



Annual Comprehensive Financial Report

For the Fiscal Year Ended June 30, 2022

Pearland Independent School District

Pearland, Texas



Katherine Xie
Dawson High School

Rodeo Art Show 2022-Gold Medal
"8 Second Wrecking Crew"



PEARLAND INDEPENDENT SCHOOL DISTRICT

1928 N. Main Street
Pearland, TX 77581

Annual Comprehensive Financial Report For the Fiscal Year Ended June 30, 2022

Prepared by:
Pearland Independent School District
Business Office Division

PEARLAND INDEPENDENT SCHOOL DISTRICT
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Introductory Section



Lauren Oishi
Dawson High School

Rodeo Art 2022 – Special Merit
“Do You Remember Me”



November 8, 2022

Board of Trustees and Taxpayers of
Pearland Independent School District
1928 N. Main St.
Pearland, TX 77581

Dear Board of Trustees and Taxpayers:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the Pearland Independent School District (the "District") for the fiscal year ended June 30, 2022. The report was prepared by the District's Business Office. The basic financial statements have been audited by the independent accounting firm of Whitley Penn, whose report is included herein. The financial data appearing in this report has been prepared in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

Responsibility, for both the accuracy of the presented data and the completeness and fairness of the presentation, including all disclosures, rests with the District. We believe the data, as presented, is accurate in all material respects and is presented in a manner which daily sets forth the financial position and results of operations of the District. Furthermore, we believe that all disclosures necessary to enable the reader to gain the maximum understanding of the District's financial activities have been included.

United States generally accepted accounting principles (GAAP) require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Reporting Entity

The District is a political subdivision of the State of Texas located within Brazoria and Harris Counties. The District is governed by a seven-member Board of Trustees (the "Board"). Policy-making and supervisory functions are the responsibility of, and are vested in, the Board. The Board delegates administrative responsibilities to the Superintendent of Schools, who is the chief administrative officer of the District.

The District is not included in any other governmental reporting entity as defined by Governmental Accounting Standards Board Statement No. 14. As required by GAAP, the financial statements of the reporting entity include those of the District (the primary government) and its component unit in conformity with GASB Statement No. 14, The Financial Reporting Entity. The District is not reporting component units.

The Board is required to adopt an initial budget for the fiscal year no later than June 30 preceding the beginning of the fiscal year on July 1. This annual budget serves as the foundation for the District's financial planning and control. The budget is prepared and approved at least at the fund and function levels to comply with the state's legal level of control mandates.

Services Provided

Through all the years of growth in Pearland, the District has consistently been the heart of the town. The first school, built in 1893, was a one-room wood structure with a wood-burning stove and 23 students taught by Miss Nannie Rogers. More than a century later, the District has 23 campuses, including 11 elementary schools serving grades Pre-K-4, four middle schools serving grades 5-6, four junior high schools serving grades 7-8, three high schools serving grades 9-12, and an alternative school of choice serving over 21,000 students. The ages and capacities of these facilities range from 9 to 70 years with an average age of 28.3 years and can be found in Table 18 of the Statistical Section.

Pearland ISD strives to offer a world-class education that develops every child's unique gifts and talents. Our diverse programs challenge and equip students for future success:

- Gifted and Talented Academy
- Dual Language Pilot Program (dual English/Spanish classrooms)
- Turner College and Career High School
- Career and Technical Education workforce learning and career pathways
- Dual credit/dual degrees through local colleges
- Associate degrees
- Professional certifications
- Championship athletic programs
- Premier drama, choral, band and art programs
- Special Olympics

The comprehensive academic program in grades K-12 provides students the opportunity to reach their full potential. Special Programs, bilingual/ESL, Gifted and Talented and pre-K services are offered to students who qualify.

At the secondary level (grades 7-12), the PAP/AP programs serve as the Gift and Talented program in addition to a Gifted and Talented Academy option for students in grades 5-8. With the State Board of Education-approved Texas Essential Knowledge and Skills (TEKS), the entire K-12 curriculum has real-life application and integrates technology. The District also has an extensive Career and Technical Education program that makes connections with the business community.

Enrollment

Our enrollment for school year 2021-2022 as of Fall snapshot day was 21,007 students of which 6,929 students were enrolled at the high school level, 3,464 at the junior high school level, 3,242 at the middle school level, and 7,372 at the elementary level.

Approximately 32.9% of our students are classified as economically disadvantaged, 11.3% as emergent bilingual, 10.7% as Special Education, and 11.2% participate in Gifted and Talented courses

District's Purpose

Mission Statement

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.

District Beliefs

- We believe students come first.
- We believe all learners are unique, valuable, and teachable.
- We believe a successful education includes engaged students, staff, families, and community.
- We believe that a positive culture and safe learning environment are critical for the success of all learners.

District Strategic Goals

1. School Safety: Pearland ISD will provide a safe and orderly environment by enforcing safety and security measures and training at all levels focused on prevention, mitigation, preparation, response, and recovery.
2. Student Academic Performance: Pearland ISD will continue to make quality instruction and academic performance a top priority.
3. Physical and Mental Wellbeing: Pearland ISD will provide for the physical and mental wellbeing of all students and staff.
4. Communication: Pearland ISD will deliver a transparent communication system that fosters trust and enhances unity across the District and community.
5. Finance: Pearland ISD will strategically maximize financial assets to provide resources to meet student needs in partnership with families and the community.

Education Foundation

The Pearland ISD Education Foundation has been created to support the educational programs for both the students and staff of Pearland ISD. The Foundation will provide funds for educational programs and activities that either have not been funded or have been under-funded by the normal operating budget. These funds will be used to facilitate student achievement and skill development, to recognize and encourage staff excellence and to expand community involvement from individuals, businesses, and civic organizations. Grant awards of up to \$5,000 are awarded for teacher or classroom projects. During 2021-2022, \$72,018 was awarded towards innovative teaching grants to enhance student learning. The Foundation has awarded a total of \$610,000 in grants since inception in 2014. The Foundation does not meet the criteria for inclusion in the District's financial statements under the provisions of GASB Statement No. 39.

Economic Condition and Outlook

The District is located in a residential and agricultural area that includes the City of Pearland, Texas, with a reported 2020 population of 125,828, a commercial center located 15 miles south of downtown Houston at the intersection of State Highway 35 and Farm to Market Road 518 in the northeast corner of Brazoria County, with a small portion in Harris County. Pearland is one of the fastest growing cities in Texas, positioned on a growth curve that extends well into the 21st century. Also included within the District is the Town of Brookside Village with a reported 2020 population of 1,589.

A Pearland economic and demographic profile prepared for the Pearland Economic Development Corporation shows Pearland's population growing rapidly since its incorporation, and especially since the year 2000. According to the 2020 U.S. Census, Pearland's current population is 125,828 residents.

From 2010 to 2020, according to U.S. Census population figures, Pearland was ranked as the eighth fastest growing city in the United States from 2010 to 2020 compared to other cities with a population of 100,000 or greater. From

2000 to 2010, according to U.S. Census population figures, Pearland's population grew by 142% to 91,252. This ranked Pearland as the 15th fastest growing city in the U.S. from 2000 to 2010 compared to other cities with a population of 10,000 or greater in 2000. Pearland has been the third largest and fastest growing city in the Houston MSA since 2000.

In the past ten years, more than 10,000 new single-family homes and 3,000 multi-family units have been constructed in the community. Median home values rose over 50% from \$182,300 in 2010 to \$274,540 in 2021. The average home sale price increased at a similar rate from \$194,900 in 2010 to \$336,311 in 2020.

Prior to the Covid-19 pandemic, the District increased a total of 1,210 students in the prior five years, representing a 5-year growth rate of 5.9%; school year 2020-2021 experienced a significant decline in enrollment due to various factors attributed to the pandemic, including homeschooling, an aging population, and higher than usual mobility due to a significant increase in home values prompting residents to sell their homes at a premium and affording newer residences outside the District boundaries. Enrollment for 2021-2022 was 21,007 students, relatively flat compared to 21,067 during school year 2020-2021. Pre-pandemic average daily attendance (ADA) averaged 97.6%; ADA for 2021-2022 dropped to 94.6% due to Covid-19-related absences.

The District's financial position has experienced surpluses over the past years with the fund balance remaining stable as an indicator of sound financial management.

Local Economy

The Brazoria County economy is largely based upon manufacturing and construction. Brazoria County was the first capital of the Republic of Texas, which proves the county's roots run rich with Texas history. Some of Pearland's largest employers are energy service companies and include such companies as Baker-Hughes, Weatherford International and Dover Energy. Pearland is located close to the Texas Medical Center and its 50 medical institutions. Kelsey Seybold relocated its administrative headquarters to Pearland in 2013. Pearland's top taxpayer is CenterPoint Energy Inc., an electric and natural gas utility company.

Financial Policies and Long-Term Financial Planning

On November 8, 2016, the Pearland ISD community supported and passed a \$220 million bond authorization package by almost a two-thirds vote majority. This is the first bond election Pearland ISD has held since 2006.

The bond package addressed facility issues identified as top priorities by the District's Long-Range Planning Community Advisory Committee, campus and District personnel, and architects and engineers. It also prepared for anticipated enrollment growth of 2,000 students in the next decade. In addition to addressing enrollment growth issues by building additions to the high schools, building a new Career and Technology Education center and two ROTC facilities, and increasing the seating and parking at the football stadium, the bond package included safety and security needs throughout the District, technology needs, and campus renovations.

As of June 30, 2020, the District had issued all the \$220 million bonds with all projects substantially completed as of June 30, 2022. Although it was initially estimated that the impact of the bond would be a 7-cent increase to taxpayers, the tax rate is now expected to rise to a total maximum of 5 cents in succeeding years.

It is the responsibility of the Business Office Division to oversee all finance related issues, including the investment of construction funds and other funds for maximization of interest earnings, and to provide financial status reports to the Board with the objective of assisting in the accountability and decision-making process.

Accounting System

The Business Office is responsible for providing all District financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management budgeting, procurement, and special financial and policy analyses to District management. The Chief Financial Officer, appointed by the Superintendent, has oversight responsibility for the division's operations.

The District utilizes the Tyler Munis suite of financial and human resources software, which includes a system of internal accounting controls. Such controls have been designed and are continually being reevaluated to provide reasonable, but not absolute, assurance for the safeguarding of assets against loss from unauthorized use or disposition and the reliability of financial records for preparing financial statements and maintaining accountability over the District's assets.

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions.

Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received and the liabilities are incurred. Accounting records for trust funds are maintained on the accrual basis.

Budgetary Financial Control

State law requires that every local education agency in Texas prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. The annual budget serves as the foundation for the District's financial planning and control. The budget process must include budgeting for the General Fund, Debt Service Fund, and the Food Service Fund.

Each year, the Board of Trustees and the Superintendent begin the budget process by reviewing the goals that establish the basis for budgeting available resources. Considering the fast-growth environment, the economic conditions, the changes in accountability standards and the change in student population, the District makes it a priority to analyze and adjust the programmatic structure to best meet the needs of the students.

As the budgets are developed by each campus and department, the District and Campus Improvement Plans are considered in the needs assessments. The budgets represent a balance between the educational needs of the students and programs and the ability of the community and the State of Texas (State) to provide the necessary financial resources.

Each year, the budget process officially begins in November with the preparation of the budget calendar for the upcoming year. Demographic studies allow the District to begin looking at growth rates, trends, and economic conditions affecting the District. Enrollment projections are utilized to calculate staffing allotments and campus budget financial allotments. Through the course of the spring each year, the campuses and departments begin formulating the needs assessments and requests for the following budget. Consolidated budgeting information is then presented to the Superintendent's Cabinet and to the Board of Trustees in various workshops and meetings. With a July 1 fiscal start date, the budget must be approved by June 30th each year.

Subsequent budget amendments must be approved by the Board for appropriated funds, including the General Fund, Food Service Fund and Debt Service Fund budgets. For Special Revenue Funds, budget amendments are subject to the approval by the granting agency. All departments are required to operate within their budgetary constraints. Appropriated budgets are amended prior to expenditure, and the accounting system provides a strong budgetary control over expenditures.

Independent Audit

The Texas Education Agency requires that an annual audit of the books of account, financial records, and transactions of all administrative departments of the school District be performed by an independent certified public accountant(s). The firm of Whitley Penn, was selected by the District and approved by the Board. In addition to meeting the requirements set forth in the state and local policies, the audit was also designed to meet the requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). The auditor's report on the basic financial statements and schedules are included in a separate report. The auditor's report related specifically to the single audit is included in the Federal Awards section of the report.

Awards

School FIRST Superior Achievement

The School FIRST (Financial Integrity Rating System of Texas) program, a financial accountability system for Texas school Districts was developed by the Texas Education Agency in response to Senate Bill 218 of the 77th Texas Legislature in 2001. The TEA has awarded the District an "A" rating for "Superior Achievement" for the year ended June 30, 2022. The rating is based upon an analysis of student and staff data reported for the 2020-2021 school year and budgetary and actual financial data for the fiscal year ended June 30, 2021.

The primary goal of the School FIRST is to achieve quality performance in the management of school districts financial resources, a goal made more significant due to the complexity of accounting associated with the Texas school finance system. The "Superior Achievement" rating is the state's highest financial rating, demonstrating the quality of Pearland ISD's sound fiscal management.

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2021. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This 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 that our ACFR continues to meet the Certificate of Achievement Program's requirements and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District 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 that our current ACFR continues to meet the Certificate of Excellence Program's requirements and we are submitting it to ASBO to determine its eligibility for another certificate.

TASBO Award of Excellence in Financial Management

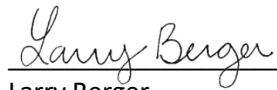
The Texas Association of School Business Officials (TASBO) Award of Excellence in Financial Management recognizes Texas school districts, open-enrollment charter schools, and education service centers that have implemented professional standards, best practices, and innovations in financial reporting. Pearland ISD was one of 13 school districts in the state to receive this award in 2022.

Acknowledgments

The preparation of this report could not have been accomplished without the efficient and dedicated services of the entire staff in the Business Office and the leadership of the Superintendent. In addition, we would like to express our appreciation to other divisions, departments, schools, and individuals who assisted in its preparation.

We would also like to acknowledge the thorough professional and timely manner in which the audit was conducted by our independent auditors, Whitley Penn. Furthermore, we would like to especially acknowledge the President of the Board and the Board of Trustees for supporting the District's goals of excellence in all aspects of financial management.

Respectfully submitted,



Larry Berger

Superintendent



Jorgannie G. Carter, CPA, RTSBA
Chief Financial Officer



Thu Pham
Controller

CERTIFICATE OF BOARD

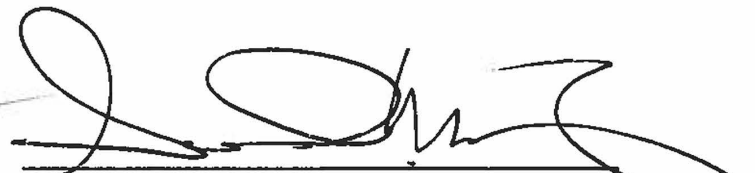
Pearland Independent School District
Name of School District

Brazoria
County

020-908
Co.-Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ☒ approved ☐ disapproved for the year ended June 30, 2022, at a meeting of the board of trustees of such school district on the 8th day of November 2022.


Signature of Board Secretary


Signature of Board President

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are) (attach list if necessary):



Government Finance Officers Association

Certificate of
Achievement
for Excellence
in Financial
Reporting

Presented to

**Pearland 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**

Pearland 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

**PEARLAND INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS & ADVISORS**

BOARD OF TRUSTEES

Sean Murphy, President
Senior Vice President of Home Town Bank of Pearland

Crystal Carbone, Vice President
Stay-at-Home Mother

Lance Botkin, Secretary
Outside sales and part owner of Floyd's on the Water Seafood Restaurant

Toni Carter, Member
Stay-at-Home Mother

Dr. Kristofer Schoeffler, Member
Owner of Pearland Animal Hospital

Amanda Kuhn, Member
Co-owner of Pat Griffin Realty

Nanette Weimer, Member
Retiree, Former Deputy Superintendent

ADMINISTRATION

Larry Berger, Superintendent of Schools

David Moody, Deputy Superintendent

Jorgannie Carter, CPA, Chief Financial Officer

Dr. Nyla Watson, Chief Academic Officer

John-Paul Estes, Chief Technology Officer

Dr. Lisa Nixon, Assistant Superintendent for Educational Services

Tanya Dawson, General Counsel

Dr. Sundie Dahlkamp, Executive Director of Human Resource Services

Marlo Keller, Executive Director of Elementary Education

Dr. La'Kesha Henson-Vaughn, Executive Director of Intermediate Schools

Kelly Holt, Executive Director of High Schools

CONSULTANTS & ADVISORS

Whitley Penn, Independent Auditors

Winstead PC, Bond Counsel

BOK Financial Securities, Financial Advisor



Financial Information



Chelsea Hodge
Dawson High School

Rodeo Art 2022 – Special Merit
“Taping Up”

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Pearland 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 referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of 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.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

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

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

Supplementary Information

Our audit was conducted for the purpose of forming opinions on the financial statements that collectively comprise the District's basic financial statements. The combining fund financial statements and required Texas Education Agency (TEA) schedules are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements. The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining fund financial statements and required TEA schedules are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory and statistical sections, but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

In connection with our audit of the basic financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the basic financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by Government Auditing Standards

In accordance with *Government Auditing Standards*, we have also issued our report dated November 8, 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 the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

A handwritten signature in black ink that reads "Whitley Penn LLP". The signature is written in a cursive, flowing style.

Houston, Texas
November 8, 2022



**PEARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2022**

As management of the Pearland Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2022. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent period by \$14,306,173. Of this amount, unrestricted net position is a deficit of \$65,854,421.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$111,141,509. Approximately 31.5% or \$35,037,914 of this amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$35,037,914, or 18.7% of the total general fund expenditures.

Overview of the Financial Statements

This management 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 financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities*) as opposed to *business-type activities* that are intended to recover all or a significant portion of their costs through user fees and charges. The District has no *business-type activities* and no component units for which it is financially accountable. The government-wide financial statements can be found on pages 27 through 28 of this report.

Fund financial statements. A *fund* is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related requirements. All the funds of the District can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

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The fund financial statements provide more detailed information about the District's most significant funds, not the District as a whole.

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

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, government fund financial statements focus on *near-term inflows and outflows of spendable resources*, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements.

Because the focus of governmental funds is narrower than that of the government-wide financial statements, it is useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both the government fund balance sheet and the governmental fund statement of revenues, expenditures and changes in fund balances provide a reconciliation to facilitate this comparison between *governmental funds* and *governmental activities*.

The District maintains 24 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other 21 governmental funds are combined into a single, aggregated presentation. Individual fund data for each of these nonmajor governmental funds is provided in the form of *combining statements* elsewhere in this report.

The District adopts an annual appropriated budget for its general fund, food service fund, and debt service fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

The basic governmental fund financial statements can be found on pages 29 through 32 of this report.

Proprietary funds. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements. As mentioned above in the government-wide definition, the District has no *business-type activities* or *enterprise funds*. *Internal service funds*, which are an accounting device used to accumulate and allocate costs internally among the various functions; the District uses the *internal service fund* to report activities for its self-funded workers' compensation insurance program.

The basic proprietary fund financial statements can be found on pages 33 through 35 of this report.

Fiduciary funds. *Fiduciary funds* are used to account for resources held for the benefit of parties outside the government. Fiduciary funds are *not* reflected in the government-wide financial statements because the resources of those funds are *not* available to support the District's own programs. The District is the trustee, or *fiduciary*, for these funds and is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary activities can be found on pages 36-37. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

Notes to the financial statements. The notes provide additional information that is essential to a complete understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 39 through 73 of this report.

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Other information. In addition to the basic financial statements and accompanying notes, this report also presents certain *required supplementary information* that further explains and supports the information in the financial statements. Required supplementary information can be found on pages 75 through 83 of this report. The combining statements referred to earlier in connection with nonmajor governmental funds are presented immediately following the required supplementary information. Combining statements can be found on pages 86 through 99 of this report.

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by \$14,306,173 as of June 30, 2022. The net position of the District's governmental activities increased by \$17,669,421 from the prior fiscal year.

The District's Net Position

	June 30, 2022	June 30, 2021 (as restated)
Current and other assets	\$ 140,892,504	\$ 149,856,505
Capital assets	468,916,271	480,118,044
Total assets	609,808,775	629,974,549
Deferred outflows of resources	37,067,029	35,293,998
Long-term liabilities outstanding	522,562,632	576,430,735
Other liabilities	33,841,674	38,242,063
Total liabilities	556,404,306	614,672,798
Deferred inflows of resources	76,165,325	53,958,997
Net Position:		
Net investment in capital assets	60,836,118	48,991,188
Restricted	19,324,476	35,304,965
Unrestricted	(65,854,421)	(87,659,401)
Total net position	\$ 14,306,173	\$ (3,363,248)

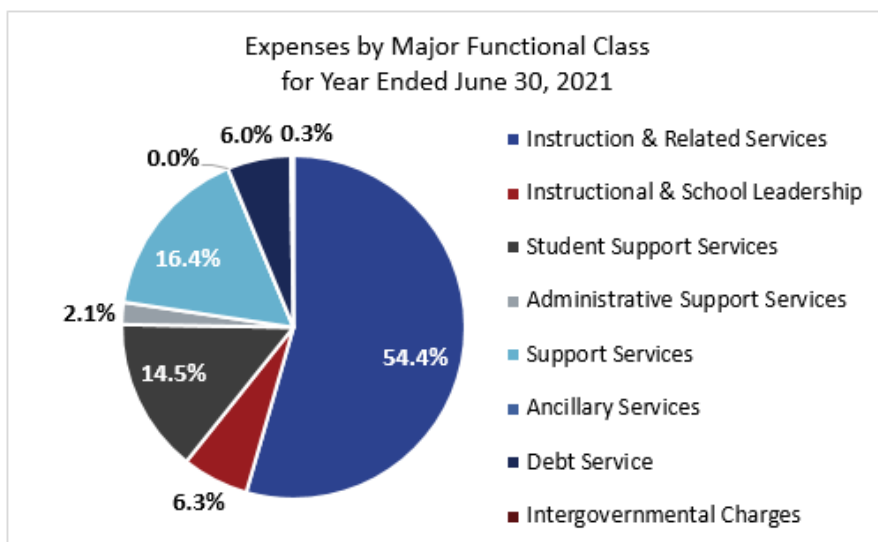
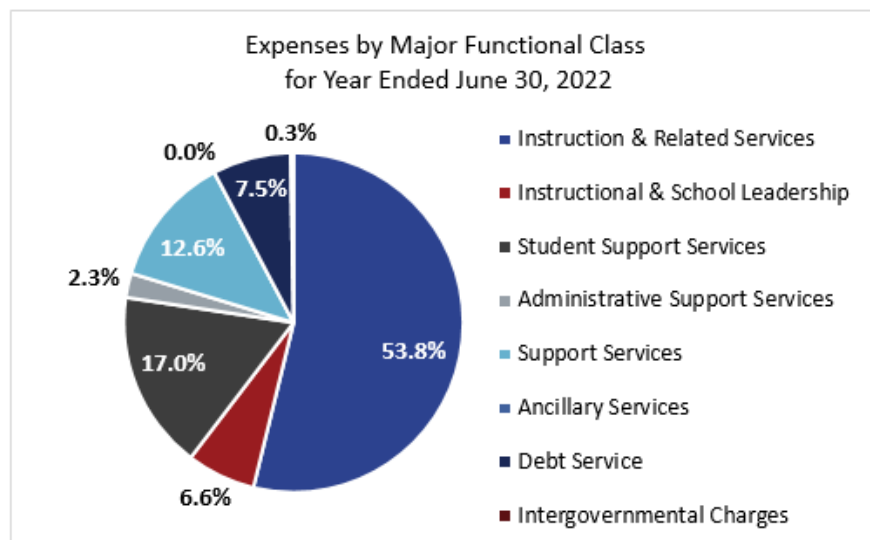
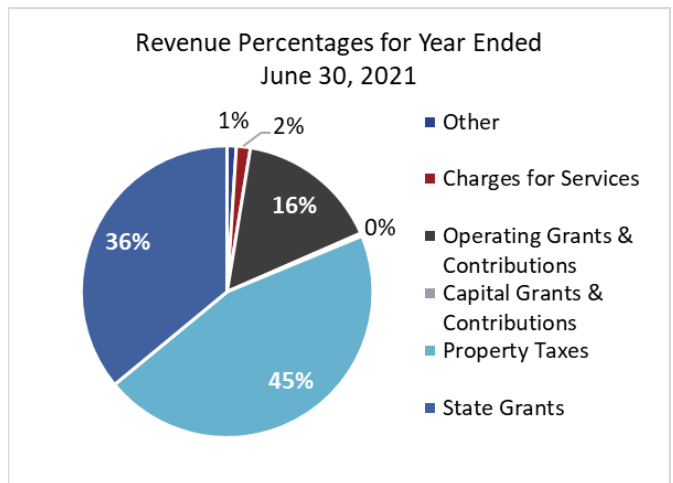
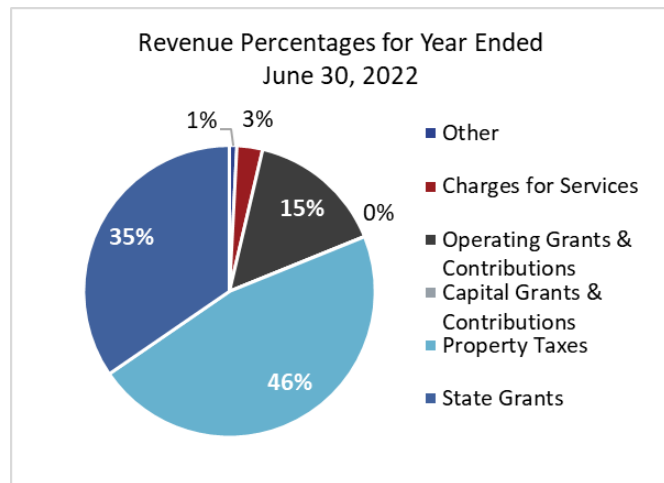
Investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, right-to-use leased equipment, and construction in progress) less any related debt used to acquire those assets that is still outstanding is \$60,836,118. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents resources that are subject to external restrictions on how they may be used amounted to \$19,324,476. The remaining balance is a deficit of \$65,854,421, which represents unrestricted net position. This deficit is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments, specifically the net pension liability and net OPEB liability, that are more than currently available resources.

