



# Annual Financial Report Summary

For the Fiscal Year Ended June 30, 2023

**Pearland Independent School District**

Pearland, Texas



Katherine Xie  
Dawson High School

Rodeo Art – Special Gold Medal  
“For The Buckle”



# Table of Contents

SUPERINTENDENT’S MESSAGE	1
ABOUT THE DISTRICT	2
ENROLLMENT DEMOGRAPHICS	2
BOARD OF TRUSTEES	3
ADMINISTRATION	3
WHERE DID GENERAL FUND REVENUES COME FROM?	4
PROPERTY VALUES & TAX RATES	5
HOW WAS THE GENERAL FUND MONEY SPENT?	6
DETAIL OF EXPENDITURES BY FUNCTION	6
NET POSITION	8
DEBT SERVICE (PAYMENT OF DEBT)	9
SPECIAL REVENUE	10
CHIEF FINANCIAL OFFICER’S MESSAGE	11
OUTSTANDING ACHIEVEMENT	12
ABOUT THE ANNUAL FINANCIAL REPORT SUMMARY	13







# Superintendent's Message

The commitment and dedication exhibited by the Pearland ISD Business Office are commendable. Their expertise in financial management, budgeting, and administrative functions is indispensable in maintaining the fiscal stability of our school district. These efforts are instrumental in preserving and enhancing our students' quality of education.



**Larry Berger**  
*Superintendent*

The efficient allocation of resources, timely disbursement of funds, and careful budgeting have contributed to the success of our schools.

This support has translated into many opportunities for our students, ranging from excellent academic programs to extracurricular activities that nurture their holistic development. The tireless work of the Business Office ensures that teachers have the resources they need to excel in the classroom, that students have access to modern educational technology, and that facilities are well-maintained.

The Pearland ISD Business Office staff also plays a vital role in fostering transparency and accountability. Their open communication and financial reporting instill trust and confidence within the community, assuring us that our tax dollars are being put to good use in the service of education. These efforts have continued to earn certificates of excellence in financial reporting and A+ ratings.

Public school finance in Texas has been a contentious and politically charged topic with the continued debate over school choice and funding. While Pearland ISD receives less in peer pupil funding than our peer districts, we keep a proactive approach in managing our resources, seeking efficiencies, and advocating for additional funding when necessary to maintain the quality of education provided to students.

