

### STUDENT TRANSPORTATION (3.8%)

Costs for transporting students to and from school.

### CO-CURRICULAR ACTIVITIES (2.4%)

Costs of school-sponsored activities outside of the school day, which provide students with experiences in either a competitive or non-competitive setting.

### PLANT MAINTENANCE AND OPERATIONS (11.8%)

Costs to keep facilities and grounds in effective working condition and state of repair.

### SECURITY & MONITORING SERVICES (1.0%)

Costs to keep students and staff surroundings safe.

### DATA PROCESSING SERVICES (2.4%)

Costs related to technology and data services.

### OTHER EXPENDITURES (1.0%)

Costs for social work services, community services, acquisition/construction of facilities, debt service, and payments made to other governmental entities.





**“El Jefe”**  
Tanner Tran  
Dawson High School  
Rodeo Art Gold Medal

## EXPENDITURES BY FUNCTION

	FY 2020	FY 2021	FY 2022
11 INSTRUCTION	\$103,040,138	\$108,722,819	\$107,184,163
12 INSTRUCTIONAL RES. AND MEDIA SERVICES	1,837,341	1,775,924	1,935,636
13 CURRICULUM AND STAFF DEVELOPMENT	5,162,170	4,917,101	5,355,089
21 INSTRUCTIONAL LEADERSHIP	2,233,065	2,654,679	2,910,516
23 SCHOOL LEADERSHIP	11,660,964	11,677,502	12,577,415
31 GUIDANCE AND COUNSELING SERVICES	7,269,276	7,439,426	7,778,773
32 SOCIAL WORK SERVICES	639,339	779,019	651,076
33 HEALTH SERVICES	1,823,801	2,188,370	2,365,791
34 STUDENT (PUPIL) TRANSPORTATION	6,076,780	6,208,460	7,071,906
36 CO-CURRICULAR ACTIVITIES	4,322,898	4,557,541	4,444,502
41 GENERAL ADMINISTRATION	4,340,898	4,771,348	5,424,623
51 PLANT MAINTENANCE AND OPERATIONS	20,081,221	20,641,027	22,069,838
52 SECURITY AND MONITORING SERVICES	2,329,077	1,900,192	1,830,783
53 DATA PROCESSING SERVICES	4,255,251	4,189,698	4,494,454
61 COMMUNITY SERVICES	3,585	7,684	4,525
71 DEBT SERVICE	-	-	612,673
81 FACILITIES ACQUISITION & CONSTRUCTION	531,340	-	-
95 ALTERNATIVE EDUCATION - JJAEP	43,100	7,500	15,200
99 OTHER INTERGOVERNMENTAL CHARGES	652,926	643,303	655,182
<b>TOTAL EXPENDITURES</b>	<b>\$176,303,170</b>	<b>\$183,081,593</b>	<b>\$187,382,145</b>