PEARLAND INDEPENDENT SCHOOL DISTRICT
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Governmental activities. The District's total net position increased by \$17,669,421. The total cost of all *governmental activities* this year was \$237,988,492. The amount that our taxpayers paid for these activities through property taxes was \$119,093,360 or 50.0% of total cost. The amount of costs that were paid by those who directly benefited from the programs was \$6,759,255 or 2.8%. The costs that were paid by other governments and organizations that subsidized certain programs with grants and contributions or by State equalization funding were \$35,948,992 or 15.1% and \$91,863,892 or 38.6%, respectively.

	Changes in the District's Net Position	
	Year Ended June 30, 2022	Year Ended June 30, 2021
Revenues:		
Program Revenues:		
Charges for services	\$ 6,759,255	\$ 3,927,212
Operating grants and contributions	35,948,992	40,219,103
Capital grants and contributions	53,812	809,601
General Revenues:		
Property taxes	119,093,360	114,707,917
State grants	91,863,892	91,190,682
Other	1,938,602	2,463,166
Total revenues	<u>255,657,913</u>	<u>253,317,681</u>
Expenses:		
Instruction	120,012,554	130,143,737
Instructional resources and media services	2,275,334	2,217,516
Curriculum and instructional staff development	5,770,921	5,768,622
Instructional leadership	3,285,081	3,307,322
School leadership	12,339,188	12,630,949
Guidance, counseling and evaluation services	8,249,543	8,662,901
Social work services	805,894	828,742
Health services	3,027,045	2,393,940
Student transportation	7,751,236	7,730,530
Food service	10,749,196	8,487,067
Cocurricular/extracurricular activities	9,832,879	8,739,562
General administration	5,520,929	5,300,054
Facilities maintenance and operations	22,622,219	22,206,616
Security and monitoring services	1,930,824	2,090,426
Data processing services	5,362,387	17,336,261
Community services	28,783	27,802
Debt service	17,754,097	15,164,922
Payments to juvenile justice alternative education program	15,200	7,500
Other intergovernmental charges	655,182	643,302
Total expenses	<u>237,988,492</u>	<u>253,687,771</u>
Excess (deficiency) of revenues over expenditures	<u>17,669,421</u>	<u>(370,090)</u>
Special Items	-	119,265
Change in net position	17,669,421	(250,825)
Net position, beginning	<u>(3,363,248)</u>	<u>(3,112,423)</u>
Net position, ending	<u>\$ 14,306,172</u>	<u>\$ (3,363,248)</u>

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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$111,141,509 a decrease of \$5,243,226 from the prior year restated ending fund balance of \$116,384,735. Approximately 31.5% or \$35,037,914 of the ending fund balance constitutes *unassigned fund balance*. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it has already been committed (1) for inventories \$764,086, (2) for prepaid items \$2,098,655, (3) restricted for grant funds \$4,234,970, (4) restricted for capital acquisitions and contractual obligations \$3,462,905, (5) restricted for debt service \$21,037,592, (6) committed \$20,954,957, and (7) assigned \$23,550,430.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$35,037,914, while the total fund balance was \$68,343,708. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 18.7% of the total general fund expenditures, while total fund balance represents 36.5% of that same amount.

The fund balance of the District's general fund increased by \$61,634 during the current fiscal year.

The debt service fund has a total fund balance of \$21,037,592, all of which is restricted for the payment of debt service. The ending fund balance in the debt service fund decreased by \$4,485,962 from last year's fund balance of \$25,523,554.

The capital projects fund has a total fund balance of \$13,449,094, of which \$3,462,905 is considered restricted for capital acquisitions and contractual obligations and \$9,986,189 is assigned to fund projects in the District's capital renewal plan. The net decrease in fund balance during the period in the capital projects fund was \$4,502,847 from last year's balance of \$17,951,941. The net decrease in fund balance during the current year was primarily due to the expenditures related to ongoing capital projects.

Proprietary funds. As mentioned earlier, the District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail. Unrestricted net position on June 30, 2022, amounted to \$375,151. The decrease in net position was \$20,494 from last year's balance of \$395,645.

PEARLAND INDEPENDENT SCHOOL DISTRICT
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General Fund Budgetary Highlights

Over the course of the year, the District recommended, and the Board approved several revisions to the budgeted revenue and appropriations. Differences between the original and final amended budget of the general fund can be summarized as follows:

Revenues and Other Financing Sources	
\$ 7,400,000	Successful voter-approval tax ratification election of 3 cents, increasing local tax revenue and maximizing state funding
444,395	Increase to account for indirect costs charged to federal grants (ESSER)
(1,200,000)	State funding decrease due to Covid-related low enrollment and attendance as of the third six weeks
585,000	Local revenue increase for tuition/fees, investment earnings, gate receipts, and other miscellaneous local revenues
(850,000)	TRS On-Behalf calculation adjustment (offset by decrease in expenditures)
10,335,160	Implementation of GASB Statement No. 87 for leases offset by appropriations with no impact to fund balance (proceeds from right-to-use leased assets)
<u>\$16,714,555</u>	Total Estimated Revenues and Other Financing Sources Net Increase
Appropriations and Other Financing Uses	
\$ (3,201,753)	Reclassify expenditures to be funded with ESSER funds
10,339,160	Implementation of GASB Statement No. 87 for leases offset by other financing sources with no impact to fund balance (proceeds from right-to-use leased assets)
(277,617)	Staff reductions to align with staffing formulas (2.5 teachers/4 teacher aides)
(850,000)	TRS On-Behalf calculation adjustment (offset by decrease in revenue)
<u>\$ 6,005,790</u>	Total Estimated Appropriations and Other Financing Uses Net Increase

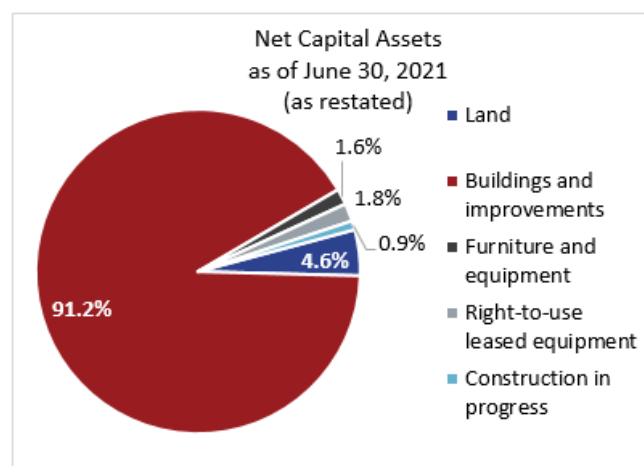
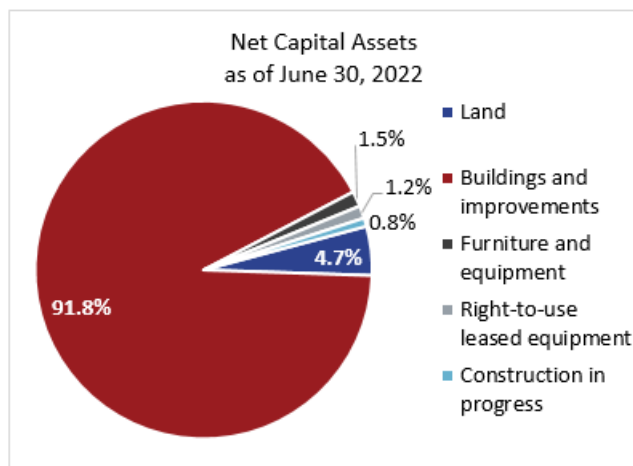
After revenues and appropriations were amended as described above, actual revenues were \$1.6 million below final budgeted amounts mainly due to TEA extending the hold harmless ADA allocation through the fourth six-weeks. Actual expenditures were \$18 million below final budget amounts due to \$10.3 million not needing to be recognized during the initial implementation of GASB Statement No. 87 for leases due to updated accounting guidance, the remaining \$7.7 million was mostly due to salary savings, staff reductions, and other costs reallocated to ESSER.

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Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2022 amounts to \$468,916,271 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and building improvements, furniture and equipment, right-to-use leased equipment, and construction in progress.

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

	June 30, 2022	June 30, 2021 (as restated)
Land	\$ 21,980,888	\$ 21,980,888
Buildings and improvements	430,643,902	437,687,085
Furniture and equipment	6,898,366	7,585,334
Right-to-use leased equipment	5,661,912	8,588,849
Construction in progress	3,731,203	4,275,888
Total at historical cost	<u>\$ 468,916,271</u>	<u>\$ 480,118,044</u>



Additional information on the District's capital assets can be found in Note 5 on pages 57 through 58 of this report.

Long-term debt. At June 30, 2022, the District had total long-term debt outstanding of \$522.6 million, a decrease of \$53.9 million from the restated previous year.

During fiscal year 2021-2022, the District defeased \$2,330,000 Unlimited Tax Schoolhouse Bonds, Series 2014 and \$4,000,000 Unlimited Tax School Building Bonds, Series 2017 with a maturity of February 15, 2038 and February 15, 2042, respectively, resulting in debt service savings of \$4.3 million.

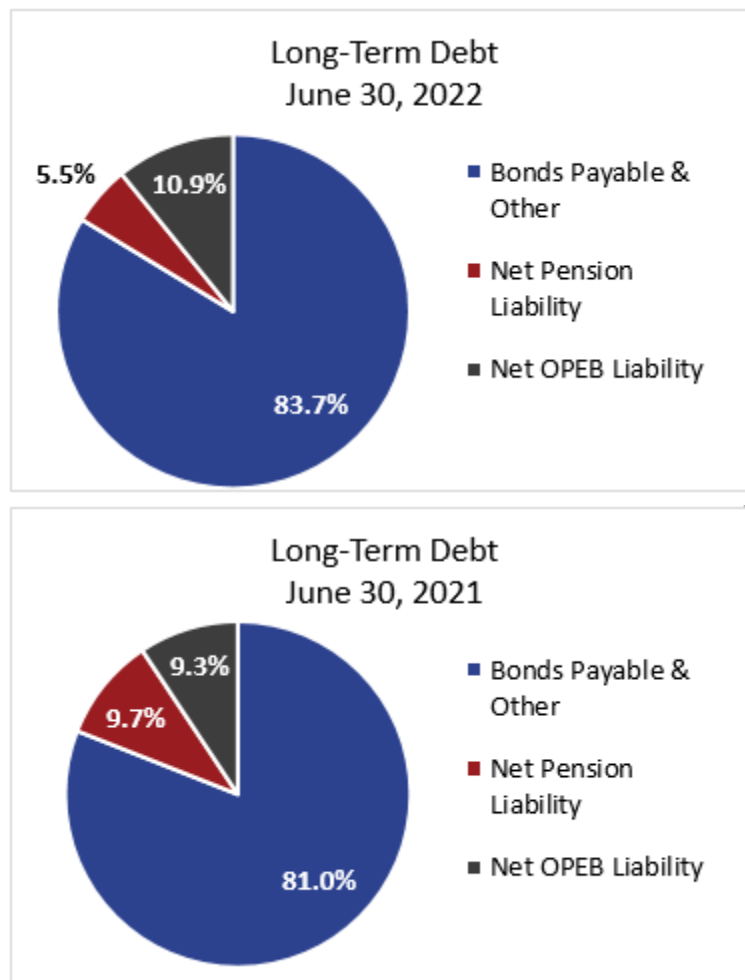
The District experienced a \$27.3 million decrease in its proportional share of the TRS net pension liability and a \$2.9 million increase in its proportional share of the TRS-Care post-employment benefit liability at year end.

The District's current underlying credit rating is "AA" by Fitch and "AA-" by S&P Global and is given without consideration of credit enhancement. In addition, the Texas Permanent School Fund is rated "AAA" by Fitch.

PEARLAND INDEPENDENT SCHOOL DISTRICT
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District's Long-Term Debt

	June 30, 2022	June 30, 2021 (as restated)
Bonds Payable & Other	\$ 437,226,195	\$ 466,741,052
Net Pension Liability	28,559,723	55,844,370
Net OPEB Liability	56,776,714	53,845,313
Total Long-Term Debt	<u>\$ 522,562,632</u>	<u>\$ 576,430,735</u>



Additional information on the District's long-term debt can be found in Note 6 on pages 58 through 59 of this report.

PEARLAND INDEPENDENT SCHOOL DISTRICT
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Economic Factors and Next Year's Budgets and Rates

As part of the budget development process, the District's management considers various factors that drive school district's budgets; these include enrollment trends, property values, state funding, facility needs, and the economy.

During the 87th Legislature in 2021, lawmakers passed HB 1525, also known as the "HB 3 cleanup bill", which adjusted some allotments in the new funding formulas and cleaned up some unintended consequences from the original bill. The District did not experience a major benefit from the updated funding elements, other than a slight increase in revenue for the re-establishment of the gifted and talented allotment.

The 2022-2023 fiscal year budget was adopted based on the following significant assumptions:

- A 1.3% enrollment decrease or 275 students due to the District's aging population.
- An increase of 5.58% in taxable values.
- A 2.21 cent tax rate decrease; the District adopted the budget assuming a tax rate of \$1.2931 per \$100 of assessed value for the 2022-2023 fiscal year; \$0.9450 for maintenance and operations (M&O) and \$0.3481 for interest and sinking (I&S).
- General fund revenues of \$192.3 million and expenditures of \$195.7 million for a total budget deficit of \$3.4 million to be covered with available fund balance.
- The expenditures budget includes a 2% general pay increase for all staff as well as targeted and market adjustments to transportation and manual trade salary schedules.

As of October 11, 2022, the District had amended its 2022-2023 fiscal year budget to reflect the following changes:

- A 1.2% enrollment increase or 245 students; most of these being students that registered back in school after dropping off to homeschooling or remote learning during the pandemic.
- Certified property value increase of 8.55%.
- Adopted a tax rate of \$1.3027; \$0.9546 for M&O and \$0.3481 for I&S. The M&O tax rate includes seven cents that were adopted in response to the Winter Storm Uri natural disaster and are good for one year only.
- Amended general fund revenues of \$198.4 million (accounts for an increase in revenue due to the adopted tax rate and increase in enrollment); expenditures of \$196.3 million (accounts for additional teaching units to cover the need for the increase in enrollment, GASB Statement No. 87 for leases, and other miscellaneous costs); and \$0.4 million for other financing sources of revenue (capital leases). The amended budget results in a surplus of \$2.5 million.

Requests for Information

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances as well as demonstrate accountability for funds the District receives. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Office of the Chief Financial Officer, Pearland Independent School District, 1928 N. Main, Pearland, Texas 77581.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2022

Data Control Codes		Governmental Activities
	ASSETS	
1110	Cash and cash equivalents	\$ 33,417,938
1120	Investments	73,927,500
1220	Delinquent property taxes receivable	4,177,328
1230	Allowance for uncollectible taxes (credit)	(1,156,430)
1240	Due from other governments	26,752,000
1290	Other receivables, net	911,428
1300	Inventories	764,085
1410	Deferred expenses	2,098,655
	Capital Assets:	
1510	Land	21,980,888
1520	Buildings and improvements, net	430,643,902
1530	Furniture and equipment, net	6,898,366
1550	Right-to-use leased equipment, net	5,661,912
1580	Construction in progress	3,731,203
1000	Total assets	<u>609,808,775</u>
	DEFERRED OUTFLOWS OF RESOURCES	
1700	Deferred outflows of resources	<u>37,067,029</u>
	Total deferred outflows of resources	<u>37,067,029</u>
	LIABILITIES	
2110	Accounts payable	1,579,739
2140	Interest payable	6,677,880
2150	Payroll deductions and withholdings	1,613,204
2160	Accrued wages payable	18,867,267
2180	Due to other governments	2,024
2200	Accrued expenses	429,048
2300	Unearned revenue	4,672,512
	Non-current liabilities:	
2501	Due within one year	24,841,220
	Due in more than one year:	
2502	Bonds payable and other	412,384,975
2540	Net pension liability	28,559,723
2545	Net OPEB liability	56,776,714
2000	Total liabilities	<u>556,404,306</u>
	DEFERRED INFLOWS OF RESOURCES	
	Deferred inflows of resources	<u>76,165,325</u>
2600	Total deferred inflows of resources	<u>76,165,325</u>
	NET POSITION	
3200	Net investment in capital assets	60,836,118
	Restricted for:	
3820	Federal and state programs	4,334,266
3850	Debt service	14,990,210
3900	Unrestricted	(65,854,421)
3000	Total net position	<u>\$ 14,306,173</u>

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT B-1

STATEMENT OF ACTIVITIES

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes			Program Revenues			Net (Expenses)
			Charges for	Operating	Capital	Revenue and
Codes	Function/Programs	Expenses	Services	Grants and Contributions	Grants and Contributions	Changes in Net Position
	GOVERNMENTAL ACTIVITIES					
0011	Instruction	\$120,012,554	\$ 581,361	\$ 14,163,257	\$ -	\$ (105,267,936)
0012	Instructional resources and media svcs.	2,275,334	1,029	115,463	-	(2,158,842)
0013	Curriculum and staff development	5,770,921	-	848,429	-	(4,922,492)
0021	Instructional leadership	3,285,081	-	690,150	-	(2,594,931)
0023	School leadership	12,339,188	-	802,855	-	(11,536,333)
0031	Guidance, counseling and eval. services	8,249,543	-	1,308,759	-	(6,940,784)
0032	Social work services	805,894	-	197,109	-	(608,785)
0033	Health services	3,027,045	-	958,476	-	(2,068,569)
0034	Student transportation	7,751,236	-	629,615	-	(7,121,621)
0035	Food services	10,749,196	1,675,413	11,922,052	53,812	2,902,081
0036	Cocurricular/extracurricular activities	9,832,879	4,456,166	242,523	-	(5,134,190)
0041	General administration	5,520,929	45,286	282,032	-	(5,193,611)
0051	Facility maintenance and operations	22,622,219	-	1,158,364	-	(21,463,855)
0052	Security and monitoring services	1,930,824	-	41,663	-	(1,889,161)
0053	Data processing services	5,362,387	-	176,886	-	(5,185,501)
0061	Community services	28,783	-	25,128	-	(3,655)
0072	Interest on long-term debt	2,935,986	-	18,409	-	(2,917,577)
0073	Bond issuance costs and fees	14,818,111	-	2,367,822	-	(12,450,289)
0095	Payments to juvenile justice alternative education program	15,200	-	-	-	(15,200)
0099	Other intergovernmental charges	655,182	-	-	-	(655,182)
TP	Total governmental activities	\$ 237,988,492	\$ 6,759,255	\$ 35,948,992	\$ 53,812	(195,226,433)
	General Revenues					
	Property taxes:					
MT	Levied for general purposes					83,307,917
DT	Levied for debt service					35,785,443
SF	State aid - formula grants					91,863,892
GC	Grants and contributions not restricted to specific programs					1,244,176
IE	Investment earnings					242,344
MI	Miscellaneous					452,082
TR	Total general revenues					212,895,854
CN	Change in net position					17,669,421
NB	Net Position - beginning					(3,363,248)
NE	Net Position - ending					\$ 14,306,173

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-1

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2022

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
ASSETS						
1110	Cash and cash equivalents	\$ 25,088,259	\$ 65,022	\$ -	\$ 8,175,976	\$ 33,329,257
1120	Investments	40,332,548	20,349,127	12,934,292	-	73,615,967
1220	Delinquent property taxes receivable	3,001,215	1,176,113	-	-	4,177,328
1230	Allowance for uncollectible taxes(credit)	(862,335)	(294,095)	-	-	(1,156,430)
1240	Due from other governments	24,667,546	-	-	2,084,454	26,752,000
1260	Due from other funds	1,474,761	287,505	1,400,000	1,078,006	4,240,272
1290	Other receivables	823,973	85,941	-	1,514	911,428
1300	Inventories	664,790	-	-	99,296	764,086
1410	Prepaid Items	2,076,763	-	-	21,892	2,098,655
1000A	Total assets	<u>\$ 97,267,520</u>	<u>\$ 21,669,613</u>	<u>\$ 14,334,292</u>	<u>\$ 11,461,138</u>	<u>\$ 144,732,563</u>
LIABILITIES						
2110	Accounts payable	806,076	-	690,183	83,480	1,579,739
2150	Payroll deductions and withholdings	1,613,204	-	-	-	1,613,204
2160	Accrued wages payable	17,743,627	-	-	1,123,640	18,867,267
2170	Due to other funds	2,765,511	-	-	1,474,761	4,240,272
2180	Due to other governments	-	-	-	2,024	2,024
2200	Accrued expenditures	156,179	-	195,015	77,854	429,048
2300	Unearned revenue	4,282,725	1,523	-	388,264	4,672,512
2000	Total liabilities	<u>27,367,322</u>	<u>1,523</u>	<u>885,198</u>	<u>3,150,023</u>	<u>31,404,066</u>
DEFERRED INFLOWS OF RESOURCES						
2600	Deferred inflow of resources	1,556,490	630,498	-	-	2,186,988
	Total deferred inflows of resources	<u>1,556,490</u>	<u>630,498</u>	<u>-</u>	<u>-</u>	<u>2,186,988</u>
FUND BALANCES						
Nonspendable:						
3410	Inventories	664,790	-	-	99,296	764,086
3430	Prepaid items	2,076,763	-	-	21,892	2,098,655
Restricted:						
3450	Grant funds	-	-	-	4,234,970	4,234,970
3470	Capital acquisition and contractual obligations	-	-	3,462,905	-	3,462,905
3480	Debt service	-	21,037,592	-	-	21,037,592
3545	Committed - other	17,000,000	-	-	3,954,957	20,954,957
3590	Assigned - other	13,564,241	-	9,986,189	-	23,550,430
3600	Unassigned	35,037,914	-	-	-	35,037,914
3000	Total fund balances	<u>68,343,708</u>	<u>21,037,592</u>	<u>13,449,094</u>	<u>8,311,115</u>	<u>111,141,509</u>
4000	Total liabilities, deferred inflows of resources, and fund balances	<u>\$ 97,267,520</u>	<u>\$ 21,669,613</u>	<u>\$ 14,334,292</u>	<u>\$ 11,461,138</u>	<u>\$ 144,732,563</u>

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT
RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2022

EXHIBIT C-2

Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:

Total fund balances - governmental funds balance sheet (Exhibit C-1)		\$ 111,141,509
Capital assets, net of accumulated depreciation/amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	\$ 670,999,341	
Accumulated depreciation/amortization	<u>(202,083,070)</u>	468,916,271
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the postretirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.		
Deferred outflows - pension related	18,102,928	
Deferred outflows - OPEB related	15,249,662	
Deferred inflows - pension related	(32,889,421)	
Deferred inflows - OPEB related	<u>(43,275,904)</u>	(42,812,735)
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		
Property taxes:		
Levied for general purposes	1,556,490	
Levied for debt service	<u>630,498</u>	2,186,988
The assets and liabilities of internal service funds are included in governmental activities in the statement of net position.		375,151
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
General obligation bonds payable	(379,670,000)	
Accrued interest payable on long-term debt	(6,677,880)	
Compensated absences	(1,248,232)	
Leases payable	(5,652,863)	
Net pension liability	(28,559,723)	
Net OPEB liability	<u>(56,776,714)</u>	(478,585,412)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred amount on refunding	3,714,439	
Premium on general obligation bonds	<u>(50,630,038)</u>	(46,915,599)
Net position of governmental activities - statement of net position (A-1)		<u><u>\$ 14,306,173</u></u>

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT C-3

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes	Functions/Programs	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
REVENUES						
5700	Local and intermediate sources	\$ 84,529,336	\$ 35,706,630	\$ 24,824	\$ 5,866,371	\$ 126,127,161
5800	State program revenues	101,681,650	706,265	-	1,083,584	103,471,499
5900	Federal program revenues	2,564,365	-	-	23,017,363	25,581,728
5020	Total revenues	<u>188,775,351</u>	<u>36,412,895</u>	<u>24,824</u>	<u>29,967,318</u>	<u>255,180,388</u>
EXPENDITURES						
Current:						
0011	Instruction	107,184,163	-	146,932	6,902,081	114,233,176
0012	Instructional resources and media services	1,935,636	-	-	11,258	1,946,894
0013	Curriculum and staff development	5,355,089	-	-	520,034	5,875,123
0021	Instructional leadership	2,910,516	-	-	499,925	3,410,441
0023	School leadership	12,577,415	-	-	50,854	12,628,269
0031	Guidance, counseling and evaluation svcs.	7,778,773	-	-	685,962	8,464,735
0032	Social work services	651,076	-	-	160,565	811,641
0033	Health services	2,365,791	-	-	708,683	3,074,474
0034	Student transportation	7,071,906	-	644,375	14,189	7,730,470
0035	Food services	-	-	-	10,078,841	10,078,841
0036	Extracurricular activities	4,444,502	-	-	3,750,799	8,195,301
0041	General administration	5,424,623	-	-	5,711	5,430,334
0051	Facilities maintenance and ops.	22,069,838	-	261,036	463,296	22,794,170
0052	Security and monitoring services	1,830,783	-	7,715	-	1,838,498
0053	Data processing services	4,494,454	-	6,826	11,767	4,513,047
0061	Community services	4,525	-	-	24,430	28,955
Debt Service:						
0071	Debt service - principal	568,164	21,565,000	-	2,367,822	24,500,986
0072	Debt service - interest and fees	44,509	19,333,857	-	18,409	19,396,775
Capital Outlay:						
0081	Facilities acquisition and construction	-	-	4,860,787	-	4,860,787
Intergovernmental Charges:						
0095	Pymts. to Juvenile Justice Alt. Ed. Progs.	15,200	-	-	-	15,200
0099	Other intergovernmental charges	655,182	-	-	-	655,182
6030	Total expenditures	<u>187,382,145</u>	<u>40,898,857</u>	<u>5,927,671</u>	<u>26,274,626</u>	<u>260,483,299</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,393,206</u>	<u>(4,485,962)</u>	<u>(5,902,847)</u>	<u>3,692,692</u>	<u>(5,302,911)</u>
OTHER FINANCING SOURCES (USES)						
7912	Sale of real or personal property	59,685	-	-	-	59,685
7915	Transfers in	8,743	-	1,400,000	-	1,408,743
8911	Transfers out	(1,400,000)	-	-	(8,743)	(1,408,743)
7080	Total other financing sources (uses)	<u>(1,331,572)</u>	<u>-</u>	<u>1,400,000</u>	<u>(8,743)</u>	<u>59,685</u>
1200	Net change in fund balances	61,634	(4,485,962)	(4,502,847)	3,683,949	(5,243,226)
0100	Fund balances - beginning (restated)	68,282,074	25,523,554	17,951,941	4,627,166	116,384,735
3000	Fund balances - ending	<u>\$ 68,343,708</u>	<u>\$ 21,037,592</u>	<u>\$ 13,449,094</u>	<u>\$ 8,311,115</u>	<u>\$ 111,141,509</u>

The notes to the financial statements are an integral part of this statement

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN
FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2022

Amounts reported for governmental activities in the statement of activities (Exhibit B-1) are different because:

Net change in fund balances - total governmental funds (Exhibit C-3) \$ (5,243,226)

Governmental funds report capital outlay as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlay was less than the depreciation/amortization expense in the current period.

Capital outlay	\$ 14,753,975	
Depreciation/amortization expense	<u>17,366,899</u>	(2,612,924)

Property tax revenues in the governmental activities statement of activities do not provide current financial resources and are not reported as revenues in the funds. Deferred property tax revenues increased for the general fund and debt service fund.

Property taxes:		
Levied for general purposes	318,078	
Levied for debt service	<u>113,551</u>	431,629

Bond and other debt proceeds provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bonds and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.

Lease issued	(5,652,863)	
Principal paid on bonds	<u>21,565,000</u>	15,912,137

Internal service funds are used by management to charge the costs of certain activities, such as insurance and telecommunications to individual funds. The net revenue of the internal service funds is reported in the governmental activities statement of activities (Exhibit D-2). (20,494)

Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.

Accrued interest on long-term debt	272,034	
Amortization of bond premiums and discounts	4,939,998	
Amortization of deferred amounts of refunding	(633,368)	
Compensated absences	70,318	
Changes in pension liabilities	27,284,647	
Changes in OPEB liabilities	(2,931,401)	
Changes in pension related deferred outflows and inflows of resources	(25,502,170)	
Changes in OPEB related deferred outflows and inflows of resources	<u>5,702,241</u>	9,202,299

Change in net position of governmental activities (Exhibit B-1) \$ 17,669,421

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-1

STATEMENT OF NET POSITION

PROPRIETARY FUNDS

JUNE 30, 2022

Data Control Codes		Governmental Activities
		Internal Service Fund - Workers' Compensation
	ASSETS	
1110	Cash and cash equivalents	\$ 88,680
1120	Investments	311,533
1000	Total assets	<u>400,213</u>
	LIABILITIES	
2200	Accrued expenses	25,062
2000	Total liabilities	<u>25,062</u>
	NET POSITION	
3900	Unrestricted	375,151
3000	Total net position	<u>\$ 375,151</u>

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN FUND NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT D-2

Data Control Codes		Governmental Activities
		Internal Service Fund - Workers' Compensation
	Operating revenues:	
5700	Charges for services	\$ 45,286
	Total operating revenues	45,286
	Operating expenses:	
6200	Insurance claims and expenses	66,391
	Total operating expenses	66,391
	Operating income (loss)	(21,105)
	Nonoperating revenues:	
5700	Investment earnings	611
	Total nonoperating revenues	611
	Changes in net position	(20,494)
	Net position - beginning	395,645
	Net position - ending	\$ 375,151

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT

EXHIBIT D-3

STATEMENT OF CASH FLOW

PROPRIETARY FUNDS

FOR THE YEAR ENDED JUNE 30, 2022

	Governmental Activities
	Internal Service Fund - Workers' Compensation
CASH FLOWS FROM OPERATING ACTIVITIES	
Receipts from insurance	\$ 45,286
Claims paid	(69,946)
Net cash provided by (used for) operating activities	(24,660)
CASH FLOWS FROM INVESTING ACTIVITIES	
Interest on investments	611
Net cash provided by investing activities	611
Net increase (decrease) in cash and cash equivalents	(24,049)
Cash and cash equivalents - beginning	424,262
Cash and cash equivalents ending	\$ 400,213
Reconciliation of operating income(loss) to net cash provided by (used for) operating activities	
Operating income (loss)	\$ (21,105)
Adjustments to reconcile operating Income (loss) to net cash provided by (used by) operating activities:	
Accrued expenses payable	(3,555)
Total adjustments	(3,555)
Net cash provided by (used for) operating activities	\$ (24,660)

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
FIDUCIARY FUNDS
JUNE 30, 2022

EXHIBIT E-1

<u>Data Control Codes</u>		<u>Custodial Fund</u>
	ASSETS	
1100	Cash and cash equivalents	\$ 651,041
1290	Other receivables, net	2,702
1410	Prepaid items	95
1000	Total assets	<u>653,838</u>
	LIABILITIES	
2110	Accounts payables	29,927
2200	Accrued expenses	22,372
	Total liabilities	<u>52,299</u>
	NET POSITION	
	Restricted for:	
3800	Students and other activities	601,539
3000	Total net position	<u>\$ 601,539</u>

The notes to the financial statements are an integral part of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION
FIDUCIARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT E-2

	Custodial Fund
ADDITIONS	
Gifts and contributions	\$ 103,333
Revenues from student activities	788,068
Total additions	<u>891,401</u>
DEDUCTIONS	
Scholarship awards	70,085
Payments for student activities	858,487
Total deductions	<u>928,572</u>
Net increase (decrease) in fiduciary net position	(37,171)
Net position - beginning	<u>638,710</u>
Net position - ending	<u><u>\$ 601,539</u></u>

The notes to the financial statements are an integral part of this statement.



PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

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NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

The District prepares its basic financial statements in conformity with generally accepted accounting principles promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources; and it complies with the requirements of the appropriate version of Texas Education Agency's (the "TEA") *Financial Accountability System Resource Guide* (the "Resource Guide" or "FASRG") and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

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

Considerations regarding the potential for inclusion of other entities, organizations, or functions in the District's financial reporting entity are based on criteria prescribed by generally accepted accounting principles. These same criteria are evaluated in considering whether the District is part of any other governmental or other type of reporting entity. The overriding elements associated with prescribed criteria considered in determining that the District's financial reporting entity status is that of a primary government are: that it has a separately elected governing body; it is legally separate; and it is fiscally independent of other state and local governments.

Additionally, prescribed criteria under generally accepted accounting principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its GASB Statement No. 61, "The Financial Reporting Entity: Omnibus - an amendment of GASB Statements No. 14. and No. 34". The District receives support from various PTO, booster clubs and foundation organizations. None of these organizations meet the criteria specified by GASB 61 to be included in the District's financial statements. Therefore, there are no component units included within the reporting entity.

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities in net position) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The District has no *business-type activities* that rely, to a significant extent, on fees and charges for support.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Government-Wide and Fund Financial Statements (continued)

The statement of activities demonstrates the degree to which the direct expenses of a given function are offset by program revenues. *Direct expenses* are those that are clearly identifiable with a specific function. *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 and 2) grants and contributions that are restricted to meeting operational or capital requirements of a particular function. Taxes and other items not properly included among program revenues are reported instead as *general revenues*.

Interfund activities between individual governmental funds and between governmental funds and proprietary funds appear as due to/due from on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other resources and other uses on the governmental fund Statement of Revenues, Expenses and Changes in Net Position. All interfund transactions between governmental funds and also between governmental funds and internal service funds are eliminated on the government-wide financial statements. The District has no interfund services provided and used between functions that would be program revenue which would not be eliminated in the process of consolidation.

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. Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (the statement of net position and the statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting. These statements include the financial activities of the primary government, except for fiduciary funds. 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 revenues as soon as all eligibility requirements imposed by the provider have been met.

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

Revenues from local sources consist primarily of property taxes. Property tax revenues and revenues received from the State of Texas are recognized under the susceptible-to-accrual concept. Miscellaneous revenues are recorded as revenue when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned, since they are both measurable and available.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

Revenue from investments, including governmental external investment pools, is based upon fair value. Fair value is the amount at which a financial instrument could be exchanged in a current transaction between willing parties, other than in a forced or liquidation sale. External investment pools are permitted to report short-term debt investments at amortized cost, provided that the fair value of those investments is not significantly affected by the impairment of the credit standing of the issuer, or other factors. For that purpose, a pool's short-term investments are those with remaining maturities of up to 90 days.

Grant funds are considered earned to the extent of the expenditures made under the provisions of the grant. Accordingly, when such funds are received, they are recorded as unearned revenues until the related and authorized expenditures have been made. If balances have not been expended by the end of the project period, grantors sometimes require the District to refund all or part of the unused amount.

The proprietary fund types and the fiduciary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The net position is segregated into restricted net position and unrestricted net position. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and the unrestricted resources as needed.

The District reports the following major governmental funds:

The **general fund** is the government's primary operating fund. It accounts for all financial resources of the District, except those required to be accounted for in another fund. Major revenue sources include local property taxes, state funding under the Foundation School Program and interest earnings. Expenditures include all costs associated with the daily operations of the District except for specific programs funded by the federal and state government, food service, debt service, and capital projects.

The **debt service fund** accounts for the resources accumulated and payments made for principal and interest on long-term general obligation debt of governmental funds for which a tax has been dedicated. This is a budgeted fund and a separate bank account is maintained for this fund. Any unused sinking fund balances are transferred to the general fund after all of the related debt obligations have been met. Major revenue sources include local property taxes, state aid, and interest earnings. Expenditures include all costs associated with related debt service.

The **capital projects fund** accounts for the resources accumulated and made for Board authorized acquisition, construction, or renovation, as well as, furnishing and equipping of major capital facilities.

The District reports all special revenue funds under non-major governmental funds.

The Special Revenue Funds are used to account for the proceeds of specific revenue that are legally restricted or committed to expenditures for specific purposes through federal, state, and local grant awards, and for Campus Activity Funds, which are committed for uses benefitting the respective campuses where the funds are raised. Specifically, this type of fund is used to account for funds that are used for the District's Food Service Program, including local and federal revenue sources for federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods and other revenue specific programs. Resources accounted for in these funds are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

The District reports the following proprietary fund:

The ***internal service fund*** accounts for the District's self-funded workers' compensation program. The revenues of this fund are received from the general funds, and the expenses are comprised of claims paid on behalf of the District. The general fund is contingently liable for liabilities of this fund. See Note 13 for additional discussion of the District's self-insurance workers' compensation plan.

The District reports the following fiduciary fund:

The ***custodial funds*** account for resources held in a custodial capacity by the District and consists of funds that are the property of students or others.

Cash and Investments

The District considers highly liquid investments (including restricted assets) with an original maturity of three months or less when purchased to be cash equivalents.

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates. Current investments have an original maturity of greater than three months but less than one year at the time of purchase. Non-current investments have an original maturity of greater than one year at the time of purchase.

Interfund 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 outstanding balances between funds are reported as "due to/from other funds". The District had no advances between funds. See Note 4 for additional discussion of interfund receivables and payables.

Property Taxes

Property taxes are levied by October 1 on the assessed value listed as of January 1 for all real and business property located in the district in conformity with Subtitle E, Texas Property Tax Code. Taxes are due upon receipt of the tax bill and are past due and subject to interest if not paid by February 1 of the year following the October 1 levy date. On January 31 of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed.

The appraisal and recording of all property within the District is the responsibility of the Brazoria County Appraisal District (BCAD), an independent governmental unit with a board of directors appointed by the taxing jurisdictions within the county and funded from assessments against those taxing jurisdictions. BCAD is required by law to assess property at 100% of its appraised value. Real property must be reappraised at least every two years.

Under certain circumstances taxpayers and taxing units, including the District, may challenge orders of the BCAD Review Board through various appeals and, if necessary, legal action.

The assessed value of the property tax roll on August 1, 2021, upon which the levy for the 2021-22 fiscal year was \$8,716,021,138. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15% delinquent collection fees for attorney costs.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Property Taxes (continued)

The tax rates assessed for the year ended June 30, 2022, to finance general fund operations and the payment of principal and interest on general obligation long-term debt were \$0.9196 and \$0.3956 per \$100 valuation, respectively, for a total of \$1.3152 per \$100 valuation.

Current tax collections for the year ended June 30, 2022 were 98.67% of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the general and debt service funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2022, property taxes receivable, net of estimated uncollectible taxes, totaled \$2,138,880 and \$882,018 for the general and debt service funds, respectively.

Inventories

The consumption method is used to account for inventories (food products, school supplies and athletic equipment) of governmental funds. Under this method, these items are carried in an inventory account of the respective fund at cost, using the first-in, first-out method of accounting and are subsequently charged to expenditures when consumed. Governmental fund inventories are offset by a fund balance reserve indicating that they are unavailable as current expendable financial resources. Inventories of food commodities are recorded at market values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their market value is recorded as inventory and deferred revenue when received in the governmental funds. When requisitioned, inventory and deferred revenue are relieved, expenditures are charged, and revenue is recognized for an equal amount.

Capital Assets and Depreciation/Amortization

Capital assets, which include land, buildings and improvements, furniture and equipment, and right-to-use capital assets are reported in the applicable governmental activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than \$5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Buildings and building improvements, and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Assets</u>	<u>Years</u>
Buildings and improvements	5-50
Furniture and equipment	5-10
Right-to-use leased equipment	5-20

Land and construction in progress are not depreciated.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Leases

The District is a lessee for a noncancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$5,000 or more. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

- The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

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

Deferred Outflows and Inflows of Resources

Guidance for deferred outflows of resources and deferred inflows of resources is provided by GASB No. 63, "Financial Reporting of Deferred Outflows of Resources, Deferred Inflows of Resources, and Net Position". Concepts Statement No. 4, Elements of Financial Statements, introduced and defined those elements as a consumption of net position by the government that is applicable to a future reporting period, and an acquisition of net position by the government that is applicable to a future period, respectively. Previous financial reporting standards do not include guidance for reporting those financial statement elements, which are distinct from assets and liabilities. Further, GASB No. 65, "Items Previously Reported as Assets and Liabilities", had an objective to either (a) properly classify certain items that were previously reported as assets and liabilities as deferred outflows of resources or deferred inflows of resources or (b) recognize certain items that were previously reported as assets and liabilities as outflows of resources (expenses or expenditures) or inflows of resources (revenues).

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

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Deferred Outflows and Inflows of Resources (continued)

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

Compensated Absences

Compensated absences are absences for which employees will be paid. A liability for compensated absences that are attributable to services already rendered and that are not contingent on a specific event that is outside the control of the government and its employees is accrued as employees earn the rights to the benefits. Compensated absences that relate to future services or that are contingent on a specific event that is outside the control of the government and its employees are accounted for in the period in which such services are rendered or such events take place.

In the governmental funds, compensated absences are reported only if they have matured. The remainder of the compensated absences liability is reported in long-term liabilities on the statement of net position.

Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying basic financial statements. The District's sick leave policy allows employees to carryover unused sick days to subsequent years. Any employee who retires from the District through the Teacher Retirement System of Texas shall at the end of the last year of employment receive a lump-sum payment of unused sick leave up to a maximum of 100 days determined by formula (number of unused local sick leave multiplied by final year contract salary divided by twice the number of days on contract multiplied by number of years in district divided by 20). If the calculated lump-sum payment is less than \$100, no payment will be made.

Long-Term Obligations

In the government-wide financial statements, and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities or proprietary fund type statement of net position. Bond premiums and discounts are unearned and amortized over the life of the bonds using the straight-line method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are reported as expenses in the current period. Net pension and OPEB liabilities are reported as long-term liabilities and pension and OPEB expenses, based upon actuarial data, are reported as expenses within functional categories.

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 the debt is reported as other financing resources. 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. Net pension and OPEB costs are reported, based upon required contributions for the current period, within functional categories as expenditures.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Pensions

The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities, and additions to/deductions from TRS's 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.

Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as-you-go plan and all cash is held in a cash account.

Budgetary Data

Formal budgetary accounting is employed for all required governmental funds, as outlined in TEA's FASRG, and is presented on the modified accrual basis of accounting consistent with generally accepted accounting principles. The budget is prepared and controlled at the function level within each organization to which responsibility for controlling operations is assigned.

The official school budget is prepared for adoption for required governmental funds prior to June 20 of the preceding fiscal year for the subsequent fiscal year beginning July 1. The budget is formally adopted by the Board of Trustees at a public meeting held at least ten days after public notice has been given.

Annual budgets are adopted on a basis consistent with generally accepted accounting principles for the general fund, debt service fund and the food service fund.

The remaining special revenue funds and the capital projects fund (if utilized) adopt project-length budgets, which do not correspond to the District's fiscal year. Each annual budget is presented on the modified accrual basis of accounting, which is consistent with generally accepted accounting principles. The budget was properly amended throughout the year by the Board of Trustees. Such amendments are before the fact and are reflected in the official minutes of the Board.

The official budget was prepared for adoption for the general fund, food service fund and debt service fund prior to June 30, 2021. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within fund groups at the function code level and revenue object code level.

The Budget is formally adopted by the Board of Trustees at a duly advertised public meeting in accordance with law prior to the expenditure of funds. The approved budget is filed with the Texas Education Agency (TEA) through the Public Education Information Management System. Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Budgetary Data (continued)

before the fact and once approved are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures.

Encumbrance Accounting

The District utilizes encumbrance accounting in its governmental funds. Encumbrances represent commitments related to contracts not yet performed (executor contracts) and are used to control expenditures for the period and to enhance cash management. A school district often issues purchase orders or signs contracts for the purchase of goods and services to be received in the future. At the time these commitments are made, which in its simplest form means that when a purchase order is prepared, the appropriate account is checked for available funds. If an adequate balance exists, the amount of the order is immediately charged to the account to reduce the available balance for control purposes. The encumbrance account does not represent and expenditure for the period, only a commitment to expend resources.

Prior to the end of the current period, every effort should be made to liquidate outstanding encumbrances. When encumbrances are outstanding at the current period end, the school district likely will honor the open purchase orders or contracts that support the encumbrances. For reporting purposes, as noted earlier, outstanding encumbrances are not considered expenditures for the current period. If the school district allows encumbrances to lapse, even though it plans to honor the encumbrances, the appropriations authority expires, and the items represented by the encumbrances are usually re-appropriated in the following year's budget. Open encumbrances at current period-end are included in restricted, committed or assigned fund balance, as appropriate.

At June 30, 2022, encumbrances expected to be honored upon performance by vendors in the next year were as follows:

Fund	Amount
General Fund	\$ 449,415
Capital Projects Fund	4,268,194
Other Governmental Funds	440,699
Total	<u>\$ 5,158,308</u>

Fund Balances

The District's Board of Trustees meets on a regular basis to manage and review cash financial activities and to ensure compliance with established policies. The District's Unassigned General Fund Balance is maintained to provide the District with sufficient working capital and a margin of safety to address local and regional emergencies without borrowing. The unassigned General Fund Balance may only be appropriated by resolution of the Board of Trustees. Fund Balance of the District may be committed for a specific source by formal action of the District's Board of Trustees. Amendments or modifications of the committed fund balance must also be approved by board resolution by the District's Board of Trustees. When it is appropriate for fund balance to be assigned, the Board of Trustees delegates authority to the Superintendent or the Chief Financial Officer. In circumstances where an expenditure is to be made for a purpose for which amounts are available in multiple fund balance classifications, the order in which resources will be expended is as follows: restricted fund balance, followed by committed fund balance, assigned fund balance, and lastly, unassigned fund balance.

The District has implemented GASB Statement No. 54, "Fund Balance, Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

Fund Balances (continued)

of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

- **Non-spendable Fund Balance** - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables. As such, \$664,790 for inventory and \$2,076,763 for prepaid items in the general fund; \$99,296 for inventories in the food service fund; and \$21,892 for prepaid items in the campus activity funds have been classified as non-spendable fund balances.
- **Restricted Fund Balance** - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors or other governments; or are imposed by law (through constitutional provisions of enabling legislation). As such, the fund balances of \$21,037,592 in the debt service fund, \$3,462,905 in the capital projects fund, and \$4,234,970 in the food service fund have been classified as restricted.
- **Committed Fund Balance** - Amounts that can only be used for specific purposes, which must be approved by formal action of the Board of Trustees. The District has a committed fund balance of \$17,000,000 in the general fund, of which \$3,000,000 is for future damage from a named storm, \$6,000,000 for technology infrastructure and devices, and \$8,000,000 for economic stabilization. The District also has a committed fund balance of \$3,954,957 for activities benefiting campus students and staff.
- **Assigned Fund Balance** - Amounts the District intends to use for a specific purpose. The Board of Trustees delegates the Superintendent or Chief Financial Officer the authority to assign fund balance. The District has an assigned fund balance of \$13,564,241 in the general fund, of which \$449,515 is for outstanding encumbrances that will be honored in the fiscal year 2023, \$2,000,000 for leased student technology devices, and \$11,114,726 for the capital and technology expenditures. The District also has an assigned fund balance of \$9,986,189 earmarked for projects identified in the Districts' capital renewal plan.
- **Unassigned Fund Balance** - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which an amount had been restricted, committed, or assigned. The general operating fund has \$35,037,914 of unassigned fund balance.

Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the FASRG. The TEA requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

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 reporting amounts of assets and deferred outflows of resources, and, liabilities and deferred inflows of resources at the date of the financial statements, and the reported amounts of revenues and expenditures during the period. Actual results could differ from these estimates.

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (Continued)

New Pronouncements

The following GASB pronouncements were effective during fiscal year 2022.

GASB Statement No. 87, *Leases* was issued in June 2017 and was effective for periods beginning after June 15, 2021. This Statement established a single model for lease accounting based on the foundational principle that leases are financings of the right to use an underlying asset. Under this Statement, a lessee is required to recognize a lease liability and an intangible right-to-use lease asset, and a lessor is required to recognize a lease receivable and a deferred inflow of resources, thereby enhancing the relevance and consistency of information about governments' leasing activities. The District has evaluated the effects of this Statement and has determined that it does impact to the financial statements. The District has incorporated such leases into its capital assets and long-term liabilities on both the face of the financial statements and the note disclosures.

GASB Statement No. 89, *Accounting for Interest Cost Incurred before the end of a Construction Period*, was issued in June 2018 and was effective for periods beginning after December 15, 2020. This Statement requires that interest costs incurred before the end of a construction period be recognized as an expense in the period in which the cost was incurred for financial statements prepared using the economic resources measurement focus. As a result, interest cost incurred before the end of a construction period will not be included in the historical cost of a capital asset reported in a business-type activity or enterprise fund. The requirements of this Statement should be handled prospectively. The District has evaluated the effects of this Statement and has determined that it does not impact the financial statements.

GASB Statement No. 93, *Replacement of Interbank Offered Rates* was issued in June 2020 and had various effective dates. The Statement establishes accounting and financial reporting requirements related to the replacement of the interbank offered rates (IBORs) in hedging derivative instruments and leases. It also identifies appropriate benchmark interest rates for hedging derivative instruments. During the current fiscal year paragraphs 13 and 14 were effective and pertained to lease modifications. The District has evaluated the effects of this standard and has determined that this Statement does not impact the financial statements.

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans – An Amendment of GASB Statements No. 14 and No. 84, and a Supersession of GASB Statement No. 32* was issued in June 2020. This Statement provides guidance regarding the financial reporting of defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans. The Statement will also enhance (1) information related to Section 457 plans that meet the definition of a pension plan and the benefits provided through those plans and (2) investment information for all Section 457 plans. Paragraphs 4 and 5 of the Statement were effective immediately whereas the remaining requirements of this Statement are effective for periods beginning after June 15, 2021. The District has evaluated the effects of this standard and has determined that this Statement does not impact to the financial statements.

The GASB issued Statement No. 98, *The Annual Comprehensive Financial Report* in October 2021. This Statement establishes the term annual comprehensive financial report and its acronym ACFR. The requirements of the Statement are effective for fiscal years ending after December 15, 2021. The District implemented this pronouncement in the prior year.

PEARLAND INDEPENDENT SCHOOL DISTRICT**NOTES TO THE FINANCIAL STATEMENTS**

FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. DEPOSITS, INVESTMENTS AND DERIVATIVES

The District classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose an investment is considered a cash equivalent if when purchased it has a maturity of three months or less. Investments are classified as either current investments or non-current investments. Current investments have maturities of one year or less and non-current investments are those that have a maturity of a year or more.

See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

Cash and cash equivalents as reported on the statement of net position at June 30, 2022, are as follows:

	Governmental Funds	Proprietary (Internal Service Funds)	Fiduciary Funds	Total
Cash and Cash Equivalents:				
Cash (petty cash accounts)	\$ 21,736	\$ -	\$ -	\$ 21,736
Financial Institution Deposits:				
Demand deposits	33,307,521	88,680	651,041	34,047,242
Local Government Investment Pools:				
TexPool	13,921,106	311,533	-	14,232,639
TexPool Prime	9,697,083	-	-	9,697,083
Texas CLASS	15,947,104	-	-	15,947,104
Texas CLASS Government	7,529,334	-	-	7,529,334
Texas DAILY	11,021,340	-	-	11,021,340
Texas Term	15,500,000	-	-	15,500,000
Total	<u>\$ 106,945,224</u>	<u>\$ 400,213</u>	<u>\$ 651,041</u>	<u>\$ 107,996,478</u>

Deposits

Custodial Credit Risk - Deposits. Custodial credit risk is the risk that in the event of a financial institution failure, the District's deposits may not be returned to them. The District requires that all deposits with financial institutions be collateralized in an amount equal to 100% of uninsured balances.

Under Texas state law, a bank serving as the school depository must have a bond or in lieu thereof, deposited or pledged securities with the District or an independent third-party agent, an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At June 30, 2022, in addition to petty cash of \$21,736, the carrying amount of the District's cash, savings, and time deposits was \$34,047,242. The financial institutions balances were \$34,679,342 at June 30, 2022. Bank balances of \$1,000,000 were covered by federal depository insurance, and \$33,679,342 was covered by collateral pledged in the District's name. The collateral was held in safekeeping departments of unrelated banks, which act as the pledging bank's agent.

NOTE 2. DEPOSITS, INVESTMENTS AND DERIVATIVES (Continued)

Deposits (continued)

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

Depository:

- a) Name of bank: Wells Fargo Bank, Pearland, Texas.
- b) Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was \$46,204,044.
- c) Largest cash, savings and time deposit combined account balance amounted to \$40,398,703 and occurred on October 28, 2021.
- d) Total amount of FDIC coverage at the time of the largest combined balance was \$1,000,000.

Investments

Chapter 2256 of the Texas Government Code (the Public Funds Investment Act) authorizes the District to invest its funds under written investment policy (the "investment policy") that primarily emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity and addresses the quality and capability of investment personnel. This investment policy defines what constitutes the legal list of investments allowed under the policies, which excludes certain instruments allowed under chapter 2256 of the Texas Government Code.

The District's deposits and investments are invested pursuant to the investment policy, which is approved by the Board of Trustees. The investment policy includes lists of authorized investment instruments and allowable stated maturity of individual investments. In addition, it includes an "Investment Strategy Statement" that specifically addresses each investment option and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification, and yield. Additionally, the soundness of financial institutions (including broker/dealers) in which the District will deposit funds is addressed. The District's investment policy and types of investments are governed by the Public Funds Investment Act (PFIA). The District's management believes it complied with the requirements of the PFIA and the District's investment policy.

The District's Investment Officer submits an investment report each quarter to the Board of Trustees. The report details the investment positions of the District and the compliance of the investment portfolio's as they relate to both the adopted investment strategy statements and Texas State law.

The District is authorized to invest in the following investment 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. Banker's acceptances as permitted by Government Code 2256.012;
5. Commercial paper as permitted by Government Code 2256.013;
6. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014;
7. 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; and
8. Public funds investment pools as permitted by Government Code 2256.016.

The District invests in TexPool, TexPool Prime, Texas CLASS, Texas CLASS Government, Texas Term, and Texas DAILY to provide its liquidity needs. TexPool and TexPool Prime is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. TexPool and TexPool Prime is a 2(a)7 like fund,

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. DEPOSITS, INVESTMENTS AND DERIVATIVES (Continued)

Investments (continued)

meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. TexPool and TexPool Prime are rated AAAM and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

Texas CLASS and Texas CLASS Government is a local government investment pool pursuant to Section 2256.016 of the Public Funds Investment Act, Texas Government Code. Per State Code, entities may pool any of their funds, or funds under their control, to preserve principal, maintain the liquidity of the funds and maximize yield. The Texas CLASS and Texas CLASS Government agreement is an agreement of indefinite term regarding the investment, reinvestment, and withdrawal of local government funds. Texas CLASS and Texas CLASS Government seeks to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. Texas CLASS and Texas CLASS Government is rated AAAM and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

Texas Range is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texas Range is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund. Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of \$1.00, although this cannot be fully guaranteed. Texas Range is rated AAAMf from Fitch, and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

The District considers holdings in these funds to have a one day weighted average maturity. This is due to the fact that the share position can usually be redeemed each day at the discretion of the shareholder, unless there has been a significant change in value.

All of the District's investments are insured, registered, or the District's agent holds the securities in the District's name; therefore, the District is not exposed to custodial credit risk.

The following table includes the portfolio balances of all investment types of the District at June 30, 2022:

<u>Local Government Investment Pools</u>	<u>Fair Value</u>	<u>Weighted Average Maturity (in Days)</u>
Texpool:		
TexPool	\$ 14,232,639	23
TexPool Prime	9,697,083	18
Texas CLASS:		
Texas CLASS	15,947,104	70
Texas CLASS Government	7,529,334	99
Texas Range:		
Texas DAILY	11,021,340	21
Texas Term	15,500,000	84
Total local government investment pools	<u>\$ 73,927,500</u>	<u>53</u>

Credit Risk - As of June 30, 2022, the local government investment pool (which represents 100% of the unrestricted portfolio) are rated AAAM by Standard and Poor's and AAAMf by Fitch.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 2. DEPOSITS, INVESTMENTS AND DERIVATIVES (Continued)

Investments (continued)

Interest Rate Risk - As a means of minimizing risk of loss due to interest rate fluctuations, the Investment Policy requires that investment maturities will not exceed the lesser of a dollar weighted average maturity of 365 days or the anticipated cash flow requirements of the funds. Quality short-to-medium term securities should be purchased, which complement each other in a structured manner that minimizes risk and meets the District's cash flow requirements.

Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by GASB No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2022, the District had no assets or liabilities within the fair value hierarchy established by GASB No. 72.

NOTE 3. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND UNEARNED REVENUES

Receivables and Allowances

Receivables as of June 30, 2022, for the government's individual major funds and nonmajor, internal service, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Capital Projects Fund	Other Governmental Funds	Total
Receivables:					
Property taxes	\$ 3,001,215	\$ 1,176,113	\$ -	\$ -	\$ 4,177,328
Other governments	24,667,546	-	-	2,084,454	26,752,000
Other receivables	823,973	85,941	-	1,514	911,428
Gross receivables	28,492,734	1,262,054	-	2,085,968	31,840,756
Less: allowance for uncollectibles	(862,335)	(294,095)	-	-	(1,156,430)
Net receivables	<u>\$ 27,630,399</u>	<u>\$ 967,959</u>	<u>\$ -</u>	<u>\$ 2,085,968</u>	<u>\$ 30,684,326</u>

Receivables from Other Governments

The District participates in a variety of federal and state programs from which it receives grants to, partially or fully, finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. All federal grants shown below are passed through the TEA or other state agency and are reported on the combined financial statements as either Receivable from or Due to Other Governments, as applicable.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND UNEARNED REVENUES

Receivables from Other Governments (continued)

Amounts due from federal, state, and local governments as of June 30, 2022:

<u>Fund</u>	<u>State Entitlements</u>	<u>Federal Grants</u>	<u>State Grants and Other</u>	<u>Total</u>
Major governmental funds:				
General fund	\$ 24,558,925	\$ 108,621	\$ -	\$ 24,667,546
Other governmental funds	-	2,074,259	10,195	2,084,454
Total	<u>\$ 24,558,925</u>	<u>\$ 2,182,880</u>	<u>\$ 10,195</u>	<u>\$ 26,752,000</u>

Deferred Outflows and Inflows of Resources/Unearned Revenue

Governmental Funds

Governmental funds defer the recognition of revenue in connection with receivables that are considered to be unavailable to liquidate liabilities of the current period and report these amounts as deferred inflows of resources. Governmental funds also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of June 30, 2022, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	<u>Deferred Inflows of Resources</u>	<u>Unearned Revenue</u>
Delinquent Property Taxes Receivable:		
General Fund	\$ 1,556,490	\$ -
Debt Service Fund	630,498	-
Advance Funding:		
Federal grants	-	340,405
State entitlements	-	4,284,248
State grants	-	34,804
Local grants	-	13,055
Total deferred/unearned revenue from governmental funds	<u>\$ 2,186,988</u>	<u>\$ 4,672,512</u>

Governmental Activities

Governmental activities defer the recognition of pension and OPEB expense for contributions made subsequent to the measurement date to the current year-end of June 30, 2022 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 3. RECEIVABLES, UNCOLLECTIBLE ACCOUNTS, DEFERRED OUTFLOWS AND INFLOWS OF RESOURCES, AND UNEARNED REVENUES

Deferred Outflows and Inflows of Resources/Unearned Revenue (continued)

As of June 30, 2022, the various components of deferred inflows and outflows of resources and unearned revenue reported in the governmental activities were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue
TRS pension deferred outflows and inflows	\$ 13,767,811	\$ 32,889,421	\$ -
TRS pension contributions subsequent to the measurement date	4,335,117	-	-
TRS-Care OPEB deferred outflows and inflows	14,261,155	43,275,904	-
TRS-Care OPEB contributions subsequent to the measurement date	988,507	-	-
Bond refunding costs, net of amortization	3,714,439	-	-
Advance Funding:			
Federal grants	-	-	340,405
State entitlements	-	-	4,284,248
State grants	-	-	34,804
Local grants	-	-	13,055
Total	<u>\$ 37,067,029</u>	<u>\$ 76,165,325</u>	<u>\$ 4,672,512</u>

NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

Interfund balances at June 30, 2022, consisted of the following:

Receiving Fund	Payable Fund	June 30, 2022
General Fund	Other Governmental Funds	\$ 1,474,761
Debt Service Fund	General Fund	287,505
Capital Projects Fund	General Fund	1,400,000
Other Governmental Funds	General Fund	1,078,006
		<u>\$ 4,240,272</u>

Interfund Transfers

As of the year ended June 30, 2022, the Capital Projects Fund received \$1,400,000 from the General Fund for locally funded projects. The General Fund received \$8,743 from Special Revenue Funds related to reimbursements the District received for natural disasters and for certain emergency measures taken in response to the COVID-19 pandemic.

Transferring Fund	Receiving Fund	Amount
General Fund	Capital Projects Fund	\$ 1,400,000
Other Governmental Funds	General Fund	8,743
		<u>\$ 1,408,743</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets and Accumulated Depreciation

The following provides a summary of changes in capital assets and accumulated depreciation for the year ended June 30, 2022:

	Balance July 1, 2021 (as restated)	Additions	Retirements /Transfers	Balance June 30, 2022
Capital assets not being depreciated/amortized:				
Land	\$ 21,980,888	\$ -	\$ -	\$ 21,980,888
Construction in progress	4,275,888	4,926,982	(5,471,667)	3,731,203
Total capital assets not being depreciated/amortized	26,256,776	4,926,982	(5,471,667)	25,712,091
Capital assets being depreciated/amortized:				
Buildings and improvements	595,692,698	-	5,471,667	601,164,365
Furniture and equipment	34,377,089	1,238,144	(81,197)	35,534,036
Right-to-use leased equipment	12,312,923	-	-	12,312,923
Total capital assets being depreciated/amortized	642,382,710	1,238,144	5,390,470	649,011,324
Less: Accumulated depreciation/amortization:				
Buildings and improvements	(158,005,613)	(12,514,850)	-	(170,520,463)
Furniture and equipment	(26,791,755)	(1,925,112)	81,197	(28,635,670)
Right-to-use leased equipment	(3,724,074)	(2,926,937)	-	(6,651,011)
Total accumulated depreciation/amortization	(188,521,442)	(17,366,899)	81,197	(205,807,144)
Governmental activities capital assets, net	<u>\$ 480,118,044</u>	<u>\$ (11,201,773)</u>	<u>\$ -</u>	<u>\$ 468,916,271</u>

Depreciation/Amortization Expense

Depreciation/amortization expense of the governmental activities was charged to the following functions:

Instruction	\$ 11,774,678
Instructional resources and media services	363,671
Curriculum and staff development	4,446
Instructional leadership	95,575
School leadership	17,261
Guidance, counseling, and evaluation services	15,595
Social work services	15,195
Health services	16,710
Student transportation	790,518
Food service	886,155
Extracurricular activities	1,753,296
General administration	146,367
Facilities maintenance and operations	461,223
Security and monitoring services	130,562
Data processing services	895,647
Total depreciation/amortization expense	<u>\$ 17,366,899</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 5. CAPITAL ASSETS

Construction Commitments

At June 30, 2022, the District had ongoing construction projects where the active commitments with contractors are as follows:

	Authorized Contracts	Construction in Progress	Remaining Commitments
Pearland HS (Searcy Campus) Roof Replacement	\$ 2,419,935	\$ 2,255,521	\$ 164,414
Sablatura Roof Replacement (Design Phase)	82,980	3,600	79,380
Carleston Partial Roof Replacement	425,498	11,195	414,303
Silvercrest Roof Replacement	1,520,584	68,856	1,451,728
Silverlake Roof Replacement	1,288,797	58,360	1,230,437
Transportation Fuel Tank Replacement	577,704	539,701	38,003
Dawson HS Turf	801,500	790,470	11,030
Turner Graphics	14,000	3,500	10,500
Total governmental activities	<u>\$ 7,130,998</u>	<u>\$ 3,731,203</u>	<u>\$ 3,399,795</u>

NOTE 6. LONG-TERM DEBT

General Obligation Bonds

Long-term debt includes par bonds, capital appreciation (deep discount) serial bonds, contractual obligations, and loans. Contractual obligations are issued at parity with general obligation bonds, but carry a secondary revenue stream pledge; however, all certificates of obligation are tax, not revenue, supported. This debt, unlike other tax-supported debt, can be issued without a vote of the citizens. Bond premiums and discounts, and gains and losses on refunding are amortized using the straight-line method.

The following is a summary of the District's outstanding general obligation bonded debt at June 30, 2022:

Date of Issue	Original Issue	Final Maturity	Date Callable	% Rates	Outstanding Balance
2013A	\$ 15,490,000	2029	2023	3.000 - 5.000	\$ 12,825,000
2013B	38,155,000	2029	2023	2.000 - 5.000	405,000
2014	30,540,000	2029	2024	2.000 - 5.000	20,185,000
2014B	28,655,000	2039	2024	2.000 - 5.000	15,880,000
2016	41,335,000	2032	2026	5.000 - 5.250	41,335,000
2016A	42,200,000	2032	2026	2.000 - 5.000	23,075,000
2017	105,510,000	2042	2026	3.000 - 5.000	99,400,000
2019	75,155,000	2042	2029	3.000 - 5.000	75,155,000
2019A	18,305,000	2042	2029	3.000 - 5.000	17,715,000
2020	78,675,000	2029	N/A	5.000	73,695,000
Total	<u>\$ 474,020,000</u>				<u>\$ 379,670,000</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 6. LONG-TERM DEBT (Continued)

General Obligation Bonds (continued)

Principal and interest on general obligation bonds payable at June 30, 2022, are summarized as follows:

	Principal	Interest	Requirement
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	<u>\$ 379,670,000</u>	<u>\$ 166,004,525</u>	<u>\$ 545,674,525</u>

Bond indebtedness of the District is recorded in the governmental activities statement of net position, and current requirements for principal and interest expenditures are accounted for in the Debt Service Fund. Proceeds of long-term issues are reflected as "Other Sources" in the operating statement of the recipient fund.

There are limitations and restrictions contained in the general obligation bond indentures. The District is in compliance with all significant limitations and restrictions at June 30, 2022.

Changes in Long-Term Liabilities

During fiscal year 2021-2022, the District defeased \$2,330,000 Unlimited Tax Schoolhouse Bonds, Series 2014 and \$4,000,000 Unlimited Tax School Building Bonds, Series 2017 with a maturity of February 15, 2038 and February 15, 2042, respectively, resulting in debt service savings of \$4.3 million.

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

	Balance July 1, 2021 (as restated)	Additions	Deletions	Balance June 30, 2022	Due Within One Year
Bonds Payable:					
General obligation bonds	\$ 401,235,000	\$ -	\$ 21,565,000	\$ 379,670,000	\$ 16,870,000
Premium on general obligation bonds	55,570,036	-	4,939,998	50,630,038	4,869,372
Leases	8,588,849	-	2,935,986	5,652,863	2,961,850
Compensated absences	1,318,550	-	70,318	1,248,232	114,936
Claims	28,617	-	3,555	25,062	25,062
Total	<u>\$ 466,741,052</u>	<u>\$ -</u>	<u>\$ 29,514,857</u>	<u>\$ 437,226,195</u>	<u>\$ 24,841,220</u>

NOTE 7. LEASES

The District has entered into agreements to lease copiers, student technology devices, and the fire and alarm electronic security system. The leases qualify as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right-to-use leased assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The lease liability was measured at a discount rate range from .0258% to 3.96% which is the stated rate in the

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 7. LEASES (Continued)

leases. The right-to-use assets are amortized on a straight-line basis over the life of the related lease. A lease for copiers was executed effective on January 1, 2019 requiring monthly payments of \$30,013 for 60 months. Another lease for copiers was also executed effective on January 1, 2019 requiring monthly payments of \$4,566 per month for 60 months. A third lease for copiers was executed effective on January 1, 2020 requiring monthly payments of \$2,897 per month for 60 months. A lease for student technology devices was executed effective on November 1, 2020 requiring annual payments of \$2,386,231 per year for four years with the lease expiring on October 31, 2024. The District executed a lease agreement for a fire and alarm electronic security system effective on January 13, 2019 requiring monthly payments of \$13,580 for 48 months with the lease expiring on January 12, 2024.

Commitment under right-to-use lease agreements for copier equipment, student technology devices, and the fire and alarm electronic security system provides for future principal and interest lease payments as of June 30, 2022 as follows:

<u>Fiscal Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2023	\$ 2,961,849	\$ 37,054	\$ 2,998,903
2024	2,643,794	19,254	2,663,048
2025	33,498	1,267	34,765
2026	13,722	764	14,486
	<u>\$ 5,652,863</u>	<u>\$ 58,339</u>	<u>\$ 5,711,202</u>

Lease expenditures on the above-mentioned equipment for the year ended June 30, 2022 were \$2,998,904.

NOTE 8. DEFINED BENEFIT PENSION PLANS

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. Visit https://www.trs.texas.gov/Pages/about_publications.aspx to obtain the report, or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

Benefits Provided

TRS provides service and disability retirement, as well as death and survivor benefits, to eligible employees (and their beneficiaries) of public and higher education in Texas. The pension formula is calculated using 2.3 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

Benefits Provided (continued)

service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic post-employment benefit changes, including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

	Contribution Rates	
	Measurement Year	
	2022	2021
Member	8.00%	7.70%
Non-Employer Contributing Entity (State)	7.75%	7.50%
Employers	7.75%	7.50%
District 2022 Employer Contributions	\$ 5,136,805	
District 2022 Member Contributions	\$ 11,583,544	
District 2022 NECE On-Behalf Contributions	\$ 8,026,061	

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State is the employer for senior colleges, medical schools and state agencies including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

Contributions (continued)

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 employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there is an additional surcharge an employer is subject to.

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

Actuarial Assumptions

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

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.25%
Long-term expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2020	1.95% - Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Last year ending August 31 in Projection Period (100 Years)	2120
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit changes during the year	None
Ad-hoc post-employment benefit changes	None

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

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate

A single discount rate of 7.25 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.25 percent. The projection of cash flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 8.50 percent of payroll in fiscal year 2020 gradually increasing to 9.55 percent of payroll over the next several years. This includes all employer and state contributions for active and rehired retirees.

Based on those assumptions, the pension plan's fiduciary net position was projected to be available to make all future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

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

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

¹ Absolute Return includes Credit Sensitive Investments.

² Target allocations are based on the FY2021 policy model.

³ Capital Market Assumptions come from Aon Hewitt (as of 08/31/2021).

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

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.25%, and what the net pension liability would be if it were to calculated using a discount rate that is 1% point lower (6.25%) or 1% point higher (8.25%) than the current rate.