Larry Berger  
Pearland ISD Superintendent



# 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.

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

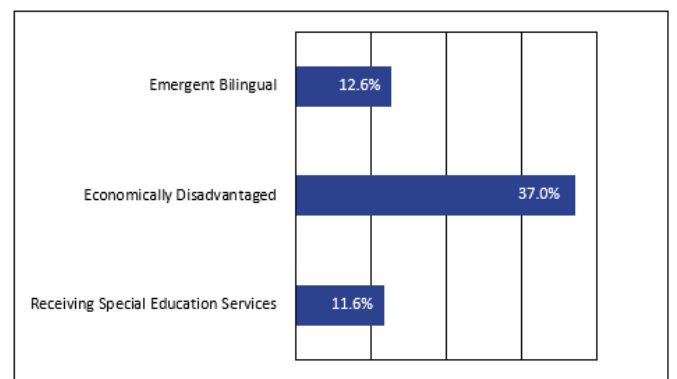
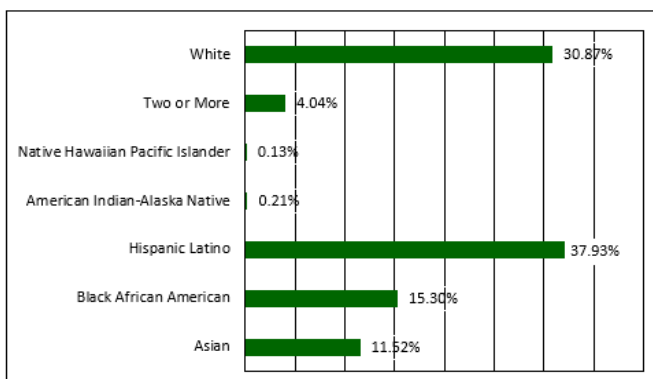
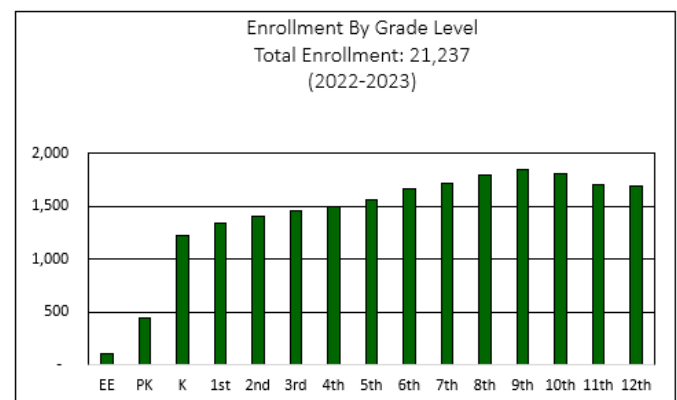
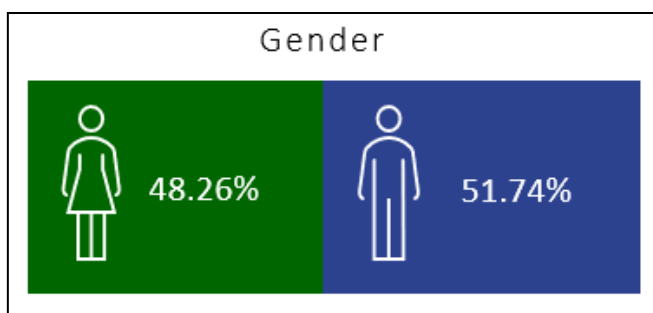
## BELIEFS

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



## Board of Trustees



Sean Murphy  
*President*



Crystal Carbone  
*Vice President*



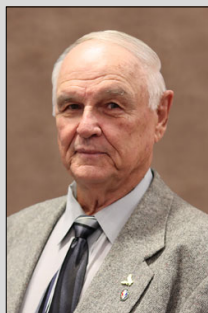
Dr. Kristofer  
Schoeffler  
*Secretary*



Toni Carter  
*Member*



Nanette Weimer  
*Member*



Robert Richter  
*Member*



Amanda Kuhn  
*Member*

## Administration

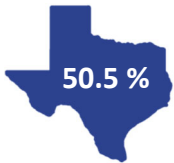
LARRY BERGER	SUPERINTENDENT
KELLY HOLT	DEPUTY SUPERINTENDENT
JORGANNIE CARTER	CHIEF FINANCIAL OFFICER
JON-PAUL ESTES	CHIEF TECHNOLOGY OFFICER
DR. LISA NIXON	ASSIST. SUPERINTENDENT OF EDUCATIONAL SERVICES
TANYA DAYSON	GENERAL COUNSEL
DR. CHARLES ALLEN	EXECUTIVE DIRECTOR OF CURRICULUM & INSTRUCTION
DR. SUNDIE DAHLKAMP	EXECUTIVE DIRECTOR OF HU- MAN SERVICES AND COMMU- NICATIONS
DR. LA'KESHA HENSON- VAUGHN	EXECUTIVE DIRECTOR OF IN- TERMEDIATE SCHOOLS
MARLO KELLER	EXECUTIVE DIRECTOR OF ELE- MENTARY EDUCATION

# Where Did General Fund Revenue Come



## LOCAL

Local revenues generated \$98.0 million or 48.3% of all general fund revenues. Most local revenues are comprised of property tax collections which increased by 15.9% from the prior fiscal year. This increase was due to an increase in certified property taxable values coupled with an increase in the Maintenance and Operations (M&O) tax rate of 7 cents for the aftermath of a disaster declaration.