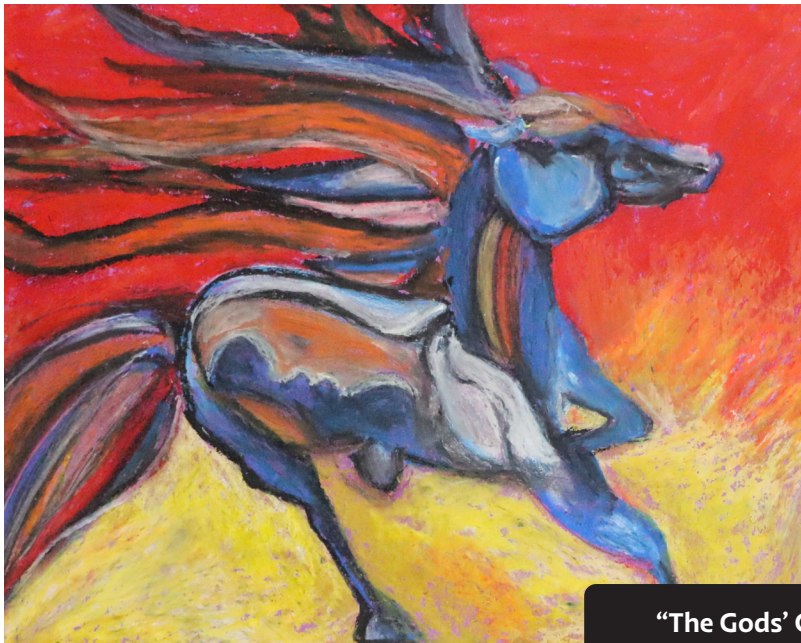
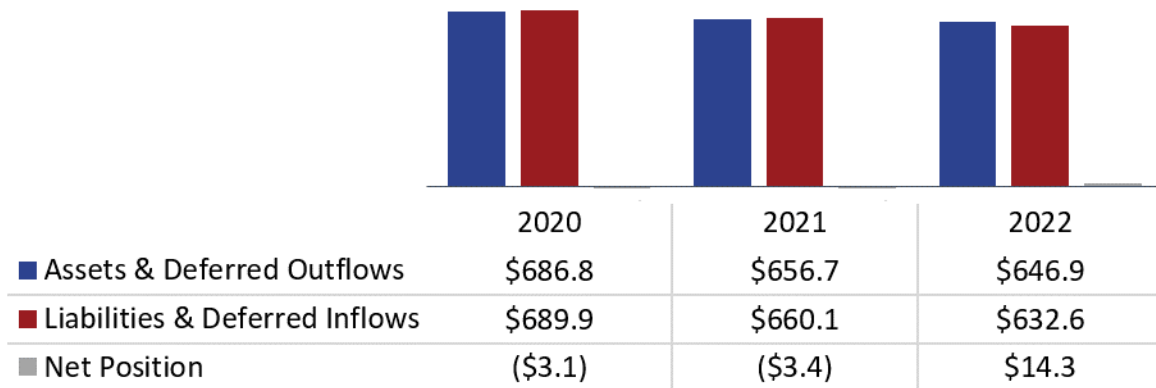
# Net Position

The Statement of Net Position provides information on all of the District's assets (what we own) and liabilities (what we owe), with the difference between the two reported as net position or "net worth". Changes in net position serves as a useful indicator of whether the financial position of the District is improving or declining.

During fiscal year 2021-22, the District's liabilities decreased more than its assets resulting in an overall increase of \$17.7 million in total net position. The fiscal year-end net position improved to \$14.3 million.

## District Net Position

(As of June 30 | in Millions)



**"The Gods' Colorful Horse"**  
 Iris Wu  
 Silvercrest Elementary  
 Rodeo Art Gold Medal

## Debt Service (Payment of Debt)

The Debt Service Fund accounts for the accumulation of resources for, and the payment of, general long-term debt principal and interest. The District issues general obligation bonds to provide funds for the construction, renovation and equipment of school facilities, and other major capital acquisitions. Debt service requirements are payable solely from future revenue of the Debt Service Fund which consist principally of property taxes collected by the District.

The District received revenues of \$36.4 million in fiscal year 2021-22; \$35.7 million and \$0.7 million, in local and state revenues, respectively. Principal and interest paid was \$21.6 million and \$19.3 million, respectively, for a total of \$40.9 million. As of June 30, 2022, the District had a balance of \$379.7 million in general obligation bonds outstanding.