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportionate share of the Net pension liability	\$ 62,407,528	\$ 28,559,723	\$ 1,098,879

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

At June 30, 2022, the District reported a liability of \$28,559,723 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	\$ 28,559,723
State's proportionate share that is associated with the District	46,805,195
Total	<u>\$ 75,364,918</u>

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

At June 30, 2021, the employer's proportion of the collective net pension liability was 0.1121464151% which was an increase of 0.0078773769% from its proportion measured as of August 31, 2020.

Changes since the prior Actuarial Valuation

There were no changes in assumptions since the prior measurement date.

For the year ended June 30, 2022, the District recognized pension expense of \$3,354,520 and revenue of \$187,121 representing pension expense for support provided by the State.

At June 30, 2022, the District reported its proportionate share of TRS 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	\$ 47,794	\$ (2,010,627)
Changes in actuarial assumptions	10,095,304	(4,400,687)
Difference between projected and actual earnings	-	(23,946,957)
Changes in proportion and differences between District contributions and proportionate share of contributions	3,624,713	(2,531,150)
Contributions paid to TRS subsequent to the measurement date of the net pension liability	4,335,117	-
Total	<u>\$ 18,102,928</u>	<u>\$ (32,889,421)</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 8. DEFINED BENEFIT PENSION PLANS (Continued)

Changes since the prior Actuarial Valuation (continued)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$4,335,117 will be recognized as a reduction of the net pension liability in the year ended June 30, 2023. The net amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<u>Fiscal Year</u>	<u>Pension Expense</u>	<u>Balance of Deferred Outflows (Inflows)</u>
2023	\$ (3,036,784)	\$ (16,084,826)
2024	(3,635,437)	(12,449,389)
2025	(5,666,451)	(6,782,938)
2026	(7,149,540)	366,602
2027	241,646	124,956
Thereafter	124,956	-
	<u>\$ (19,121,610)</u>	

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

The District participates in the Texas Public School Retired Employees Group Insurance Program (TRS-Care). It is a multiple-employer, cost-sharing defined Other Post-Employment Benefit (OPEB) plan with a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position

Detail information about the TRS-Care's fiduciary net position is available in a separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. The report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_publications.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

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

Benefits Provided (continued)

of service credit in the TRS pension system. There are no automatic post-employment benefit changes, including automatic COLAs.

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

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

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 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates	
	2022	2021
Active employee	0.65%	0.65%
Non-employer contributing entity (state)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by employers	1.25%	1.25%

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

District 2022 Employer Contributions	\$ 1,184,889
District 2022 Member Contributions	\$ 947,122
District 2022 NECE On-Behalf Contributions	\$ 2,198,267

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.

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

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

Actuarial Assumptions

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

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2017. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2020 TRS pension actuarial valuation that was rolled forward to August 31, 2021:

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

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2020 rolled forward to August 31, 2021
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Discount Rate	1.95% as of August 31, 2021
Aging Factors	Based on plan specific experience
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	3.05% to 9.05% including inflation
Healthcare Trend Rates	The initial medical trend rates were 8.50 percent for Medicare retirees and 7.10 percent for non-Medicare retirees. There was an initial prescription drug trend rate of 8.50 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 12 years.
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% participation after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

Discount Rate

A single discount rate of 1.95% was used to measure the Total OPEB Liability. There was a decrease of .38 percent in the discount rate since the previous year. Because the plan is essentially a “pay-as-you-go” plan, the single discount rate is equal to the prevailing municipal bond rate. The projection of cash flows used to determine the discount rate assumed that contributions from active members and those of the contributing employers and the non- employer contributing entity are made at the statutorily required rates. Based on those assumptions, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments of current plan members. Therefore, the municipal bond rate was applied to all periods of projected benefit payments to determine the total OPEB liability.

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

Discount Rate Sensitivity Analysis

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

	Discount Rate		
	1% Decrease (.95%)	Current Rate (1.95%)	1% Increase (2.95%)
District’s proportionate share of the Net OPEB liability	\$ 68,485,800	\$ 56,776,714	\$ 47,561,282

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

At August 31, 2022, the District reported a liability of \$56,776,714 for its proportionate share of TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District’s proportionate share of the collective net OPEB liability	\$ 56,776,714
State’s proportionate share that is associated with the District	76,068,144
Total	<u>\$ 132,844,858</u>

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

At June 30, 2022, the employer’s proportion of the collective net OPEB liability was 0.1471872877%, compared to 0.1416440833% as of June 30, 2021.

The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the assumed healthcare cost trend rate:

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District’s proportionate share of the Net OPEB liability	\$ 45,987,257	\$ 56,776,714	\$ 71,253,485

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 9. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS (Continued)

Changes since the prior Actual Valuation

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

- The discount rate changed from 2.33 percent as of August 31, 2020 to 1.95 percent 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.

At June 30, 2022, the District reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 2,444,506	\$ (27,483,902)
Changes in actuarial assumptions	6,288,688	(12,007,224)
Net difference between projected and actual investment earnings	61,641	-
Changes in proportion and difference between the employers' contributions and the proportionate share of contributions	5,466,320	(3,784,778)
Contributions paid to TRS subsequent to the measurement date	988,507	-
Total	<u>\$ 15,249,662</u>	<u>\$ (43,275,904)</u>

Deferred outflows of resources resulting from District contribution subsequent to the measurement date in the amount of \$988,507 will be recognized as a reduction in the net OPEB liability in the year ended June 30, 2023. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Fiscal Year	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2023	\$ (5,672,752)	\$ (23,341,997)
2024	(5,674,143)	(17,667,854)
2025	(5,673,762)	(11,994,092)
2026	(4,179,246)	(7,814,846)
2027	(2,155,937)	(5,658,909)
Thereafter	(5,658,909)	-
	<u>\$ (29,014,749)</u>	

For the year ended June 30, 2022, the District recognized a negative OPEB expense of \$1,586,400. The District also recognized negative on-behalf OPEB expense and revenue of \$2,807,496 for support provided by the State.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 10. GENERAL FUND FEDERAL SOURCE REVENUES

The following is a schedule of federal source revenue recorded in the General Fund:

Program or Source	ALN #	Total
Direct costs:		
School Health and Related Services (SHARS)		\$ 1,246,897
E-rate		127,179
JROTC		146,483
Total direct costs		<u>\$ 1,520,559</u>
Indirect Costs:		
School Breakfast Program	10.553	32,558
National School Lunch Program	10.555	202,689
Pandemic EBT, Admin Costs	10.649	5,814
ESSA, Title IX, Texas Education for Homeless Children & Youth	84.196A	1,123
ESSA, Title I, Part A, Improving Basic Programs	84.010A	75,126
IDEA, Part B, Formula	84.027A	170,593
IDEA, Part B, Preschool	84.173A	2,736
Perkins V: Strengthening CTE For 21st Century	84.048A	7,000
ESSA, Title II, Part A, Supporting Effective Instruction	84.367A	18,060
ESSA, Title III, Part A, Language Education Program	84.365A	8,858
ESSA, Title VI, Part A, Subpart 1, Improving Academic Achievement	84.424A	5,476
CRRSA, ESSER II	84.425D	113,901
ARP, ESSER III	84.425U	361,484
IDEA, Part B, Formula, ARP	84.027X	1,730
School Health Support Grant	93.323	36,658
Total indirect costs		<u>1,043,806</u>
Total		<u><u>\$ 2,564,365</u></u>

The School Health and Related Services (SHARS), E-rate, and JROTC funds are not considered federal financial assistance for inclusion in the Schedule of Federal Financial Assistance.

NOTE 11. LOCAL AND INTERMEDIATE REVENUES

During the year ended June 30, 2022, local and intermediate revenues for governmental funds consisted of the following:

	Major Funds			Other	
	General	Debt	Capital	Governmental	
	Fund	Service	Projects	Funds	Total
		Fund	Funds		
Property Taxes	\$ 82,989,840	\$ 35,671,892	\$ -	\$ -	\$ 118,661,732
Food sales	-	-	-	1,675,413	1,675,413
Investment income	181,888	34,738	24,824	283	241,733
Other tuition and fees					
from patrons	780,620	-	-	127	780,747
Co-curricular income	379,003	-	-	4,175,029	4,554,032
Rent	161,613	-	-	-	161,613
Other	36,371	-	-	15,519	51,890
Total	<u>\$ 84,529,335</u>	<u>\$ 35,706,630</u>	<u>\$ 24,824</u>	<u>\$ 5,866,371</u>	<u>\$ 126,127,160</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 12. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. During the year ended June 30, 2022, the District purchased commercial insurance to cover general liabilities. 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.

NOTE 13. SELF-INSURED WORKERS' COMPENSATION

Beginning September 1, 1991, the District established its self-funding Workers' Compensation program. The accrued liability for the Workers' Compensation self-insurance program is projected to be \$25,062 as of June 30, 2022. The District claim history does not allow for a credible projection of loss adjustment expenses (LAE), data from other self-insured and insurance entities suggests costs for these items may be in the neighborhood of 5% of the liability for losses. Since September 1, 2012, the District chose to switch to a fully insured workers' compensation program, currently with TASB Risk Management Fund. The above liability is from claims before July 1, 2014 from the self-insured program which have not been closed out as of June 30, 2022.

This liability reported in the fund at June 30, 2022, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount.

Changes in the workers' compensation claim liability amounts in fiscal years 2020-2021 and 2021-2022 are represented below:

	Workers' Compensation	
	2021	2022
Beginning liability	\$ 51,185	\$ 28,617
Current-period claims and changes in estimates	11,191	66,391
Payments for claims	33,759	69,946
Ending liability	<u>\$ 28,617</u>	<u>\$ 25,062</u>

NOTE 14. LITIGATION AND CONTINGENCIES

The District participates in numerous state and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collect ability of any related receivable at June 30, 2022 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2022

NOTE 15. JOINT VENTURES-SHARED SERVICE ARRANGEMENTS

The District participates in a shared services arrangement for Brazoria County Juvenile Justice Alternative Education Program with six other school districts. Although a percentage of the activity of the shared services arrangement is attributable to the District's participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Brazoria County, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. The expenditures attributable to the District's participation totaled \$15,200 and were coded to 6223 Student tuition - other than to public schools.

The District has a partnership agreement with Communities in Schools (CIS) of Brazoria County. The intent of both parties is to bring the resources of CIS after school Centers on Education (CIS-ACE) to facilitate the academic achievement and personal success of students by providing the full range of CIS-ACE services to those students and their families by creating seven CIS traditional program sites (at Carlestone Elementary, Cockrell Elementary, Jamison Middle, Lawhon Elementary, Pearland Junior High South, Pearland Junior High West and Sablatura Middle Schools) at a cost of \$18,000 per site; one Cycle 10 21st Century ACE program at Lawhon Elementary for \$15,000; and two Cycle 11 21st Century ACE programs at Magnolia Elementary and Carlestone Elementary schools at a cost of \$18,000 per site. The expenditures attributable to the District's participation totaled \$177,000 and were coded to 6299 Miscellaneous Contract Services in Function 32 Social Work Services.

NOTE 16. PRIOR PERIOD ADJUSTMENT – RESTATEMENT AND RECLASSIFICATION

During the fiscal year ended June 30, 2022, the District evaluated its treatment of compensated absences and determined that a prior period adjustment was necessary to account for it as a long-term liability in the government-wide financial statements only, rather than accruing the liability in the fund financial statements. This resulted in a prior period adjustment of \$1,328,250 as of June 30, 2021 that increased fund balance in the governmental funds as follows:

	Governmental Funds	
		Other Non-major Governmental Fund
	General Fund	Food Service Fund
Fund balance, as originally presented	\$ 67,028,559	\$ 974,015
Reclassification of accrued compensated absences	1,253,515	65,035
Fund balance, restated	<u>\$ 68,282,074</u>	<u>\$ 1,039,050</u>

The District also implemented GASB Statement No. 87, *Leases* during the fiscal year ended June 30, 2022. Under this Statement, the District is required to recognize a lease liability and an intangible right-to-use leased asset. The District has evaluated its capital assets and long-term debt to determine the effects of this statement.

PEARLAND INDEPENDENT SCHOOL DISTRICT**NOTES TO THE FINANCIAL STATEMENTS****FOR THE YEAR ENDED JUNE 30, 2022**

The District has determined that a prior period adjustment of \$8,588,849 for capital assets and long-term debt is required as of June 30, 2021. The District also reclassified compensated absences and claims from other liabilities to long-term debt as of June 30, 2021 as follows:

	Governmental Activities		
	Capital assets (net)	Other liabilities	Long-term debt
Balance, as originally presented	\$ 471,529,195	\$39,589,230	\$ 566,494,719
GASB 87 implementation	8,588,849	-	8,588,849
Reclassification:			
Compensated absences	-	(1,318,550)	1,318,550
Claims	-	(28,617)	28,617
Balance, restated	<u>\$ 480,118,044</u>	<u>\$ 38,242,063</u>	<u>\$ 576,430,735</u>



PEARLAND INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT G-1

Data Control Codes		Budgeted Amounts			Variance with Final Budget Positive (Negative)
		Original	Final	Actual	
REVENUES					
5700	Local and intermediate sources	\$ 80,887,903	\$ 84,207,620	\$ 84,529,336	\$ 321,716
5800	State program revenues	97,979,355	100,594,638	101,681,650	1,087,012
5900	Federal program revenues	1,920,000	2,364,395	2,564,365	199,970
5020	Total revenues	180,787,258	187,166,653	188,775,351	1,608,698
EXPENDITURES					
Current:					
0011	Instruction	115,306,905	119,663,454	107,184,163	12,479,291
0012	Instructional resources and media svcs.	1,938,078	1,983,078	1,935,636	47,442
0013	Curriculum and staff development	5,776,425	5,725,323	5,355,089	370,234
0021	Instructional leadership	2,987,565	3,101,453	2,910,516	190,937
0023	School leadership	12,893,376	12,827,817	12,577,415	250,402
0031	Guidance, counseling and evaluation svcs.	7,999,183	7,918,995	7,778,773	140,222
0032	Social work services	808,424	697,351	651,076	46,275
0033	Health services	2,456,183	2,457,896	2,365,791	92,105
0034	Student (pupil) transportation	7,878,785	7,886,901	7,071,906	814,995
0036	Cocurricular/extracurricular activities	4,739,675	4,753,759	4,444,502	309,257
0041	General administration	5,710,870	5,877,671	5,424,623	453,048
0051	Facility maintenance and operations	23,210,525	23,223,024	22,069,838	1,153,186
0052	Security and monitoring services	2,076,052	2,424,350	1,830,783	593,567
0053	Data processing services	4,717,990	5,045,065	4,494,454	550,611
0061	Community services	5,669	10,669	4,525	6,144
Debt service:					
0071	Principal on long-term debt	-	910,180	568,164	342,016
0072	Interest on long-term debt	-	44,509	44,509	-
Intergovernmental:					
0095	Pymts. to Juvenile Justice Alt. Ed. Prog.	80,000	80,000	15,200	64,800
0099	Other intergovernmental charges	727,128	687,128	655,182	31,946
6030	Total expenditures	199,312,833	205,318,623	187,382,145	17,936,478
1100	Excess (deficiency) of revenues over expenditures	(18,525,575)	(18,151,970)	1,393,206	19,545,176
OTHER FINANCING SOURCES (USES)					
7912	Sale of property	-	-	59,685	59,685
7913	Proceeds from capital leases	-	10,335,160	-	(10,335,160)
7915	Transfers in	-	-	8,743	8,743
8911	Transfers out	-	-	(1,400,000)	(1,400,000)
	Total other financing sources (uses)	-	10,335,160	(1,331,572)	(11,666,732)
1200	Net change in fund balance	(18,525,575)	(7,816,810)	61,634	7,878,444
0100	Fund balance - beginning (restated)	68,282,074	68,282,074	68,282,074	-
3000	Fund balance - ending	\$ 49,756,499	\$ 60,465,264	\$ 68,343,708	\$ 7,878,444

PEARLAND INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY**

FOR THE LAST EIGHT MEASUREMENT YEARS ENDED AUGUST 31, (1)

	<u>2014</u>	<u>2015</u>	<u>2016</u>
District's proportion of the net pension liability	0.0608658%	0.1064410%	0.1126804%
District's proportionate share of the net pension liability	\$ 16,258,097	\$ 37,625,477	\$ 42,580,241
State's proportionate share of the net pension liability associated with the District	<u>58,488,930</u>	<u>70,122,200</u>	<u>73,093,014</u>
Total	<u>\$ 74,747,027</u>	<u>\$ 107,747,677</u>	<u>\$ 115,673,255</u>
District's covered payroll (for measurement year)	\$ 103,284,170	\$ 111,507,045	\$ 113,654,057
District's proportionate share of the net pension liability as a percentage of it's covered payroll	15.74%	33.74%	37.46%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	78.43%	78.00%

Note:

(1) Ten years of data should be presented with this schedule but data is unavailable prior to 2014.

Net pension liability and related ratios will be presented prospectively as data becomes available.

<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>
0.1133576%	0.1132894%	0.1115610%	0.1042690%	0.1121464%
\$ 36,245,657	\$ 62,357,231	\$ 57,992,918	\$ 55,844,370	\$ 28,559,723
<u>62,366,406</u>	<u>105,316,625</u>	<u>98,154,117</u>	<u>98,580,573</u>	<u>46,805,195</u>
<u>\$ 98,612,063</u>	<u>\$ 167,673,856</u>	<u>\$ 156,147,035</u>	<u>\$ 154,424,943</u>	<u>\$ 75,364,918</u>
\$ 126,681,823	\$ 130,171,373	\$ 134,140,118	\$ 137,470,077	\$ 144,516,019
28.61%	47.90%	43.23%	40.62%	19.76%
82.17%	73.74%	75.24%	75.54%	88.79%

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
FOR THE LAST EIGHT FISCAL YEARS ENDED JUNE 30, (1)

	2015	2016	2017
Contractually required contributions	\$ 1,543,117	\$ 3,151,764	\$ 3,662,404
Contributions in relation to the contractually required contributions	1,543,117	3,151,764	3,662,404
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 110,772,783	\$ 111,507,045	\$ 125,800,864
Contributions as a Percentage of Covered Payroll	1.39%	2.83%	2.91%

(1) The first TRS actuarial report was completed for the year ended August 31, 2014 (measurement date); therefore, only eight years of required supplementary information is available.

NOTES TO REQUIRED SUPPLEMENTARY PENSION INFORMATION
Teacher Retirement System

Changes of Assumptions

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

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

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

Changes in Benefit Terms

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

Other Information

Effective September 1, 2014, employers who did not contribute to Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

2018	2019	2020	2021	2022
\$ 3,859,394	\$ 3,943,079	\$ 4,182,913	\$ 4,714,732	\$ 5,136,805
3,859,394	3,943,079	4,182,913	4,714,732	5,136,805
\$ -	\$ -	\$ -	\$ -	\$ -
\$ 129,610,826	\$ 133,520,841	\$ 136,980,416	\$ 143,038,521	\$ 145,790,150
2.98%	2.95%	3.05%	3.30%	3.52%

PEARLAND INDEPENDENT SCHOOL DISTRICT**SCHEDULE OF DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY**

FOR THE LAST FIVE MEASUREMENT YEARS ENDED AUGUST 31, (1)

	<u>2017</u>	<u>2018</u>	<u>2019</u>
District's proportion of the net OPEB liability	0.1423825%	0.1489414%	0.1493654%
District's proportionate share of the net OPEB liability	\$ 61,916,791	\$ 74,367,821	\$ 70,636,735
State's proportionate share of the net OPEB liability associated with the District	<u>102,878,600</u>	<u>115,097,505</u>	<u>93,860,421</u>
Total	<u>\$164,795,391</u>	<u>\$189,465,326</u>	<u>\$164,497,156</u>
District's covered payroll (for measurement year)	\$126,681,823	\$126,681,823	\$126,681,823
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	48.88%	58.70%	55.76%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.57%	2.66%

Note:

(1) Ten years of data should be presented with this schedule but data is unavailable prior to 2017.

Net OPEB liability and related ratios will be presented prospectively as data becomes available.

<u>2020</u>	<u>2021</u>
0.1416441%	0.1471873%
\$ 53,845,313	\$ 56,776,714
<u>72,355,193</u>	<u>76,068,144</u>
<u>\$126,200,506</u>	<u>\$132,844,858</u>
\$137,470,077	\$144,516,019
39.17%	39.29%
4.99%	6.18%

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
FOR THE LAST FIVE FISCAL YEARS ENDED JUNE 30, (1)

	2018	2019	2020
Contractually required contributions	\$ 981,381	\$ 1,476,499	\$ 1,398,022
Contributions in relation to the contractual required contributions	981,381	1,476,499	1,398,022
Contribution deficiency (excess)	\$ -	\$ -	\$ -
District's covered payroll	\$ 129,610,826	\$ 133,520,841	\$ 136,980,416
Contributions as a percentage of covered payroll	0.76%	0.79%	0.78%

(1) This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.

NOTES TO REQUIRED SUPPLEMENTARY OPEB INFORMATION
Teacher Retirement System of Texas

Changes of Assumptions

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

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

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

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

Changes in Benefit Terms

Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute \$200 per month toward their health insurance premiums.

<u>2021</u>	<u>2022</u>
\$ 1,137,374	\$ 1,184,889
<u>1,137,374</u>	<u>1,184,889</u>
<u>\$ -</u>	<u>\$ -</u>
\$ 143,038,521	\$ 145,790,150
0.80%	0.81%



OTHER GOVERNMENTAL FUNDS

Other governmental funds are special revenue funds used to account for all federal, state and locally funded grants. They are non-major governmental funds that were awarded to the District with the purpose of accomplishing specific educational goals.

Grants included in special revenue funds are activity funds, food service, and other federal, state and locally funded programs. They are used to account for transactions of school sponsor activities benefiting students and staff, food service operations, to provide opportunities for children to acquire the knowledge and skills to meet the state performance standards, operate education programs for children with disabilities, develop new and/or improved career technical education, support effective instruction, support critical disaster recovery initiatives, and other educational goals not specified above. In addition, these include grants awarded for the on-going effects of the COVID-19 pandemic, specifically ones that addressed food service supply chain issues and maintaining safe and healthy schools.