## STATE

The district received \$102.3 million in State revenues; an increase of 0.6% from prior year, primarily due to the increase in the state contribution for TRS on behalf payments for the District. In addition, the District received reimbursement for damages related to Winter Storm Uri.



## FEDERAL

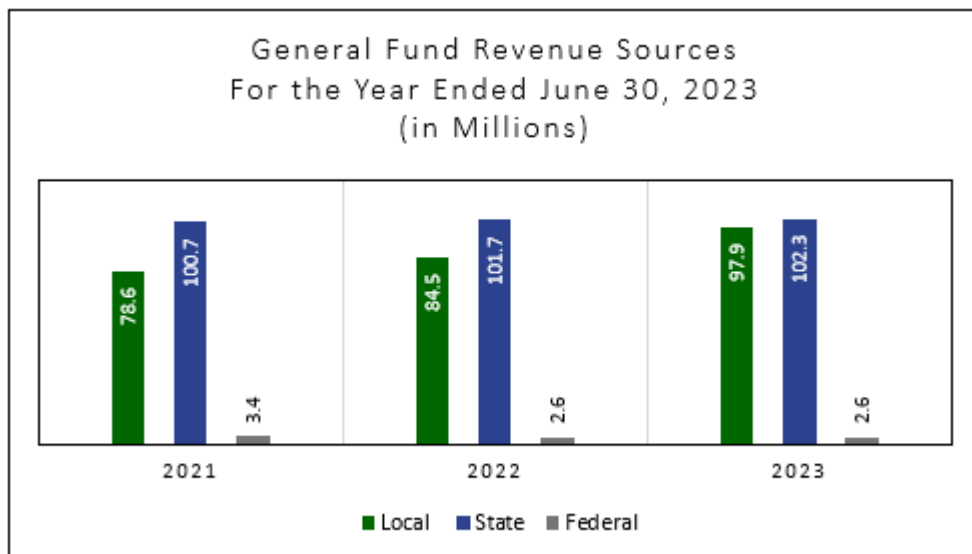
Revenues received from federal sources account for \$2.6 million or a decrease of 0.4% of total general fund revenues. Most federal revenues come from reimbursements through Medicaid for providing School Health and Related Services (SHARS) and indirect costs charged to grants.

**76.2%**

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

**\$202.8 Million**

**Total General Fund Revenues**



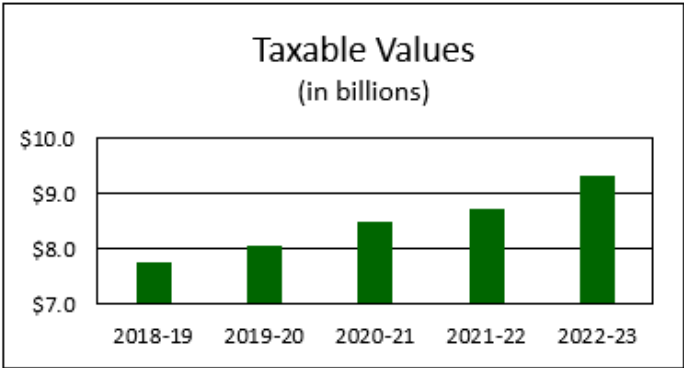


# Property Values and Tax Rates

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

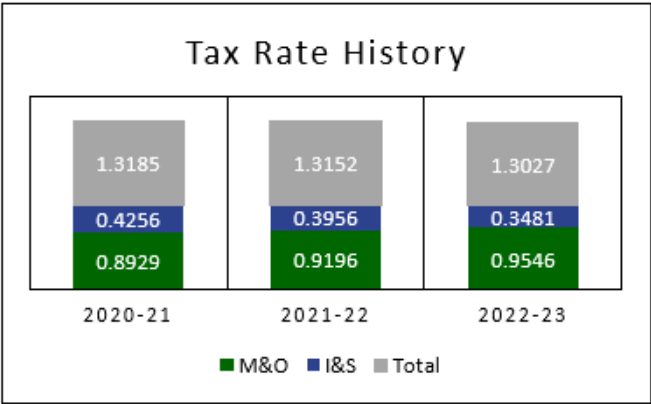
Property values for fiscal year 2022-2023 increased by \$601 million or 6.9% from 2021-2022.



