



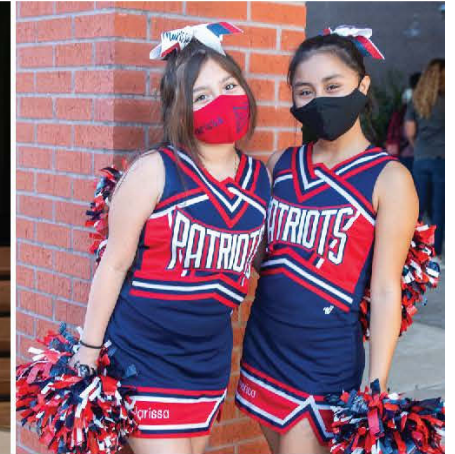
**Best**  
Communities for  
Music Education  
in America

Pasadena, TX



# PASADENA

INDEPENDENT SCHOOL DISTRICT



# 2021

## Annual Comprehensive Financial Report

*for the fiscal year ended August 31, 2021*

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



[www.pasadenaisd.org](http://www.pasadenaisd.org)





# Mission Statement



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









PASADENA INDEPENDENT SCHOOL DISTRICT

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Pasadena, Texas

# ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended August 31, 2021

DeeAnn Powell, Ed. D.  
Superintendent of Schools

Carla Merka  
Chief Financial Officer



# PASADENA INDEPENDENT SCHOOL DISTRICT

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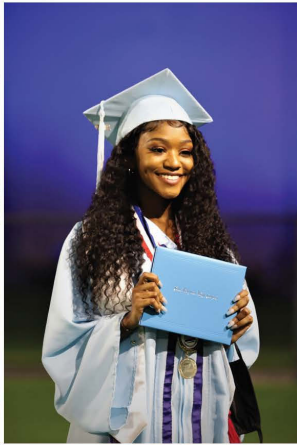


# PASADENA INDEPENDENT SCHOOL DISTRICT

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# INTRODUCTORY SECTION







# Pasadena Independent School District

January 25, 2022

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

Dear Board Members and Citizens:

The Texas Education Code requires that all school districts file and publish a complete set of financial statements with the Texas Education Agency ("TEA") within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles ("GAAP") and audited in accordance with generally accepted auditing standards by a firm of licensed certified public accountants. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report (ACFR) of the Pasadena Independent School District (the "District") for the fiscal year ended August 31, 2021. The ACFR is management's report of financial operations to the Board of Trustees (the "Board"), taxpayers, grantor agencies, employees, the TEA, and other interested parties.

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

The District's financial statements have been audited by Whitley Penn, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended August 31, 2021 are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall basic financial statement presentation. The independent auditor concluded, based upon the audit, that there was reasonable basis for rendering an unmodified opinion and that the District's financial statements for the period ended August 31, 2021, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report. The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are presented as part of the ACFR's Federal Awards Section. GAAP require that management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the Independent Auditors' Report.



## **Profile of the District**

The Pasadena Independent School District, established in 1898, encompasses 85.5 square miles in southeast Harris County just east of Houston, Texas. The District covers portions of the cities of Pasadena, Pearland and Houston, all of the City of South Houston and an unincorporated area of Harris County. The District is a political subdivision of the State of Texas governed by a seven-member Board of Trustees who serves staggered four-year terms. Elections are held in May of every other year. The District has a population of approximately 246,182 and employs over 8,400 employees, 3,779 of which are classroom teachers. These employees provide educational services for 50,614 students enrolled in the District. In the last year, the district enrollment has decreased by 4.3%. As the 18th largest district in the state of Texas, the District now serves thirty-six elementary schools (pre-kindergarten through fourth), eleven middle schools (fifth and sixth grade), ten intermediate schools (seventh and eighth grade), six high schools (ninth through twelfth grade), and four alternative or specialized campuses. Hispanic students make up 83% of the student body with the remainder of the student population being comprised of 5% White, 8% African American, 3% Asian, and 1% other.

## **Budgeting**

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

On the expenditure side, the business office calculates the impact of changes to the pay scales on the budget. Projected State funding increases permitted a three (3%) percent salary increase for 2020-2021. In March and April 2020, personnel requests and staffing changes were reviewed in relation to student/teacher ratios, student demographics, and/or special programs.

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

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

## **Major Initiatives**

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

five-year strategic plan to help ensure that all of our energies and resources are being dedicated to the right areas to guide the district to success in achieving its objectives:

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

## **Factors Affecting the Financial Condition**

### **Local Economy**

While much of the economic base for the community is the petrochemical industry, Pasadena Independent School District's boundaries encompass relatively few major corporations compared with surrounding districts. Of the approximately 3,500 businesses within the Pasadena city limits, two-thirds are involved in retail trade. Total taxable property values within the PSD, net of mandatory and optional exemptions, is projected to exceed \$15.5 billion for the school year 2021-2022. Per student spending is expected to increase from \$9,308 to \$10,602 in the 2020-2021 school year. Refined average daily attendance (ADA) is projected to decrease. These indicators are reviewed when adopting the general fund budget for 2021-2022. Estimated revenue in the general fund budget for the 2021-2022 school year is \$530.6 million, a decrease of 1% over the adopted 2020-2021 budget of \$535.9 million.

General fund expenditures are budgeted to decrease 4.3% or \$ 23.7 million primarily due to the offset of ESSER Funds. The District adopted a surplus budget for 2021-2022 in the amount of \$1.7 million. The Maintenance and Operations tax rate increased to \$1.0730 up from \$1.0712 and the Interest and Sinking rate remained the same \$.31 for a total tax rate of \$1.3812.

### **Long-term Financial Planning**

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

### **Capital Projects Funding**

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

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

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

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

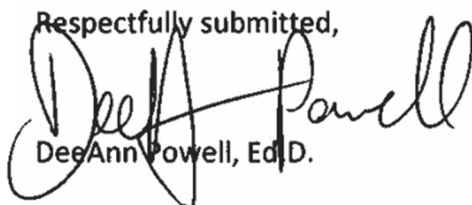
### **Awards and Acknowledgments**

The 2020-2021 School Year was very successful for Pasadena Independent School District and following are only a few of the district's accomplishments:

- U.S Department of Energy recognized the district for achieving an energy savings goal of 28 percent in the Better Buildings Challenge.
- Sam Rayburn High joined the ranks of approximately 200 schools throughout the United States and Canada as a Model PLC School.
- District ranked as #1 in the Houston Kroger School Food Program.
- Red Bluff Elementary and Sparks Elementary were named America's Healthiest Schools for implementing best practices that support learning and child development.

The District received a "Superior Achievement" rating under the State's FIRST (Financial Integrity Rating System of Texas) program for nineteenth (19) consecutive years, the highest rating given. The district also received ASBO's COE (Certificate of Excellence in financial reporting) for its seventh (7<sup>th</sup>) consecutive year ending August 31, 2020. The district was awarded the Government and Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past ninth (9<sup>th</sup>) consecutive school year ending August 31, 2020. The district was also a first (1<sup>st</sup>) time recipient of the Texas Association School Board Officials award of Excellence in Financial Management.

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

Respectfully submitted,  
  
DeeAnn Powell, Ed.D.



# PASADENA INDEPENDENT SCHOOL DISTRICT

## Board of Trustees, Length of Service, Term Expiration

**Marshall Kendrick**, President, 32 Years, 2023  
**Vickie Morgan**, Vice President, 35 Years, 2023  
**Kenny Fernandez**, Secretary, 6 Years, 2023  
**Nelda Sullivan**, Assistant Secretary, 28 Years, 2025  
**Crystal Davila**, Member, 2025  
**Paola Gonzalez Fusilier**, Member, 2025  
**Casey D. Phelan**, Member, 2025

*For pictures and profiles visit*  
<https://www1.pasadenaisd.org/cms/One.aspx?portalId=80772&pageId=217627>

## Superintendent of Schools

**Dr. DeeAnn Powell**

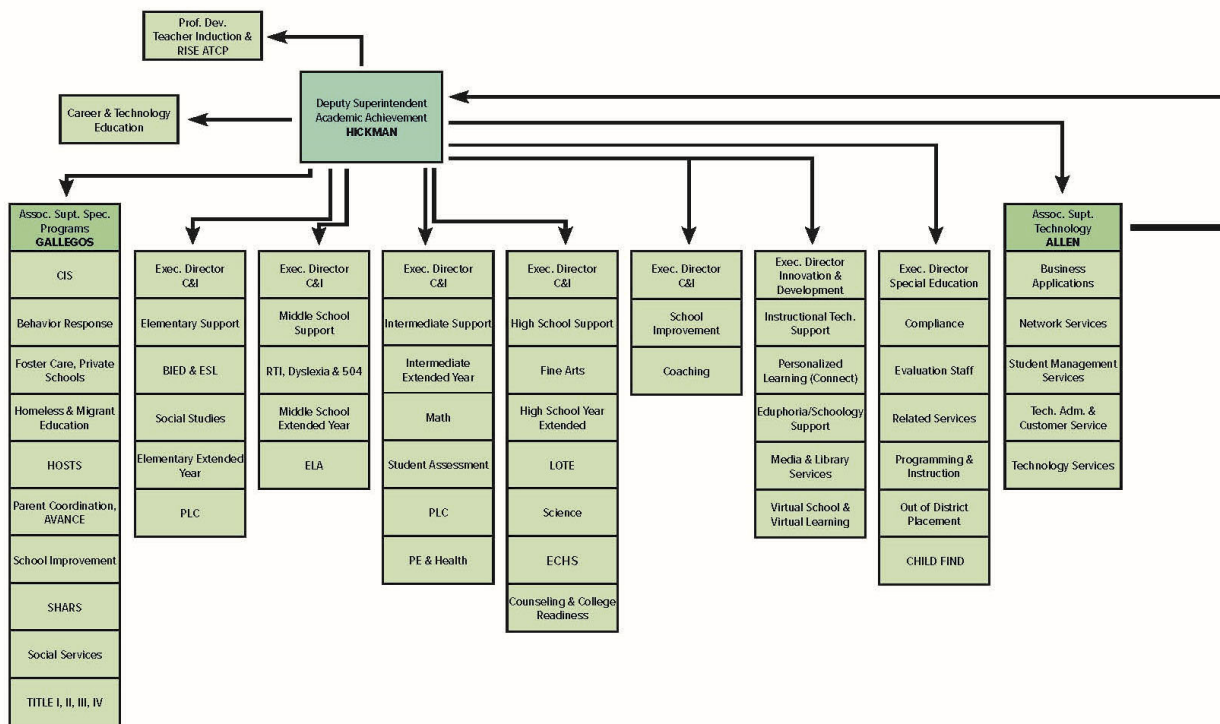
## Administrative Cabinet

**Dr. DeeAnn Powell**, Superintendent  
**Dr. Karen Hickman**, Deputy Superintendent, Academic Achievement  
**Arthur Allen**, Associate Superintendent for Business & Technology Services  
**Kevin Forno**, Associate Superintendent Facilities & Construction  
**Joe Saavedra**, Associate Superintendent, Campus Development  
**Gloria Gallegos**, Associate Superintendent, Special Programs  
**Alyta Harrell**, Associate Superintendent, Campus Development  
**Toni Lopez**, Associate Superintendent, Human Resources  
**Dr. Darla Massey-Jones**, Associate Superintendent, Accountability and Compliance  
**Dr. Troy McCarley**, Associate Superintendent, Projects Planning & Communications  
**Carla Merka**, Chief Financial Officer  
**Dr. Rhonda Parmer**, Associate Superintendent, Campus Development  
**Dr. Angela Stallings**, Associate Superintendent, Campus Development  
**Jodie Kennemer**, General Counsel

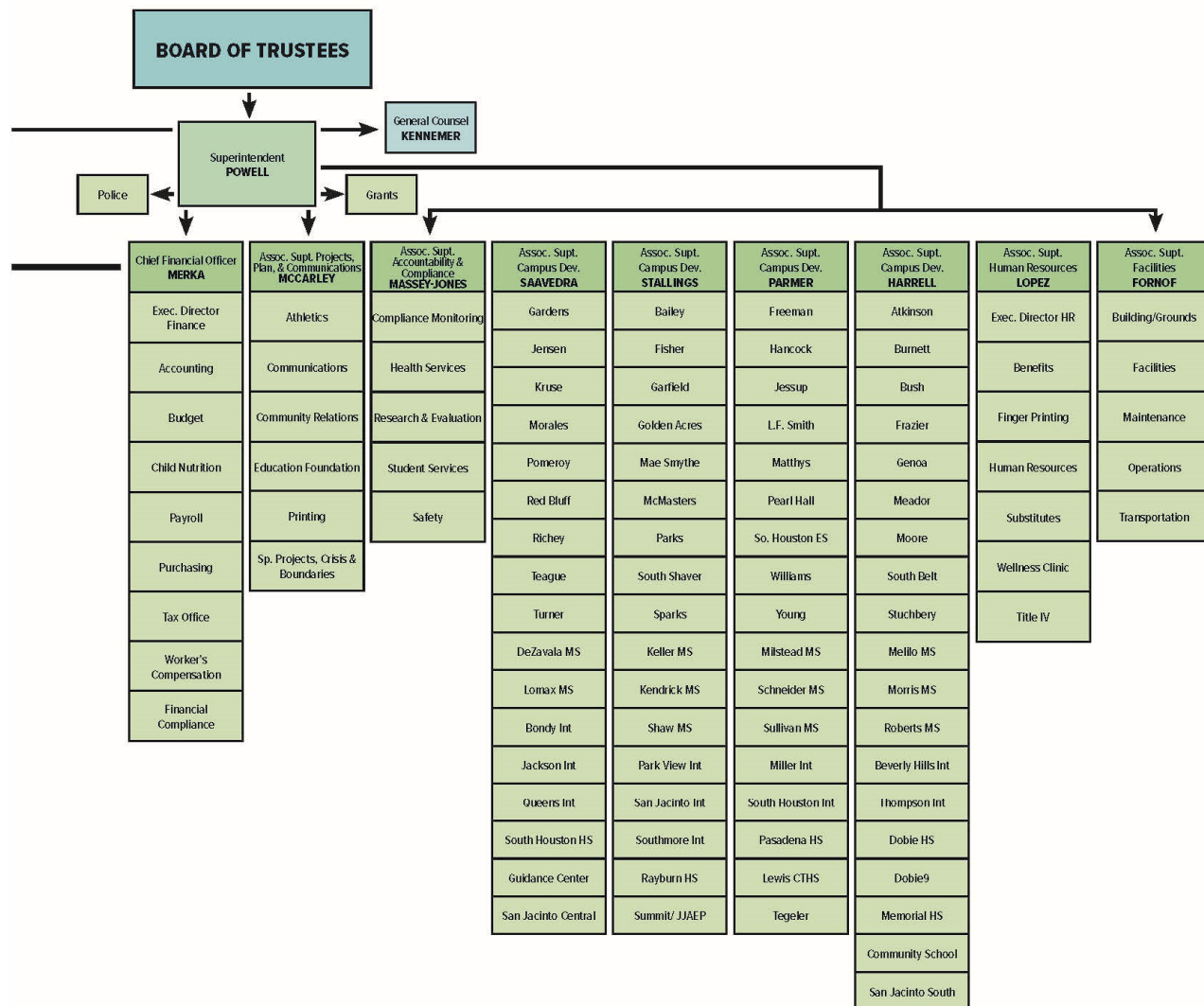
# PASADENA INDEPENDENT SCHOOL DISTRICT

## ORGANIZATIONAL CHART

Revised 8/31/21



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**ORGANIZATIONAL CHART (continued)**



## CERTIFICATE OF BOARD

Pasadena Independent School District

Name of School District

Harris

County

101-917

Co.-Dist Number

We, the undersigned certify that the attached annual financial reports of the above named school district were reviewed and ✓ approved, \_\_\_\_\_ disapproved for the year ended August 31, 2021 at a meeting of the Board of Trustees of such school district on January 25, 2022.

  
\_\_\_\_\_  
Signature of Board Secretary

  
\_\_\_\_\_  
Signature of Board President





Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Pasadena Independent School District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

August 31, 2020

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

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

**Pasadena Independent School District**

**for its Comprehensive Annual Financial Report  
for the Fiscal Year Ended August 31, 2020.**

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



*W. Edward Chabal*

W. Edward Chabal  
President

*David J. Lewis*

David J. Lewis  
Executive Director



# FINANCIAL SECTION





## INDEPENDENT AUDITORS' REPORT

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

### **Report on the Financial Statements**

We have audited the accompanying financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pasadena Independent School District, (the "District") as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

### ***Management's Responsibility for the Financial Statements***

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes 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.

### ***Auditor's Responsibility***

Our responsibility is to express opinions on these financial statements based on our audit. We conducted our audit in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditor's judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to fraud or error. In making those risk assessments, the auditor considers internal control relevant to the entity's preparation and fair presentation of the financial statements 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 entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

### ***Opinions***

In our opinion, the financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of August 31, 2021, 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.

### ***Other Matters***

#### ***Required Supplementary Information***

Accounting principles generally accepted in the United States of America require that the 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, 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.

#### ***Other 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 introductory section, combining and individual fund financial statements, compliance schedules, and statistical section, as listed in the table of contents, are presented for purposes of additional analysis and are not a required part of the basic financial statements. The schedule of expenditures of federal awards, as required by Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance), is also presented for purposes of additional analysis and is not a required part of the basic financial statements.

The combining and individual fund financial statements, and compliance schedules, and the schedule of expenditures of federal awards, as listed in the table of contents, are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund financial statements, compliance schedules, and the schedule of expenditures of federal awards, as listed in the table of contents, are fairly stated in all material respects in relation to the basic financial statements as a whole.

The introductory and statistical sections have not been subjected to the auditing procedures applied in the audit of the basic financial statements and, accordingly, we do not express an opinion or provide any assurance on them.

To the Board of Trustees of  
Pasadena Independent School District

**Other Reporting Required by *Government Auditing Standards***

In accordance with *Government Auditing Standards*, we have also issued our report dated January 25, 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 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 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.

*Whitley Penn LLP*

Houston, Texas  
January 25, 2022







## MANAGEMENT'S DISCUSSION & ANALYSIS





## PASADENA INDEPENDENT SCHOOL DISTRICT

### MANAGEMENT DISCUSSION AND ANALYSIS

As management of the Pasadena Independent School District (the “District”), we offer readers of the District’s financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended August 31, 2021.

#### Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent fiscal year by \$73,057,746 (*net position*). Unrestricted net position reflects a deficit of \$230,882,329 which is caused by the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$447,343,471.
- The District’s total net position increased by \$2,003,308. This is due to the decrease in the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$7,358,384.
- As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$298,905,683, a decrease of \$6,828,867 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$136,202,687, or 25.4 percent of total general fund expenditures.
- The District’s total net bonded debt decreased by \$27,856,740 (3%) during the current fiscal year.

#### Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District’s basic financial statements. The District’s basic financial statements are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements. This report also contains required supplementary information and supplementary information in addition to the basic financial statements.

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

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

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

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

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

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

**Governmental Funds** - *Governmental funds* are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on *balances of spendable resources* available at the end of the fiscal year. Such information may be useful in evaluating a District's near-term financing requirements.

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

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

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

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

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

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

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

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

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

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

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

**Government-wide Financial Analysis**

As noted earlier, net position may serve, over time, as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources at the close of the most recent fiscal year ended August 31, 2021 by \$73,057,746.

**Net Position**

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 441,534,741	31%	\$ 419,147,334	30%	\$ 22,387,407	5%
Capital Assets, Net of Depreciation	972,373,110	69%	978,170,982	70%	(5,797,872)	-1%
<b>Total Assets</b>	<b>1,413,907,851</b>	<b>100%</b>	<b>1,397,318,316</b>	<b>100%</b>	<b>16,589,535</b>	<b>1%</b>
<b>Total Deferred Outflows of Resources</b>	<b>132,995,691</b>	<b>100%</b>	<b>169,340,787</b>	<b>100%</b>	<b>(36,345,096)</b>	<b>-21%</b>
Current liabilities	136,952,210	11%	108,719,555	8%	28,232,655	26%
Long-term liabilities	1,147,428,058	89%	1,250,154,093	92%	(102,726,035)	-8%
<b>Total Liabilities</b>	<b>1,284,380,268</b>	<b>100%</b>	<b>1,358,873,648</b>	<b>100%</b>	<b>(74,493,380)</b>	<b>-5%</b>
<b>Total Deferred Inflows of Resources</b>	<b>189,465,528</b>	<b>100%</b>	<b>136,731,017</b>	<b>100%</b>	<b>52,734,511</b>	<b>39%</b>
<b>Net Position:</b>						
Net investment in capital assets	266,457,139	365%	260,980,118	367%	5,477,021	2%
Restricted	37,482,936	51%	32,865,875	46%	4,617,061	14%
Unrestricted	(230,882,329)	-316%	(222,791,555)	-314%	(8,090,774)	4%
<b>Total Net Position</b>	<b>\$ 73,057,746</b>	<b>100%</b>	<b>\$ 71,054,438</b>	<b>100%</b>	<b>\$ 2,003,308</b>	<b>3%</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

The largest portion of the District's net position (\$266,457,139) reflects its net investment in capital assets (e.g., land and improvements, buildings and improvements, furniture and equipment, and construction in progress), less any outstanding related debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are *not* available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities.