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		ESSA, Title IX Texas Texas Ed for Homeless Children & Youth	ESSA, Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
	ASSETS				
1110	Cash	\$ -	\$ -	\$ -	\$ -
1240	Due from governmental agencies	6,619	570,896	539,248	21,183
1260	Interfund receivables	-	-	-	-
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>\$ 6,619</u>	<u>\$ 570,896</u>	<u>\$ 539,248</u>	<u>\$ 21,183</u>
	LIABILITIES				
2,110	Accounts payable	-	-	27,727	-
2160	Accrued salaries and expenditures	-	209,110	302,969	12,493
2170	Interfund payables	6,619	361,786	194,741	8,690
2180	Due to other governments	-	-	-	-
2200	Accrued expenditures	-	-	13,811	-
2300	Unearned revenue	-	-	-	-
2000	Total liabilities	<u>6,619</u>	<u>570,896</u>	<u>539,248</u>	<u>21,183</u>
	FUND BALANCE				
	Non-spendable:				
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
	Restricted:				
3450	Food service	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 6,619</u>	<u>\$ 570,896</u>	<u>\$ 539,248</u>	<u>\$ 21,183</u>

IDEA Part B High Cost Fund	Food Service Fund	Perkins V Strengthening CTE for 21st Century	ESSA, Title II Part A Supporting Effective Instruction	ESSA, Title III Part A Language Education Program	ESSA, Title IV Part A Improving Academic Achievement	Medicaid Administrative Claiming Program
\$ -	\$ 3,997,065	\$ -	\$ -	\$ -	\$ -	\$ -
395,297	5,608	56,165	94,838	35,895	68,656	-
-	1,008,685	-	-	-	-	-
-	581	-	-	-	-	-
-	99,296	-	-	-	-	-
-	-	-	-	-	-	-
<u>\$ 395,297</u>	<u>\$ 5,111,235</u>	<u>\$ 56,165</u>	<u>\$ 94,838</u>	<u>\$ 35,895</u>	<u>\$ 68,656</u>	<u>\$ -</u>
-	5,140	-	4,005	300	1,316	-
-	453,602	-	1,485	15,501	-	-
395,297	-	56,165	88,317	20,094	67,340	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	318,227	-	1,031	-	-	-
<u>395,297</u>	<u>776,969</u>	<u>56,165</u>	<u>94,838</u>	<u>35,895</u>	<u>68,656</u>	<u>-</u>
-	99,296	-	-	-	-	-
-	-	-	-	-	-	-
-	4,234,970	-	-	-	-	-
-	-	-	-	-	-	-
<u>-</u>	<u>4,334,266</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>\$ 395,297</u>	<u>\$ 5,111,235</u>	<u>\$ 56,165</u>	<u>\$ 94,838</u>	<u>\$ 35,895</u>	<u>\$ 68,656</u>	<u>\$ -</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2022

Data Control Codes		CRRSA, Esser II Grant	ARP, Esser III Grant	IDEA Part B Formula ARP	Federally Funded Special Revenue Funds
ASSETS					
1110	Cash	\$ -	\$ -	\$ -	\$ -
1240	Due from governmental agencies	55,831	187,425	36,598	-
1260	Interfund receivables	-	-	-	21,147
1290	Other receivables	-	-	-	-
1310	Inventories, at cost	-	-	-	-
1410	Prepaid items	-	-	-	-
1000	Total assets	<u>\$ 55,831</u>	<u>\$ 187,425</u>	<u>\$ 36,598</u>	<u>\$ 21,147</u>
LIABILITIES					
2,110	Accounts payable	-	-	17,571	-
2160	Accrued salaries and expenditures	-	81,695	-	-
2170	Interfund payables	55,831	105,730	19,027	-
2180	Due to other governments	-	-	-	-
2200	Accrued expenditures	-	-	-	-
2300	Unearned revenue	-	-	-	21,147
2000	Total liabilities	<u>55,831</u>	<u>187,425</u>	<u>36,598</u>	<u>21,147</u>
FUND BALANCE					
Non-spendable:					
3410	Inventories	-	-	-	-
3430	Prepaid items	-	-	-	-
Restricted:					
3450	Food service	-	-	-	-
3545	Committed - other	-	-	-	-
3000	Total fund balances	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
4000	Total liabilities and fund balances	<u>\$ 55,831</u>	<u>\$ 187,425</u>	<u>\$ 36,598</u>	<u>\$ 21,147</u>

State Supplemental Visually Impaired (SSVI)	Advanced Placement Incentives	State Instructional Materials	State Funded Special Revenue Fund	Campus Activity Fund	Locally Funded Special Revenue Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ -	\$ -	\$ 4,178,911	\$ -	\$ 8,175,976
-	-	-	-	10,195	-	2,084,454
-	29,114	5,690	-	-	13,370	1,078,006
-	-	-	-	933	-	1,514
-	-	-	-	-	-	99,296
-	-	-	-	21,892	-	21,892
<u>\$ -</u>	<u>\$ 29,114</u>	<u>\$ 5,690</u>	<u>\$ -</u>	<u>\$ 4,211,931</u>	<u>\$ 13,370</u>	<u>\$ 11,461,138</u>
-	-	-	-	27,105	315	83,479
-	-	-	-	46,785	-	1,123,640
-	-	-	-	95,125	-	1,474,762
-	-	-	-	2,024	-	2,024
-	-	-	-	64,043	-	77,854
-	29,114	5,690	-	-	13,055	388,264
-	29,114	5,690	-	235,082	13,370	3,150,023
-	-	-	-	-	-	99,296
-	-	-	-	21,892	-	21,892
-	-	-	-	-	-	4,234,970
-	-	-	-	3,954,957	-	3,954,957
-	-	-	-	3,976,849	-	8,311,115
<u>\$ -</u>	<u>\$ 29,114</u>	<u>\$ 5,690</u>	<u>\$ -</u>	<u>\$ 4,211,931</u>	<u>\$ 13,370</u>	<u>\$ 11,461,138</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		ESSA, Title IX Texas Texas Ed for Homeless Children & Youth	ESSA, Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
	REVENUES				
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	23,770	1,589,642	3,619,551	57,885
5020	Total revenues	23,770	1,589,642	3,619,551	57,885
	EXPENDITURES				
	Current:				
0011	Instruction	-	1,550,774	2,500,530	57,867
0012	Instructional resources and media services	-	-	-	-
0013	Curriculum and staff development	-	9,589	7,237	18
0021	Instructional leadership	-	-	490,175	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	18,939	-	621,609	-
0032	Social work services	4,691	5,349	-	-
0033	Health services	-	-	-	-
0034	Student (pupil) transportation	140	-	-	-
0035	Food Service	-	-	-	-
0036	Cocurricular/extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	23,930	-	-
	Debt service:				
0071	Principal on long-term debt	-	-	-	-
0072	Interest on long-term debt	-	-	-	-
6030	Total expenditures	23,770	1,589,642	3,619,551	57,885
1100	Excess (deficiency) of revenues over expenditures	-	-	-	-
	OTHER FINANCING SOURCES (USES)				
8911	Transfers out	-	-	-	-
7080	Total other financing sources (uses)	-	-	-	-
1200	Net change in fund balance	-	-	-	-
0100	Fund balance - beginning (restated)	-	-	-	-
3000	Fund balance - ending	\$ -	\$ -	\$ -	\$ -

IDEA Part B High Cost Fund	Food Service Fund	Perkins V Strengthening CTE for 21st Century	ESSA, Title II Part A Supporting Effective Instruction	ESSA, Title III Part A Language Education Program	ESSA, Title IV Part A Improving Academic Achievement	Medicaid Administrative Claiming Program
\$ -	\$ 1,675,439	\$ -	\$ -	\$ -	\$ -	\$ -
-	18,533	-	-	-	-	-
395,297	11,662,107	148,117	382,153	187,421	115,868	35,988
395,297	13,356,079	148,117	382,153	187,421	115,868	35,988
395,297	-	122,827	58,318	101,257	47,062	-
-	-	-	-	-	-	-
-	-	-	323,835	85,664	68,806	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	35,988
-	-	-	-	-	-	-
-	10,060,863	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	25,290	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	500	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
395,297	10,060,863	148,117	382,153	187,421	115,868	35,988
-	3,295,216	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	-	-	-	-	-	-
-	3,295,216	-	-	-	-	-
-	1,039,050	-	-	-	-	-
\$ -	\$ 4,334,266	\$ -	\$ -	\$ -	\$ -	\$ -

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2022

Data Control Codes		CRRSA, Essex II Grant	ARP, Essex III Grant	IDEA Part B Formula ARP	Federally Funded Special Revenue Funds
REVENUES					
5700	Local and intermediate sources	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	948,783	3,017,575	36,598	775,665
5020	Total revenues	948,783	3,017,575	36,598	775,665
EXPENDITURES					
Current:					
0011	Instruction	458,783	452,798	36,598	521
0012	Instructional resources and media services	10,282	-	-	-
0013	Curriculum and staff development	13,705	-	-	-
0021	Instructional leadership	8,313	-	-	-
0023	School leadership	50,793	-	-	61
0031	Guidance, counseling and evaluation services	12,025	32,683	-	-
0032	Social work services	4,662	145,863	-	-
0033	Health services	29,027	-	-	643,668
0034	Student (pupil) transportation	12,937	-	-	1,112
0035	Food Service	17,978	-	-	-
0036	Cocurricular/extracurricular activities	3,640	-	-	-
0041	General administration	5,711	-	-	-
0051	Facilities maintenance and operations	314,910	-	-	123,096
0053	Data processing services	6,017	-	-	-
0061	Community services	-	-	-	-
Debt service:					
0071	Principal on long-term debt	-	2,367,822	-	-
0072	Interest on long-term debt	-	18,409	-	-
6030	Total expenditures	948,783	3,017,575	36,598	768,458
1100	Excess (deficiency) of revenues over expenditures	-	-	-	7,207
OTHER FINANCING SOURCES (USES)					
8911	Transfers out	-	-	-	(7,207)
7080	Total other financing sources (uses)	-	-	-	(7,207)
1200	Net change in fund balance	-	-	-	-
0100	Fund balance - beginning (restated)	-	-	-	-
3000	Fund balance - ending	\$ -	\$ -	\$ -	\$ -

State Supplemental Visually Impaired (SSVI)	Advanced Placement Incentives	State Instructional Materials	State Funded Special Revenue Fund	Campus Activity Fund	Locally Funded Special Revenue Funds	Total Non-Major Governmental Funds
\$ -	\$ -	\$ 126	\$ -	\$ 4,175,287	\$ 15,519	\$ 5,866,371
30,000	231	1,026,973	7,847	-	-	1,083,584
-	-	-	-	20,943	-	23,017,363
30,000	231	1,027,099	7,847	4,196,230	15,519	29,967,318
30,000	-	1,027,099	7,000	50,399	4,951	6,902,081
-	-	-	31	945	-	11,258
-	9,225	-	-	-	1,955	520,034
-	-	-	110	-	1,327	499,925
-	-	-	-	-	-	50,854
-	-	-	706	-	-	685,962
-	-	-	-	-	-	160,565
-	-	-	-	-	-	708,683
-	-	-	-	-	-	14,189
-	-	-	-	-	-	10,078,841
-	-	-	-	3,747,159	-	3,750,799
-	-	-	-	-	-	5,711
-	-	-	-	-	-	463,296
-	-	-	-	-	5,750	11,767
-	-	-	-	-	-	24,430
-	-	-	-	-	-	2,367,822
-	-	-	-	-	-	18,409
30,000	9,225	1,027,099	7,847	3,798,503	13,983	26,274,626
-	(8,994)	-	-	397,727	1,536	3,692,692
-	-	-	-	-	(1,536)	(8,743)
-	-	-	-	-	(1,536)	(8,743)
-	(8,994)	-	-	397,727	-	3,683,949
-	8,994	-	-	3,579,122	-	4,627,166
\$ -	\$ -	\$ -	\$ -	\$ 3,976,849	\$ -	\$ 8,311,115

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2022

Period Ended	Tax Rates			Assessed/ Appraised Value For School Tax Purposes
	Maintenance	Debt Service	Total	
2013 (2) and Prior (1)	Various	Various	Various	Various
2014 (3)	\$1.0400	\$0.3757	\$1.4157	\$5,837,721,111
2015 (3)	\$1.0400	\$0.3757	\$1.4157	\$6,174,325,147
2016 (3)	\$1.0400	\$0.3756	\$1.4156	\$6,045,998,468
2017 (3)	\$1.0400	\$0.3756	\$1.4156	\$6,751,076,681
2018 (3)	\$1.0400	\$0.3756	\$1.4156	\$7,361,661,103
2019 (3)	\$1.0600	\$0.3556	\$1.4156	\$7,775,608,498
2020 (3)	\$0.9700	\$0.4256	\$1.3956	\$8,048,492,813
2021 (3)	\$0.8929	\$0.4256	\$1.3185	\$8,501,502,251
2022 (3)	\$0.9196	\$0.3956	\$1.3152	\$8,716,021,138

Notes:

(1) Year ended August 31

(2) Ten months ended June 30, 2013

(3) Year ended June 30

	Beginning Balance July 1, 2021	Current Year's Total Levy	Maintenance and Operations Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance June 30, 2022
	\$ 607,192		\$ 19,992	\$ 5,752	\$ 181,734	\$ 763,181
	128,434		6,519	2,355	34,188	153,748
	136,269		5,786	2,090	26,816	155,210
	139,831		7,497	2,708	31,599	161,224
	173,878		17,543	6,336	40,785	190,783
	204,759		36,626	13,228	37,019	191,924
	262,816		61,453	20,616	40,401	221,147
	437,993		99,431	43,627	18,821	313,756
	1,352,495		594,216	283,233	(15,346)	459,701
		\$ 109,712,670	81,510,298	35,064,674	8,428,956	1,566,654
Total:	<u>\$ 3,443,667</u>	<u>\$ 109,712,670</u>	<u>\$ 82,359,362</u>	<u>\$ 35,444,619</u>	<u>\$ 8,824,973</u>	<u>\$ 4,177,328</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT J-2

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		
	REVENUES				
5700	Local and intermediate sources	\$ 4,822,150	\$ 1,642,759	\$ 1,675,439	\$ 32,680
5800	State program revenues	300,000	300,000	18,533	(281,467)
5900	Federal program revenues	4,093,200	11,942,535	11,662,107	(280,428)
5020	Total revenues	9,215,350	13,885,294	13,356,079	(529,215)
	EXPENDITURES				
	Current:				
0035	Food service	9,215,350	10,950,045	10,060,863	889,182
0071	Debt service - principal	-	1,929	-	1,929
0072	Debt service - interest and fees	-	60	-	60
6030	Total expenditures	9,215,350	10,952,034	10,060,863	891,171
1200	Excess (deficiency) of revenues over expenditures	-	2,933,260	3,295,216	361,956
	OTHER FINANCING SOURCES				
7913	Proceeds from capital leases	-	2,818	-	(2,818)
7080	Total other financing sources	-	2,818	-	(2,818)
1200	Net change in fund balance	-	2,936,078	3,295,216	359,138
0100	Fund balance - beginning (restated)	1,039,050	1,039,050	1,039,050	-
3000	Fund balance - ending	\$ 1,039,050	\$ 3,975,128	\$ 4,334,266	\$ 359,138

PEARLAND INDEPENDENT SCHOOL DISTRICT
BUDGETARY COMPARISON SCHEDULE
DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2022

EXHIBIT J-3

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget Positive (Negative)
		Original	Final		(Negative)
	REVENUES				
5700	Local and intermediate sources	\$35,816,407	\$35,816,407	\$35,706,630	\$ (109,777)
5800	State program revenues	468,207	707,788	706,265	(1,523)
5020	Total revenues	36,284,614	36,524,195	36,412,895	(111,300)
	EXPENDITURES				
	Debt service:				
0071	Debt service - principal	21,565,000	21,565,000	21,565,000	-
0072	Debt service - interest and fees	19,649,189	19,349,189	19,333,857	15,332
6030	Total expenditures	41,214,189	40,914,189	40,898,857	15,332
1100	Excess (deficiency) of revenues over expenditures	(4,929,575)	(4,389,994)	(4,485,962)	(95,968)
1200	Net change in fund balance	(4,929,575)	(4,389,994)	(4,485,962)	(95,968)
0100	Fund balance - beginning	25,523,554	25,523,554	25,523,554	-
3000	Fund balance - ending	\$20,593,979	\$21,133,560	\$21,037,592	\$ (95,968)

PEARLAND INDEPENDENT SCHOOL DISTRICT
USE OF FUNDS REPORT - SELECT STATE ALLOTMENT PROGRAMS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT J-4

Data Control Codes		1 Responses
SECTION A: COMPENSATORY EDUCATION PROGRAMS		
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.		
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	\$ 9,745,705
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30, 34)	\$ 4,634,774
SECTION B: BILINGUAL EDUCATION PROGRAMS		
Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.		
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	\$ 1,687,964
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25, 35)	\$ 544,546

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF SCHOOL FIRST INDICATORS
FOR THE FISCAL YEAR ENDED JUNE 30, 2022

EXHIBIT L-1

Data Control Codes		Responses
SF1	Was there an unmodified opinion in the Annual Financial Report on the on the financial statements as a whole?	Yes
SF2	Were there any disclosures in the Annual Financial Report and/or other sources of information concerning nonpayment of any terms of any debt agreement at fiscal year-end?	No
SF3	Did the school district make timely payments to the Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Servies (IRS), and other government agencies? (If the school district was issued a warrant hold and the warrant hold was not cleared within 30 days from the date the warrant hold was issued, the school district is considered to not have made timely payments. Payments to the TRS and TWC are considered timely if a warrant hold that was issued in connection to the untimely payment was cleared within 30 days from the date the warrant hold was issued. Payments to the IRS are considered timely if a penalty or delinquent payment notice was cleared within 30 days from the date the notice was issued.	Yes
SF4	Was the school district issued a warrant hold? Even if the issue surrounding the initial warrant hold was resolved and cleared within 30 days, the school district is considered to have been issued a warrant hold.	No
SF5	Did the Annual Financial Report disclose any instances of material weaknesses in internal controls over financial reporting and compliance for local, state, or federal funds?	No
SF6	Was there any disclosure in the Annual Financial Report of material noncompliance for grants, contracts and laws related to local, state, or federal funds?	No
SF7	Did the school district post the required financial information on its website in accordance with Government Code, Local Government Code, Texas Education Code, Texas Administrative Code, and other statutes, laws and Rules that were in effect at the school district's fiscal year-end?	Yes
SF8	Did the school board members discuss the school district's property values at a board meeting within 120 days before the school district adopted its budget?	Yes
SF9	Total accumulated accretion of CABs included in government-wide financial statements at fiscal year-end.	\$0



Statistical Section



Faith Victoria Ni
Dawson High School

Rodeo Art 2022 – Special Merit
"Ride and Shine"

STATISTICAL SECTION

Statistical tables are used to provide detailed data on the physical, economic, and political characteristics of a government. They are intended to provide financial report users with a broader and more complete understanding of the government and its financial affairs than it is possible from the basic financial statements. The information is provided in five categories.

Financial Trends Information (tables 1-4)

Intended to assist users in understanding and assessing how a District's financial position has changed over time.

Revenue Capacity Information (tables 5-8)

Intended to assist users in understanding and assessing the factors affecting the District's ability to generate its own-source revenues.

Debt Capacity Information (tables 9-12)

Intended to assist users in understanding and assessing the District's debt burden and its ability to issue additional debt.

Demographic and Economic Information (tables 13-14)

Intended to assist users in understanding the socioeconomic environment within which the District operated and to provide information that facilitates comparisons of financial statement information over time and among other school districts.

Operating Information (tables 15-18)

Intended to provide contextual information the District's operations and resources to assist readers in using financial statement information to understand and assess the District's economic condition.

The District's statistical tables usually cover ten fiscal years and often present data from outside the accounting records. The source of information is from District data found in this report, unless indicated otherwise. The tables are unaudited due to the nature of the information contained therein.

PEARLAND INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT - LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)

	<u>2013</u>	<u>2014</u>	<u>2015⁽¹⁾</u>	<u>2016⁽²⁾</u>
Governmental Activities:				
Net investment in capital assets	\$ 15,946,723	\$ 18,897,541	\$ 17,282,340	\$ 23,401,439
Restricted	22,536,155	22,519,103	23,587,767	30,576,858
Unrestricted	<u>29,483,989</u>	<u>34,680,706</u>	<u>21,468,018</u>	<u>17,128,959</u>
Total Primary Government Net Position	<u>\$ 67,966,867</u>	<u>\$ 76,097,350</u>	<u>\$ 62,338,125</u>	<u>\$ 71,107,256</u>

Notes:

- ⁽¹⁾ The District implemented GASB Statement No. 68 in 2015. The effects of this statement were not applied to previous years.
- ⁽²⁾ Restated 2016 – Prior period adjustment in Agency Funds.
- ⁽³⁾ The District implemented GASB Statement No. 75 in 2018. The effects of this statement were not applied to previous years.
- ⁽⁴⁾ The District implemented GASB Statement No. 87 in 2022. The effects of this statement were not applied to previous years.
- ⁽⁵⁾ The District evaluated the net position restricted for capital projects and restricted for campus activities. The net position for capital projects and for campus activity are unrestricted rather than restricted.

TABLE 1

2017	2018 ⁽³⁾	2019	2020	2021	2022 ⁽⁴⁾⁽⁵⁾
\$ 31,924,248	\$ 47,413,133	\$ 60,683,806	\$ 58,123,658	\$ 48,991,188	\$ 60,836,118
32,597,373	22,408,288	23,352,669	32,299,308	35,304,965	19,324,476
12,140,158	(79,423,632)	(86,794,259)	(93,535,389)	(87,659,401)	(65,854,421)
<u>\$ 76,661,779</u>	<u>\$ (9,602,211)</u>	<u>\$ (2,757,784)</u>	<u>\$ (3,112,423)</u>	<u>\$ (3,363,248)</u>	<u>\$ 14,306,173</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES - LAST 10 FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)

	2013	2014	2015	2016
EXPENSES:				
Governmental Activities:				
Instruction	\$ 76,616,490	\$ 90,613,629	\$ 96,418,084	\$ 108,018,146
Instructional resources and media services	1,596,399	1,830,154	1,748,551	1,892,690
Curriculum and staff development	3,231,292	3,790,285	4,420,330	4,798,357
Instructional leadership	1,532,989	1,916,644	2,022,634	2,117,324
School leadership	7,873,688	9,010,467	9,340,019	10,145,554
Guidance, counseling, and evaluation services	4,512,404	5,127,407	5,511,460	6,212,844
Social work services	282,937	392,206	446,637	528,261
Health services	1,129,578	1,246,878	1,336,795	1,452,554
Student transportation	5,581,988	6,927,329	6,768,116	6,920,831
Food service	8,046,156	9,617,535	9,314,602	9,640,501
Cocurricular/extracurricular activities	4,324,185	5,161,116	4,993,563	5,297,839
General administration	2,860,991	3,547,964	3,819,145	4,148,299
Facilities maintenance and operations	11,583,898	14,638,541	15,370,044	20,729,037
Security and monitoring services	1,389,484	1,677,065	1,740,251	1,907,967
Data processing services	5,354,227	3,554,845	3,927,450	4,267,205
Community services	32,860	16,074	13,829	9,337
Debt service	11,991,930	12,949,879	14,211,829	12,306,612
Payments to shared service arrangements	4,082,692	4,428,939	4,605,539	11,379
Payments to Juvenile Justice Alt. Ed. Program	20,100	7,200	14,500	20,000
Other intergovernmental charges	408,183	546,652	566,318	597,519
Total Primary Government Expenses	<u>152,452,471</u>	<u>177,000,809</u>	<u>186,589,696</u>	<u>201,022,256</u>
PROGRAM REVENUES:				
Governmental Activities:				
Charges for Services:				
Instructional	236,203	253,799	237,221	271,748
Food Service	4,766,315	4,984,064	4,784,658	5,069,315
Cocurricular/extracurricular activities	349,925	421,770	422,991	396,299
General Administration	19	1,544	939	721
Other activities	30,968	40,214	24,450	18,776
Operating grants and contributions	16,906,922	20,632,311	19,750,202	23,923,153
Capital grants and contributions	121,961	78,193	91,482	72,335
Total Primary Government Program Revenues	<u>22,412,313</u>	<u>26,411,895</u>	<u>25,311,943</u>	<u>29,752,347</u>
Total Net Primary Government Expense	<u>\$ (130,040,158)</u>	<u>\$ (150,588,914)</u>	<u>\$ (161,277,753)</u>	<u>\$ (171,269,909)</u>
GENERAL REVENUES AND OTHER CHANGES IN NET POSITION:				
Governmental Activities:				
Property taxes - levied for general purposes	\$ 58,423,733	\$ 59,785,723	\$ 63,077,455	\$ 65,527,661
Property taxes - levied for debt service	21,312,482	21,585,188	22,772,073	23,638,974
State aid - formula grants	61,729,034	75,904,945	79,599,546	85,600,906
Other grants/contributions not restricted to specific programs	400,529	663,162	146,102	143,358
Investment earnings	77,126	68,493	77,851	171,783
Miscellaneous	466,152	709,666	697,906	790,255
Special item/gain on sale	-	2,220	28,348	1,156,502
Total Primary Government General Revenue and Special Items	<u>142,409,056</u>	<u>158,719,397</u>	<u>166,399,281</u>	<u>177,029,439</u>
Total Primary Government Change in Net Position	<u>\$ 12,368,898</u>	<u>\$ 8,130,483</u>	<u>\$ 5,121,528</u>	<u>\$ 5,759,530</u>