## TAX RATE

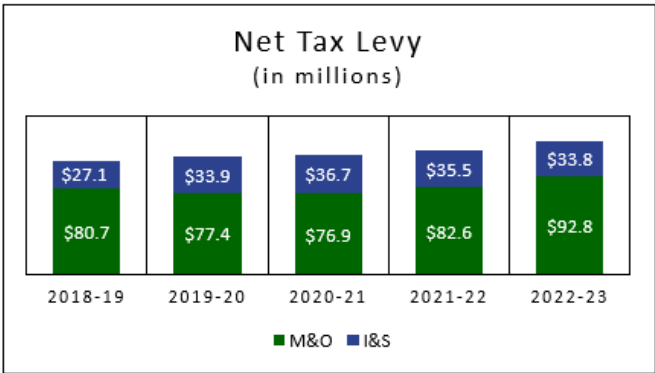
The tax rate adopted is the lowest in over four decades. The 2022 Maintenance and Operations (M&O) tax rate was increased by 3.5 cents, which is the net increase of 7 disaster cents for the Winter Storm Uri and a decrease of 3.5 cents in the District’s Maximum Compressed Rate (MCR), thus increased the M&O tax rate from \$0.9196 in 2021 to \$0.9546 in 2022.

The District was able to decrease its debt service (I&S) tax rate by 4.75 cents to ensure minimum impact to the taxpayers from \$0.3956 in 2021 to \$0.3481 in 2022.



## TAX COLLECTIONS

The District collected 98.6% of the net tax levy during the fiscal year 2022-2023.





# How was the General Fund Money Spent?

Pearland ISD had \$192.4 million in general fund expenditures during fiscal year 2022-2023; an increase of \$5.0 million or 2.7% from prior year. The increase in expenditures was due to a 2% general pay increase for all staff, increase the minimum salary for beginner teachers/librarians from \$59,000 to \$59,600, added 6 Language Proficiency Assessment Committee (LPAC) facilitators and 6.5 teacher aides to redesign the ESL program, and reverting 2 outreach case managers and 5.5 dyslexia teacher payroll

costs that were paid with ESSER III funds in fiscal year 2021-2022 to general fund for fiscal year 2022-2023.

The primary use of general funds is for instruction and instructional related services which totals 60.7% of expenditures; spending our funds where it matters most... in the classroom.

## Detail of Expenditures by Function

### **Instruction (56.9%)**

Direct costs related to the interaction between teachers and students.

### **Instructional Resources & Media Services (1.0%)**

Costs to operate campus libraries.

### **Curriculum & Staff Development (2.8%)**

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

### **Instructional Leadership (1.2%)**

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

### **School Leadership (6.5%)**

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 (1.2%)**

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

### **General Administration (2.8%)**

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

### **Student Transportation (4.0%)**

Costs for transporting students to and from school.

**Co-curricular Activities (2.6%)**

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 (2.7%)**

Costs related to technology and data services.

**Debt Service (0.5%)**

Costs related to capital leases and subscription-based information technology arrangements (SBITAs)