### GENERAL OBLIGATION AND REFUNDING BONDS OUTSTANDING AT JUNE 30, 2022

DATE OF ISSUE	ORIGINAL ISSUE	FINAL MATURITY	INTEREST RATES (%)	OUTSTANDING BALANCE
2013A	\$15,490,000	2029	3.00 - 5.00	\$12,825,000
2013B	38,155,000	2029	2.00 - 5.00	405,000
2014	30,540,000	2029	2.00 - 5.00	20,185,000
2014B	28,655,000	2039	2.00 - 5.00	15,880,000
2016	41,335,000	2032	5.00 - 5.25	41,335,000
2016A	42,200,000	2032	2.00 - 5.00	23,075,000
2017	105,510,000	2042	3.00 - 5.00	99,400,000
2019	75,155,000	2042	3.00 - 5.00	75,155,000
2019A	18,305,000	2042	3.00 - 5.00	17,715,000
2020	78,675,000	2029	5.00	73,695,000
TOTAL	\$474,020,000			\$379,670,000

### SCHEDULE OF PAYMENT OBLIGATIONS FOR CURRENT OUTSTANDING BOND BALANCES

YEAR ENDING JUNE 30,	PRINCIPAL	INTEREST	TOTAL
2023	\$16,870,000	\$17,577,012	\$34,447,012
2024	18,600,000	16,758,363	35,358,363
2025	20,415,000	15,848,762	36,263,762
2026	22,325,000	14,850,363	37,175,363
2027	23,450,000	13,743,512	37,193,512
2028-2032	139,330,000	50,554,463	189,884,463
2033-2037	64,455,000	25,884,650	90,339,650
2038-2042	74,225,000	10,787,400	85,012,400
TOTAL	\$379,670,000	\$166,004,525	\$545,674,525



# Special Revenue

Special Revenue Funds are used to account for the proceeds of specific revenue sources that are legally restricted to expenditures for specified purposes. During fiscal year 2021-22 the District spent \$26.3 million and received \$30.0 million in special revenues from local, state, and federal sources.

Federal revenues received were \$23.0 million or 76.8% of total revenues. Of these revenues, the District received 20.8% or \$4.8 million from COVID-19 Pandemic-related grants and 50.7% or \$11.7 million to fund the Nutritional School Breakfast and Lunch Program.

Local and state revenues received were \$5.9 million and \$1.1 million, respectively. School fundraising activities accounted for 71.2% or \$4.2 million of local revenues.

## ELEMENTARY & SECONDARY SCHOOL EMERGENCY RELIEF (ESSER) FUNDS

The U.S. Congress provided financial support to the District through the ESSER Fund to address the ongoing impact of the COVID-19 pandemic. The District received \$1,182,724 in ESSER I funds, which was entirely used to supplement state revenue (hold harmless) in fiscal year 2019-20. In addition, allocations, expenditures and plan for use of ESSER II and III funds are as follows:

	ESSER II	ESSER III
District Allocation	\$5,709,795	\$12,823,387
Expended as of June 30, 2022	\$5,262,684	\$9,260,912
Uses	<ul style="list-style-type: none"> <li>• Supplant state revenue in fiscal year 2020-21 (hold harmless)</li> <li>• Pay for employee leave due to COVID-19 and extra duty pay for custodians to increase facilities sanitation.</li> </ul>	<ul style="list-style-type: none"> <li>• Reimburse a portion of salaries paid during the COVID-19 district closure</li> <li>• Cover employee supplemental pay on December 2020</li> <li>• Pay for salaries of student outreach managers and additional teachers, lease payment of student laptops, and other miscellaneous costs to address learning loss in fiscal year 2021-22.</li> </ul>
Available as of June 30, 2022	\$447,111	\$3,562,475
Plan for Use of Remaining Funds	Cover a portion of the remaining lease payments of student iPads purchased in response to the pandemic.	Cover a portion of the remaining lease payments of student laptops purchased in response to the pandemic.

# Capital Projects

The Capital Projects Fund is used to account for proceeds from the sale of general obligation bonds and the expenditure of these funds for the construction and equipping of new school facilities, the purchase of school sites, renovation of present facilities, and the purchase of school buses.