A portion of net position (\$37,482,936) is restricted for grants related to state and federal programs and debt service. And unrestricted net position reported a negative \$230,882,329.

**Changes in Net Position**

	Governmental Activities					
	2021		2020		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 4,862,560	1%	\$ 9,177,615	1%	\$ (4,315,055)	-47%
Operating grants & contributions	120,045,432	18%	155,032,044	23%	(34,986,612)	-23%
General Revenues:						
Property Taxes, Levied for General Purpose	175,407,432	27%	167,471,082	25%	7,936,350	5%
Property Taxes, Levied for Debt Service	51,500,809	8%	42,483,789	6%	9,017,020	21%
Grants and Contributions Not Restricted to Specific Programs	300,408,900	46%	300,703,430	44%	(294,530)	0%
Investment Earnings	627,799	0%	5,511,638	1%	(4,883,839)	-89%
Miscellaneous	2,461,361	0%	1,501,141	0%	960,220	64%
<b>Total Revenues</b>	<b>655,314,293</b>	<b>100%</b>	<b>681,880,739</b>	<b>100%</b>	<b>(26,566,446)</b>	<b>-4%</b>
<b>Expenses</b>						
Instruction	372,860,014	57%	412,476,671	58%	(39,616,657)	-10%
Instructional resources and media services	7,556,719	1%	8,254,580	1%	(697,861)	-8%
Curriculum and staff development	8,955,517	1%	9,999,796	1%	(1,044,279)	-10%
Instructional leadership	10,695,167	2%	10,787,004	2%	(91,837)	-1%
School leadership	43,914,333	7%	48,569,450	7%	(4,655,117)	-10%
Guidance, counseling, and evaluation services	30,028,751	5%	33,694,832	5%	(3,666,081)	-11%
Social work services	367,242	0%	316,748	0%	50,494	16%
Health services	5,712,302	1%	6,491,585	1%	(779,283)	-12%
Student transportation	17,920,079	3%	19,364,194	3%	(1,444,115)	-7%
Food service	25,755,624	4%	31,678,818	4%	(5,923,194)	-19%
Extracurricular activities	9,037,301	1%	11,243,237	2%	(2,205,936)	-20%
General administration	14,136,939	2%	14,601,283	2%	(464,344)	-3%
Plant, maintenance and operations	62,743,647	10%	60,364,047	8%	2,379,600	4%
Security and monitoring services	5,582,006	1%	6,508,045	1%	(926,039)	-14%
Data processing services	9,896,833	2%	7,370,527	1%	2,526,306	34%
Community services	484,272	0%	460,044	0%	24,228	5%
Interest and fiscal charges for long term debt	24,434,176	4%	28,289,839	4%	(3,855,663)	-14%
Facilities Repair and Maintenance	372,570	0%	86,531	0%	286,039	331%
Payments Related to Shared Service Arrangements	1,219,990	0%	903,093	0%	316,897	35%
Payments to Juvenile Justice Alternative Education Programs	39,600	0%	98,085	0%	(58,485)	-60%
Other governmental charges	1,597,903	0%	1,522,197	0%	75,706	5%
<b>Total Expenses</b>	<b>653,310,985</b>	<b>100%</b>	<b>713,080,606</b>	<b>100%</b>	<b>(59,769,621)</b>	<b>-8%</b>
Change in Net Position	2,003,308		(31,199,867)		33,203,175	
<b>Net Position - Beginning</b>	<b>71,054,438</b>		<b>102,254,305</b>		<b>(31,199,867)</b>	
<b>Net Position - Ending</b>	<b>\$ 73,057,746</b>		<b>\$ 71,054,438</b>		<b>\$ 2,003,308</b>	

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Governmental Activities** - The District's net position increased by \$2,003,308 from current operations. Key components of revenues and expenses are as follows:

Revenues are generated primarily from two sources. Grants and contributions (program and general revenues) totaling \$420,454,332 represent 64 percent of total revenues and property taxes totaling \$226,908,241 represent 35 percent of total revenues. The remaining 1 percent is generated from charges for services, investment earnings and miscellaneous revenues.

The primary functional expense of the District is instruction (\$372,860,014), which represents 57 percent of total expenses. Plant maintenance and operations (\$62,743,647) represents 10 percent of total expenses. The remaining individual functional categories of expenses are each less than 7 percent of total expenses.

**Financial Analysis of the Government's Funds**

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

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

As of the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of \$298,905,683, a decrease of \$6,828,867 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to the decrease in the fund balance of the capital projects fund in the amount of \$17,984,467, excluding transfers from other governmental funds, due to ongoing capital projects.

The general fund is the chief operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was \$136,202,687, while total fund balance reached \$165,541,198. As a measure of the general fund's liquidity, it may be useful to compare unassigned fund balance and total fund balance to total fund expenditures. Unassigned fund balance represents 25.4 percent of total general fund expenditures, while total fund balance represents 30.9 percent of that same amount. The fund balance of the District's general fund decreased by \$20,269,696 during the current fiscal year. The decrease is primarily due to the transfer of \$27,000,000 to the capital projects fund for future capital improvements.

The debt service fund has a total fund balance of \$33,330,648, all of which is restricted for the payment of debt service. The net increase in the debt service fund balance during the current year of \$3,650,045 was attributable to increased property tax and state aid revenues from the prior year.

The capital projects fund has a total fund balance of \$93,641,310, all of which is restricted for building and equipping school facilities and technology projects/enhancements. The net increase in fund balance during the current year of \$9,015,533 was due to the transfer of \$27,000,000 from the general fund for future capital improvements.

**Proprietary Fund** - The District's proprietary fund financial statements, internal service funds for health insurance and workers' compensation, provide detail information about the profitability of the funds. The decrease in net position of \$6,665,047 is primarily due to higher claims expense. The change in net position of the funds is eliminated and allocated to the governmental expenses in the government-wide financial statements.

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**General Fund Budgetary Highlights**

	<b>Budget</b>		
	<b>Original</b>	<b>Final Amended</b>	<b>Actual</b>
Total Revenues	\$ 535,924,717	\$ 523,169,081	\$ 543,053,595
Total Expenditures	(552,665,018)	(570,012,667)	(536,323,291)
Other sources - transfers in	-	13,000,000	-
Other uses - transfers out	-	(28,900,000)	(27,000,000)
<b>Net Change in Fund Balance</b>	<b>\$ (16,740,301)</b>	<b>\$ (62,743,586)</b>	<b>\$ (20,269,696)</b>

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

- Budgeted revenues increased \$11 million due to an increase in local tax collections.
- Budgeted revenues decreased \$29.9 million primarily due to a state revenue decrease
- Budgeted expenditures increased by \$17 million due to Technology for learning and Facility repairs.

Difference between the final budget and actual revenue was primarily due to COVID-19. Expenditures had a favorable variance in all functions.

**Capital Assets and Long-Term Liabilities**

**Capital Assets** - The District's investment in capital assets for its governmental type activities as of August 31, 2021 amounts to \$972,373,110 (net of accumulated depreciation). This investment in capital assets includes land and improvements, buildings and improvements, furniture and equipment, and construction in progress. The total decrease in the District's investment in capital assets for the current fiscal year was \$5,797,872 .

**Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>					
	<b>2021</b>		<b>2020</b>		<b>Increase (Decrease)</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Land	\$ 71,950,888	7%	\$ 70,903,065	7%	\$ 1,047,823	1%
Buildings and improvements	843,453,192	88%	854,206,552	88%	(10,753,360)	-1%
Furniture and equipment	43,476,842	4%	51,895,824	5%	(8,418,982)	-16%
Construction in progress	13,492,188	1%	1,165,541	0%	12,326,647	1058%
<b>Totals</b>	<b>\$ 972,373,110</b>	<b>100%</b>	<b>\$ 978,170,982</b>	<b>100%</b>	<b>\$ (5,797,872)</b>	<b>-0.6%</b>

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

- \$11,420,890 in additions to buildings and improvements, which includes \$2,276,782 transferred from construction in progress to completed projects.
- \$1,860,912 in additions to furniture and equipment, which includes \$42,907 transferred from construction in progress to completed projects.
- \$793,706 in additions to vehicles.



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**MANAGEMENT DISCUSSION AND ANALYSIS (continued)**

**Construction Commitments** - The District has active construction projects as of August 31, 2021. The projects include the construction and equipment of school facilities. At year-end, the District's remaining commitments with contractors totals \$72.5 million for all ongoing projects. Additional information on the District's capital assets can be found in Note 3.D. in the notes to the financial statements.

**Long-Term Liabilities** - Changes in long-term liabilities for the year ended August 31, 2021 are as follows:

	Governmental Activities			
	2021	2020	Increase (Decrease)	
	Amount	Amount	Amount	%
General Obligation Bonds, net	\$ 769,509,081	\$ 797,365,821	\$ (27,856,740)	-3%
Health Insurance Claims	5,548,960	4,161,271	1,387,689	33%
Workers' Compensation Claims	1,962,254	1,914,242	48,012	3%
Compensated Absences	244,821	271,981	(27,160)	-10%
Net Pension Liability	192,750,901	209,167,194	(16,416,293)	-8%
Net OPEB Liability	177,412,041	237,273,584	(59,861,543)	-25%
	<u>\$ 1,147,428,058</u>	<u>\$ 1,250,154,093</u>	<u>\$ (102,726,035)</u>	<u>-8%</u>

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

**Economic Factors and Next Year's Budgets and Tax Rates**

The following economic factors were considered in developing the 2021-2022 fiscal year budget:

- Appraised valued used for the 2021-2022 budget preparation is expected to be \$17.2 billion and taxable value expected to be \$18 billion.
- General Fund expenditures are budgeted to decrease 4% or \$23.7 million primarily due to moving staff to ESSER III.
- The District's 2021-2022 refined average daily attendance is expected to be 47,200 for 2021-2022.

These indicators were taken into account when adopting the general fund budget for 2021-2022. Estimated revenue in the general fund budget for the 2021-2022 school year is \$530 million, a decrease of 1% over the adopted 2020-2021 budget.

General fund expenditures are budgeted to decrease 4% or 23.7 million. The Districted adopted a surplus budget for 2021-2022. The Maintenance and Operations tax rate increased from \$1.07 to \$1.0712 and the Interest and Sinking rate to pay the debt remained \$0.31 for a total tax rate of \$1.3812.

**Requests for Information**

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





# BASIC FINANCIAL STATEMENTS





**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**August 31, 2021**

**Exhibit A-1**

<b>Data Control Codes</b>		<b>Governmental Activities</b>
	<b>Assets</b>	
1110	Cash and temporary investments	\$ 23,533,870
1120	Investments	260,129,932
1225	Property taxes receivables, net	15,324,549
1240	Due from other governments	46,037,637
1250	Accrued interest	138,524
1290	Other receivables, net	434,013
1300	Inventories	1,884,091
1410	Prepaid items	8,392,355
	Capital assets not subject to depreciation:	
1510	Land	71,950,888
1580	Construction in progress	13,492,188
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	843,453,192
1530	Furniture and equipment, net	43,476,842
1800	Restricted assets	332,791
1910	Long-term investments	85,326,979
<b>1000</b>	<b>Total Assets</b>	<b>1,413,907,851</b>
	<b>Deferred Outflows of Resources</b>	
	Deferred instruments - rate swaps	16,162,527
	Deferred outflows - pension	73,912,381
	Deferred outflows - OPEB	38,372,618
	Deferred charge on refunding	4,548,165
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<b>132,995,691</b>
	<b>Liabilities</b>	
2110	Accounts payable	15,449,333
2140	Interest payable	1,435,504
2150	Payroll deductions and withholdings	4,678,189
2160	Accrued wages payable	41,645,483
2177	Due to fiduciary funds	472,672
2180	Due to other governments	56,356,408
2200	Accrued expenses payable	9,314
2300	Unearned revenue	742,780
2502	Derivative instruments - rate swaps	16,162,527
	Noncurrent Liabilities:	
2501	Due within one year: bonds, claims, compensated absences	30,028,176
	Due in more than one year:	
2502	Bonds, claims, compensated absences	747,236,940
2540	Net pension liability	192,750,901
2545	Net other post-employment benefits (OPEB) liability	177,412,041
<b>2000</b>	<b>Total Liabilities</b>	<b>1,284,380,268</b>
	<b>Deferred Inflows of Resources</b>	
	Deferred inflows - pension	39,967,147
	Deferred inflows - OPEB	149,498,381
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>189,465,528</b>
	<b>Net Position</b>	
3200	Net investment in capital assets	266,457,139
	Restricted for:	
3820	Federal and state programs	2,372,098
3850	Debt service	35,110,838
3900	Unrestricted	(230,882,329)
<b>3000</b>	<b>Total net position</b>	<b>\$ 73,057,746</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit B-1**

Data Control Codes	Functions/Programs	Program Revenue			Net (Expense)
		Expenses	Charges for Services	Operating Grants and Contributions	Primary
	<b>Governmental Activities:</b>				<b>Governmental Activities</b>
11	Instruction	\$ 372,860,014	\$ 1,632,229	\$ 42,793,259	\$ (328,434,526)
12	Instructional resources & media service	7,556,719	31,541	63,898	(7,461,280)
13	Curriculum and staff development	8,955,517	171	1,635,277	(7,320,069)
21	Instructional leadership	10,695,167	-	2,591,688	(8,103,479)
23	School leadership	43,914,333	38,087	1,722,015	(42,154,231)
31	Guidance, counseling & evaluation	30,028,751	49,727	6,798,926	(23,180,098)
32	Social work services	367,242	-	198,179	(169,063)
33	Health services	5,712,302	4,910	12,255,923	6,548,531
34	Student transportation	17,920,079	-	362,126	(17,557,953)
35	Food service	25,755,624	1,411,847	26,258,593	1,914,816
36	Extracurricular activities	9,037,301	1,501,263	894,516	(6,641,522)
41	General administration	14,136,939	37,299	16,761,913	2,662,273
51	Plant, maintenance and operations	62,743,647	88,318	132,395	(62,522,934)
52	Security and monitoring services	5,582,006	13,641	225,439	(5,342,926)
53	Data processing services	9,896,833	-	248,660	(9,648,173)
61	Community services	484,272	6,922	264,630	(212,720)
72	Interest and fiscal charges for long term debt	24,434,176	-	6,599,321	(17,834,855)
81	Facilities acquisition and construction	372,570	46,605	238,674	(87,291)
93	Payments related to shared services arrangements	1,219,990	-	-	(1,219,990)
95	Payments to JJAEP	39,600	-	-	(39,600)
99	Other intergovernmental charges	1,597,903	-	-	(1,597,903)
<b>TG</b>	<b>Total Governmental Activities</b>	<b>653,310,985</b>	<b>4,862,560</b>	<b>120,045,432</b>	<b>(528,402,993)</b>
<b>TP</b>	<b>Total Primary Government</b>	<b>\$ 653,310,985</b>	<b>\$ 4,862,560</b>	<b>\$ 120,045,432</b>	<b>(528,402,993)</b>

Data Control Codes		
	<b>General Revenues:</b>	
	Taxes:	
MT	Property taxes, levied for general purposes	175,407,432
DT	Property taxes, levied for debt service	51,500,809
SF	State-aid formula grants	300,408,900
IE	Investment earnings	627,799
MI	Miscellaneous	2,461,361
TR	<b>Total General Revenues</b>	<b>530,406,301</b>
CN	Change in net position	2,003,308
NB	<b>Net Position - Beginning</b>	<b>71,054,438</b>
NE	<b>Net Position - Ending</b>	<b>\$ 73,057,746</b>

## PASADENA INDEPENDENT SCHOOL DISTRICT

Exhibit C-1

## BALANCE SHEET

## GOVERNMENTAL FUNDS

August 31, 2021

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Assets</b>						
1110	Cash and cash equivalents	\$ 20,636,537	\$ 757,616	\$ -	\$ 385,575	\$ 21,779,728
1120	Investments	166,317,800	24,312,778	61,739,260	-	252,369,838
<b>Receivables:</b>						
1220	Delinquent property taxes receivables	23,733,839	6,294,219	-	-	30,028,058
1230	Allowance for uncollectible taxes (credit)	(11,624,984)	(3,078,525)	-	-	(14,703,509)
1240	Receivables from other governments	27,659,896	-	-	18,377,741	46,037,637
1250	Accrued interest	70,946	67,578	-	-	138,524
1260	Due from other funds	510	506,200	29,321,705	6,284,891	36,113,306
1290	Other receivables	338,271	-	-	95,742	434,013
1300	Inventories	929,990	-	-	954,101	1,884,091
1410	Prepaid items	8,362,832	-	-	29,523	8,392,355
1810	Restricted cash and cash equivalents	-	332,791	-	-	332,791
1910	Long term investments	71,571,443	11,167,657	2,587,879	-	85,326,979
<b>1000</b>	<b>Total Assets</b>	<b>\$ 307,997,080</b>	<b>\$ 40,360,314</b>	<b>\$ 93,648,844</b>	<b>\$ 26,127,573</b>	<b>\$ 468,133,811</b>
<b>Liabilities:</b>						
2110	Accounts payable	\$ 15,448,837	\$ -	\$ 496	\$ -	\$ 15,449,333
2150	Payroll deduction and withholdings	4,678,189	-	-	-	4,678,189
2160	Accrued wages payable	37,549,067	-	7,038	4,089,378	41,645,483
2170	Due to other funds	19,875,352	-	-	14,674,048	34,549,400
2177	Due to others	472,672	-	-	-	472,672
2180	Payable to other governments	52,283,886	3,813,972	-	258,550	56,356,408
2200	Accrued expenditures	9,314	-	-	-	9,314
2300	Unearned revenue	29,710	-	-	713,070	742,780
<b>2000</b>	<b>Total Liabilities</b>	<b>130,347,027</b>	<b>3,813,972</b>	<b>7,534</b>	<b>19,735,046</b>	<b>153,903,579</b>
<b>Deferred Inflows of Resources</b>						
	Unavailable Revenues - Property Taxes	12,108,855	3,215,694	-	-	15,324,549
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>12,108,855</b>	<b>3,215,694</b>	<b>-</b>	<b>-</b>	<b>15,324,549</b>
<b>Fund Balances:</b>						
<b>Nonspendable:</b>						
3410	Inventories	929,990	-	-	-	929,990
3430	Prepaid items	8,362,832	-	-	29,523	8,392,355
<b>Restricted:</b>						
3450	Federal/State grant restrictions	-	-	-	2,343,963	2,343,963
3470	Capital acquisitions	-	-	59,044,945	-	59,044,945
3480	Debt service	-	33,330,648	-	-	33,330,648
<b>Committed:</b>						
3510	Construction repairs, renovations	10,000,000	-	34,596,365	-	44,596,365
3545	Other purposes	-	-	-	4,019,041	4,019,041
<b>Assigned:</b>						
3590	Other assigned	10,045,689	-	-	-	10,045,689
3600	Unassigned	136,202,687	-	-	-	136,202,687
<b>3000</b>	<b>Total Fund Balances</b>	<b>165,541,198</b>	<b>33,330,648</b>	<b>93,641,310</b>	<b>6,392,527</b>	<b>298,905,683</b>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 307,997,080</b>	<b>\$ 40,360,314</b>	<b>\$ 93,648,844</b>	<b>\$ 26,127,573</b>	<b>\$ 468,133,811</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**

**Exhibit C-2**

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

**August 31, 2021**

**Data  
Control  
Codes**

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

	Amounts reported for governmental activities in the statement of net position (A-1) are different because:	\$ 298,905,683
1	Capital assets used in governmental activities are not financial resources and, therefore, are not reported as assets in governmental funds. The governmental capital assets at year-end consist of:	
	Governmental Capital Assets Costs	1,521,927,462
	Accumulated Depreciation of Governmental Capital Assets	<u>(549,554,352)</u>
		972,373,110
2	Property taxes receivable, which will be collected subsequent to year-end, but are not available soon enough to pay expenditures and, therefore, are deferred in the funds.	15,324,549
3	Long-term liabilities, including bonds payable, compensated absences, and net pension and OPEB liability, are not due and payable in the current period and, therefore, are not reported as liabilities in the funds. Liabilities at year-end related to such items, consist of:	
	Bonds Payable	(701,105,000)
	Premium on Bonds Payable	(68,404,081)
	Accrued Interest on the Bonds	(1,435,504)
	Compensated Absences	(244,821)
	Net Pension Liability	(192,750,901)
	Net OPEB Liability	<u>(177,412,041)</u>
		(1,141,352,348)
4	An internal service fund is used by the District to charge the costs of various services to the individual funds. The assets and liabilities of the following internal service funds are included with governmental activities:	
	Employee Health Insurance	339,373
	Workers' Compensation	<u>99,743</u>
		439,116
5	Deferred charge on refunding is reported as deferred outflow in the statement of net position and is not reported in the governmental funds due to it is not a current financial resource available to pay for current expenditures.	4,548,165
6	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	73,912,381
	Deferred outflows - OPEB related	38,372,618
	Deferred inflows - pension related	(39,967,147)
	Deferred inflows - OPEB related	<u>(149,498,381)</u>
		<u>(77,180,529)</u>
19	<b>Total Net Position - Governmental Activities</b>	<b>\$ 73,057,746</b>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit C-3**