**Other Expenditures (0.8%)**

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

<b>Expenditure By Function</b>	<b>FY 2021</b>	<b>FY 2022</b>	<b>FY 2023</b>
11 Instruction	108,722,819	107,184,163	109,505,943
12 Instructional Res. and Media Services	1,775,924	1,935,636	1,966,556
13 Curriculum and Staff Development	4,917,101	5,355,089	5,283,368
21 Instructional Leadership	2,654,679	2,910,516	2,384,235
23 School Leadership	11,677,502	12,577,415	12,508,407
31 Guidance and Counseling Services	7,439,426	7,778,773	8,113,693
32 Social Work Services	779,019	651,076	891,301
33 Health Services	2,188,370	2,365,791	2,295,516
34 Student (Pupil) Transportation	6,208,460	7,071,906	7,641,621
36 Co-curricular Activities	4,557,541	4,444,502	4,989,628
41 General Administration	4,771,348	5,424,623	5,343,799
51 Plant Maintenance and Operations	20,641,027	22,069,838	22,731,111
52 Security and Monitoring Services	1,900,192	1,830,783	1,976,363
53 Data Processing Services	4,189,698	4,494,454	5,162,176
61 Community Services	7,684	4,525	-
71 Debt Service	-	612,673	961,090
81 Facilities Acquisition & Construction	-	-	-
95 Alternative Education - JJAEP	7,500	15,200	-
99 Other Intergovernmental Charges	643,303	655,182	645,956
<b>Total</b>	<b>183,081,593</b>	<b>187,382,145</b>	<b>192,400,763</b>

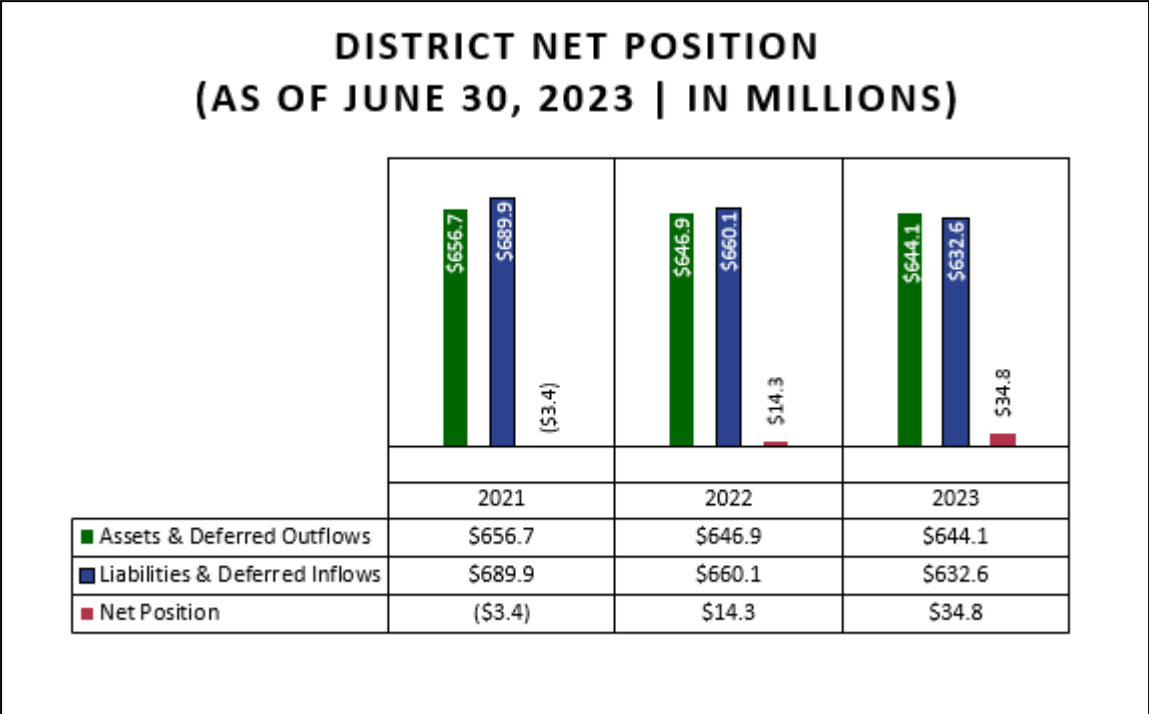




# Net Position

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 2022-2023, the District’s liabilities decreased more than its assets resulting in an overall increase of \$20.5 million in total net position. The fiscal year-end net position improved to \$34.8 million.