TABLE 2

2017	2018	2019	2020	2021	2022
\$ 111,410,232	\$ 101,971,641	\$ 121,399,219	\$ 126,833,821	\$ 130,143,737	\$ 120,012,554
2,023,569	1,874,480	2,093,071	2,217,336	2,217,516	2,275,334
5,032,868	4,396,887	5,764,129	5,943,688	5,768,622	5,770,921
2,364,184	2,188,457	2,751,236	2,925,918	3,307,322	3,285,081
10,889,063	9,884,886	12,175,638	12,681,811	12,630,949	12,339,188
6,549,827	5,689,193	7,846,560	8,599,077	8,662,901	8,249,543
564,122	594,806	766,826	802,305	828,742	805,894
1,470,916	1,322,930	1,807,969	1,965,143	2,393,940	3,027,045
7,166,128	6,707,250	7,868,200	7,193,612	7,730,530	7,751,236
9,628,376	9,539,071	9,774,564	9,264,759	8,487,067	10,749,196
5,352,392	10,135,800	10,060,042	9,820,049	8,739,562	9,832,879
4,461,643	4,198,607	4,957,664	5,034,601	5,300,054	5,520,929
20,600,321	19,310,843	20,921,398	21,169,918	22,206,616	22,622,219
1,837,076	1,956,123	1,797,862	2,523,273	2,090,426	1,930,824
5,418,925	5,141,820	6,183,838	6,070,429	17,336,261	5,362,387
17,607	17,057	19,340	15,821	27,802	28,783
11,537,729	16,161,698	16,577,071	17,543,127	15,164,922	17,754,097
-	-	-	-	-	-
17,600	44,800	83,400	43,100	7,500	15,200
627,315	650,378	655,335	652,926	643,302	655,182
<u>206,969,893</u>	<u>201,786,727</u>	<u>233,503,362</u>	<u>241,300,714</u>	<u>253,687,771</u>	<u>237,988,492</u>
346,793	365,685	398,919	324,802	346,969	582,390
4,973,390	4,235,483	4,869,544	3,769,233	892,496	1,675,413
436,099	5,349,495	5,126,895	4,349,030	2,661,171	4,456,166
507	545	31,242	54,720	26,576	45,286
19,711	15,065	1,033	517	-	-
21,001,150	21,912,229	25,746,922	25,783,688	40,219,103	35,948,992
111,512	194,827	191,116	462,194	809,601	53,812
<u>26,889,162</u>	<u>32,073,329</u>	<u>36,365,671</u>	<u>34,744,184</u>	<u>44,955,916</u>	<u>42,762,059</u>
<u>\$ (180,080,731)</u>	<u>\$ (169,713,398)</u>	<u>\$ (197,137,691)</u>	<u>\$ (206,556,530)</u>	<u>\$ (208,731,855)</u>	<u>\$ (195,226,433)</u>
\$ 72,912,075	\$ 78,244,130	\$ 81,104,706	\$ 77,798,829	\$ 77,761,672	\$ 83,307,917
26,318,697	28,235,132	27,172,041	34,091,048	36,946,245	35,785,443
84,989,975	82,102,901	91,129,765	90,951,732	91,190,682	91,863,892
-	121,350	543,154	492,919	1,726,998	1,244,176
144,820	2,261,747	3,249,250	2,311,372	169,135	242,344
359,826	1,003,357	783,202	506,130	567,033	452,082
909,861	51,509	-	49,861	119,265	-
<u>185,635,254</u>	<u>192,020,126</u>	<u>203,982,118</u>	<u>206,201,891</u>	<u>208,481,030</u>	<u>212,895,854</u>
<u>\$ 5,554,523</u>	<u>\$ 22,306,728</u>	<u>\$ 6,844,427</u>	<u>\$ (354,639)</u>	<u>\$ (250,825)</u>	<u>\$ 17,669,421</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT**FUND BALANCES – GOVERNMENTAL FUNDS - LAST 10 FISCAL YEARS****(MODIFIED ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)**

	2013	2014	2015	2016
General Fund:				
Nonspendable	\$ 1,829,626	\$ 1,848,036	\$ 1,585,944	\$ 1,325,206
Committed	7,500,000	7,500,000	7,500,000	7,500,000
Assigned	12,888,000	13,370,000	12,954,000	13,010,000
Unassigned	22,099,193	26,410,060	26,982,273	27,778,841
Total General Fund	<u>\$ 44,316,819</u>	<u>\$ 49,128,096</u>	<u>\$ 49,022,217</u>	<u>\$ 49,614,047</u>
All Other Governmental Funds:				
Nonspendable	\$ 226,429	\$ 229,309	\$ 171,651	\$ 80,175
Restricted	15,249,516	16,146,706	45,033,702	30,926,787
Committed	-	-	-	-
Assigned	-	-	-	-
Unassigned	-	-	-	-
Total All Other Governmental Funds	<u>\$ 15,475,945</u>	<u>\$ 16,376,015</u>	<u>\$ 45,205,353</u>	<u>\$ 31,006,962</u>

Note:

⁽¹⁾ The District evaluated the fund balance for the campus activity fund. The fund balance for the campus activity fund is committed rather than restricted.

Source:

District Financial Statements

TABLE 3

2017	2018	2019	2020	2021	2022 (1)
\$ 1,542,508	\$ 1,346,834	\$ 1,584,198	\$ 1,573,000	\$ 2,425,407	\$ 2,741,553
7,500,000	7,500,000	7,500,000	17,000,000	17,000,000	17,000,000
13,010,000	13,010,000	13,010,000	12,076,000	13,564,241	13,564,241
28,684,274	30,212,343	36,540,581	31,659,136	34,038,911	35,037,914
<u>\$ 50,736,782</u>	<u>\$ 52,069,177</u>	<u>\$ 58,634,779</u>	<u>\$ 62,308,136</u>	<u>\$ 67,028,559</u>	<u>\$ 68,343,708</u>
\$ 62,004	\$ 70,833	\$ 70,833	\$ 198,731	\$ 113,300	\$ 121,188
24,672,554	97,232,458	71,001,809	45,919,202	36,272,079	28,735,467
-	-	-	-	-	3,954,957
-	-	10,000,000	13,053,145	11,652,247	9,986,189
-	-	-	-	-	-
<u>\$ 24,734,558</u>	<u>\$ 97,303,291</u>	<u>\$ 81,072,642</u>	<u>\$ 59,171,078</u>	<u>\$ 48,037,626</u>	<u>\$ 42,797,801</u>

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

	2013	2014	2015	2016
REVENUES:				
Local and intermediate revenues	\$ 85,813,263	\$ 88,149,171	\$ 92,259,239	\$ 95,840,980
State program revenues	70,729,224	87,478,517	90,243,942	99,372,913
Federal program revenues	8,408,421	9,521,902	9,166,266	10,219,097
Total Revenues	<u>164,950,908</u>	<u>185,149,590</u>	<u>191,669,447</u>	<u>205,432,990</u>
EXPENDITURES:				
Current:				
Instruction	71,595,464	83,293,152	91,108,999	100,013,539
Instructional resources and media services	1,370,073	1,512,263	1,486,919	1,592,494
Curriculum and staff development	3,230,825	3,797,096	4,458,486	4,715,540
Instructional leadership	1,438,960	1,805,692	1,957,579	1,997,282
School leadership	7,854,749	8,993,223	9,438,721	9,942,149
Guidance, counseling, and evaluation services	4,498,708	5,111,852	5,559,429	6,101,343
Social work services	273,348	400,795	435,596	503,485
Health services	1,120,465	1,235,398	1,342,241	1,417,082
Student transportation	5,467,048	6,421,043	6,455,439	6,497,794
Food service	7,522,486	9,149,610	8,673,990	8,829,449
Cocurricular/Extracurricular activities	3,296,014	3,700,562	3,748,625	3,948,679
General administration	2,781,871	3,455,607	3,762,432	3,977,831
Facilities maintenance and operations	11,844,128	14,778,758	15,884,651	21,045,183
Security and monitoring services	1,418,875	1,658,041	1,714,442	1,809,034
Data processing services	5,227,384	2,969,483	3,950,814	3,782,607
Community services	32,860	16,074	13,829	9,337
Debt Service:				
Principal	10,060,000	10,415,000	10,810,000	11,485,000
Interest and fees	7,712,676	12,750,985	13,697,528	14,121,996
Capital Outlay:				
Facilities acquisition and construction	3,399,607	3,019,989	7,758,952	19,332,936
Intergovernmental:				
Payments to shared services arrangement	4,082,692	4,428,939	4,605,539	11,379
Payments to Juvenile Justice Alt. Ed. Program	20,100	7,200	14,500	20,000
Other intergovernmental charges	408,183	546,652	566,318	597,519
Total Expenditures	<u>154,656,516</u>	<u>179,467,414</u>	<u>197,445,029</u>	<u>221,751,658</u>
Excess (Deficiency) of Revenues Over Expenditures	<u>10,294,392</u>	<u>5,682,176</u>	<u>(5,775,582)</u>	<u>(16,318,668)</u>
OTHER FINANCING SOURCES (USES):				
Issuance of general obligation bonds	53,645,000	-	59,195,000	41,335,000
Sale of real or personal property	-	29,171	36,348	10,480
Sale of land	-	-	-	2,625,612
Transfers in	3,717,700	101,061	1,214,495	25,826
Insurance recoveries	-	-	-	-
Premium on issuance of bonds	6,148,388	-	8,439,077	9,921,717
Special items	-	-	-	-
Transfers out	(3,717,700)	(101,061)	(1,214,495)	(154,882)
Payment to refunded bond escrow agent	<u>(60,014,616)</u>	<u>-</u>	<u>(33,171,384)</u>	<u>(51,051,646)</u>
Total other financing sources (uses)	<u>(221,228)</u>	<u>29,171</u>	<u>34,499,041</u>	<u>2,712,107</u>
Net Change in Fund Balance	<u>\$ 10,073,164</u>	<u>\$ 5,711,347</u>	<u>\$ 28,723,459</u>	<u>\$ (13,606,561)</u>
Debt Service (Principal and Interest) as a Percentage of Non-Capital Expenditures	11.7%	13.1%	12.9%	12.7%

TABLE 4

2017	2018	2019	2020	2021	2022
\$ 106,286,528	\$ 119,717,684	\$ 122,911,541	\$ 123,201,216	\$ 118,972,017	\$ 126,127,161
95,054,025	91,753,852	101,766,476	103,819,529	103,866,933	103,471,499
10,991,818	12,409,786	15,626,996	13,858,967	29,959,161	25,581,728
<u>212,332,371</u>	<u>223,881,322</u>	<u>240,305,013</u>	<u>240,879,712</u>	<u>252,798,111</u>	<u>255,180,388</u>
102,346,015	108,279,374	111,168,060	114,813,730	120,179,874	114,233,176
1,714,063	1,805,416	1,764,152	1,837,890	1,849,980	1,946,894
4,896,907	5,032,642	5,545,612	5,622,292	5,681,914	5,875,123
2,222,639	2,444,464	2,563,931	2,661,862	3,175,810	3,410,441
10,569,398	11,317,318	11,650,171	11,952,893	12,422,741	12,628,269
6,360,812	6,534,444	7,528,441	8,117,834	8,516,549	8,464,735
537,927	647,112	727,991	753,643	803,408	811,641
1,421,014	1,499,353	1,717,823	1,858,239	2,348,589	3,074,474
6,813,120	7,142,491	6,747,608	6,125,534	7,557,484	7,730,470
8,894,463	9,554,503	9,074,753	8,612,588	7,571,445	10,078,841
4,018,146	9,275,938	8,672,950	8,532,132	7,126,531	8,195,301
4,265,087	4,609,335	4,575,629	4,674,169	5,001,993	5,430,334
20,324,077	22,840,181	20,557,107	23,304,120	22,090,796	22,794,170
1,824,948	1,970,223	1,782,996	2,498,696	2,069,533	1,838,498
6,074,903	6,034,405	5,710,355	5,248,698	6,135,767	4,513,047
17,607	17,057	19,340	15,821	27,705	28,955
14,190,000	12,945,000	13,530,000	14,280,000	16,940,000	24,500,986
12,753,433	16,367,370	17,523,575	19,989,889	19,433,612	19,396,775
12,854,188	41,905,501	100,641,232	38,136,657	9,300,630	4,860,787
-	-	-	-	-	-
17,600	44,800	44,800	43,100	7,500	15,200
627,315	650,378	650,378	652,926	643,303	655,182
<u>222,743,662</u>	<u>270,917,305</u>	<u>332,196,904</u>	<u>279,732,713</u>	<u>258,885,164</u>	<u>260,483,299</u>
<u>(10,411,291)</u>	<u>(47,035,983)</u>	<u>(91,891,891)</u>	<u>(38,853,001)</u>	<u>(6,087,053)</u>	<u>(5,302,911)</u>
42,200,000	105,510,000	75,155,000	18,305,000	78,675,000	-
14,961	4,369	40,676	16,920	1,500	59,685
-	-	-	382,941	-	-
2,000,000	1,001,385	12,694,253	4,985,005	6,973,441	1,408,743
-	51,509	-	-	-	-
3,748,706	17,707,052	7,074,725	1,919,933	17,675,251	-
-	-	-	-	119,265	-
(2,000,000)	(1,001,385)	(12,694,253)	(4,985,005)	(6,973,441)	(1,408,743)
(46,047,466)	-	-	-	(96,796,992)	-
<u>(83,799)</u>	<u>123,272,930</u>	<u>82,270,401</u>	<u>20,624,794</u>	<u>(325,976)</u>	<u>59,685</u>
<u>\$ (10,495,090)</u>	<u>\$ 76,236,947</u>	<u>\$ (9,621,490)</u>	<u>\$ (18,228,207)</u>	<u>\$ (6,413,029)</u>	<u>\$ (5,243,226)</u>
12.8%	13.1%	13.5%	14.4%	14.4%	17.9%

PEALAND INDEPENDENT SCHOOL DISTRICT**ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY****LAST TEN FISCAL YEARS (UNAUDITED)**

Fiscal Year	Actual Value					
	Residential	Commerical Industrial and Multi-Family	Acreage	Vacant Lots and Tracts	Utilities	Other
2013	\$ 4,698,908,575	\$ 998,188,364	\$ 92,587,505	\$ 62,997,062	\$ 57,963,290	\$ 609,431,004
2014	4,759,250,132	1,052,563,173	106,704,868	66,228,503	61,860,480	585,335,382
2015	4,948,471,437	1,235,935,304	98,244,561	65,989,906	74,267,400	599,853,402
2016	5,321,992,392	1,334,242,825	108,350,862	66,684,347	60,032,490	595,093,748
2017	6,036,550,378	1,435,484,716	136,431,796	77,775,860	73,020,770	641,416,649
2018	6,424,323,025	1,512,698,674	139,444,658	78,359,815	97,390,970	685,401,853
2019	6,640,490,559	1,689,682,193	139,866,994	81,184,509	100,322,780	685,191,509
2020	6,852,563,878	1,781,315,768	138,375,032	80,959,891	126,775,340	722,923,104
2021	7,228,076,982	1,942,924,252	129,830,503	87,604,366	138,884,040	750,120,565
2022	7,805,633,254	1,567,281,910	142,638,873	89,900,003	161,426,490	769,654,527

Note:

⁽¹⁾ Tax rates are per \$100 of assessed value.

Source:

Brazoria County (Texas) Appraisal District and Harris County (Texas) Appraisal District provides the District's tax office with certified appraised and taxable values for properties within the District's tax authority. Actual value equals appraised value. Actual value less exemptions equals taxable assessed value. Taxable assessed value times the tax rate set by the District's Board of Trustees each fall equals the tax levy. Additional factors influence certified levy such as late rendition penalties, late penalties, late Ag penalties, and actual collectable levy of properties receiving tax ceiling for over-65 exemption.

Total Actual Value	Less: Exemptions	Total Taxable Assessed Value	Total Direct Rate ⁽¹⁾
\$ 6,520,075,800	\$ 1,090,829,588	\$ 5,429,246,212	\$1.4194
6,631,942,538	1,106,193,806	5,525,748,732	\$1.4157
7,022,762,010	1,144,941,608	5,877,820,402	\$1.4157
7,486,396,664	1,440,398,196	6,045,998,468	\$1.4156
8,400,680,169	1,649,603,488	6,751,076,681	\$1.4156
8,937,618,995	1,575,957,892	7,361,661,103	\$1.4156
9,336,738,544	1,561,130,046	7,775,608,498	\$1.4156
9,702,913,013	1,654,420,200	8,048,492,813	\$1.3956
10,277,440,708	1,775,938,457	8,501,502,251	\$1.3185
10,536,535,057	1,820,513,919	8,716,021,138	\$1.3152

PEARLAND INDEPENDENT SCHOOL DISTRICT**PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS**

(PER \$100 OF ASSESSED VALUATION)

LAST TEN FISCAL YEARS (UNAUDITED)

	2013	2014	2015	2016
Brazoria County	\$0.4860	\$0.4920	\$0.4990	\$0.4860
Brazoria County MUD No. 2	0.4900	0.4900	0.4900	0.4400
Brazoria County MUD No. 3	0.6300	0.6300	0.6300	0.6200
Brazoria County MUD No. 6	0.6300	0.6300	0.6300	0.6000
Brazoria County MUD No. 16	0.9400	0.9400	0.9400	0.9400
Brazoria County MUD No. 17	0.5440	0.5440	0.5200	0.4600
Brazoria County MUD No. 18	0.5300	0.5100	0.4700	0.3900
Brazoria County MUD No. 19	0.5800	0.5500	0.5100	0.4500
Brazoria County MUD No. 23	0.6100	0.6000	0.5800	0.5400
Brazoria County MUD No. 28	0.8200	0.8200	0.8200	0.8200
Harris County	0.4000	0.4150	0.4170	0.4190
Harris County Department of Education	0.0070	0.0060	0.0060	0.0050
Harris County Flood Control District	0.0280	0.0280	0.0270	0.0270
Harris County Hospital District	0.1820	0.1700	0.1700	0.1700
Harris-Brazoria Counties MUD No. 509	N/A	0.8500	0.8500	0.8500
City of Pearland	0.7050	0.7050	0.7120	0.7050
Port of Houston Authority	0.0200	0.0170	0.0150	0.0130
Pearland ISD Direct Rates:				
Maintenance & Operations	\$1.0400	\$1.0400	\$1.0400	\$1.0400
Debt Service	0.3794	0.3757	0.3757	0.3756
Total District Direct Rates	<u>\$1.4194</u>	<u>\$1.4157</u>	<u>\$1.4157</u>	<u>\$1.4156</u>

Note:

An individual resident of Pearland ISD resides in only one county and one utility district. Therefore, the total taxes applicable to the individual resident are insignificantly less than the sum of the taxes shown.

TABLE 6

2017	2018	2019	2020	2021	2022
\$0.4400	\$0.4400	\$0.4280	\$0.4152	\$0.3920	\$0.3365
0.4000	0.4000	0.4000	0.4000	0.4000	0.4000
0.5900	0.5900	0.5900	0.5900	0.3500	0.3500
0.6000	0.6000	0.6000	0.6000	0.5500	0.5000
0.9400	0.9400	0.8900	0.8500	0.8300	0.8000
0.4100	0.3800	0.3800	0.3600	0.3400	0.3300
0.3500	0.3100	0.3100	0.2900	0.2700	0.2500
0.4000	0.3800	0.3600	0.3500	0.3100	0.2900
0.4800	0.4700	0.4600	0.4600	0.4600	0.4400
0.8200	0.8200	0.8200	0.8200	0.8200	0.8200
0.4166	0.4180	0.4186	0.4190	0.3920	0.3769
0.0050	0.0052	0.0052	0.0050	0.0050	0.0050
0.0283	0.0283	0.0288	0.0290	0.0310	0.0335
0.1720	0.1711	0.1711	0.1790	0.1730	0.1622
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
0.6810	0.6851	0.7090	0.7410	0.7200	0.7014
0.0130	0.0128	0.0120	0.0110	0.0100	0.0087
\$1.0400	\$1.0400	\$1.0600	\$0.9700	\$0.8929	\$0.9196
0.3756	0.3756	0.3556	0.4256	0.4256	0.3956
<u>\$1.4156</u>	<u>\$1.4156</u>	<u>\$1.4156</u>	<u>\$1.3956</u>	<u>\$1.3185</u>	<u>\$1.3152</u>

PEARLAND INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

TABLE 7

Taxpayer	Type of Property	Fiscal Year Ended June 30, 2022			Fiscal Year Ended June 30, 2013		
		Taxable Assessed Valuation(1)	Rank	Percentage of Total Assessed Valuation(2)	Taxable Assessed Valuation(1)	Rank	Percentage of Total Assessed Valuation(3)
CenterPoint Energy Inc	Electric Utility	\$ 42,853,210	1	0.49%	\$ 21,398,090	5	0.39%
VR St. Andrew LP	Apartments	39,108,490	2	0.45%	25,470,930	4	0.47%
Lake Park Pearland LTD	Apartments	33,038,210	3	0.38%			0.00%
Seaway Crude Pipeline Company	Oil Field Equipment	31,868,900	4	0.37%			0.00%
Wal-Mart Real Estate Business Trust	Department Store	30,583,030	5	0.35%	35,023,050	2	0.65%
Kings Terrace Tranquility Lake LLC	Apartments	29,000,000	6	0.33%	14,139,430	7	0.26%
Southwind Middletown LLCN & Southwind Tampa LLC	Apartments	28,648,900	7	0.33%	15,002,800	6	0.28%
Multalloy	Industrial	28,395,965	8	0.33%			0.00%
Pearland Dunhill 1 LLC	Retail Center	26,385,120	9	0.30%			0.00%
Weatherford U.S., Inc.	Industrial	24,842,920	10	0.29%	37,689,240	1	0.69%
Wal-Mart Stores Inc.					26,588,720	3	0.49%
Texas Pipe & Supply Co. Inc.					14,096,031	8	0.26%
Equistar Chemicals LP					13,944,577	9	0.26%
Shawcor Pipe Protection LLC					13,944,577	10	0.26%
Total of Top 10 Taxpayers		<u>\$ 314,724,745</u>		<u>3.61%</u>	<u>\$ 217,297,445</u>		<u>4.00%</u>

Notes:

(1) Taxable assessed value equals appraised value after exemption.

(2) Total Assessed Valuation: \$8,716,021,138

(3) Total Assessed Valuation: \$5,429,246,212

Source:

Brazoria County (Texas) Appraisal District and City of Pearland.

PEARLAND INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 8

Fiscal Year June 30,	Net Tax Levy for the Fiscal year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percentage of Total Tax Collections
2013	\$79,509,130	\$78,244,832	98.41%	\$1,180,944	\$79,425,776	99.90%
2014	\$80,891,038	\$79,737,865	98.57%	\$1,062,437	\$80,800,302	99.89%
2015	\$85,400,235	\$84,071,053	98.44%	\$1,233,157	\$85,304,210	99.89%
2016	\$88,576,876	\$87,364,047	98.63%	\$1,122,267	\$88,486,314	99.90%
2017	\$98,968,277	\$97,550,381	98.57%	\$1,320,423	\$98,870,804	99.90%
2018	\$105,893,344	\$104,494,272	98.68%	\$1,267,551	\$105,761,823	99.88%
2019	\$105,921,921	\$104,610,322	98.76%	\$1,097,732	\$105,708,054	99.80%
2020	\$111,311,371	\$109,895,091	98.73%	\$993,544	\$110,888,635	99.62%
2021	\$113,625,074	\$112,272,579	98.81%	\$957,761	\$113,230,339	99.65%
2022	\$118,140,994	\$116,574,974	98.67%	-	\$116,574,974	98.67%

PEARLAND INDEPENDENT SCHOOL DISTRICT

TABLE 9

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	General Obligation Bonds	Ratio of Debt to Assessed Value ⁽¹⁾	Debt per ADA ⁽²⁾	Debt per Capita ⁽³⁾	Percentage of Personal Income ⁽³⁾
2013	\$321,511,552	5.92%	\$17,138	\$3,088	9.04%
2014	\$310,017,354	5.61%	\$16,201	\$2,900	8.11%
2015	\$334,863,345	5.60%	\$17,085	\$2,982	8.24%
2016	\$323,447,812	5.35%	\$16,012	\$2,762	6.97%
2017	\$307,271,914	4.55%	\$14,918	\$2,529	7.14%
2018	\$414,460,410	5.63%	\$20,066	\$3,310	8.07%
2019	\$479,919,835	6.17%	\$23,276	\$3,860	10.65%
2020	\$482,354,449	5.99%	\$23,541	\$3,670	8.02%
2021	\$456,805,036	5.37%	\$22,534	\$3,630	7.59%
2022	\$430,300,038	4.94%	\$21,702	\$3,565	8.29%

Notes:

(1) See Table 5 for total taxable assessed value data.

(2) See Table 16 for student enrollment data.

(3) See Table 13 for population and income information.

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	General Obligation Bonds(1)	Less Restricted for Retirement of Bonded Debt (2)	Net Bonded Debt	Ratio of Debt to Assessed Value (3)	Debt per ADA (4)
2013	\$321,511,552	\$11,046,490	\$310,465,062	5.72%	\$16,549
2014	\$310,017,354	\$13,159,629	\$296,857,725	5.37%	\$15,513
2015	\$334,863,345	\$14,986,658	\$319,876,687	5.35%	\$16,320
2016	\$323,447,812	\$16,847,686	\$306,600,126	5.07%	\$15,178
2017	\$307,271,914	\$19,153,034	\$288,118,880	4.27%	\$13,988
2018	\$414,460,410	\$16,462,537	\$397,997,873	5.41%	\$19,269
2019	\$479,919,835	\$16,675,925	\$463,243,910	5.96%	\$22,467
2020	\$482,354,449	\$17,940,148	\$464,414,301	5.77%	\$22,665
2021	\$456,805,036	\$19,090,587	\$437,714,449	5.15%	\$21,592
2022	\$430,300,038	\$14,990,210	\$415,309,828	4.76%	\$ 20,946

Notes:

⁽¹⁾ Details regarding the District's outstanding debt can be found in the Notes to the Financial Statements.