Data Control Codes	General Fund	Debt Service Fund	Capital Projects Fund	Nonmajor Governmental Funds	Total Governmental Funds
<b>Revenues</b>					
5700 Local, intermediate, and out-of-state	\$ 177,461,756	\$ 50,434,823	\$ 212,704	\$ 5,126,726	\$ 233,236,009
5800 State program revenues	328,867,129	4,878,291	-	4,203,306	337,948,726
5900 Federal program revenues	36,724,710	-	-	74,273,022	110,997,732
<b>5020 Total Revenues</b>	<b>543,053,595</b>	<b>55,313,114</b>	<b>212,704</b>	<b>83,603,054</b>	<b>682,182,467</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011 Instruction	321,488,981	-	-	39,836,373	361,325,354
0012 Instruction resources and media services	7,233,294	-	-	100,376	7,333,670
0013 Curriculum and instructional staff development	7,254,003	-	-	1,635,475	8,889,478
0021 Instructional leadership	8,067,152	-	-	2,591,688	10,658,840
0023 School leadership	40,612,594	-	-	1,765,934	42,378,528
0031 Guidance, counseling and evaluation services	22,867,407	-	-	6,856,436	29,723,843
0032 Social work services	167,296	-	-	198,179	365,475
0033 Health services	5,383,291	-	-	210,027	5,593,318
0034 Student transportation	16,802,869	-	-	362,126	17,164,995
0035 Food services	-	-	-	26,557,837	26,557,837
0036 Extracurricular activities	7,536,907	-	-	1,361,777	8,898,684
0041 General administration	13,604,308	-	-	63,277	13,667,585
0051 Facilities maintenance and operations	60,674,385	-	-	239,746	60,914,131
0052 Security and monitoring services	5,474,832	-	-	241,215	5,716,047
0053 Data processing services	9,291,089	-	-	248,660	9,539,749
0061 Community services	202,895	-	-	272,636	475,531
<b>Debt service:</b>					
0071 Principal on long-term debt	-	22,900,000	-	-	22,900,000
0072 Interest on long-term debt	-	28,729,466	-	-	28,729,466
0073 Bond issuance costs and fees	-	33,603	-	-	33,603
<b>Capital outlay:</b>					
0081 Facilities acquisition and construction	6,804,495	-	18,197,171	286,041	25,287,707
<b>Intergovernmental:</b>					
0093 Payments related to shared services arrangements	1,219,990	-	-	-	1,219,990
0095 Payments to Juvenile Justice Alt. Ed. Prgm.	39,600	-	-	-	39,600
0099 Other intergovernmental charges	1,597,903	-	-	-	1,597,903
<b>6030 Total Expenditures</b>	<b>536,323,291</b>	<b>51,663,069</b>	<b>18,197,171</b>	<b>82,827,803</b>	<b>689,011,334</b>
1100 Excess (deficiency) of revenues over expenditures	6,730,304	3,650,045	(17,984,467)	775,251	(6,828,867)
<b>Other Financing Sources (Uses)</b>					
7915 Transfers in	-	-	27,000,000	-	27,000,000
8911 Transfers out	(27,000,000)	-	-	-	(27,000,000)
<b>7080 Total Other Financing Sources (Uses)</b>	<b>(27,000,000)</b>	<b>-</b>	<b>27,000,000</b>	<b>-</b>	<b>-</b>
1200 Net change in fund balances	(20,269,696)	3,650,045	9,015,533	775,251	(6,828,867)
<b>0100 Fund Balance - Beginning</b>	<b>185,810,894</b>	<b>29,680,603</b>	<b>84,625,777</b>	<b>5,617,276</b>	<b>305,734,550</b>
<b>3000 Fund Balance - Ending</b>	<b>\$ 165,541,198</b>	<b>\$ 33,330,648</b>	<b>\$ 93,641,310</b>	<b>\$ 6,392,527</b>	<b>\$ 298,905,683</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT***Exhibit C-4*

**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES  
OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES  
For the Fiscal Year Ended August 31, 2021**

<b>Data Control Codes</b>		
	<b>Net change in fund balances - total governmental funds (from C-3)</b>	<b>\$ (6,828,867)</b>
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays exceeded depreciation in the current period.	
1	Capitalized expenditures reclassified to assets.	27,449,978
2	Depreciation expense taken to Statement of Activities.	(33,247,850)
		<u>(5,797,872)</u>
3	Unavailable tax and grant revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,397,425
4	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	22,900,000
5	Changes in pension liabilities and related deferred outflows and inflows of resources	(13,629,711)
6	Changes in OPEB liabilities and related deferred outflows and inflows of resources	6,271,327
	Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds:	
7	Accrued interest payable	34,385
8	Amortization of gain/loss on refunding	(662,232)
9	Amortization of premiums and discounts on issuance of bonds	4,956,740
10	Change in accrued compensated absences	27,160
11	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 (expense) of the internal service funds is reported with governmental activities (see D-2).	
		<u>(6,665,047)</u>
	<b>Change in net position of governmental activities</b>	<b><u>\$ 2,003,308</u></b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
**August 31, 2021**

*Exhibit D-1*

	<b>Governmental Activities Internal Service Funds</b>
<b>Assets</b>	
<b>Current assets:</b>	
Cash and cash equivalents	\$ 1,754,142
Temporary investments, at fair value	7,760,094
<b>Total Current Assets</b>	<u>9,514,236</u>
<b>Total Assets</b>	<u><u>\$ 9,514,236</u></u>
<b>Liabilities</b>	
<b>Current liabilities:</b>	
Due to other funds	\$ 1,563,906
Claims payable	6,093,458
<b>Non-current liabilities:</b>	
Claims and judgments	1,417,756
<b>Total Liabilities</b>	<u>9,075,120</u>
<b>Net Position</b>	
Unrestricted	439,116
<b>Total Net Position</b>	<u><u>\$ 439,116</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
**For the Fiscal Year Ended August 31, 2021**

*Exhibit D-2*

	<b>Governmental Activities Internal Service Funds</b>
<b>Operating Revenues</b>	
Interfund services provided and used	\$ 45,675,392
Insurance recovery	2,107,080
Miscellaneous revenue	209,606
<b>Total Operating Revenues</b>	<u>47,992,078</u>
<b>Operating Expenses</b>	
Payroll costs	619,931
Purchased and contracted services	985,877
Claims expense and other operating expenses	53,060,242
<b>Total Operating Expenses</b>	<u>54,666,050</u>
Operating Income (Loss)	<u>(6,673,972)</u>
<b>Non-Operating Revenues (Expenses)</b>	
Investment earnings	8,925
<b>Total Non-Operating Revenues</b>	<u>8,925</u>
Change in Net Position	(6,665,047)
<b>Net Position - Beginning</b>	<u>7,104,163</u>
<b>Net Position - Ending</b>	<u><u>\$ 439,116</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY SERVICE FUNDS**  
**For the Fiscal Year Ended August 31, 2021**

*Exhibit D-3*

	<b>Governmental Activities</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>	
<b>Cash Flows from Operating Activities:</b>	
Cash receipts from interfund services provided	\$ 47,239,298
Cash receipts from (payments to) miscellaneous sources	209,606
Cash payments for insurance claims	2,107,080
Cash payments to employees	(619,931)
Cash payments to suppliers for goods and services	(52,610,418)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>(3,674,365)</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	8,925
Purchase on Investments	3,838,365
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>3,847,290</u>
Net Increase (Decrease) in Cash and Cash Equivalents	172,925
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>1,581,217</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,754,142</u></u>
<b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 1,754,142</u>
Cash and Cash Equivalents per Balance Sheet	<u><u>\$ 1,754,142</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>	
Operating Income (Loss)	\$ (6,673,972)
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities	
Change in Assets and Liabilities:	
Increase (decrease) in due to other funds	1,563,906
Increase (decrease) in Claims payable	1,435,701
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ (3,674,365)</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION - FIDUCIARY FUND**  
**August 31, 2021**

*Exhibit E-1*

	<b>Custodial Fund</b>
<b>Assets</b>	
Due from others	\$ 472,672
<b>Total Assets</b>	<u>\$ 472,672</u>
<b>Net Position</b>	
Restricted for student groups	472,672
<b>Total Net Position</b>	<u>\$ 472,672</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN NET POSITION - FIDUCIARY FUND**  
**For the Fiscal Year Ended August 31, 2021**

*Exhibit E-2*

	<b>Custodial Fund</b>
<b>Additions</b>	
<b>Contributions</b>	
Gifts and contributions	\$ 80,030
Revenues from student activities	179,536
Revenues from enterprising activities	21,276
<b>Total Additions</b>	<u>280,842</u>
<b>Deductions</b>	
Scholarships awarded	48,331
Payments for student activities	265,380
Payments for enterprising activities	4,798
<b>Total Deductions</b>	<u>318,509</u>
 Change in net position	 (37,667)
 <b>Net Position - Beginning of Year, As Restated</b>	 <u>510,339</u>
<b>Net Position - End of Year</b>	<u><u>\$ 472,672</u></u>





**Note 1 - Summary of Significant Accounting Policies**

**A. Reporting Entity**

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

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

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

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

**B. Basis of Presentation - Government-wide Financial Statements**

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

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

**C. Basis of Presentation – Fund Financial Statements**

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

**The District reports the following major governmental funds:**

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

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

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

**The District reports the following nonmajor governmental funds:**

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

**Additionally, the District reports the following fund types:**

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

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

**D. Implementation of New Accounting Standards**

**GASB Statement No. 84** *Fiduciary Activities* was issued in January 2017 and effective for periods beginning December 15, 2019. This standard establishes criteria for identifying fiduciary activities of all state and local governments. The focus of the criteria generally is on (1) whether a government is controlling the assets of the fiduciary activity and (2) the beneficiaries with whom a fiduciary relationship exists. Separate criteria are included to identify fiduciary component units and postemployment benefit arrangements that are fiduciary activities. The requirements of this Statement will enhance consistency and comparability by (1) establishing specific criteria for identifying activities that should be reported as fiduciary activities and (2) clarifying whether and how business-type activities should report their fiduciary activities. This standard must be applied retroactively and as such beginning net position and/or fund balance have been restated. The District has evaluated the effects of this standard and has restated its beginning net position accordingly.

**Note 1 - Summary of Significant Accounting Policies (continued)**

**D. Implementation of New Accounting Standards (continued)**

**GASB Statement No. 90** *Majority Equity Interests, an amendment of GASB Statements No. 14 and No. 61* was issued in August 2018 and effective for periods beginning December 15, 2019. The primary objectives of this Statement are to improve consistency in the measurement and comparability of the financial statement presentation of majority equity interests in legally separate organizations and to improve the relevance of financial statement information for certain component units. An equity interest is a financial interest in a legally separate organization evidenced by the ownership of shares of the organization's stock or by otherwise having an explicit, measurable right to the net resources of the organization that is usually based on an investment of financial or capital resources by a government. An equity interest is explicit and measurable if the government has a present or future claim to the net resources of the entity and the method for measuring the government's share of the entity's net resources is determinable. The District has determined that this Statement does not have an effect on the financial statements as of August 31, 2021.

**GASB Statement No. 98** *The Annual Comprehensive Financial Report* was issued in October 2021 and establishes the term annual comprehensive financial report and its acronym ACFR. This new term and acronym replace instances of comprehensive annual financial report and its acronym in generally accepted accounting principles for state and local governments. This statement is effective for fiscal years ending after December 15, 2021 but earlier application is encouraged. The District implemented this statement in fiscal year 2021.

**E. Measurement Focus and Basis of Accounting**

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**1. Cash and Cash Equivalents**

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

**2. Investments**

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

**3. Receivables and Payables**

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

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

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

**4. Inventories and Prepaid Items**

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**5. Capital Assets**

Capital assets, which include land and improvements, construction in progress, buildings and improvements, and furniture and equipment, are reported in the governmental activities column in the government-wide financial statements. The District's infrastructure includes parking lots and roads associated with various buildings. The cost of the infrastructure was initially capitalized with the building cost and is being depreciated over the same useful life as the building. Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000, and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Major outlays for capital assets and improvements are capitalized as projects are constructed. Donated capital assets are recorded at acquisition value at the date of donation. The reported value excludes normal maintenance and repairs, which are essentially amounts spent in relation to capital assets that do not increase the capacity or efficiency of the item or increase its estimated useful life. Land and improvements and construction in progress are not depreciated. Buildings and improvements and furniture and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

<u>Asset</u>	<u>Years</u>
Buildings and Improvements:	
Buildings	50
Buildings Improvements	50
Buildings and Improvements:	
Furniture and Equipment:	
Vehicles	10
Office Equipment	10
Computer Equipment	10

**6. Deferred Outflows/Inflows of Resources**

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**7. Compensated Absences**

***Vacation***

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

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

***Sick Leave***

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

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

**8. Long-Term Obligations**

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

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**9. Net Position Flow Assumptions**

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

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

**10. Fund Balance Flow Assumptions**

Sometimes the District will fund outlays for a particular purpose from both restricted and unrestricted resources (the total of committed, assigned, and unassigned fund balance). In order to calculate the amounts to report as restricted, committed, assigned, and unassigned fund balance in the governmental funds' financial statements, a flow assumption must be made about the order in which the resources are considered to be applied. It is the District's policy to consider restricted fund balance to have been depleted before using any components of unrestricted fund balance. Further, when the components of unrestricted fund balance can be used for the same purpose, the committed fund balance is depleted first, followed by assigned fund balance. Unassigned fund balance is applied last.

**11. Fund Balance Policies**

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

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

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

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

**Note 1 - Summary of Significant Accounting Policies (continued)**

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

**11. Fund Balance Policies (continued)**

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

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

**12. Pension**

The fiduciary net position of the Teacher Retirement System of Texas (TRS) Pension Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's Pension Plan fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

**13. Other Postemployment Benefits**

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

**G. Revenues and Expenditures / Expenses**

**1. Program Revenues**

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

**2. Proprietary Funds Operating and Nonoperating Revenues and Expenses**

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



**Note 1 - Summary of Significant Accounting Policies (continued)**

**H. Use of Estimates**

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

**I. Data Control Codes**

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

**Note 2 - Stewardship, Compliance, and Accountability**

**A. Budgetary Information**

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

- Prior to August 20 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.
- A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
- Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.

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

**Note 3 - Detailed Notes on All Funds**

**A. Deposits and Investments**

**Cash Deposits**

The District's funds are required to be deposited and invested under the terms of a depository contract pursuant to the Texas School Depository Act. The depository bank pledges securities which comply with state law and these securities are held for safekeeping and trust with the District's and the depository banks' agent bank. The pledged securities shall be in an amount sufficient to protect District funds on a day-to-day basis during the period of the contract. The pledge of approved securities is waived only to the extent of the depository bank's dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

**Investments**

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

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

For fiscal year 2021, the District invested in certificates of deposit, commercial paper, U.S. Government Agency securities, U.S. Treasury Notes, municipal bonds, the Texas Local Government Investment Pool (TexPool), Texas Association of School Boards Lone Star Investment Pool (Lone Star), Texas DAILY, Texas Fixed Income Trust, and Texas Cooperative Liquid Assets Securities System Trust (Texas CLASS).

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

*Level 1* inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.

*Level 2* inputs are inputs other than quoted prices included within Level 1 that are observable for an asset or liability, either directly or indirectly.

*Level 3* inputs are unobservable inputs for an asset or liability.

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

**Note 3 – Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

**Investments (continued)**

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

	<u>August 31, 2021</u>	<u>Significant Other Observable Inputs (Level 2)</u>	<u>Percent of Total Investments</u>	<u>Weighted Average Maturity (Days)</u>	<u>Credit Rating (S&amp;P)</u>
<b>Investments Measured at Amortized Cost:</b>					
<b>Investment Pools</b>					
TexPool	\$ 81,817,281	\$ -	23.67%	29	AAA <sub>m</sub>
TexPool Prime	508,913	-	0.15%	49	AAA <sub>m</sub>
Lone Star Corporate Overnight Fund	18,419	-	0.01%	50	AAA <sub>m</sub>
Lone Star Government Overnight Fund	48,797	-	0.01%	47	AAA <sub>m</sub>
Texas DAILY	312,409	-	0.09%	1	AAA <sub>m</sub>
Texas Fixed Income Trust	10,001,214	-	2.89%	95	AAA <sub>f</sub>
<b>Investments Measured at Fair Value, Not Subject to Level Reporting:</b>					
<b>Investment Pools</b>					
Lone Star Corporate Overnight Plus Fund	57,926,155	-	16.75%	73	AAA <sub>f</sub>
Texas CLASS	54,917,932	-	15.88%	52	AAA <sub>m</sub>
<b>Investments Measured at Fair Value Subject to Level Reporting:</b>					
U.S. Government Agencies	81,255,377	81,255,377	23.50%	1073	AA+
Money Market	407,056	407,056	0.12%	1	N/A
US Treasury Securities	3,218,909	3,218,909	0.93%	181	AA+
Municipal Bonds	4,749,715	4,749,715	1.37%	535	AA+
Certificates of Deposit	2,527,768	2,527,768	0.73%	504	N/A
Commercial Paper	48,079,757	48,079,757	13.90%	130	A-1/A-1+
<b>Total</b>	<u>\$ 345,789,702</u>	<u>\$ 140,238,582</u>	<u>100.00%</u>		
<b>Portfolio Weighted Average Maturity</b>				<u>313</u>	

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

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

**Note 3 – Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

Texas TERM is a local government investment pool organized in the year 2000 in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code, and the Public Funds Investment Act, Chapter 2256 of the Texas Government Code. TexasTERM is directed by an Advisory Board of experienced local government officials, finance directors and treasurers and is administered by PFM Asset Management, LLC. U.S. Bank, N.A. is the custodial bank. Texas TERM offers a series of professionally managed portfolios that are available to government entities in the State of Texas. The District currently invests in Texas DAILY, a money market portfolio with daily liquidity that is rated AAAM\* by Standard & Poor's.

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

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

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

*Certificates of deposit* reported at fair value are classified in Level 2 of the fair value hierarchy using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

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

*U.S. Government Agency securities* are classified as Level 2 on the fair value hierarchy, which are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

**Note 3 – Detailed Notes on All Funds (continued)**

**A. Deposits and Investments (continued)**

*U.S. Treasury notes* are classified as Level 2 on the fair value hierarchy, which are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

*Municipal bonds* are classified as Level 2 on the fair value hierarchy, which are valued using a matrix pricing technique. Matrix pricing is used to value securities based on the securities' relationship to benchmark quoted prices.

***Credit Risk***

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

***Interest Rate Risk***

The interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with its investment policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio as a whole to no more than 180 days. The maximum allowable stated maturity of any other individual investment owed by the District shall not exceed four year from the time of purchase. However, the board may specifically authorize a longer maturity for a given instrument, within legal limits.

***Concentration of Credit Risk***

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

***Custodial Credit Risk – Deposits***

In the case of deposits, this is the risk that in the event of a bank failure, the District's deposits may not be returned to it. As of August 31, 2021, the District's bank balances and certificates of deposit of \$31,323,645 were not exposed to custodial credit risk because such balances were insured and collateralized with securities held by the District's agent in the District's name.

***Custodial Credit Risk – Investments***

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

**Note 3 – Detailed Notes on All Funds (continued)**

**B. Receivables**

Receivables as of August 31, 2021, including the applicable allowance for uncollectible accounts, are as follows:

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Nonmajor Governmental Funds</b>	<b>Total</b>
<b>Receivables:</b>				
Property taxes	\$ 23,733,839	\$ 6,294,219	\$ -	\$ 30,028,058
Due from other governments	27,659,896	-	18,377,741	46,037,637
Accrued interest	70,946	67,578	-	138,524
Other receivables	338,271	-	95,742	434,013
<b>Gross receivables</b>	<b>51,802,952</b>	<b>6,361,797</b>	<b>18,473,483</b>	<b>76,638,232</b>
Less allowance for doubtful accounts	(11,624,984)	(3,078,525)	-	(14,703,509)
<b>Net receivables</b>	<b>\$ 40,177,968</b>	<b>\$ 3,283,272</b>	<b>\$ 18,473,483</b>	<b>\$ 61,934,723</b>

**C. Interfund Receivables, Payables, and Transfers**

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Interfund balances as of August 31, 2021, were as follows:

	<b>Interfund Receivable</b>	<b>Interfund Payable</b>
<b>Governmental Funds:</b>		
General Fund	\$ 510	\$ 19,875,352
Capital Projects Fund	29,321,705	-
Debt Service Fund	506,200	-
Nonmajor Governmental Funds	5,068,528	13,457,685
<b>Proprietary Funds:</b>		
Internal Service Funds	-	1,563,906
	<b>\$ 34,896,943</b>	<b>\$ 34,896,943</b>

Interfund transfers are defined as “flows of assets without equivalent flow of assets in return and without a requirement for repayment.” Transfers are the use of funds collected in one fund and are transferred to finance various programs accounted for in other funds. The following is a summary of the District’s transfers for the year ended August 31, 2021:

<b>Transfer Out</b>	<b>Transfer In</b>	<b>Amount</b>
General Fund	Capital Projects Fund	\$ 27,000,000
<b>Total</b>		<b>\$ 27,000,000</b>

Transfers from the general fund to the capital projects fund were to fund future capital projects.