# 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 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 \$37.6 million in fiscal year 2022-2023; \$35.7 million and \$1.9 million, in local and state revenues, respectively. Principal and interest paid was \$19.7 million and \$18.0 million, respectively, for a total of \$37.7 million. As of June 30, 2023, the District had a balance of \$358.8 million in general obligation bonds outstanding.

Year Ending June 30,	Principal	Interest	Total
2024	\$18,600,000	16,758,363	\$35,358,363
2025	20,415,000	15,650,762	36,065,762
2026	22,325,000	14,652,363	36,977,363
2027	23,450,000	13,545,512	36,995,512
2028-2032	138,205,000	49,733,213	187,938,213
2033-2037	64,455,000	25,175,900	89,630,900
2038-2042	71,390,000	10,167,400	81,557,400
<b>Total</b>	<b>358,840,000</b>	<b>145,683,513</b>	<b>504,523,513</b>

Date of Issue	Original Issue	Final Maturity	Interest Rates(%)	Outstanding Balance
2014	\$ 30,540,000	2029	2.000 - 5.000	\$ 19,140,000
2014B	28,655,000	2039	2.000 - 5.000	11,820,000
2016	41,335,000	2032	5.000 - 5.250	41,335,000
2016A	42,200,000	2032	2.000 - 5.000	21,555,000
2017	105,510,000	2042	3.000 - 5.000	94,400,000
2019	75,155,000	2042	3.000 - 5.000	75,155,000
2019A	18,305,000	2042	3.000 - 5.000	17,400,000
2020	78,675,000	2029	5.000 - 5.000	66,335,000
2022	11,700,000	2029	5.000 - 5.000	11,700,000
<b>Total</b>	<b>\$ 432,075,000</b>			<b>\$ 358,840,000</b>



# Special Revenue Funds

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 2022-2023 the District spent \$25.5 million and received \$26.7 million in special revenues from local, state, and federal sources.

Federal revenues received were \$16.6 million or 62.2% of total revenues. Of these revenues, the District received 22.2% or \$3.7 million from COVID-19 Pandemic-related grants and 70.6% or \$11.7 million to fund the Nutritional School Breakfast and Lunch Program.

Local and state revenues received were \$9.6 million and \$0.5 million, respectively. School fundraising activities accounted for 49.3% or \$4.7 million of local revenues.

## **Elementary and Secondary School Emergency Relief (ESSER) Funds**

The U.S. Congress provided financial support to the District through the ESSER Funds to address the ongoing impact of the COVID-19 pandemic. As of June 30, 2023, the District has exhausted all funds for ESSER I and ESSER II, and allocated the remaining balance of \$849,919 in ESSER III Funds to pay a portion of the lease payment of student laptops in fiscal year 2023-2024.

## **American Rescue Plan (ARP) Funds**

The American Rescue Plan (ARP) was the largest stimulus package passed to fund wrap-around services for homeless children and youth and fund additional supplement for IDEA B Formula and IDEA B Preschool to address the unique needs and impact of COVID-19 pandemic. As of June 30, 2023, the District has spent \$798,637 or 88.53% of the total awarded ARP Funds with the remaining balance \$103,480 allocated for fiscal year 2023-2024.



# 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.



**Jorgannie Carter**  
*Chief Financial Officer*

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 six years. In addition to this award, other financial accolades the District received throughout the year include:

- 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 the 2022 Annual Comprehensive Financial Report (ACFR).
- No findings of questioned costs in the annual audit of fiscal operations.
- ASBO's Meritorious Budget Award for the fiscal year 2022-2023 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.
- High credit ratings from Fitch and Moody's

Thank you for reading our 2022-2023 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.

Jorgannie Carter  
Pearland ISD Chief Financial Officer

# Outstanding Achievement



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, 2022

*Christopher P. Morrell*

Executive Director/CEO

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, 2022. 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.

# About the Annual Financial Report Summary



The District’s Annual Financial Report Summary (“AFR Summary”) for the year ended June 30, 2023, 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 2023 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).









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