A \$220 million bond referendum passed on November 2016 to fund projects for renovating aging facilities, increasing space to existing facilities, and addressing technology, and safety and security needs. All bonds were issued as of the end of June 30, 2020, and all projects substantially completed as of June 30, 2022, for an aggregate total of \$219.6 million.

# Chief Financial Officer's Message

The Pearland ISD Business Office Division is charged with the maximization of fiscal resources and utilization of sound financial management. One way in which we support our District and our community is by providing transparency, an ongoing goal of Pearland ISD.

I'm proud of our Business Office Division staff, our shared vision for continuously improving our processes and our grit in striving for financial excellence. We are honored to have received GFOA's Award for Outstanding Achievement in Popular Annual Financial Reporting for our Annual Financial Report Summary for the last five years. In addition to this award, other financial accolades the District received throughout the year include:



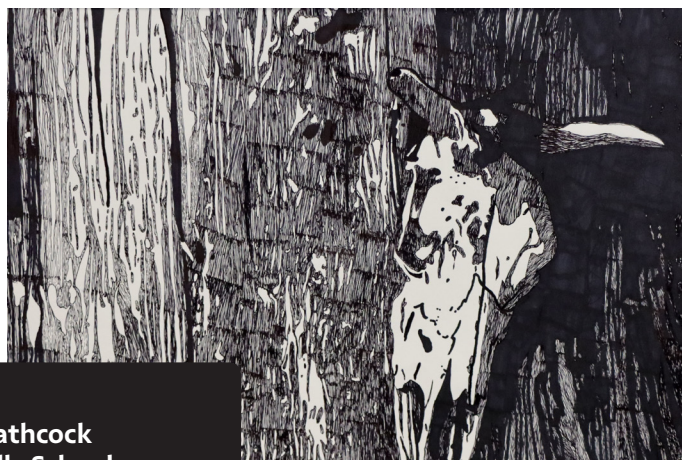
**Jorgannie Carter**  
Chief Financial Officer

- *GFOA's Certificate of Achievement for Excellence in Financial Reporting and the Association of School Business Officials International (ASBO) Certificate of Excellence in Financial Reporting award for its Fiscal Year 2021 Annual Comprehensive Financial Report*
- *No findings of questioned costs in the annual audit of fiscal operations*
- *ASBO's Meritorious Budget Award for the fiscal year 2022-23 Budget*
- *The Texas Comptroller's Transparency Star Awards for Traditional Finances and Debt Obligations*
- *The Texas Association of School Business Officials (TASBO) Award of Merit for Purchasing Operations and Award of Excellence in Financial Management*
- *The highest rating of Superior under the Schools Financial Integrity Rating System of Texas (FIRST) for the 2021-22 rating year*
- *High credit ratings from Fitch and Moody's*

Thank you for reading our 2021-22 AFR Summary. If you have any questions, comments or suggestions regarding this report or any other financial matters, please contact us at 281-485-3203.

Respectfully submitted,

Jorgannie Carter  
Chief Financial Officer



**"Country Wall"**  
**Christopher Heathcock**  
**Alexander Middle School**  
**Rodeo Art Best of Show**

# Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Pearland Independent School District for its Annual Financial Report Summary for the fiscal year ended June 30, 2021. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, as we prepare for its submission to GFOA.



Government Finance Officers Association

## Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

**Pearland Independent School District  
Texas**

For its Annual Financial Report  
For the Fiscal Year Ended

June 30, 2021

*Christopher P. Morrell*

Executive Director/CEO

# About the Annual Financial Report Summary

The District's Annual Financial Report Summary ("AFR Summary") for the year ended June 30, 2022, is designed to give residents a snapshot of Pearland ISD finances for the prior year, as well as general information that highlights student achievement.

This report summarizes the financial activities and operating results of the District and was gathered from the financial information reported in our audited 2022 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in conformance with Generally Acceptable Accounting Principles (GAAP) and was audited by Whitley Penn receiving a "unmodified" (the highest) opinion. However, the AFR Summary is unaudited and presented on a GAAP basis. While the underlying accounting methods are similar to the ACFR, the AFR Summary simplifies reporting by not including all segregated funds, required presentations, and full disclosure of all material financial and non-financial events in the notes to the financial statements.