Note 3 – Detailed Notes on All Funds (continued)

D. Capital Assets

	Beginning Balance August 31, 2020	Additions	Retirements	Transfers	Ending Balance August 31, 2021
<b>Capital assets, not being depreciated:</b>					
Land	\$ 70,903,065	\$ 1,047,823	\$ -	\$ -	\$ 71,950,888
Construction in progress	1,165,541	14,646,336	-	(2,319,689)	13,492,188
<b>Total Capital assets, not being depreciated</b>	<b>72,068,606</b>	<b>15,694,159</b>	<b>-</b>	<b>(2,319,689)</b>	<b>85,443,076</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	1,217,481,446	9,144,108	-	2,276,782	1,228,902,336
Furniture and equipment	151,698,837	1,818,005	-	42,907	153,559,749
Vehicles	39,605,079	793,706	-	-	40,398,785
Library books and media	13,623,516	-	-	-	13,623,516
<b>Total Capital assets, being depreciated</b>	<b>1,422,408,878</b>	<b>11,755,819</b>	<b>-</b>	<b>2,319,689</b>	<b>1,436,484,386</b>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(363,274,894)	(22,174,250)	-	-	(385,449,144)
Furniture and equipment	(118,954,946)	(9,454,368)	-	-	(128,409,314)
Vehicles	(22,393,205)	(1,462,152)	-	-	(23,855,357)
Library books and media	(11,683,457)	(157,080)	-	-	(11,840,537)
<b>Total Accumulated depreciation</b>	<b>(516,306,502)</b>	<b>(33,247,850)</b>	<b>-</b>	<b>-</b>	<b>(549,554,352)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>906,102,376</b>	<b>(21,492,031)</b>	<b>-</b>	<b>2,319,689</b>	<b>886,930,034</b>
<b>Governmental Capital Assets</b>	<b>\$ 978,170,982</b>	<b>\$ (5,797,872)</b>	<b>\$ -</b>	<b>\$ -</b>	<b>\$ 972,373,110</b>

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

Function	Depreciation Expense
Instruction	\$ 20,573,682
Instructional resources and media services	451,456
Curriculum and staff development	452,749
Instructional leadership	503,497
School leadership	2,534,764
Guidance, counseling and evaluation services	1,427,231
Social work services	10,442
Health services	335,991
Student transportation	1,048,722
Extracurricular activities	470,403
General administration	849,087
Plant maintenance and operations	3,655,573
Security and monitoring services	341,703
Data processing services	579,887
Community services	12,663
<b>Total depreciation expense</b>	<b>\$ 33,247,850</b>

**Note 3 – Detailed Notes on All Funds (continued)**

**D. Capital Assets (continued)**

**Construction Commitments**

The District has active construction projects as of August 31, 2021. The projects include the construction and equipment of school facilities. At year-end, the District's commitments with contractors are as follows:

<b>Project</b>	<b>Approved Construction Budget</b>	<b>Stored and Completed To Date</b>	<b>Remaining Commitment</b>
Maintenance & Warehouse Center	\$ 19,381,474	\$ 8,516,172	\$ 10,865,302
Thompson Intermediate	39,509,554	3,182,023	36,327,531
Braden Center	629,487	548,836	80,651
Administration Building	26,496,600	1,245,157	25,251,443
<b>Totals</b>	<b>\$ 86,017,115</b>	<b>\$ 13,492,188</b>	<b>\$ 72,524,927</b>

**E. Long-Term Debt**

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

**Changes in Long-Term Debt**

Long-term debt activity for the year ended August 31, 2021, was as follows:

	<b>Balance at August 31, 2020</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at August 31, 2021</b>	<b>Due Within One Year</b>
<b>Bonds Payable:</b>					
General obligation bonds payable	\$ 724,005,000	\$ -	\$ (22,900,000)	\$ 701,105,000	\$ 23,890,000
Issuance premiums	73,360,821	-	(4,956,740)	68,404,081	-
<b>Total Bonds Payable, net</b>	<b>797,365,821</b>	<b>-</b>	<b>(27,856,740)</b>	<b>769,509,081</b>	<b>23,890,000</b>
Health Insurance Claims	4,161,271	(51,144,113)	52,531,802	5,548,960	5,548,960
Workers' Compensation Claims	1,914,242	667,943	(619,931)	1,962,254	544,498
Compensated Absences	271,981	3,019	(30,179)	244,821	44,718
<b>Government Activities Long-term Liabilities</b>	<b>\$ 803,713,315</b>	<b>\$ (50,473,151)</b>	<b>\$ 24,024,952</b>	<b>\$ 777,265,116</b>	<b>\$ 30,028,176</b>



**Note 3 – Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**General Obligation Bonds**

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

<b>Series</b>	<b>Original Issuance Amount</b>	<b>Interest Rate (%)</b>	<b>Final Maturity Date</b>	<b>Beginning Balance</b>	<b>Additions</b>	<b>Reductions</b>	<b>Debt Outstanding</b>
2005B School Building Bonds	\$ 80,000,000	Variable	2035	\$ 79,900,000	\$ -	\$ -	\$ 79,900,000
2012A School Building Bonds	60,755,000	2.00% to 5.00%	2041	24,770,000	-	(245,000)	24,525,000
2012B Refunding Bonds	12,785,000	2.00% to 5.00%	2021	2,060,000	-	(2,060,000)	-
2012C School Building Bonds	29,050,000	4.09%	2030	29,050,000	-	-	29,050,000
2012D Refunding Bonds	30,260,000	2.00% to 5.00%	2024	4,215,000	-	(4,215,000)	-
2013 School Building and Refunding Bonds	226,360,000	1.00% to 5.00%	2043	129,735,000	-	(485,000)	129,250,000
2014B Refunding Bonds	2,380,000	1.94%	2021	355,000	-	(355,000)	-
2015A School Building Bonds	61,060,000	3.00% to 5.00%	2035	34,295,000	-	(6,455,000)	27,840,000
2015B School Building Bonds	98,375,000	Variable	2044	61,060,000	-	(785,000)	60,275,000
2015 Refunding Bonds	50,920,000	3.00% to 5.00%	2035	98,375,000	-	-	98,375,000
2018 School Building Bonds	120,095,000	4.00% to 5.00%	2044	108,555,000	-	(6,755,000)	101,800,000
2019 Refunding Bonds	43,000,000	5.00%	2029	43,000,000	-	-	43,000,000
2020 Refunding Bonds	108,635,000	1.47% to 5.00%	2035	108,635,000	-	(1,545,000)	107,090,000
				<u>\$ 724,005,000</u>	<u>\$ -</u>	<u>\$ (22,900,000)</u>	<u>\$ 701,105,000</u>

**Variable Rate Unlimited Tax School Building Bonds, Series 2005B**

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

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

**Note 3 – Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**General Obligation Bonds (continued)**

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

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

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

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

**Cumulative Sinking Fund**

The District designated the Series 2012C bonds as "qualified school construction bonds" within the meaning of section 54F of the Internal Revenue Code of 1986. With respect to the Series 2012C bonds, the District is required to make mandatory deposits into a cumulative sinking fund deposit account held by the bonds' paying agent / registrar bank. The sinking fund deposits will be used to redeem the bonds upon maturity. As of August 31, 2021, the District reported \$332,791 in restricted investments in the debt service fund, which meets sinking fund provisions. Annual debt service requirements to maturity for general obligation bonds are as follows:

<b>Year Ending August 31,</b>	<b>Principal</b>	<b>Interest</b>	<b>Totals</b>
2022	\$ 23,890,000	\$ 27,518,769	\$ 51,408,769
2023	23,275,000	26,395,394	49,670,394
2024	27,555,000	25,168,926	52,723,926
2025	23,780,000	26,389,996	50,169,996
2026	26,985,000	25,172,871	52,157,871
2027-2031	176,360,000	103,987,131	280,347,131
2032-2036	160,160,000	70,179,341	230,339,341
2037-2041	148,635,000	36,582,950	185,217,950
2042-2044	90,465,000	5,078,350	95,543,350
	<u>\$ 701,105,000</u>	<u>346,473,728</u>	<u>\$ 1,047,578,728</u>

**Note 3 - Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**Cumulative Sinking Fund (continued)**

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District has estimated that it does not have any arbitrage liability as of August 31, 2021.

**Refunding of Long-Term Debt**

The District periodically enters into transactions in which certain outstanding bonds are refunded by placing proceeds of new bonds in irrevocable escrow accounts to provide for all future debt service payments on the old bonds. Accordingly, the escrow accounts to provide for all future bonds are not included in the District's financial statements. At August 31, 2021, the District had \$101,450,000 in defeased bonds outstanding.

**Interest Rate Swap Agreements**

As a means to reduce its borrowing cost in comparison to the issuance of traditional fixed rate bonds at the time of issuance, on March 23, 2005 the District entered into two identical pay fixed/receive variable interest rate synthetic fixed rate swap agreements on the District's \$80,000,000 Variable Rate Unlimited Tax School Building Bonds, Series 2005B (the bonds). The swap agreements and the bonds were issued at the same time. The swap agreements are with Morgan Stanley Capital Services (MS) and Bank of America (BOA), each in original notional amount of \$40,000,000 in order to synthetically fix the interest obligations of the variable interest bonds.

The objective of the swaps is to hedge against the potential of rising interest rates in conjunction with the District's \$80,000,000 variable interest rate Unlimited Tax School Building Bonds Series 2005B ("2005B Bonds"). The fair value balance of the derivative instrument outstanding at August 31, 2021, and the changes in fair value of the derivative instrument for the year then ended are as follows:

<b>Cash Flow Hedge:</b>	<b>Amount</b>
Positive/(Negative) fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	\$ (16,162,527)
Current year increase/(decrease) in fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	(4,781,155)

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

**Note 3 - Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**Interest Rate Swap Agreements (continued)**

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

	<b>Rate Received (Paid)</b>
Fixed rate (paid) received for swap agreement	3.689%
Remarketing fees on 2005B Bonds	0.060%
Liquidity fees on 2005B bonds	0.680%
Ongoing swap interest costs	4.429%
Swap cost (benefit) to date	0.038%
Effective swap rate to date	4.467%

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

	<b>Amount</b>
Calculated Benefit to Maturity vs. Fixed Rate Bonds at Time of Original Transaction	\$ 2,564,094
Basis (Cost) / Benefit to Date	\$ 3,515,547
Adjusted Swap Benefit vs. Fixed Rate Bonds	\$ 6,079,640

**Fair Value**

Because long-term LIBOR Swap interest rates have declined since inception of the Swaps, the Swaps had a negative fair value of \$16,162,527. This value was calculated using the zero-coupon method. This method calculates the future net settlement payments required by the Swap, assuming that the current forward rates implied by the yield curve correctly anticipate future spot interest rates. The fair value is recorded on the Statement of Net Position of the District as a deferred outflow of resources and a liability for the derivative instrument as a governmental activity. The swaps are classified in Level 2 of the fair value hierarchy.

**Credit Risk**

As of August 31, 2021, the District was not exposed to credit risk because the swaps had a negative fair value. However, should interest rates increase and the fair value of the Swap become positive, the District would be exposed to credit risk on the Swap in the amount of its fair value.

<b>Counterparty</b>	<b>Notional Amount</b>	<b>Fair Value Amount</b>	<b>Counterparty Credit Rating (Moody's)</b>
Morgan Stanley Capital Services	\$ 39,950,000	\$ (8,083,208)	Aa2
Bank of America, N.A.	39,950,000	(8,079,319)	Aa2
	<u>\$ 79,900,000</u>	<u>\$ (16,162,527)</u>	

**Note 3 - Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**Basis Risk**

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

**Interest Rate Risk**

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

**Termination Risk**

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

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

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

As of August 31, 2021, the debt obligations were rated Aa2 by Moody's Investor Service.

**Market - Access Risk**

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

**Note 3 - Detailed Notes on All Funds (continued)**

**E. Long-Term Debt (continued)**

**Rollover Risk**

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

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

**Swap Payments and Associated Debt**

As of August 31, 2021, the following are debt service requirements assuming current interest rates remain the same. As rates vary, variable rate bond interest payments and net Swap payments will vary.

<b>Fiscal Year</b>	<b>Principal</b>	<b>Variable Rate Payments</b>	<b>Hedging Net</b>	<b>Total</b>
2022	\$ 3,735,000	\$ 7,730	\$ 3,411,224	\$ 7,153,954
2023	7,570,000	7,137	3,164,315	10,741,452
2024	6,355,000	6,455	2,859,905	9,221,360
2025	6,230,000	5,830	2,584,834	8,820,664
2026	6,050,000	5,221	2,316,426	8,371,647
2027 - 2031	26,330,000	18,694	8,311,328	34,660,022
2032 - 2035	23,630,000	4,581	2,098,466	25,733,047
<b>Totals</b>	<b>\$ 79,900,000</b>	<b>\$ 55,648</b>	<b>\$ 24,746,498</b>	<b>\$ 104,702,146</b>

**Operating Leases**

Commitments under operating lease agreements for facilities and equipment provide for minimum future rental payments. As of August 31, 2021, these payments were as follows:

<b>Year Ending August 31,</b>	<b>General</b>
2022	\$ 122,382
2023	107,270
2024	85,583
2025	80,498
2026	49,018
<b>Total Minimum Rentals</b>	<b>\$ 444,751</b>

Rental expenditures in fiscal year 2021 were \$1,824,097.

**Note 3 - Detailed Notes on All Funds (continued)**

**F. Fund Balance**

At August 31, 2021, the following amounts are restricted, committed, or assigned in the governmental funds:

<b>Fund</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>
General Fund	\$ -	\$ 10,000,000	\$ 10,045,689
Debt Service Fund	33,330,648	-	-
Capital Projects Fund	59,044,945	34,596,365	-
Nonmajor Governmental Funds	2,343,963	4,019,041	-
Total Encumbrances	<u>\$ 94,719,556</u>	<u>\$ 48,615,406</u>	<u>\$ 10,045,689</u>

The committed fund balance includes the following commitments of funds:

**Committed Fund Balances**

Campus Activity Funds	\$ 4,019,041
Facilities Construction in the General Fund	10,000,000
Self Funded Construction in the Capital Projects Fund	34,596,365
	<u>48,615,406</u>

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

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

	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>	<b>Nonmajor Funds</b>	<b>Total</b>
Property Taxes	\$ 173,835,014	\$ 50,284,454	\$ -	\$ -	\$ 224,119,468
Charges for Services	628,858	-	-	3,675,163	4,304,021
Investment Earnings	255,480	150,369	212,704	321	618,874
Other	2,742,404	-	-	1,451,242	4,193,646
<b>Total</b>	<u>\$ 177,461,756</u>	<u>\$ 50,434,823</u>	<u>\$ 212,704</u>	<u>\$ 5,126,726</u>	<u>\$ 233,236,009</u>

**Note 4 - Other Information**

**A. Risk Management**

**Property/Liability**

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

**Note 4 - Other Information (continued)**

**A. Risk Management (continued)**

**Self-Funded Health Insurance**

During the year ended August 31, 2021, employees of the District were covered by a health insurance plan (the "Plan"). The District contributed \$295 per month per employee to the Plan. Employees, at their option, authorized payroll withholdings to pay contributions for dependents. All contributions were paid to a third party administrator, acting on behalf of the self-funded pool. The plan was authorized by Section 21.922, Texas Education Code and was documented by contractual agreement. In accordance with state statute, the District was protected against unanticipated catastrophic individual or aggregate loss by stop-loss coverage carried through Berkley Life and Health Insurance Company, a commercial insurer licensed or eligible to do business in Texas in accordance with the Texas Insurance Code. Stop-loss coverage was in effect for individual claims exceeding \$400,000. Liabilities of the self-funded employee group health insurance plan are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNR). The result of the process to estimate the claims liability is based on the District's historical experience. There were no significant reductions in insurance coverage from the prior year. Settlements have not exceeded coverages for each of the past three fiscal years.

As of August 31, 2021, estimated claims that were unpaid and incurred but not reported totaled \$5,548,960. An analysis of claims liability for the past two fiscal years are as follows:

	<b>2021</b>	<b>2020</b>
<b>Accrual, September 1</b>	\$ 4,161,271	\$ 4,558,245
Current year estimates/provisions	(51,144,113)	42,790,304
Payments for claims	52,531,802	(43,187,278)
<b>Accrual, August 31</b>	<u>\$ 5,548,960</u>	<u>\$ 4,161,271</u>

**Self-Funded Worker's Compensation**

During the year ended August 31, 2021, the District met its statutory workers' compensation obligations by participating as a self-funded member of the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. As a self-funded member of the TASB Risk Management Fund, the District is solely responsible for all claim costs, both reported and unreported. The Fund provides administrative services to its self-funded members including claims administration and customer service. The Fund engages the services of an independent auditor to conduct a financial audit after the close of each plan year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2021, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Liabilities of the fund are reported when it is probable that a loss has occurred and the amount of the loss can be reasonably estimated. Liabilities also include an estimated amount for claims that have been incurred but not reported (IBNRs). The result of the process to estimate the claims liability is not an exact amount as it depends on many complex factors, such as inflation, changes in legal doctrines, and damage awards. Accordingly, claims are reevaluated periodically to consider the effects of inflation, recent claim settlement trends (including frequency and amount of pay-outs), and other economic and social factors. The estimate of the claims liability also includes amounts for incremental claim adjustment expenses related to specific claims and other non-incremental claims adjustment expenses regardless of whether allocated to specific claims. Estimated recoveries, for example for subrogation, are another component of the claims liability estimate.



**Note 4 - Other Information (continued)**

**A. Risk Management (continued)**

**Self-Funded Workers' Compensation (continued)**

The District is protected against higher than expected claims costs through the purchase of stop loss coverage. A stop loss insurance policy covers individual claims in excess of \$1,000,000. Settlements have not exceeded coverages for each of the past three fiscal years and there were no significant reductions in insurance coverage from the prior year. The workers' compensation claims liability is presented in the amount of \$1,962,254.

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

<u>Fiscal Year</u>	<u>Claims</u>
2012	371
2013	588
2014	374
2015	347
2016	342
2017	343
2018	390
2019	375
2020	272
2021	247
10-Year Average	<u>365</u>

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

	<u>2021</u>	<u>2020</u>
<b>Unpaid Claims, Beginning of Fiscal Year</b>	\$ 1,914,242	\$ 2,004,080
Incurred Claims, including provisions (adjustment) for IBNR	667,943	906,948
Claim Payments	(619,931)	(996,786)
<b>Unpaid Claims, End of Fiscal Year</b>	<u>\$ 1,962,254</u>	<u>\$ 1,914,242</u>

**Contingent Liabilities**

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

The District participates in a number of federal and state financial assistance programs. Although the District's grant programs have been audited in accordance with the provisions of the Single Audit Act through August 31, 2021, these programs are subject to financial and compliance audits by the grantor agencies. Any disallowed claims, including amounts already collected, may constitute a liability of the applicable funds. These amounts, if any, cannot be determined at this time, although the District expects such amounts, if any, to be immaterial.

**Note 4 - Other Information (continued)**

**B. Pension Plan and Other Post-Employment Benefits**

**Plan Description**

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

**Pension Plan Fiduciary Net Position**

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately-issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf), or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**Benefits Provided**

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

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

In May 2019, the 86th Texas Legislature approved the TRS Pension Reform Bill (Senate Bill 12) that provides for gradual contribution increases from the state, participating employers, and active employees to make the pension fund actuarially sound. This action causing the pension fund to be actuarially sound, allowed the legislature to approve funding for a 13th check in September 2019. All eligible members retired as of December 31, 2018 received an extra annuity check in either the matching amount of their monthly annuity or \$2,000, whichever was less.