⁽²⁾ This is the amount restricted for debt service on the government-wide financial statements.

⁽³⁾ See Table 5 for assessed value data.

⁽⁴⁾ See Table 16 for student enrollment data.

PEARLAND INDEPENDENT SCHOOL DISTRICT**LEGAL DEBT MARGIN INFORMATION****LAST TEN FISCAL YEARS (UNAUDITED)**

	2013	2014	2015	2016
Debt Limit ⁽¹⁾	\$ 542,924,621	\$ 552,574,873	\$ 597,612,792	\$ 604,599,847
Less: Total Net Debt Applicable to Limit	292,056,315	279,315,718	296,069,224	275,086,780
Legal Debt Margin	\$ 250,868,306	\$ 273,259,155	\$ 301,543,568	\$ 329,513,067
Total Net Debt Applicable to the Limit as a Percentage of Debt limit:	53.79%	50.55%	49.54%	45.50%

Notes:

⁽¹⁾ Although there is no legal debt limit in the State of Texas, most school business officials in the State hold the opinion that the Attorney General would not approve bonded indebtedness in excess of 10% of assessed value.

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

⁽³⁾ See restricted for debt service at the fund level.

TABLE 11

2017	2018	2019	2020	2021	2022
\$ 675,107,668	\$ 736,166,110	\$ 777,560,850	\$ 804,849,281	\$ 850,150,225	\$ 871,602,114
255,839,100	345,229,857	405,521,911	408,393,876	375,711,446	358,632,408
\$ 419,268,568	\$ 390,936,253	\$ 372,038,939	\$ 396,455,405	\$ 474,438,779	\$ 512,969,706
37.90%	46.90%	52.15%	50.74%	44.19%	41.15%
Assessed Value ⁽²⁾				\$8,716,021,138	
Debt Limit Percentage of Assessed Value				10.00%	
Debt Limitation ⁽¹⁾					\$ 871,602,114
Debt Applicable to Debt Limitation:					
Total Bonded Debt				\$ 379,670,000	
Less: Amount set aside for repayment of bonds ⁽³⁾				21,037,592	
Total Amount of Debt Applicable to Debt Limitation					358,632,408
Legal Debt Margin					\$ 512,969,706

PEARLAND INDEPENDENT SCHOOL DISTRICT

TABLE 12

**COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2022 (UNAUDITED)**

Taxing Jurisdiction	Gross Tax Debt	Percent Overlapping ⁽¹⁾	Amount Overlapping
Brazoria County	\$ 213,253,313	17.32%	\$ 36,935,474
Brazoria County MUD #6	10,290,000	87.16%	8,968,764
Brazoria County MUD #16	12,575,000	100.00%	12,575,000
Brazoria County MUD #17	17,670,000	100.00%	17,670,000
Brazoria County MUD #18	18,015,000	51.66%	9,306,549
Brazoria County MUD #19	21,175,000	100.00%	21,175,000
Brazoria County MUD #23	13,625,000	99.25%	13,522,813
Brazoria County MUD #28	58,225,000	81.38%	47,383,505
Harris County	1,682,992,125	0.04%	673,197
Harris County Department of Education	20,185,000	0.04%	8,074
Harris County Flood Control District	584,900,000	0.04%	233,960
Harris County Hospital District	76,385,000	0.04%	30,554
Harris-Brazoria Counties MUD #509	48,165,000	31.13%	14,993,765
City of Pearland	328,265,000	58.18%	190,984,577
Port of Houston Authority	469,434,397	0.04%	187,774
Sedona Lakes MUD #1	30,950,000	3.99%	1,234,905
Total Overlapping Debt			\$ 375,883,909
Pearland ISD			379,670,000
Total Direct and Overlapping Debt			<u>\$ 755,553,909</u>

Note:

⁽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: Municipal Advisory Council of Texas

PEARLAND INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 13

Fiscal Year Ended June 30,	Population ⁽¹⁾	Total Personal Income	Per Capita Personal Income ⁽²⁾	Unemployment Rate ⁽³⁾
2013	104,100	\$3,555,431,000	\$34,154	5.0%
2014	106,900	\$3,822,958,000	\$35,762	4.3%
2015	112,300	\$4,063,014,000	\$36,180	3.3%
2016	117,100	\$4,637,394,000	\$39,602	3.8%
2017	121,500	\$4,305,839,000	\$35,439	4.3%
2018	125,198	\$5,134,370,000	\$41,010	3.5%
2019	124,321	\$4,505,393,040	\$36,240	2.8%
2020	125,828	\$6,015,060,480	\$42,021	5.6%
2021	125,944	\$6,015,060,480	\$42,021	4.6%
2022	120,694	\$5,191,290,328	\$43,012	3.7%

Sources:

⁽¹⁾ Population is for the entire City of Pearland.

⁽²⁾ US Census Bureau

⁽³⁾ Bureau of Labor Statistics.

PRINCIPAL EMPLOYERS ⁽¹⁾

CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2022 ⁽²⁾			2013		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pearland ISD	2,684	1	4.13%	2,450	1	5.37%
Kelsey Seybold	913	2	1.40%	800	3	1.75%
Alvin ISD	753	3	1.16%			
City of Pearland	750	4	1.15%	614	4	1.35%
Memorial Hermann	635	5	0.98%			
Lonza	600	6	0.92%			
Merit Medical	600	6	0.92%			
HCA (Pearland Medical Center)	300	8	0.46%			
Third Coast	230	9	0.35%			
Kemlon	228	10	0.35%	200	10	0.44%
Wal-Mart				1,185	2	2.60%
HEB				350	5	0.77%
Davis-Lynch				275	6	0.60%
Home Depot				230	7	0.50%
Super Target				205	8	0.45%
Bass Pro Shop				200	9	0.44%
Total	<u>7,693</u>		<u>11.83%</u>	<u>6,509</u>		<u>14.27%</u>

Labor force participation:

2021:	65,031
2013:	45,624

Notes:

⁽¹⁾ Employment data is for City of Pearland; retail establishments have not been surveyed since 2013.⁽²⁾ Employment data is for 2021; data for 2022 was not available at the time of this report.

PEARLAND INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 15

	FISCAL YEAR									
	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Total Teaching Staff:	1,120	1,208	1,239	1,306	1,343	1,323	1,307	1,299	1,318	1,301
Professional Support:										
Athletic Trainer	5	5	6	6	6	7	9	9	9	9
Counselor	34	38	37	42	39	43	53	52	54	53
Educational Diagnostician	3	2	2	3	3	3	6	9	8	7
Librarian	15	14	15	15	15	16	19	20	19	19
LSSP/Psychologist	16	19	22	23	21	22	21	17	19	16
Other Campus Professional	8	8	7	8	9	13	15	11	15	14
Other Non-Instructional	94	105	111	118	98	98	110	121	118	122
School Nurse	13	13	13	14	14	13	17	19	21	25
Speech Therapist/Speech- Language Pathologist	14	16	12	15	14	16	18	19	21	21
Truant Officer	3	2	2	2	-	3	5	5	5	5
Total Professional Staff	205	222	227	246	219	234	273	282	289	291
Administrative Staff:										
Assistant Principal Asst/Assoc/Deputy	32	33	32	33	30	43	49	49	49	50
Superintendent	6	5	5	5	7	7	6	6	7	6
Athletic Director	-	-	-	-	-	1	1	1	1	1
Business Manager	1	1	1	1	2	1	1	1	1	1
Director of Personnel/HR	1	1	1	1	1	1	1	1	1	2
Instructional Program/ Executive Director	7	5	5	6	10	7	8	7	8	9
Principal	20	22	23	23	22	21	23	23	23	23
Registrar	2	3	3	3	3	3	3	3	3	3
Superintendent	1	1	1	1	1	1	1	1	1	1
Total Administrative Staff	70	71	71	73	76	85	93	92	94	96
Total Professional Staff	1,395	1,501	1,537	1,625	1,638	1,642	1,673	1,673	1,700	1,688
Total Educational Aide:	139	151	148	171	167	163	168	191	190	197
Total Auxiliary Staff:	647	747	647	698	711	694	714	715	691	686
Total Personnel	2,181	2,399	2,332	2,494	2,516	2,499	2,555	2,579	2,581	2,571

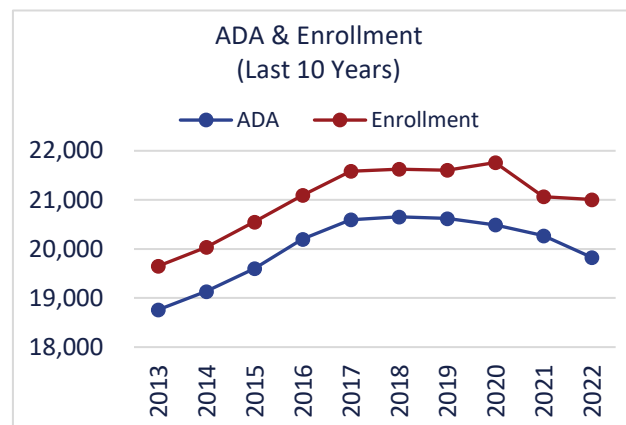
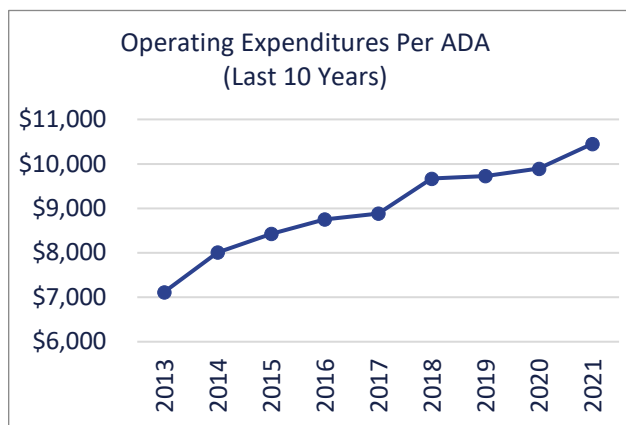
Source:
Texas Education Agency (TEA), Staff FTE Counts and Salary Reports

PEARLAND INDEPENDENT SCHOOL DISTRICT

OPERATING STATISTICS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Average Daily Attendance ⁽¹⁾	Operating Expenditures ⁽²⁾	Cost Per ADA	Percent Change	Government Wide Expenses	Cost Per ADA	Percent Change
2013	18,760	\$133,484,233	\$7,115	-5.54%	\$152,452,471	\$8,126	-8.76%
2014	19,136	\$153,281,440	\$8,010	12.57%	\$177,000,809	\$9,250	13.82%
2015	19,600	\$165,178,549	\$8,427	5.21%	\$186,589,696	\$9,520	2.92%
2016	20,200	\$176,811,726	\$8,753	3.86%	\$201,022,256	\$9,952	4.53%
2017	20,597	\$182,946,041	\$8,882	1.48%	\$206,969,893	\$10,049	0.97%
2018	20,655	\$199,699,434	\$9,669	8.85%	\$201,786,727	\$9,770	-2.78%
2019	20,619	\$200,545,654	\$9,726	0.60%	\$233,503,362	\$11,325	15.92%
2020	20,490	\$202,742,622	\$9,895	1.73%	\$241,300,714	\$11,777	3.99%
2021	20,272	\$211,867,814	\$10,451	5.62%	\$253,687,771	\$12,514	6.26%
2022	19,828	\$211,724,752	\$10,678	2.17%	\$237,988,493	\$12,003	-4.09%



Notes:

⁽¹⁾ The drop in Average Daily Attendance (ADA) is due to the COVID-19 pandemic, which resulted in the District closing for two weeks and transitioning to remote instruction in the latter part of school year 2019-2020, and a hybrid method of instruction (remote and in-person) during school year 2020-2021.

⁽²⁾ Operating expenditures are total governmental fund expenditures, less debt service and capital outlays.

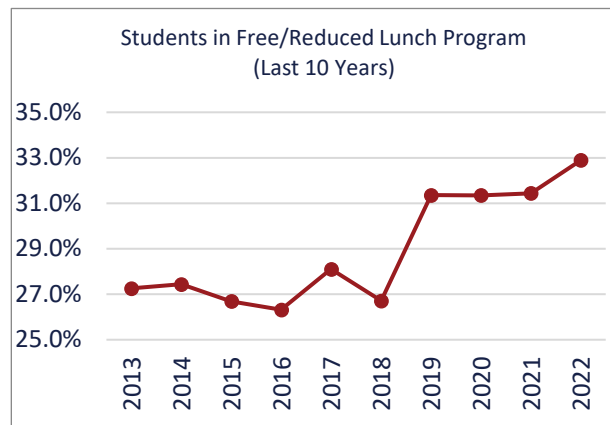
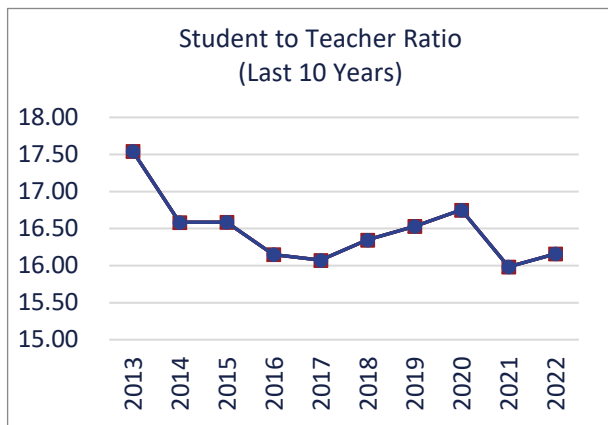
⁽³⁾ Enrollment is the total number of students in the District who were reported to the Texas Education Agency (TEA) as of the last Friday of October.

Source:

Texas Education Agency (TEA), Texas Student Data System (TSDS), Public Education Information Management System (PEIMS) and District records.

TABLE 16

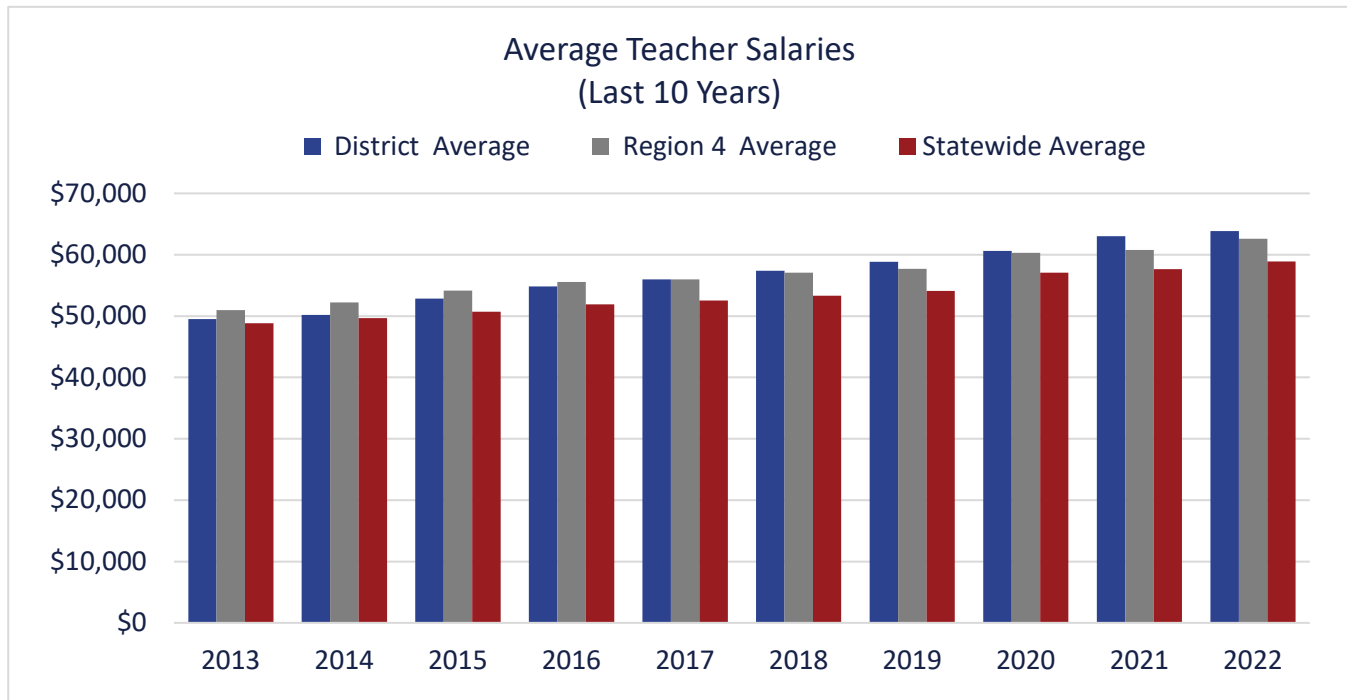
Teaching Staff	Enrollment ⁽³⁾	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
1,120	19,650	17.54	27.26%
1,208	20,034	16.58	27.44%
1,239	20,550	16.59	26.69%
1,306	21,093	16.15	26.32%
1,343	21,585	16.07	28.10%
1,323	21,628	16.35	26.71%
1,307	21,606	16.53	31.36%
1,299	21,760	16.75	31.35%
1,318	21,067	15.98	31.44%
1,300	21,007	16.16	32.89%



TEACHER BASE SALARIES

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	District Minimum Salary (1)	District Maximum Salary (1)	District Average Salary (2)	Region 4 Average Salary (3)	Statewide Average Salary (3)
2013	\$45,750	\$59,995	\$49,510	\$50,968	\$48,821
2014	\$47,000	\$61,495	\$50,181	\$52,222	\$49,692
2015	\$50,000	\$70,000	\$52,863	\$54,157	\$50,715
2016	\$51,200	\$70,000	\$54,833	\$55,580	\$51,891
2017	\$52,000	\$70,000	\$55,999	\$55,992	\$52,525
2018	\$53,000	\$68,020	\$57,380	\$57,076	\$53,334
2019	\$54,500	\$71,500	\$58,841	\$57,707	\$54,122
2020	\$56,000	\$72,000	\$60,609	\$60,292	\$57,091
2021	\$58,100	\$74,000	\$63,005	\$60,798	\$57,641
2022	\$59,000	\$75,000	\$63,849	\$62,590	\$58,887



Notes:

- (1) Source: District records, based on new teacher entry salary schedule.
- (2) Source: Texas Education Agency (TEA), Staff FTE Counts and Salary Reports.
- (3) Source: Texas Education Agency (TEA), Texas Performance Reporting System (TPRS).

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 18
PAGE 1 OF 2

School Name	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
High Schools:										
Pearland ⁽¹⁾ (1991)										
Square Feet	623,380	623,380	623,380	623,380	623,380	683,768	683,768	683,786	683,786	683,786
Capacity	3,850	3,850	3,850	3,850	3,850	3,850	3,900	3,900	3,900	3,900
PEIMS Enrollment	3,288	2,896	2,920	2,969	2,982	3,056	3,053	3,092	3,131	3,189
PACE (2003)										
Square Feet	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411
Capacity	300	300	300	300	300	300	300	300	300	300
PEIMS Enrollment	101	103	128	120	102	86	82	89	-	-
Glenda Dawson (2009)										
Square Feet	360,000	360,000	360,000	360,000	360,000	360,000	450,000	457,736	457,736	457,736
Capacity	2,000	2,000	2,000	2,000	2,000	2,000	2,725	2,725	2,725	2,725
PEIMS Enrollment	2,148	2,114	2,257	2,407	2,466	2,518	2,518	2,580	2,568	2,568
Turner College & Career (2013)										
Square Feet	-	219,548	219,548	219,548	219,548	219,548	259,552	259,552	259,552	259,552
Capacity	-	1,250	1,250	1,250	1,250	1,250	1,300	1,300	1,300	1,300
PEIMS Enrollment	-	701	848	1,001	1,169	1,200	1,200	1,167	1,191	1,144
Junior High Schools:										
Junior High East (1971)										
Square Feet	96,947	96,947	96,947	96,947	96,947	96,947	116,547	145,112	145,112	145,112
Capacity	900	900	900	900	900	900	975	975	975	975
PEIMS Enrollment	682	668	674	716	798	782	782	901	866	868
Junior High West (1952)										
Square Feet	146,907	146,907	146,907	146,907	146,907	146,907	177,341	177,341	177,341	177,341
Capacity	900	900	900	900	900	900	975	975	975	975
PEIMS Enrollment	726	773	848	844	830	816	816	839	893	907
Junior High South (2002)										
Square Feet	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548
Capacity	875	875	875	875	875	875	875	875	875	875
PEIMS Enrollment	829	849	802	853	863	890	890	849	873	893
Berry Miller (2008)										
Square Feet	169,774	169,774	169,774	169,774	169,774	169,744	169,744	169,744	169,744	169,744
Capacity	900	900	900	900	900	900	900	900	900	900
PEIMS Enrollment	851	895	961	956	906	906	906	864	816	800
Middle Schools:										
Sam Jamison (1982)										
Square Feet	86,950	86,950	86,950	86,950	86,950	86,950	91,890	91,890	91,890	91,890
Capacity	925	925	925	925	925	925	1,000	1,000	1,000	1,000
PEIMS Enrollment	782	818	814	852	836	814	814	905	886	808
Leon Sablatura (1997)										
Square Feet	92,174	92,174	92,174	92,174	92,174	92,174	97,423	97,423	97,423	97,423
Capacity	900	900	900	900	900	900	1,000	1,000	1,000	1,000
PEIMS Enrollment	815	825	805	892	896	830	830	888	936	946
Rogers (2003)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity	925	925	925	925	925	925	925	925	925	925
PEIMS Enrollment	928	923	889	896	853	814	814	803	743	735
Alexander (2007)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity	925	925	925	925	925	925	925	925	925	925
PEIMS Enrollment	622	660	691	615	705	806	806	853	771	754

(1) Including 52,220 ft. for Ag. Facility

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)

TABLE 18
PAGE 2 OF 2

School Name	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022
Elementary Schools:										
E.A. Lawhon (1963)										
Square Feet	73,290	73,290	73,290	73,290	73,290	73,290	93,336	93,336	93,336	93,336
Capacity	990	990	990	990	990	990	990	990	990	990
PEIMS Enrollment	686	682	690	716	809	818	818	834	795	797
C.J. Harris (1998)										
Square Feet	77,688	77,688	77,688	77,688	77,688	77,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	678	676	731	741	685	637	637	667	616	584
Shadycrest (1969)										
Square Feet	64,866	64,866	64,866	64,866	64,866	64,866	71,314	71,314	71,314	71,314
Capacity	748	748	748	748	748	748	748	748	748	748
PEIMS Enrollment	578	583	588	613	698	683	683	632	586	564
H.C. Carleston (1980)										
Square Feet	62,651	62,651	62,651	62,651	62,651	62,651	90,992	90,992	90,992	90,992
Capacity	990	990	990	990	990	990	990	990	990	990
PEIMS Enrollment	780	788	787	793	771	815	814	734	682	681
Challenger (1993)										
Square Feet	77,688	77,688	77,688	77,688	77,688	77,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	690	671	660	662	688	683	683	642	573	589
Rustic Oak (1993)										
Square Feet	77,688	77,688	77,688	77,688	77,688	77,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	568	560	559	543	678	706	706	666	653	679
Silverlake (1998)										
Square Feet	77,688	77,688	77,688	77,688	77,688	77,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	705	711	718	719	709	731	730	690	632	566
Silvercrest (2002)										
Square Feet	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963
Capacity	814	814	814	814	814	814	814	814	814	814
PEIMS Enrollment	850	832	803	773	747	727	727	717	658	645
Massey Ranch (2006)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	726	695	721	717	705	681	681	721	644	639
Barbara Cockrell (2007)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	818	805	846	863	807	767	767	715	697	739
Magnolia (2007)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	792	802	808	825	878	867	867	896	855	887

Source: District Records and Fall PEIMS Enrollment



Pearland Independent School District
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www.pearlandisd.org