The District's administration and school board firmly believe in public scrutiny and transparency of the district finances. Citizens desiring to review full disclosure financial statements may obtain a copy of the ACFR from the Business Office or may view it online at [www.pearlandisd.org/transparency](http://www.pearlandisd.org/transparency).



# Texas Education Agency 2021-22 A-F Rating

## Overall Rating



94 out of 100

Pearland Independent School District achieved an “A” rating in the 2022 state accountability system ratings released by the Texas Education Agency.

Pearland ISD is one of 396 Texas school districts to receive the highest rating out of 1,195 districts rated. The district demonstrated overall improved results, achieving a score of 94 out of 100, with 18 campuses receiving As and four receiving Bs.

Established by House Bill 22 during the 85th Texas Legislature, the accountability system provides educators, parents, and communities with a transparent view of the academic performance of Texas public schools based on three domains: Student Achievement, School Progress and Closing the Gaps.

**Overall Rating** (94 out of 100) measures how much students are learning in each grade and whether or not they are ready for the next grade. It also shows how well a school or district prepares their students for success after high school in college, the workforce, or the military.



93 out of 100

**Student Achievement** (93 out of 100) measures whether students met expectations on the STAAR test. It also measures graduation rates and how prepared students are for success after high school.



92 out of 100

**School Progress** (92 out of 100) shows how students perform over time and how the district’s performance compares to other districts with similar economically disadvantaged student populations.



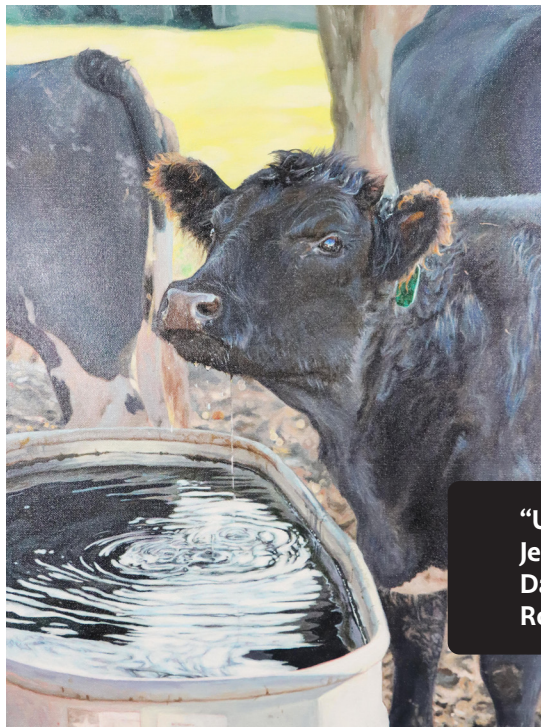
96 out of 100

**Closing the Gaps** (96 out of 100) tells us how well a district is ensuring that all student groups are successful.

Please visit [TXschools.gov](https://txschools.gov) to view online report cards designed to be useful tools in seeing how the district or a particular school is doing in different areas. The report cards spotlight specific strengths, in addition to any challenges, that can assure the needs of all students are being met. To learn more about the A-F accountability system, visit

<https://tea.texas.gov/texas-schools/accountability/academic-accountability/a-f-resources>.

# **BUILD** **PEARLAND** *Proud.*



**"Udder-ly" Parched**  
**Jemi Dequina**  
**Dawson High School**  
**Rodeo Art Special Merit**

Virgil Gant Education Support Center  
1928 N. Main St.  
Pearland, TX 77581

Phone: 281-485-3203  
Fax: 281-412-1306  
[www.pearlandisd.org](http://www.pearlandisd.org)