**Note 4 - Other Information (continued)**

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

**Contributions**

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

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

	<b>Contribution Rates</b>	
	<b>2021</b>	<b>2020</b>
Member	7.7%	7.7%
Non-employer contributing agency	7.5%	7.5%
Employers	7.5%	7.5%

	<b>Fiscal Year</b>
	<b>2021</b>
District Contributions	\$ 15,423,254
Employee Contributions	32,676,302
Non-employer Contributing Entity (State)	21,481,469

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate, times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year, reduced by the amounts described below which are paid by the employers. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- All public schools, charter schools, and regional educational service centers must contribute 1.5 percent of the member's salary beginning in fiscal year 2020, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

**Note 4 - Other Information (continued)**

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

**Actuarial Assumptions**

The total pension liability in the August 31, 2019 actuarial valuation was determined using the following actuarial assumptions:

<b>Component</b>	<b>Result</b>
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Rate	7.25%
	2.33%. Source for the rate is the Fixed Income Market Data/Yield
Municipal Bond Rate	Curve/Data Municipal Bonds with 20 years to maturity that include only
as of August 2020	federally tax-exempt municipal bonds as reported in Fidelity Index's "20- Year Municipal GO AA Index."
Last year ending August 31 in	2119
Projection Period (100 years)	
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment	None
Benefit Changes	

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2019. These assumptions are further described the 2020 TRS ACFR, which includes actuarial valuation report dated November 14, 2019.

**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 pension plan investments of 7.25 percent. The projection of 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 projected future benefits payment of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

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

Note 4 - Other Information (continued)

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

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2020 are summarized below:

Asset Class	Target Allocation <sup>1</sup>	Long-Term Expected Arithmetic Real Rate of Return <sup>2</sup>	Expected Contribution to Long-Term Portfolio Returns
<b>Global Equity</b>			
USA	18.00%	3.90%	0.99%
Non-U.S. Developed	13.00%	5.10%	0.92%
Emerging Markets	9.00%	5.60%	0.83%
Private Equity	14.00%	6.70%	1.41%
<b>Stable Value</b>			
Government Bonds	16.00%	-0.70%	-0.05%
Absolute Return (Including Credit Sensitive Investments)	0.00%	1.80%	0.00%
Stable Value Hedge Funds	5.00%	1.90%	0.11%
<b>Real Return</b>			
Real Estate	15.00%	4.60%	1.01%
Energy, Natural Resources and Infrastructure	6.00%	6.00%	0.42%
Commodities	0.00%	0.80%	0.00%
<b>Risk Parity</b>			
Risk Parity	8.00%	3.00%	0.30%
<b>Leverage</b>			
Cash	2.00%	-1.50%	-0.03%
Asset Allocation Leverage	-6.00%	-1.30%	0.08%
Inflation Expectation			2.00%
Volatility Drag <sup>3</sup>			-0.67%
<b>Expected Return</b>	<u>100.00%</u>		<u>7.32%</u>

<sup>1</sup> Target allocations are based on the FY2020 policy model.

<sup>2</sup> Capital Market Assumptions come from Aon Hewitt as of August 31, 2020.

<sup>3</sup> The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Note 4 - Other Information (continued)**

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

**Discount Rate Sensitivity Analysis**

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

	Discount Rate		
	1% Decrease (6.25%)	Current Rate (7.25%)	1% Increase (8.25%)
District's proportional share of the net pension liability	\$ 297,218,439	\$ 192,750,901	\$ 107,873,314

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

At August 31, 2021, the District reported a liability of \$192,750,901 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	\$ 192,750,901
State's proportionate share that is associated with the District	277,074,385
Total	<u>\$ 469,825,286</u>

The net pension liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 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, 2019 thru August 31, 2020.

At August 31, 2020, the District's proportion of the collective net pension liability was 0.3599% which was a decrease of 0.0425% from its proportion measured as of August 31, 2019.

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

For the year ended August 31, 2021, the District recognized pension expense of \$29,072,450. The District also recognized on-behalf pension expense and revenue of \$33,325,896 for support provided by the State.

**Note 4 - Other Information (continued)**

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

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

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	<b>Deferred Outflows of Resources</b>	<b>Deferred Inflows of Resources</b>
Differences between expected and actual experience	\$ 351,948	\$ (5,379,166)
Changes of assumption	44,725,067	(19,016,786)
Net difference between projected and actual earnings on pension plan investments	3,902,077	-
Changes in proportion and differences between District contributions and proportionate share of contributions	9,510,035	(15,571,195)
District contributions subsequent to the measurement date	15,423,254	-
Total	<u>\$ 73,912,381</u>	<u>\$ (39,967,147)</u>

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of \$15,423,254 will be recognized as a reduction of the net pension liability in the year ended August 31, 2022. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

<b>Fiscal Year</b>	<b>Pension Expense Amount</b>
2022	\$ 6,409,534
2023	8,815,662
2024	7,908,453
2025	872,373
2026	(4,565,527)
Thereafter	(918,515)
	<u>\$ 18,521,980</u>

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

**Note 4 - Other Information (continued)**

**C. Defined Other Post-Employment Benefit Plan**

**Plan Description**

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

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

**OPEB Plan Fiduciary Net Position**

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at [https://www.trs.texas.gov/TRS%20Documents/cafr\\_2020.pdf](https://www.trs.texas.gov/TRS%20Documents/cafr_2020.pdf), or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, or by calling (512) 542-6592.

**Benefits Provided**

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

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

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

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



**Note 4 - Other Information (continued)**

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

**Contributions**

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

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

	<b>Contribution Rates</b>	
	<b>2021</b>	<b>2020</b>
Member	0.65%	0.65%
Non-employer contributing agency	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding	1.25%	1.25%

	<b>Fiscal Year</b>	
	<b>2021</b>	
District Contributions	\$	3,597,180
Employee Contributions		2,757,923
Non-employer Contributing Entity (State)		6,798,012

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$230.8 million in fiscal year 2020 to maintain premiums and benefit levels in the 2020-2021 biennium.

**Note 4 - Other Information (continued)**

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

**Actuarial Assumptions**

The actuarial valuation was performed as of August 31, 2019. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2020. The actuarial valuation was determined using the following actuarial assumptions:

<b>Component</b>	<b>Result</b>
Valuation Date	August 31, 2019, rolled forward to August 31, 2020
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.33% as of August 31, 2020
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 40% participation after age 65, 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Salary Increases	3.05% to 9.05% including inflation
Ad Hoc Post-Employment Benefit Changes	None

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All of the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. 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, 2019 TRS pension actuarial valuation that was rolled forward to August 31, 2020: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Expected Payroll Growth.

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 projection using the ultimate improvement rates from the most recently published scale (U-MP).

Note 4 - Other Information (continued)

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

Discount Rate

A single discount rate of 2.33% was used to measure the total OPEB liability. There was a decrease of 0.30% 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, 2020 using the fixed-income municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

*Discount Rate* – The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (2.33%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (1.33%)	Current Rate (2.33%)	1% Increase (3.33%)
District's proportional share of the net OPEB liability	\$ 212,894,043	\$ 177,412,041	\$ 149,386,352

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

At August 31, 2021, the District reported a liability of \$177,412,041 for its proportionate share of the TRS’s Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	\$ 177,412,041
State's proportionate share that is associated with the District	238,399,256
Total	<u>\$ 415,811,297</u>

The Net OPEB Liability was measured as of August 31, 2019 and rolled forward to August 31, 2020 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District’s proportion of the Net OPEB Liability was based on the District’s contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2019 through August 31, 2020.

At August 31, 2020, the District’s proportion of the collective Net OPEB Liability was 0.4667% which was a decrease of 0.0350% from its proportion measured as of August 31, 2019.

**Note 4 - Other Information (continued)**

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

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

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

	Healthcare Cost Trend Rate		
	1% Decrease	Current Rate	1% Increase
District's proportional share of the net OPEB liability	\$ 144,922,908	\$ 177,412,041	\$ 220,682,975

*Changes Since the Prior Actuarial Valuation.* The following were changes to the actuarial assumptions or other inputs that affected measurement of the Total OPEB liability (TOL) since the prior measurement period:

- The discount rate changed from 2.63 percent as of August 31, 2019 to 2.33% as of August 31, 2020. This change increased the Total OPEB Liability.
- The participation rate for post-65 retirees was lowered from 50% to 40%. This change lowered the Total OPEB Liability.
- The ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.

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

For the year ended August 31, 2021, the District recognized negative OPEB expense of \$2,667,815. The District also recognized negative on-behalf expense and revenue of \$1,655,354 for support provided by the State.

At August 31, 2021, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual experience	\$ 9,289,224	\$ (81,192,821)
Changes of assumption	10,942,634	(48,718,263)
Net difference between projected and actual earnings on OPEB plan investments	57,652	-
Changes in proportion and differences between District contributions and proportionate share of contributions	14,485,928	(19,587,297)
District contributions subsequent to the measurement date	3,597,180	-
Total	<u>\$ 38,372,618</u>	<u>\$ (149,498,381)</u>

The \$3,597,180 reported as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ending August 31, 2022.

**Note 4 - Other Information (continued)**

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

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

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

<b>Fiscal Year</b>	<b>OPEB Expense Amount</b>
2022	\$ (18,443,913)
2023	(18,451,620)
2024	(18,456,028)
2025	(18,454,821)
2026	(13,716,072)
Thereafter	(27,200,489)
	<u>\$ (114,722,943)</u>

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

**Medicare Part D**

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended August 31, 2021, 2020, and 2019, the subsidy payments received by TRS-Care on-behalf of the District were \$1,904,465, \$1,797,746, and \$1,523,940, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

**D. Subsequent Events**

As of September 2, 2021, the Texas Education Agency informed local education agencies (LEAs) that it has no plans to issue missed school day waivers due to COVID-19 during the 2021-2022 school year when the LEA or its campuses are closed. Each LEA will need to plan to make up time for school closures during the school year and may need to add additional instructional days and/or minutes to their calendar to meet the 75,600 operational minute requirement.

LEAs have reported to TEA that attendance rate declines continue to occur due to COVID-19. As a result, TEA is exploring options to ensure school systems will not experience significant financial difficulties. Additionally, LEAs had varying daily rates of attendance during the 2020-2021 school year due to the impact of virtual learning options. Once TEA receives this local information in a PEIMS upload this fall, it will be equipped to analyze, understand, and determine potential changes to the rules around waivers, particularly low attendance waivers. As of the date of this report, the District has not determined the impact.

**Note 4 - Other Information (continued)**

**E. COVID-19**

The full extent of the ongoing impact of COVID-19 on the District's 2020-21 fiscal year and longer-term operational and financial performance will depend on future developments, many of which are outside of its control, including the effectiveness of the mitigation strategies related to COVID-19, the duration of COVID-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.

**F. Prior Period Adjustment**

During the current fiscal year, the District implemented GASB Statement No. 84, *Fiduciary Activities*. As a result, the beginning net position of the District's custodial funds has been restated as follows:

	<u><b>Custodial Fund</b></u>
Beginning Net Position, as originally presented	\$ -
Reclassification of amounts due to student groups and others to net position	510,339
Beginning Net Position, as restated	<u><u>\$ 510,339</u></u>



## REQUIRED SUPPLEMENTARY INFORMATION







**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN**  
**FUND BALANCE – BUDGET AND ACTUAL**  
**GENERAL FUND**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit G-1**

		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 168,457,082	\$ 179,402,682	\$ 177,461,756	\$ (1,940,926)
5800	State program revenues	357,646,635	327,647,192	328,867,129	1,219,937
5900	Federal program revenues	9,821,000	16,119,207	36,724,710	20,605,503
<b>5020</b>	<b>Total Revenues</b>	<b>535,924,717</b>	<b>523,169,081</b>	<b>543,053,595</b>	<b>19,884,514</b>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	335,703,461	338,639,752	321,488,981	17,150,771
0012	Instruction resources and media services	7,751,725	7,608,758	7,233,294	375,464
0013	Curriculum and instructional staff development	7,997,242	8,009,851	7,254,003	755,848
0021	Instructional leadership	7,229,512	8,992,463	8,067,152	925,311
0023	School leadership	41,277,065	42,153,743	40,612,594	1,541,149
0031	Guidance, counseling and evaluation services	27,475,436	25,051,688	22,867,407	2,184,281
0032	Social work services	213,322	255,117	167,296	87,821
0033	Health services	5,413,884	5,779,451	5,383,291	396,160
0034	Student transportation	17,458,116	17,531,014	16,802,869	728,145
0036	Extracurricular activities	8,341,899	8,141,313	7,536,907	604,406
0041	General administration	13,602,330	14,477,137	13,604,308	872,829
0051	Facilities maintenance and operations	59,225,763	65,270,171	60,674,385	4,595,786
0052	Security and monitoring services	5,222,730	6,225,095	5,474,832	750,263
0053	Data processing services	10,995,094	10,501,835	9,291,089	1,210,746
0061	Community services	397,439	370,432	202,895	167,537
<b>Capital outlay:</b>					
0081	Facilities acquisition and construction	1,360,000	7,964,847	6,804,495	1,160,352
<b>Intergovernmental:</b>					
0093	Payments related to shared services arrangements	1,300,000	1,240,000	1,219,990	20,010
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	100,000	200,000	39,600	160,400
0099	Other intergovernmental charges	1,600,000	1,600,000	1,597,903	2,097
<b>6030</b>	<b>Total Expenditures</b>	<b>552,665,018</b>	<b>570,012,667</b>	<b>536,323,291</b>	<b>33,689,376</b>
1100	Excess (deficiency) of revenues over expenditures	(16,740,301)	(46,843,586)	6,730,304	53,573,890
<b>Other Financing Sources (Uses)</b>					
7915	Transfers in	-	13,000,000	-	(13,000,000)
8911	Transfers out	-	(27,000,000)	(27,000,000)	-
8949	Court mandated tax refunds	-	(1,900,000)	-	1,900,000
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(15,900,000)</b>	<b>(27,000,000)</b>	<b>(11,100,000)</b>
1200	Net change in fund balances	(16,740,301)	(62,743,586)	(20,269,696)	42,473,890
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>185,810,894</b>	<b>185,810,894</b>	<b>185,810,894</b>	<b>-</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ 169,070,593</b>	<b>\$ 123,067,308</b>	<b>\$ 165,541,198</b>	<b>\$ 42,473,890</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO REQUIRED SUPPLEMENTARY INFORMATION**

**Note 1 - Budget**

**Budgetary Information**

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

Expenditures may not legally exceed budgeted appropriations at the function or activity level. Expenditure requests which would require an increase in total budgeted appropriations must be approved by the Trustees through formal budget amendment. State law prohibits trustees from making budget appropriations in excess of funds available and estimated revenues. State law also prohibits amendment of the budget after fiscal year end. Supplemental appropriations were made to the General Fund, National School Breakfast and Lunch Program Special Revenue Fund, and the Debt Service Fund during the fiscal year ended August 31, 2021.

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

The official school budget was prepared for adoption for budgeted governmental fund types prior to August 20, 2020. The budget was formally adopted by the Board of Trustees at a duly advertised public meeting prior to the expenditure of funds. The final amended budget is filed with the Texas Education Agency (TEA) through inclusion in the annual financial and compliance report.

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**
**Exhibit G-2**

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

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

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

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

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

**Exhibit G-3**

	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
Contractually required contributions	\$ 15,423,254	\$ 14,829,764	\$ 14,083,533	\$ 13,394,652
Contributions in relation to the contractual required contributions	<u>(15,423,254)</u>	<u>(14,829,764)</u>	<u>(14,083,533)</u>	<u>(13,394,652)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 424,341,150	\$ 420,738,695	\$ 402,982,794	\$ 393,650,768
Contributions as a percentage of covered payroll	3.63%	3.52%	3.49%	3.40%

	<u>2017</u>	<u>2016</u>	<u>2015</u>
Contractually required contributions	\$ 12,777,649	\$ 11,919,889	\$ 11,260,635
Contributions in relation to the contractual required contributions	<u>(12,777,649)</u>	<u>(11,919,889)</u>	<u>(11,260,635)</u>
Contribution deficiency (excess)	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	\$ 385,280,812	\$ 371,602,326	\$ 349,578,393
Contributions as a percentage of covered payroll	3.32%	3.21%	3.21%

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

**Changes of Assumptions**

The single discount rate as of August 31, 2019 was 7.25 percent, which is the same rate as of August 31, 2020.

**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.

**PASADENA INDEPENDENT SCHOOL DISTRICT**

**Exhibit G-4**

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

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

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

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

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

**Exhibit G-5**

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

The District adopted GASB Statement No. 75 during fiscal year 2019.

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

**Changes of Assumptions**

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

- The discount rate was 2.33 percent, 2.63 percent, and 3.69 percent as of August 31, 2020, August 31, 2019, and August 31, 2018, respectively.
- During measurement year 2020, the participation rate for post-65 retirees was lowered from 50% to 40%. This change lowered the Total OPEB Liability.
- During measurement year 2020, the ultimate health care trend rate assumption was lowered from 4.50% to 4.25% as a result of Congress' repeal of the excise (Cadillac) tax on high-cost employer health plans in December 2019. This change lowered the Total OPEB Liability.
- During measurement year 2019, the health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- During measurement year 2019, the participation rate for pre-65 retirees was lowered from 70 percent to 65 percent. The participation rate for post-65 retirees was lowered from 75 percent to 50 percent. 25 percent of pre-65 retirees are assumed to discontinue their coverage at age 65. There was no lapse assumption in the prior valuation. These changes decreased the TOL.
- During measurement year 2019, the percentage of retirees who are assumed to have two-person coverage was lowered from 20 percent to 15 percent. In addition, the participation assumption for the surviving spouses of employees that die while actively employed was lowered from 20 percent to 10 percent. These changes decreased the TOL.

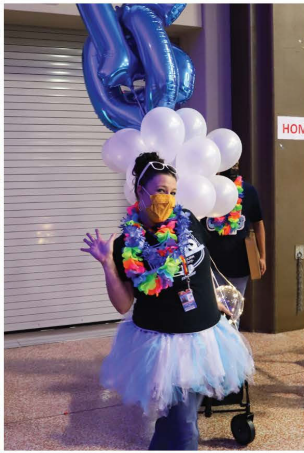
**Changes of Benefit Terms**

There were no changes in benefit terms in the 2020 measurement year.

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.





## SUPPLEMENTARY INFORMATION





**Nonmajor Governmental Funds**  
**Special Revenue Funds**  
**Fund Name & Description**

---

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

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

*ESEA Title I, Part A, Improving Basic Programs*

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

*ESSA Title I, Part C*

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

*IDEA, Part B, Formula*

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

*IDEA, Part B, Preschool*

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

*IDEA, Part B, Discretionary*

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

*National School Breakfast and Lunch Program*

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

*Summer Feeding Program*

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

*Career and Technical Education - Basic Grant*

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

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

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

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

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

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

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

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

*Elementary & Secondary School Emergency Relief Fund (ESSER)*

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

*Title I School Improvement Program (SIP) Academy Grant*

Funds used to help address the needs of campuses in improvement, corrective action, and restructuring in order to improve student achievement. In addition, a portion of SIP funds are used to leverage change and improve technical assistance provided through targeting activities toward measurable outcomes as required by the US Department of Education (USDE). Expected results from the use of these grants include improving student proficiency, increasing the number of campuses that make adequate yearly progress, and using data to inform decisions and create a system of continuous feedback and improvement.

*Elementary and Secondary School Emergency Relief Fund II*

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

*ESSER III of the American Rescue Plan Act of 2021*

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

*Federally Funded Special Revenue Funds*

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

*Shared Services Arrangements, IDEA, Part B, Discretionary*

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

*Shared Services Arrangements, IDEA, Part C, Deaf*

Funds used to for programs in local regional day schools for the deaf and the Texas School for the Deaf. The programs use certified and trained teachers to provide direct services to hearing impaired infants and toddlers, ages birth through two years

*Advanced Placement Incentives*

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

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

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*Texas High School Completion & Success*

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

*State Instructional Materials Fund*

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

*Juvenile Crisis Intervention Program*

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

*State Funded Special Revenue Funds*

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

*SSA Regional Day School for the Deaf*

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

*SSA State Educational Programs*

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

*Campus Activity Funds*

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

*PISD Education Foundation Grant*

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

*Environmental Health Youth Council Program*

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

*Early College*

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

*BridgeUp at Menninger*

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

*CASE Partnership*

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

**Exhibit H-1**  
**Page 1 of 9**

		206	211	212	224
Data Control Codes		ESEA Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A- Improving Basic Programs	ESSA Title I Part C	IDEA, Part B Formula
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	3,256	4,961,152	20,290	1,686,542
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 3,256</u>	<u>\$ 4,961,152</u>	<u>\$ 20,290</u>	<u>\$ 1,686,542</u>
	<b>Liabilities and Fund Balance</b>				
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ -	\$ 1,274,321	\$ 9,870	\$ 674,589
2170	Due to other funds	3,256	3,686,831	10,420	1,011,953
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>3,256</u>	<u>4,961,152</u>	<u>20,290</u>	<u>1,686,542</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 3,256</u>	<u>\$ 4,961,152</u>	<u>\$ 20,290</u>	<u>\$ 1,686,542</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

**Exhibit H-1**  
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		225	226	240	242
<b>Data Control Codes</b>		<b>IDEA, Part B Preschool</b>	<b>IDEA - B - Discretionary</b>	<b>National School Breakfast and Lunch</b>	<b>Summer Feeding Program</b>
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 230,533	\$ -
<b>Receivables:</b>					
1240	Receivables from other governments	51,266	-	1,963,752	-
1260	Due from other funds	-	-	-	1,216,363
1290	Other receivables	-	-	95,742	-
1300	Inventories	-	-	954,101	-
1410	Prepaid items	-	-	28,135	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 51,266</b>	<b>\$ -</b>	<b>\$ 3,272,263</b>	<b>\$ 1,216,363</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
2160	Accrued wages payable	\$ 5,397	\$ -	\$ 904,690	\$ -
2170	Due to other funds	45,869	-	1,211,838	-
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<b>51,266</b>	<b>-</b>	<b>2,116,528</b>	<b>-</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	28,135	-
<b>Restricted:</b>					
3450	Federal/State grant restrictions	-	-	1,127,600	1,216,363
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>1,155,735</b>	<b>1,216,363</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 51,266</b>	<b>\$ -</b>	<b>\$ 3,272,263</b>	<b>\$ 1,216,363</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

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Data Control Codes		244	255	263 ESEA Title III, Part A - English Language Acquisition and Language Enhancement	265 ESEA Title IV, Part B - 21st Century Learning Centers
		Career and Technical Education - Basic Grant	ESEA Title II, Part A -Teacher and Principal Training and Recruiting		
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	102,366	387,723	218,330	546,680
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 102,366</u>	<u>\$ 387,723</u>	<u>\$ 218,330</u>	<u>\$ 546,680</u>
	<b>Liabilities and Fund Balance</b>				
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ 28,488	\$ 158,649	\$ 97,059	\$ 94,414
2170	Due to other funds	73,878	229,074	121,271	452,266
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>102,366</u>	<u>387,723</u>	<u>218,330</u>	<u>546,680</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 102,366</u>	<u>\$ 387,723</u>	<u>\$ 218,330</u>	<u>\$ 546,680</u>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
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		266	276	281	282
		Elementary & Secondary School Emergency Relief Fund (ESSER)	Title I School Improvement Program (SIP) Academy Grant	Elementary and Secondary School Emergency Relief Fund II	ESSER III of the American Rescue Plan Act of 2021
Data Control Codes					
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ 145,642	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	6,211	180,000	4,176,466	2,674,912
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 6,211</u>	<u>\$ 180,000</u>	<u>\$ 4,322,108</u>	<u>\$ 2,674,912</u>
	<b>Liabilities and Fund Balance</b>				
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ -	\$ -	\$ -	\$ 582,167
2170	Due to other funds	6,211	180,000	4,322,108	2,092,745
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>6,211</u>	<u>180,000</u>	<u>4,322,108</u>	<u>2,674,912</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u>\$ 6,211</u>	<u>\$ 180,000</u>	<u>\$ 4,322,108</u>	<u>\$ 2,674,912</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

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		289	315	340	397
<b>Data Control Codes</b>		<b>Federally Funded Special Revenue Funds</b>	<b>SSA-IDEA-Part B, Discretionary</b>	<b>SSA-IDEA C Deaf</b>	<b>Advanced Placement Incentives</b>
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	1,000,839	20,458	-	-
1260	Due from other funds	-	-	-	21,247
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 1,000,839</b>	<b>\$ 20,458</b>	<b>\$ -</b>	<b>\$ 21,247</b>
<b>Liabilities and Fund Balance</b>					
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ 44,138	\$ 9,206	\$ -	\$ -
2170	Due to other funds	956,701	11,252	-	-
2180	Payable to other governments	-	-	-	-
2300	Unearned revenue	-	-	-	21,247
<b>2000</b>	<b>Total Liabilities</b>	<b>1,000,839</b>	<b>20,458</b>	<b>-</b>	<b>21,247</b>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,000,839</b>	<b>\$ 20,458</b>	<b>\$ -</b>	<b>\$ 21,247</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

**Exhibit H-1**

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		409	410	427	429
<b>Data Control Codes</b>		<b>Texas High School Completion &amp; Success</b>	<b>State Instructional Materials Fund</b>	<b>Juvenile Crisis Intervention Program</b>	<b>State Funded Special Revenue Funds</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	-	-	30,985	-
1260	Due from other funds	3,113	641,147	-	116,384
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 3,113</b>	<b>\$ 641,147</b>	<b>\$ 30,985</b>	<b>\$ 116,384</b>
	<b>Liabilities and Fund Balance</b>				
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ -	\$ -	\$ 6,302	\$ 65,708
2170	Due to other funds	-	-	24,683	-
2180	Payable to other governments	3,113	-	-	-
2300	Unearned revenue	-	641,147	-	50,676
<b>2000</b>	<b>Total Liabilities</b>	<b>3,113</b>	<b>641,147</b>	<b>30,985</b>	<b>116,384</b>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 3,113</b>	<b>\$ 641,147</b>	<b>\$ 30,985</b>	<b>\$ 116,384</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

**Exhibit H-1**  
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		435	458	461	480
<b>Data Control Codes</b>		<b>SSA Regional Day School for the Deaf</b>	<b>SSA - State Educational Programs</b>	<b>Campus Activity Fund</b>	<b>PISD Education Foundation Grant</b>
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ 9,400	\$ -
	<b>Receivables:</b>				
1240	Receivables from other governments	151,193	193,284	-	-
1260	Due from other funds	-	-	4,020,006	193,950
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	1,388	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 151,193</b>	<b>\$ 193,284</b>	<b>\$ 4,030,794</b>	<b>\$ 193,950</b>
<b>Liabilities and Fund Balance</b>					
	<b>Liabilities:</b>				
2160	Accrued wages payable	\$ 48,474	\$ 62,311	\$ 10,365	\$ -
2170	Due to other funds	102,719	130,973	-	-
2180	Payable to other governments	-	-	-	193,950
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<b>151,193</b>	<b>193,284</b>	<b>10,365</b>	<b>193,950</b>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	1,388	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	4,019,041	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>4,020,429</b>	<b>-</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 151,193</b>	<b>\$ 193,284</b>	<b>\$ 4,030,794</b>	<b>\$ 193,950</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

**Exhibit H-1**  
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		491	492	497	498
<b>Data Control Codes</b>		<b>Environmental Health Youth Council Program</b>	<b>Early College</b>	<b>BridgeUp at Menninger</b>	<b>CASE Partnership</b>
<b>Assets</b>					
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
<b>Receivables:</b>					
1240	Receivables from other governments	-	-	-	2,036
1260	Due from other funds	1,387	11,713	18,396	41,185
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<b>\$ 1,387</b>	<b>\$ 11,713</b>	<b>\$ 18,396</b>	<b>\$ 43,221</b>
<b>Liabilities and Fund Balance</b>					
<b>Liabilities:</b>					
2160	Accrued wages payable	\$ -	\$ -	\$ 9,536	\$ 3,694
2170	Due to other funds	-	-	-	-
2180	Payable to other governments	1,387	11,713	8,860	39,527
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<b>1,387</b>	<b>11,713</b>	<b>18,396</b>	<b>43,221</b>
<b>Fund Balances:</b>					
<b>Nonspendable:</b>					
3430	Prepaid items	-	-	-	-
<b>Restricted:</b>					
3450	Federal/State grant restrictions	-	-	-	-
<b>Committed:</b>					
3545	Other purposes	-	-	-	-
3600	Unassigned	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<b>\$ 1,387</b>	<b>\$ 11,713</b>	<b>\$ 18,396</b>	<b>\$ 43,221</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2021**

*Exhibit H-1*  
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<b>Data Control Codes</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 385,575
	<b>Receivables:</b>	
1240	Receivables from other governments	18,377,741
1260	Due from other funds	6,284,891
1290	Other receivables	95,742
1300	Inventories	954,101
1410	Prepaid items	29,523
<b>1000</b>	<b>Total Assets</b>	<u><u>\$ 26,127,573</u></u>
	<b>Liabilities and Fund Balance</b>	
	<b>Liabilities:</b>	
2160	Accrued wages payable	\$ 4,089,378
2170	Due to other funds	14,674,048
2180	Payable to other governments	258,550
2300	Unearned revenue	713,070
<b>2000</b>	<b>Total Liabilities</b>	<u><u>19,735,046</u></u>
	<b>Fund Balances:</b>	
	<b>Nonspendable:</b>	
3430	Prepaid items	29,523
	<b>Restricted:</b>	
3450	Federal/State grant restrictions	2,343,963
	<b>Committed:</b>	
3545	Other purposes	4,019,041
3600	<b>Unassigned</b>	-
<b>3000</b>	<b>Total Fund Balances</b>	<u><u>6,392,527</u></u>
<b>4000</b>	<b>Total Liabilities and Fund Balances</b>	<u><u>\$ 26,127,573</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**

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Data Control Codes		206	211	212	224
		ESEA Title X, Part C - Education for the Homeless Children and Youth	ESEA Title I, Part A- Improving Basic Programs	ESSA Title I Part C	IDEA, Part B Formula
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	193,021	19,813,213	146,201	8,835,181
<b>5020</b>	<b>Total revenues</b>	<u>193,021</u>	<u>19,813,213</u>	<u>146,201</u>	<u>8,835,181</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	192,712	16,003,352	5,304	3,896,993
0012	Instruction resources and media services	-	8,225	-	-
	Curriculum and instructional staff				
0013	development	-	514,033	81,795	623,555
0021	Instructional leadership	-	1,069,048	-	254,197
0023	School leadership	-	212,129	-	-
	Guidance, counseling and evaluation				
0031	services	-	1,536,365	59,102	4,045,109
0032	Social work services	-	89,767	-	-
0033	Health services	-	145,122	-	15,327
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	525	-	-
0053	Data processing services	-	-	-	-
0061	Community services	309	234,647	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>193,021</u>	<u>19,813,213</u>	<u>146,201</u>	<u>8,835,181</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**  
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		225	226	240	242
<b>Data Control Codes</b>		<b>IDEA, Part B Preschool</b>	<b>IDEA - B - Discretionary</b>	<b>National School Breakfast and Lunch</b>	<b>Summer Feeding Program</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ 1,552,034	\$ -
5800	State program revenues	-	-	156,563	-
5900	Federal program revenues	131,099	534,016	25,962,164	-
<b>5020</b>	<b>Total revenues</b>	<u>131,099</u>	<u>534,016</u>	<u>27,670,761</u>	<u>-</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	120,627	534,016	-	-
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	2,190	-	-	-
0021	Instructional leadership	1,222	-	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	7,060	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	26,557,837	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	5,300	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>131,099</u>	<u>534,016</u>	<u>26,563,137</u>	<u>-</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	1,107,624	-
1200	Net change in fund balances	-	-	1,107,624	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>48,111</u>	<u>1,216,363</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 1,155,735</u>	<u>\$ 1,216,363</u>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**  
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Data Control Codes		244	255	263 ESEA Title III, Part A - English Language Acquisition and Language Enhancement	265
		Career and Technical Education - Basic Grant	ESEA Title II, Part A -Teacher and Principal Training and Recruiting	ESEA Title IV, Part B - 21st Century Learning Centers	
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	785,119	2,091,576	1,546,650	3,398,237
<b>5020</b>	<b>Total revenues</b>	<u>785,119</u>	<u>2,091,576</u>	<u>1,546,650</u>	<u>3,398,237</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	388,551	1,898,234	1,492,699	1,476,966
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	142,432	6,470	-
0021	Instructional leadership	41,355	50,910	-	551,430
0023	School leadership	-	-	-	1,324,992
	Guidance, counseling and evaluation				
0031	services	314,483	-	47,481	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	3,912
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	40,730	-	-	11,263
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	29,674
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>785,119</u>	<u>2,091,576</u>	<u>1,546,650</u>	<u>3,398,237</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**

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		266	276	281	282
<b>Data Control Codes</b>		<b>Elementary &amp; Secondary School Emergency Relief Fund (ESSER)</b>	<b>Title I School Improvement Program (SIP) Academy Grant</b>	<b>Elementary and Secondary School Emergency Relief Fund II</b>	<b>ESSER III of the American Rescue Plan Act of 2021</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	6,211	180,000	6,007,797	2,674,912
<b>5020</b>	<b>Total revenues</b>	<u>6,211</u>	<u>180,000</u>	<u>6,007,797</u>	<u>2,674,912</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	6,211	-	5,996,892	1,909,483
0012	Instruction resources and media services	-	-	5,923	49,750
	Curriculum and instructional staff development	-	-	-	62
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	184,894
	Guidance, counseling and evaluation services	-	180,000	-	5,986
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	39,987
0034	Student transportation	-	-	-	362,126
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	4,982	-
0041	General administration	-	-	-	6,450
0051	Facilities maintenance and operations	-	-	-	79,548
0052	Security and monitoring services	-	-	-	16,575
0053	Data processing services	-	-	-	20,051
0061	Community services	-	-	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>6,211</u>	<u>180,000</u>	<u>6,007,797</u>	<u>2,674,912</u>
	Excess (deficiency) of revenues over expenditures	-	-	-	-
1100		-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

*Exhibit H-2*

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		289	315	340	397
<b>Data Control Codes</b>		<b>Federally Funded Special Revenue Funds</b>	<b>SSA-IDEA-Part B, Discretionary</b>	<b>SSA-IDEA C Deaf</b>	<b>Advanced Placement Incentives</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	96	-
5900	Federal program revenues	1,877,255	60,370	-	-
<b>5020</b>	<b>Total revenues</b>	<u>1,877,255</u>	<u>60,370</u>	<u>96</u>	<u>-</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	1,029,684	60,370	96	-
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	24,148	-	-	-
0021	Instructional leadership	453,919	-	-	-
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	128,728	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	56,827	-	-	-
0051	Facilities maintenance and operations	45	-	-	-
0052	Security and monitoring services	183,904	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>1,877,255</u>	<u>60,370</u>	<u>96</u>	<u>-</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**

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		409	410	427	429
<b>Data Control Codes</b>		<b>Texas High School Completion &amp; Success</b>	<b>State Instructional Materials Fund</b>	<b>Juvenile Crisis Intervention Program</b>	<b>State Funded Special Revenue Funds</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ 69,035
5800	State program revenues	-	1,616,152	108,412	1,785,204
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total revenues</b>	-	1,616,152	108,412	1,854,239
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	-	1,616,152	-	739,848
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	-	-	158,981
0021	Instructional leadership	-	-	-	136,608
0023	School leadership	-	-	-	-
	Guidance, counseling and evaluation				
0031	services	-	-	-	329,704
0032	Social work services	-	-	108,412	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	-	-	24,435
0053	Data processing services	-	-	-	228,609
0061	Community services	-	-	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	-	236,054
<b>6030</b>	<b>Total Expenditures</b>	-	1,616,152	108,412	1,854,239
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	-	-	-	-
<b>3000</b>	<b>Fund Balance - ending</b>	\$ -	\$ -	\$ -	\$ -

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

**Exhibit H-2**

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		435	458	461	480
<b>Data Control Codes</b>		<b>SSA Regional Day School for the Deaf</b>	<b>SSA - State Educational Programs</b>	<b>Campus Activity Fund</b>	<b>PISD Education Foundation Grant</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ 917,702	\$ 2,123,450	\$ 91,186
5800	State program revenues	536,879	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total revenues</b>	<u>536,879</u>	<u>917,702</u>	<u>2,123,450</u>	<u>91,186</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	310,894	884,169	805,834	90,706
0012	Instruction resources and media services	-	-	36,478	-
	Curriculum and instructional staff development	81,611	-	198	-
0021	Instructional leadership	-	32,999	-	-
0023	School leadership	-	-	43,088	-
	Guidance, counseling and evaluation services	144,374	534	57,510	-
0031	Social work services	-	-	-	-
0033	Health services	-	-	5,679	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	1,356,795	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	101,472	480
0052	Security and monitoring services	-	-	15,776	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	8,006	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	24,987	-
<b>6030</b>	<b>Total Expenditures</b>	<u>536,879</u>	<u>917,702</u>	<u>2,455,823</u>	<u>91,186</u>
	Excess (deficiency) of revenues over expenditures	-	-	(332,373)	-
1200	Net change in fund balances	-	-	(332,373)	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>4,352,802</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,020,429</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

*Exhibit H-2*

*Page 8 of 9*

		491	492	497	498
<b>Data Control Codes</b>		<b>Environmental Health Youth Council Program</b>	<b>Early College</b>	<b>BridgeUp at Menninger</b>	<b>CASE Partnership</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 17,395	\$ 181,709	\$ 142,073	\$ 32,142
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	30,000
<b>5020</b>	<b>Total revenues</b>	<u>17,395</u>	<u>181,709</u>	<u>142,073</u>	<u>62,142</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	17,296	155,878	142,073	61,333
0012	Instruction resources and media services	-	-	-	-
	Curriculum and instructional staff				
0013	development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	831	-	-
	Guidance, counseling and evaluation				
0031	services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	99	-	-	809
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
	<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	25,000	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>17,395</u>	<u>181,709</u>	<u>142,073</u>	<u>62,142</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	-	-	-
1200	Net change in fund balances	-	-	-	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES**  
**IN FUND BALANCES**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**For Year Ended August 31, 2021**

*Exhibit H-2*

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<b>Data Control Codes</b>		<b>Total Nonmajor Governmental Funds</b>
	<b>Revenues</b>	
5700	Local, intermediate, and out-of-state	\$ 5,126,726
5800	State program revenues	4,203,306
5900	Federal program revenues	74,273,022
<b>5020</b>	<b>Total revenues</b>	<b>83,603,054</b>
	<b>Expenditures</b>	
	<b>Current:</b>	
0011	Instruction	39,836,373
0012	Instruction resources and media services	100,376
	Curriculum and instructional staff	
0013	development	1,635,475
0021	Instructional leadership	2,591,688
0023	School leadership	1,765,934
	Guidance, counseling and evaluation	
0031	services	6,856,436
0032	Social work services	198,179
0033	Health services	210,027
0034	Student transportation	362,126
0035	Food services	26,557,837
0036	Extracurricular activities	1,361,777
0041	General administration	63,277
0051	Facilities maintenance and operations	239,746
0052	Security and monitoring services	241,215
0053	Data processing services	248,660
0061	Community services	272,636
	<b>Capital outlay:</b>	
0081	Facilities acquisition and construction	286,041
<b>6030</b>	<b>Total Expenditures</b>	<b>82,827,803</b>
	Excess (deficiency) of revenues over	
1100	expenditures	775,251
1200	Net change in fund balances	775,251
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>5,617,276</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ 6,392,527</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**August 31, 2021**

**Exhibit I-1**

	<b>Employee Health Insurance</b>	<b>Worker's Compensation Fund</b>	<b>Total Internal Service Funds</b>
<b>Assets</b>			
<b>Current assets:</b>			
Cash and cash equivalents	\$ 1,754,142	\$ -	\$ 1,754,142
Temporary investments, at fair value	5,612,304	2,147,790	7,760,094
<b>Total Assets</b>	<u>\$ 7,366,446</u>	<u>\$ 2,147,790</u>	<u>\$ 9,514,236</u>
<b>Liabilities</b>			
<b>Current liabilities:</b>			
Due to other funds	\$ 1,478,113	\$ 85,793	\$ 1,563,906
Claims payable	5,548,960	544,498	6,093,458
<b>Non-current liabilities:</b>			
Claims and judgments	-	1,417,756	1,417,756
<b>Total Liabilities</b>	<u>7,027,073</u>	<u>2,048,047</u>	<u>9,075,120</u>
<b>Net Position</b>			
Unrestricted net position	339,373	99,743	439,116
<b>Total Net Position</b>	<u>\$ 339,373</u>	<u>\$ 99,743</u>	<u>\$ 439,116</u>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**For the Year Ended August 31, 2021**

**Exhibit I-2**

	<b>Employee Health Insurance</b>	<b>Worker's Compensation Fund</b>	<b>Total Internal Service Funds</b>
<b>Operating Revenues</b>			
Interfund services provided and used	\$ 45,675,392	\$ -	\$ 45,675,392
Insurance recovery	2,107,080	-	2,107,080
Miscellaneous revenue	-	209,606	209,606
<b>Total Operating Revenues</b>	<b>47,782,472</b>	<b>209,606</b>	<b>47,992,078</b>
<b>Operating Expenses</b>			
Payroll costs	-	619,931	619,931
Purchased and contracted services	859,249	126,628	985,877
Claims expense and other operating expenses	53,060,242	-	53,060,242
<b>Total Operating Expenses</b>	<b>53,919,491</b>	<b>746,559</b>	<b>54,666,050</b>
Operating Income (Loss)	(6,137,019)	(536,953)	(6,673,972)
<b>Non-Operating Revenues (Expenses)</b>			
Investment earnings	7,019	1,906	8,925
<b>Total Non-Operating Revenues</b>	<b>7,019</b>	<b>1,906</b>	<b>8,925</b>
Change in Net Position	(6,130,000)	(535,047)	(6,665,047)
<b>Net Position - Beginning</b>	<b>6,469,373</b>	<b>634,790</b>	<b>7,104,163</b>
<b>Net Position - Ending</b>	<b>\$ 339,373</b>	<b>\$ 99,743</b>	<b>\$ 439,116</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
**For the Fiscal Year Ended August 31, 2021**

**Exhibit I-3**

	<b>Employee Health Insurance</b>	<b>Worker's Compensation Fund</b>	<b>Total Internal Service Funds</b>
<b>Increase (Decrease) in Cash and Cash Equivalents</b>			
<b>Cash Flows from Operating Activities:</b>			
Cash receipts from interfund services provided	\$ 47,153,505	\$ 85,793	\$ 47,239,298
Cash receipts from (payments to) miscellaneous sources	-	209,606	209,606
Cash receipts for insurance claims	2,107,080	-	2,107,080
Cash payments to employees	-	(619,931)	(619,931)
Cash payments to suppliers for goods and services	(52,531,802)	(78,616)	(52,610,418)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>(3,271,217)</b>	<b>(403,148)</b>	<b>(3,674,365)</b>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	7,019	1,906	8,925
Sale (purchase) of investments	4,496,339	(657,974)	3,838,365
<b>Net Cash Provided by (Used for) Investing Activities</b>	<b>4,503,358</b>	<b>(656,068)</b>	<b>3,847,290</b>
Net Increase (Decrease) in Cash and Cash Equivalents	1,232,141	(1,059,216)	172,925
<b>Cash and Cash Equivalents at Beginning of Year</b>	<b>522,001</b>	<b>1,059,216</b>	<b>1,581,217</b>
<b>Cash and Cash Equivalents at End of Year</b>	<b>\$ 1,754,142</b>	<b>\$ -</b>	<b>\$ 1,754,142</b>
<b>Reconciliation to Balance Sheet</b>			
Cash and Cash Equivalents Per Cash Flow	\$ 1,754,142	\$ -	\$ 1,754,142
Cash and Cash Equivalents per Balance Sheet	\$ 1,754,142	\$ -	\$ 1,754,142
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ (6,137,019)	\$ (536,953)	\$ (6,673,972)
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Change in Assets and Liabilities:			
Increase (decrease) in due to other funds	1,478,113	85,793	1,563,906
Increase (decrease) in Claims payable	1,387,689	48,012	1,435,701
<b>Net Cash Provided by (Used for) Operating Activities</b>	<b>\$ (3,271,217)</b>	<b>\$ (403,148)</b>	<b>\$ (3,674,365)</b>

**Exhibit J-1**

(1) Assessed Valuations are adjusted for tax freeze amounts as defined by the Texas Education Agency.

**PASADENA INDEPENDENT SCHOOL DISTRICT**

*Exhibit J-2*

**SCHEDULE OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCE  
BUDGET AND ACTUAL – NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM  
For the Year Ended August 31, 2021**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 5,640,000	\$ 2,781,500	\$ 1,552,034	\$ (1,229,466)
5800	State program revenues	200,000	160,000	156,563	(3,437)
5900	Federal program revenues	32,260,000	27,705,000	25,962,164	(1,742,836)
<b>5020</b>	<b>Total Revenues</b>	<u>38,100,000</u>	<u>30,646,500</u>	<u>27,670,761</u>	<u>(2,975,739)</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0035	Food services	38,089,000	30,452,700	26,557,837	3,894,863
0051	Facilities maintenance and operations	11,000	11,100	5,300	5,800
<b>6030</b>	<b>Total Expenditures</b>	<u>38,100,000</u>	<u>30,463,800</u>	<u>26,563,137</u>	<u>3,900,663</u>
	Excess (deficiency) of revenues over				
1100	expenditures	-	182,700	1,107,624	924,924
1200	Net change in fund balances	-	182,700	1,107,624	924,924
<b>0100</b>	<b>Fund Balance - Beginning</b>	<u>48,111</u>	<u>48,111</u>	<u>48,111</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - Ending</b>	<u>\$ 48,111</u>	<u>\$ 230,811</u>	<u>\$ 1,155,735</u>	<u>\$ 924,924</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – DEBT SERVICE FUND**  
**For the Year Ended August 31, 2021**

**Exhibit J-3**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 48,887,000	\$ 50,887,000	\$ 50,434,823	\$ (452,177)
5800	State program revenues	4,745,825	4,295,825	4,878,291	582,466
<b>5020</b>	<b>Total Revenues</b>	<u>53,632,825</u>	<u>55,182,825</u>	<u>55,313,114</u>	<u>130,289</u>
	<b>Expenditures</b>				
	<b>Debt service:</b>				
0071	Principal on long-term debt	22,900,000	23,355,000	22,900,000	455,000
0072	Interest on long-term debt	30,705,005	30,250,005	28,729,466	1,520,539
0073	Bond issuance costs and fees	27,820	27,820	33,603	(5,783)
<b>6030</b>	<b>Total Expenditures</b>	<u>53,632,825</u>	<u>53,632,825</u>	<u>51,663,069</u>	<u>1,969,756</u>
1100	Excess (deficiency) of revenues over expenditures	-	1,550,000	3,650,045	2,100,045
	<b>Other Financing Sources (Uses)</b>				
8949	Other uses - payment to refunding agent	(500,000)	(500,000)	-	500,000
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>(500,000)</u>	<u>(500,000)</u>	<u>-</u>	<u>500,000</u>
1200	Net change in fund balances	(500,000)	1,050,000	3,650,045	2,600,045
<b>0100</b>	<b>Fund Balance - Beginning</b>	<u>29,680,603</u>	<u>29,680,603</u>	<u>29,680,603</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - Ending</b>	<u>\$ 29,180,603</u>	<u>\$ 30,730,603</u>	<u>\$ 33,330,648</u>	<u>\$ 2,600,045</u>





# STATISTICAL SECTION

(UNAUDITED)







## Statistical Section

(Unaudited)

### Page

#### **Financial Trends**

114

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

#### **Revenue Capacity Information**

125

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

#### **Debt Capacity Information**

133

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

#### **Demographic and Economic Information**

139

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

#### **Operating Information**

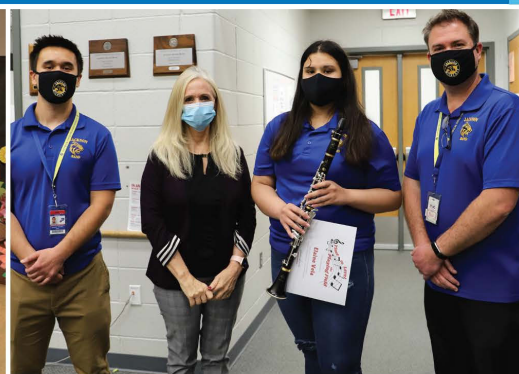
143

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





# FINANCIAL TRENDS



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**For the Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 1**  
**Page 1 of 2**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018 (3)</b>	<b>2017</b>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 266,457,139	\$ 260,980,118	\$ 277,562,024	\$ 279,117,949	\$ 257,255,969
Restricted	37,482,936	32,865,875	37,988,890	43,112,633	60,713,417
Unrestricted	(230,882,329)	(222,791,555)	(213,296,609)	(244,189,277)	23,351,447
<b>Total Primary Government Net Position</b>	<b>\$ 73,057,746</b>	<b>\$ 71,054,438</b>	<b>\$ 102,254,305</b>	<b>\$ 78,041,305</b>	<b>\$ 341,320,833</b>

(1) The district adopted Governmental Accounting Standards Board Statement No. 65 for the year ended August 31, 2012 regarding expensing of bond issuance costs. Prior periods have not been restated.

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

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NET POSITION BY COMPONENT**  
**For the Last Ten Years**  
**(Accrual Basis of Accounting)**

**Table 1**  
**Page 2 of 2**

	<u>2016</u>	<u>2015 (2)</u>	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 264,348,878	\$ 261,603,345	\$ 272,843,426	\$ 269,759,098	\$ 249,185,456
Restricted	53,609,363	56,355,063	56,505,747	58,428,315	74,818,112
Unrestricted	37,202,599	41,591,030	110,651,866	113,778,767	101,379,409
<b>Total Primary Government Net Position</b>	<u>\$ 355,160,840</u>	<u>\$ 359,549,438</u>	<u>\$ 440,001,039</u>	<u>\$ 441,966,180</u>	<u>\$ 425,382,977</u>

(1) The district adopted Governmental Accounting Standards Board Statement No. 65 for the year ended August 31, 2012 regarding expensing of bond issuance costs. Prior periods have not been restated.

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

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

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

**Table 2**  
**Page 1 of 2**

	2021	2020	2019	2018 (3)	2017
<b>Expenses - Governmental Activities:</b>					
Instruction	\$ 372,860,014	\$ 412,476,671	\$ 391,294,271	\$ 240,757,586	\$ 360,129,894
Instructional Resources and Media Services	7,556,719	8,254,580	8,315,278	5,940,698	7,646,925
Curriculum and Staff Development	8,955,517	9,999,796	9,878,356	7,137,987	10,143,208
Instructional Leadership	10,695,167	10,787,004	9,619,143	4,846,925	8,982,885
School Leadership	43,914,333	48,569,450	46,032,004	28,884,806	41,386,440
Guidance, Counseling, and Evaluation Services	30,028,751	33,694,832	30,267,504	15,427,568	27,047,028
Social Work Services	367,242	316,748	345,638	243,064	309,340
Health Services	5,712,302	6,491,585	5,926,990	3,668,580	5,391,271
Student Transportation	17,920,079	19,364,194	19,769,451	14,936,599	16,051,727
Food Service	25,755,624	31,678,818	33,933,645	23,597,639	33,725,141
Extracurricular Activities	9,037,301	11,243,237	12,902,510	10,574,450	11,537,877
General Administration	14,136,939	14,601,283	13,439,947	9,926,979	11,983,289
Plant Maintenance and Operations	62,743,647	60,364,047	61,674,755	56,127,640	50,071,209
Security and Monitoring Services	5,582,006	6,508,045	5,785,455	4,334,104	5,144,453
Data Processing Services	9,896,833	7,370,527	7,067,502	6,734,161	7,211,050
Community Services	484,272	460,044	545,018	527,262	449,139
Interest on Long-term Debt	24,434,176	26,502,700	30,834,342	29,751,023	28,362,105
Bond Issuance Costs and Fees	-	1,787,139	-	1,015,195	18,065
Facilities Repair and Maintenance	372,570	86,531	88,731	-	56,102
Payments Related to Shared Services Arrangements	1,219,990	903,093	767,296	992,825	839,131
Payments to Juvenile Justice Alternative Education Programs	39,600	98,085	91,716	122,945	105,950
Other Intergovernmental Charges	1,597,903	1,522,197	1,488,678	1,379,937	1,202,272
<b>Total Governmental Activities</b>	<b>653,310,985</b>	<b>713,080,606</b>	<b>690,068,230</b>	<b>466,927,973</b>	<b>627,794,501</b>
<b>Program Revenues - Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	1,632,229	1,335,808	2,260,992	2,762,648	1,661,717
Extracurricular Activities	1,501,263	1,475,278	4,338,170	3,586,934	3,508,113
Food Service	1,411,847	5,845,072	4,384,074	3,638,128	4,455,876
Plant Maintenance and Operations	88,318	9,449	236,494	7,622,616	246,391
Other Activities	228,903	512,008	1,191,718	1,129,073	233,048
Operating Grants and Contributions	120,045,432	155,032,044	156,048,283	6,401,325	119,058,345
<b>Total Governmental Activities Program Revenues</b>	<b>124,907,992</b>	<b>164,209,659</b>	<b>168,459,731</b>	<b>25,140,724</b>	<b>129,163,490</b>
<b>Net (Expense)Revenue</b>					
<b>Governmental Activities</b>	<b>(528,402,993)</b>	<b>(548,870,947)</b>	<b>(521,608,499)</b>	<b>(441,787,249)</b>	<b>(498,631,011)</b>
<b>General Revenue - Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	175,407,432	167,471,082	166,441,003	155,069,674	130,927,001
Property Taxes, Levied for Debt Service	51,500,809	42,483,789	38,863,792	36,225,287	34,202,242
Grants and Contributions Not restricted to Specific Programs	300,408,900	300,703,430	327,011,357	335,919,922	310,199,845
Investment Earnings	627,799	5,511,638	10,517,950	3,429,956	2,868,413
Miscellaneous	2,461,361	1,501,141	2,987,397	5,489,561	6,593,503
<b>Total Governmental Activities General Revenues</b>	<b>530,406,301</b>	<b>517,671,080</b>	<b>545,821,499</b>	<b>536,134,400</b>	<b>484,791,004</b>
<b>Change in Net Position</b>	<b>\$ 2,003,308</b>	<b>\$ (31,199,867)</b>	<b>\$ 24,213,000</b>	<b>\$ 94,347,151</b>	<b>\$ (13,840,007)</b>

Source: District Financial Statements

(1) The district Adopted Government Accounting Standards Board Statement No. 65 for the year ended August 31, 2012 regarding expensing of bond issuance costs. Prior periods have not been restated.

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

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

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

**Table 2**  
**Page 2 of 2**

	2016	2015 (2)	2014	2013	2012 (1)
<b>Expenses - Governmental Activities:</b>					
Instruction	\$ 354,205,178	\$ 321,831,212	\$ 325,153,833	\$ 281,082,994	\$ 279,481,563
Instructional Resources and Media Services	7,659,442	6,972,289	6,465,420	6,094,393	6,151,309
Curriculum and Staff Development	9,649,278	9,497,568	8,820,253	8,561,707	7,239,584
Instructional Leadership	8,145,039	7,399,776	6,863,218	5,890,317	5,187,804
School Leadership	40,624,435	37,633,013	35,211,293	32,962,634	31,598,938
Guidance, Counseling, and Evaluation Services	25,791,822	22,937,986	21,376,942	19,879,822	18,933,163
Social Work Services	316,556	299,521	264,439	228,199	220,407
Health Services	5,318,208	4,943,441	4,708,615	4,421,353	4,349,259
Student Transportation	16,713,137	17,021,162	15,297,552	13,585,958	12,026,790
Food Service	34,678,478	33,761,115	31,073,888	29,204,609	28,081,754
Extracurricular Activities	11,800,578	9,842,788	9,186,672	7,749,509	7,381,304
General Administration	12,625,764	12,002,308	10,951,819	10,296,752	10,170,769
Plant Maintenance and Operations	53,594,631	51,212,353	46,164,145	47,394,544	46,124,950
Security and Monitoring Services	5,322,890	5,204,081	5,041,819	4,605,872	4,457,814
Data Processing Services	9,110,464	6,484,373	6,267,263	5,792,598	5,687,778
Community Services	330,926	228,640	255,974	269,302	185,536
Interest on Long-term Debt	28,880,942	27,139,258	26,158,665	23,960,045	21,422,919
Bond Issuance Costs and Fees	19,884	1,684,522	144,516	1,390,501	920,470
Facilities Repair and Maintenance	58,547	103,205	65,274	68,173	37,456
Payments Related to Shared Services Arrangements	-	-	-	-	-
Payments to Juvenile Justice Alternative Education Programs	93,782	63,843	54,885	67,570	63,133
Other Intergovernmental Charges	1,162,022	1,131,892	1,042,995	1,023,578	1,045,847
<b>Total Governmental Activities</b>	<b>626,102,003</b>	<b>577,394,346</b>	<b>560,569,480</b>	<b>504,530,430</b>	<b>490,768,547</b>
<b>Program Revenues - Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	1,929,586	1,584,397	489,246	5,494,559	4,785,925
Extracurricular Activities	3,207,279	2,621,721	4,314,371	1,790,154	1,755,287
Food Service	4,689,417	4,524,601	3,294,157	4,138,638	4,239,806
Plant Maintenance and Operations	278,805	218,818	185,535	868,469	722,791
Other Activities	183,212	265,082	-	2,005,771	1,772,099
Operating Grants and Contributions	124,107,651	109,565,356	106,967,866	95,170,222	96,450,142
<b>Total Governmental Activities Program Revenues</b>	<b>134,395,950</b>	<b>118,779,975</b>	<b>115,251,175</b>	<b>109,467,813</b>	<b>109,726,050</b>
<b>Net (Expense)Revenue</b>					
<b>Governmental Activities</b>	<b>(491,706,053)</b>	<b>(458,614,371)</b>	<b>(445,318,305)</b>	<b>(395,062,617)</b>	<b>(381,042,497)</b>
<b>General Revenue - Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	124,327,647	116,596,190	112,210,474	104,662,062	101,836,548
Property Taxes, Levied for Debt Service	32,709,809	30,413,560	29,153,316	27,013,750	26,642,669
Grants and Contributions Not restricted to Specific Programs	319,831,829	305,159,815	293,529,741	278,564,818	257,607,627
Investment Earnings	2,024,187	1,369,950	564,220	493,587	293,962
Miscellaneous	8,423,983	8,684,632	7,895,413	911,603	786,800
<b>Total Governmental Activities General Revenues</b>	<b>487,317,455</b>	<b>462,224,147</b>	<b>443,353,164</b>	<b>411,645,820</b>	<b>387,167,606</b>
<b>Change in Net Position</b>	<b>\$ (4,388,598)</b>	<b>\$ 3,609,776</b>	<b>\$ (1,965,141)</b>	<b>\$ 16,583,203</b>	<b>\$ 6,125,109</b>

Source: District Financial Statements

(1) The district Adopted Government Accounting Standards Board Statement No. 65 for the year ended August 31, 2012 regarding expensing of bond issuance costs. Prior periods have not been restated.

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

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

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

**Table 3**  
**Page 1 of 2**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>General Fund</b>					
Nonspendable	\$ 9,292,822	\$ 8,145,087	\$ 8,158,260	\$ 6,875,132	\$ 6,617,970
Committed	10,000,000	10,000,000	25,000,000	19,100,000	19,275,000
Assigned	10,045,689	10,045,689	2,242,299	2,242,299	7,988,031
Unassigned	136,202,687	157,620,118	142,647,753	95,659,941	61,902,526
<b>Total General Fund</b>	<b>165,541,198</b>	<b>185,810,894</b>	<b>178,048,312</b>	<b>123,877,372</b>	<b>95,783,527</b>
<b>All Other Governmental Funds</b>					
Nonspendable	29,523	39,432	852,802	626	-
Restricted for:					
Federal and state					
programs	2,343,963	1,264,474	6,290,184	10,164,799	8,290,644
Debt service	33,330,648	29,680,603	30,729,133	32,717,437	51,602,157
Construction	59,044,945	74,964,560	115,600,512	134,624,564	45,881,164
Committed	38,615,406	14,011,442	4,176,336	4,006,640	3,847,278
<b>Total All Other Governmental Funds</b>	<b>\$ 133,364,485</b>	<b>\$ 119,960,511</b>	<b>\$ 157,648,967</b>	<b>\$ 181,514,066</b>	<b>\$ 109,621,243</b>

Source: District Financial Statements



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

**Table 3**  
**Page 2 of 2**

	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>General Fund</b>					
Nonspendable	\$ 978,634	\$ 1,044,438	\$ 1,020,153	\$ 1,105,659	\$ 7,122,607
Committed	21,600,000	27,850,000	11,334,110	42,454,094	28,525,000
Assigned	16,620,980	9,683,339	16,320,015	3,200,920	7,322,483
Unassigned	63,593,006	59,255,564	55,059,909	50,062,993	47,802,710
<b>Total General Fund</b>	<b>102,792,620</b>	<b>97,833,341</b>	<b>83,734,187</b>	<b>96,823,666</b>	<b>90,772,800</b>
<b>All Other Governmental Funds</b>					
Nonspendable	-	-	-	-	-
Restricted for:					
Federal and state					
programs	7,060,002	6,454,425	7,844,719	1,002,453	8,356,406
Debt service	45,200,646	49,557,927	47,938,360	44,411,225	61,963,266
Construction	140,601,788	174,501,822	78,878,746	182,202,597	73,829,010
Committed	3,468,105	3,285,163	3,183,811	2,780,877	2,577,159
<b>Total All Other Governmental Funds</b>	<b>\$ 196,330,541</b>	<b>\$ 233,799,337</b>	<b>\$ 137,845,636</b>	<b>\$ 230,397,152</b>	<b>\$ 146,725,841</b>

Source: District Financial Statements

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

**Table 4**  
**Page 1 of 2**

	2021	2020	2019	2018	2017
<b>Revenues</b>					
Local and Intermediate Revenues	\$ 233,236,009	\$ 226,196,011	\$ 232,753,722	\$ 226,232,576	\$ 188,361,439
State Program Revenues	337,948,726	346,148,819	362,474,109	369,211,059	347,413,115
Federal Program Revenues	110,997,732	87,669,777	101,736,330	85,440,369	70,886,398
<b>Total Revenues</b>	<b>682,182,467</b>	<b>660,014,607</b>	<b>696,964,161</b>	<b>680,884,004</b>	<b>606,660,952</b>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	361,325,354	360,871,927	340,100,145	336,430,749	331,626,355
Instructional Resources and Media Services	7,333,670	7,214,572	7,387,444	7,456,356	7,099,448
Curriculum and Staff Development	8,889,478	8,599,608	8,787,308	9,690,072	9,302,477
Instructional Leadership	10,658,840	9,313,078	8,573,367	7,780,203	8,150,138
School Leadership	42,378,528	42,117,128	39,807,301	39,510,529	38,199,906
Guidance, Counseling, and Evaluation Services	29,723,843	28,829,141	26,442,220	25,609,592	24,464,681
Social Work Services	365,475	294,848	327,203	321,149	287,453
Health Services	5,593,318	5,609,452	5,212,153	5,078,585	4,966,423
Student Transportation	17,164,995	17,508,770	17,609,545	16,648,013	15,049,052
Food Services	26,557,837	30,807,525	35,340,496	32,686,032	33,829,620
Extracurricular Activities	8,898,684	10,367,921	12,070,308	12,099,126	11,008,967
General Administration	13,667,585	12,724,243	11,863,997	12,175,460	11,099,916
Plant Maintenance and Operations	60,914,131	56,187,337	57,193,941	59,275,635	46,962,700
Security and Monitoring Services	5,716,047	6,630,802	5,104,849	5,305,154	5,083,764
Data Processing Services	9,539,749	6,568,864	6,519,907	8,768,088	6,916,037
Community Services	475,531	439,605	525,466	550,027	434,303
<b>Debt Service:</b>					
Principal on Long-term Debt	22,900,000	19,855,000	17,095,000	38,720,000	15,235,000
Interest on Long-term Debt	28,729,466	30,050,570	33,938,719	32,404,732	30,748,363
Bond Issuance Costs and Fees	33,603	1,787,139	-	1,015,195	18,065
<b>Capital Outlay:</b>					
Facilities Acquisition and Construction	25,287,707	31,166,350	24,713,462	54,688,014	97,877,863
<b>Intergovernmental:</b>					
Payments to Shared Services Arrangements	1,219,990	903,093	767,296	992,825	839,131
Payments to Juvenile Justice Alternative Education Program	39,600	98,085	91,716	122,945	105,950
Other Intergovernmental Charges	1,597,903	1,522,197	1,488,678	1,379,937	1,202,272
<b>Total Expenditures</b>	<b>689,011,334</b>	<b>689,467,255</b>	<b>660,960,521</b>	<b>708,708,418</b>	<b>700,507,884</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(6,828,867)	(29,452,648)	36,003,640	(27,824,414)	(93,846,932)
<b>Other Financing Sources (Uses)</b>					
Refunding bonds issued	-	-	-	-	-
Issuance of bonds	-	151,635,000	-	120,095,000	-
Sale of real or personal property	-	-	165,487	-	1,001,055
Transfers in	27,000,000	26,820,069	11,347,480	4,539,406	45,035
Premium or discount on issuance of bonds	-	22,392,312	-	15,911,128	-
Prior year tax refunds per court order	-	-	(863,286)	(2,195,046)	(872,514)
Other non-operating revenues	-	-	-	-	-
Transfers out	(27,000,000)	(27,820,069)	(16,347,480)	(10,539,406)	(45,035)
Other uses - payment to refunding agent	-	(173,537,393)	-	-	-
<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(510,081)</b>	<b>(5,697,799)</b>	<b>127,811,082</b>	<b>128,541</b>
<b>Net Change in Fund Balances</b>	<b>\$ (6,828,867)</b>	<b>\$ (29,962,729)</b>	<b>\$ 30,305,841</b>	<b>\$ 99,986,668</b>	<b>\$ (93,718,391)</b>
Debt Service as a Percentage of Noncapital Expenditures	7.81%	7.89%	8.08%	11.11%	11.11%

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

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

**Table 4**  
**Page 2 of 2**

	2016	2015	2014	2013	2012
<b>Revenues</b>					
Local and Intermediate Revenues	\$ 179,480,336	\$ 169,398,583	\$ 158,078,975	\$ 148,488,211	\$ 143,082,015
State Program Revenues	358,808,557	345,388,744	327,493,055	297,008,916	278,055,597
Federal Program Revenues	73,586,963	69,402,718	72,111,900	76,598,991	75,990,919
<b>Total Revenues</b>	<b>611,875,856</b>	<b>584,190,045</b>	<b>557,683,930</b>	<b>522,096,118</b>	<b>497,128,531</b>
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	321,741,170	302,719,650	290,261,005	268,185,484	268,462,252
Instructional Resources and Media Services	7,059,654	6,569,559	6,107,560	5,739,563	5,844,315
Curriculum and Staff Development	8,925,416	9,032,214	8,415,773	8,178,297	6,922,325
Instructional Leadership	7,498,604	7,056,372	6,557,767	5,623,402	4,972,397
School Leadership	37,354,937	35,454,217	33,344,064	31,287,970	30,181,900
Guidance, Counseling, and Evaluation Services	23,679,841	22,005,303	20,591,835	19,192,795	18,443,513
Social Work Services	291,952	281,774	250,224	219,434	213,290
Health Services	4,897,165	4,653,708	4,453,897	4,167,199	4,127,557
Student Transportation	15,401,367	15,796,887	17,462,868	12,870,731	11,489,544
Food Services	32,924,067	33,879,493	34,021,593	29,790,739	28,360,339
Extracurricular Activities	11,059,681	9,463,566	8,819,775	7,423,784	7,050,975
General Administration	11,731,679	11,273,322	10,382,520	9,702,224	9,658,098
Plant Maintenance and Operations	50,496,826	47,980,999	44,133,209	45,135,772	43,888,815
Security and Monitoring Services	5,114,295	4,866,578	5,033,992	4,633,454	4,416,566
Data Processing Services	8,833,256	6,137,993	6,332,759	5,889,444	5,423,732
Community Services	310,292	265,100	285,057	267,942	185,244
<b>Debt Service:</b>					
Principal on Long-term Debt	24,790,000	17,220,000	16,465,000	31,130,000	13,490,000
Interest on Long-term Debt	31,286,022	28,964,382	27,583,613	26,937,545	17,109,658
Bond Issuance Costs and Fees	19,884	1,684,522	144,516	1,390,501	2,328,308
<b>Capital Outlay:</b>					
Facilities Acquisition and Construction	38,213,916	78,871,404	130,337,442	78,460,508	27,516,938
<b>Intergovernmental:</b>					
Payments to Shared Services Arrangements	-	-	-	-	-
Payments to Juvenile Justice Alternative Education Program	93,782	63,843	54,885	67,570	63,133
Other Intergovernmental Charges	1,162,022	1,131,892	1,042,995	1,023,578	1,045,847
<b>Total Expenditures</b>	<b>642,885,828</b>	<b>645,372,778</b>	<b>672,082,349</b>	<b>597,317,936</b>	<b>511,194,746</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(31,009,972)	(61,182,733)	(114,398,419)	(75,221,818)	(14,066,215)
<b>Other Financing Sources (Uses)</b>					
Refunding bonds issued	-	50,920,000	6,980,000	52,670,000	43,045,000
Issuance of bonds	-	159,435,000	-	173,690,000	89,805,000
Sale of real or personal property	-	-	1,120,716	-	-
Transfers in	-	22,369,435	22,117,946	9,550,670	-
Premium or discount on issuance of bonds	-	23,809,115	-	35,374,215	14,715,150
Prior year tax refunds per court order	(1,499,545)	(1,304,413)	(891,639)	(957,386)	-
Other non-operating revenues	-	-	(438,806)	-	-
Transfers out	-	(26,369,435)	(22,117,946)	(9,550,670)	-
Other uses - payment to refunding agent	-	(57,624,114)	(7,012,847)	(86,832,834)	(50,482,938)
<b>Total Other Financing Sources (Uses)</b>	<b>(1,499,545)</b>	<b>171,235,588</b>	<b>(242,576)</b>	<b>173,943,995</b>	<b>97,082,212</b>
<b>Net Change in Fund Balances</b>	<b>\$ (32,509,517)</b>	<b>\$ 110,052,855</b>	<b>\$ (114,640,995)</b>	<b>\$ 98,722,177</b>	<b>\$ 83,015,997</b>
Debt Service as a Percentage of Noncapital Expenditures	10.35%	7.91%	8.47%	8.26%	11.25%

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





# REVENUE CAPACITY





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

**Table 5**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
<b>Local Sources:</b>					
Property tax	\$ 224,119,468	\$ 208,928,167	\$ 205,654,269	\$ 196,269,431	\$ 168,841,794
Other	9,116,541	17,267,844	27,100,098	29,963,145	19,519,645
<b>State Sources</b>	337,948,726	346,148,819	362,474,104	369,211,059	347,413,115
<b>Federal Sources</b>	110,997,732	87,669,777	101,736,330	85,440,369	70,886,398
<b>Total</b>	<u>\$ 682,182,467</u>	<u>\$ 660,014,607</u>	<u>\$ 696,964,801</u>	<u>\$ 680,884,004</u>	<u>\$ 606,660,952</u>
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
<b>Local Sources:</b>					
Property tax	\$ 157,037,456	\$ 149,214,870	\$ 140,009,046	\$ 131,489,515	\$ 128,587,098
Other	22,442,880	20,183,713	18,069,929	16,998,696	14,494,917
<b>State Sources</b>	358,808,557	345,388,744	327,493,055	297,008,916	278,055,597
<b>Federal Sources</b>	73,586,963	69,402,718	72,111,900	76,598,991	75,990,919
<b>Total</b>	<u>\$ 611,875,856</u>	<u>\$ 584,190,045</u>	<u>\$ 557,683,930</u>	<u>\$ 522,096,118</u>	<u>\$ 497,128,531</u>

Source: District Financial Statements.

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

**Table 6**

<b>Fiscal Year</b>	<b>Residential Property Value</b>	<b>Commercial Property Value</b>	<b>Personal Property Value</b>	<b>Total Actual Value</b>	<b>Exemptions</b>	<b>Taxable Assessed Value</b>	<b>Tax Rates</b>
2021	\$ 10,214,233,733	\$ 7,533,290,079	\$ 3,135,238,987	\$ 20,882,762,799	\$ (4,457,063,305)	\$ 16,425,699,494	\$ 1.38
2020	9,159,872,068	7,775,694,991	2,956,216,219	19,891,783,278	(4,332,085,074)	15,559,698,204	1.38
2019	8,109,193,168	6,668,849,530	2,930,956,716	17,708,999,414	(3,634,595,767)	14,074,403,647	1.48
2018	7,834,997,932	7,701,837,301	1,276,594,009	16,813,429,242	(5,081,028,701)	11,732,400,541	1.48
2017	7,201,040,235	7,266,169,850	1,436,819,513	15,904,029,598	(2,793,038,044)	13,110,991,554	1.35
2016	6,498,176,002	7,099,247,574	1,401,864,088	14,999,287,664	(2,602,768,923)	12,396,518,741	1.35
2015	5,935,227,921	6,698,825,873	1,492,753,256	14,126,807,050	(3,263,320,828)	10,863,486,222	1.35
2014	5,656,695,787	6,768,502,075	1,219,758,476	13,644,956,338	(3,371,017,005)	10,273,939,333	1.35
2013	5,666,046,003	6,217,743,404	1,135,905,080	13,019,694,487	(3,376,198,069)	9,643,496,418	1.35
2012	5,849,352,590	5,862,935,029	1,106,758,541	12,819,046,160	(3,427,974,381)	9,391,071,779	1.35

Source: District records and the Harris County Appraisal District.



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

**Table 7**

	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>
Pasadena ISD	1.3830	1.3784	1.4800	1.4800	1.3500
Brazoria County MUD #28	0.8200	0.8200	0.8200	0.8200	0.8200
Clear Brook City MUD	0.5900	0.6000	0.6700	0.6700	0.6700
Clear Lake City Water Authority	0.2600	0.2700	0.2700	0.2700	0.2700
Harris-Brazoria Counties MUD 509	0.8500	0.8500	0.8500	0.8500	0.8500
Harris County	0.3912	0.4071	0.4186	0.4180	0.4165
Harris County Department of Education	0.0050	0.0050	0.0052	0.0052	0.0052
Harris County Flood Control District	0.0314	0.0279	0.0288	0.0283	0.0283
Harris County Hospital District	0.1667	0.1659	0.1711	0.1711	0.1718
Harris County MUD #381	0.5600	0.6000	0.6200	0.6300	0.6300
Harris County MUD #382	0.5050	0.5300	0.5500	0.5500	0.5800
Harris County MUD #410	0.5600	0.5600	0.5600	0.5900	0.5900
Houston, City of	0.5618	0.5600	0.5600	0.5400	0.5864
Kirkmont MUD	0.5373	0.5679	0.5883	0.5842	0.5200
Pasadena, City of	0.5337	0.5703	0.6154	0.5754	0.5754
Pearland, City of	0.7200	0.7412	0.7092	0.6851	0.6812
Port of Houston Authority	0.0099	0.0107	0.0116	0.0126	0.0133
Sagemeadow UD	0.4734	0.4800	0.4500	0.4500	0.4600
San Jacinto CCD	0.1694	0.1782	0.1793	0.1833	0.1824
South Houston, City of	0.6981	0.6999	0.6505	0.6433	0.6322
	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Pasadena ISD	1.3500	1.3500	1.3500	1.3500	1.3500
Brazoria County MUD #28	0.8200	0.8200	0.8200	0.8200	0.8200
Clear Brook City MUD	0.6700	0.6700	0.6700	0.6700	0.6700
Clear Lake City Water Authority	0.2700	0.2800	0.2800	0.2800	0.2800
Harris-Brazoria Counties MUD 509	0.8500	0.8500	0.8500	-	-
Harris County	0.4192	0.4173	0.4146	0.4002	0.3912
Harris County Department of Education	0.0054	0.0059	0.0064	0.0066	0.0066
Harris County Flood Control District	0.0273	0.0274	0.0283	0.0281	0.0281
Harris County Hospital District	0.1700	0.1700	0.1700	-	-
Harris County MUD #381	0.7000	0.7400	0.7800	0.7800	0.7800
Harris County MUD #382	0.6300	0.6700	0.6800	0.6900	0.6900
Harris County MUD #410	0.6300	0.6900	0.7500	0.7500	0.7200
Houston, City of	0.6011	0.6311	0.6387	0.6387	0.6387
Kirkmont MUD	0.5350	0.5620	0.5690	0.5400	0.5350
Pasadena, City of	0.5754	0.5769	0.5916	0.5916	0.5916
Pearland, City of	0.7053	0.7121	0.7051	0.7051	0.6851
Port of Houston Authority	0.0134	0.0153	0.0172	0.0195	0.0186
Sagemeadow UD	0.5000	0.5200	0.5200	0.4900	0.3890
San Jacinto CCD	0.1756	0.1856	0.1856	0.1856	0.1856
South Houston, City of	0.6995	0.6445	0.6699	0.7082	0.6875

Source: Harris County Tax Assessor-Collector

(a) Harris County Toll Road Bonds are considered self-supporting and are not included in the amount shown for Harris County.

**PASADENA INDEPENDENT SCHOOL DISTRICT**

**Table 8**

**PRINCIPAL TAXPAYERS**

**CURRENT YEAR AND NINE YEARS PRIOR**

	Tax Year 2020 (Fiscal Year 2021)			Tax Year 2011 (Fiscal Year 2012)		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Enterprise Crude Pipeline	\$312,407,929	1	1.90%	\$ -	-	-
GATX Terminals Corp.	279,151,269	2	1.70%	86,384,596	5	0.92%
CenterPoint Energy Inc.	277,870,562	3	1.69%	177,107,574	3	1.89%
Pasadena Refining System Inc.	249,203,133	4	1.52%	177,840,041	2	1.89%
KM Liquids Terminals LLC	225,600,902	5	1.37%	-	-	-
Houston Refining LP	218,091,942	6	1.33%	539,839,307	1	5.75%
Phillips 66 Company	115,043,985	7	0.70%	-	-	-
Channel Energy Center LP	97,939,700	8	0.60%	84,236,626	6	0.90%
KIR Pasadena LP	73,848,973	9	0.45%	45,989,914	8	0.49%
KV Ashmore Spe LLC	65,419,849	10	0.40%	-	-	-
HD Supply Inc.	-	-	-	90,345,038	4	0.96%
Walmart	-	-	-	60,368,534	7	0.64%
Valero Energy	-	-	-	40,493,643	9	0.43%
Air Product	-	-	-	38,920,810	10	0.41%
TOTALS	<u>\$ 1,914,578,244</u>		<u>11.66%</u>	<u>\$ 1,341,526,083</u>		<u>14.29%</u>

Source: District records.

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

(2) Total assessed value-current year (Table 6): \$ 16,425,699,494

(3) Total assessed value-ten years ago (Table 6): \$ 9,391,071,779

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

**Table 9**

<b>Fiscal Year</b>	<b>Adjusted Tax Levy</b>	<b>Collected Within the Fiscal Year of the Levy</b>		<b>Collections in Subsequent Years</b>	<b>Total Collections to Date</b>	
		<b>Taxes Collected</b>	<b>Percent of Adjusted Tax Levy</b>		<b>Taxes Collected</b>	<b>Collected as Percent of Current Tax Levy</b>
2021	\$ 227,167,424	\$ 221,072,932	97.3%	\$ -	\$ 221,072,932	97.3%
2020	208,148,724	204,103,207	98.1%	404,870	204,508,077	98.3%
2019	200,583,188	199,778,172	99.60	52,976	199,831,148	99.63
2018	192,391,311	190,518,402	99.03	1,335,044	191,853,446	99.72
2017	165,755,728	164,258,092	99.10	928,278	165,186,370	99.66
2016	154,186,615	152,672,348	99.02	1,010,894	153,683,242	99.67
2015	145,760,794	143,824,978	98.67	1,485,899	145,310,877	99.69
2014	137,832,316	135,830,660	98.55	1,639,422	137,470,082	99.74
2013	129,111,433	127,592,900	98.82	1,194,713	128,787,613	99.75
2012	125,255,400	123,551,583	98.64	1,360,551	124,912,134	99.73

Source: District records





# DEBT CAPACITY





**PASADENA INDEPENDENT SCHOOL DISTRICT****Table 10****OUTSTANDING DEBT BY TYPE****Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>Governmental Activities</b>		<b>Total Primary Government</b>	<b>Percentage of Personal Income (2)</b>	<b>Population (3)</b>	<b>Debt per Capita</b>
	<b>General Obligation Bonds (1)</b>	<b>Notes Payable</b>				
2021	\$ 769,509,081	\$ -	\$ 769,509,081	2.44%	234,144	3,286
2020	797,365,821	-	797,365,821	2.38%	233,378	3,417
2019	826,059,285	-	826,059,285	2.91%	246,182	3,355
2018	847,256,260	-	847,256,260	2.66%	271,632	3,119
2017	754,910,583	-	754,910,583	2.49%	274,845	2,747
2016	773,880,747	-	773,880,747	2.63%	265,425	2,916
2015	802,405,911	-	802,405,911	2.70%	259,791	3,089
2014	642,359,180	-	642,359,180	2.44%	254,920	2,520
2013	661,471,965	195,000	661,666,965	2.52%	247,451	2,674
2012	503,747,381	185,000	503,932,381	1.58%	242,917	2,075

Source: District Financial Statements

(1) Presented net of original issuance discounts and premiums

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

(3) United States Census Bureau

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

**Table 11**

<b>Fiscal Year Ended</b>	<b>General Bonded Debt (1)</b>	<b>Less Amounts Available in Debt Service Fund (2)</b>	<b>Net Bonded Debt</b>	<b>Ratio of Net Bonded Debt to Total Actual Property Value (3)</b>	<b>Net Bonded Debt per Student (4)</b>
2021	\$ 769,509,081	\$ 33,330,648	\$ 736,178,433	4.48%	\$ 14,369
2020	797,365,821	29,680,603	767,685,218	4.93%	14,719
2019	826,059,285	30,729,133	795,330,152	5.65%	15,222
2018	847,256,260	32,717,437	814,538,823	6.94%	15,701
2017	754,910,583	51,602,157	703,308,426	5.36%	13,596
2016	773,880,747	45,200,646	728,680,101	5.88%	14,083
2015	802,405,911	49,557,927	752,847,984	6.93%	14,647
2014	642,359,180	47,938,360	594,420,820	5.79%	11,782
2013	661,471,965	44,411,225	617,060,740	6.40%	12,461
2012	503,747,381	61,963,266	441,784,115	4.70%	9,009

Source of data - District records

(1) Presented net of original issuance discounts and premiums.

(2) This is the amount restricted for debt service principal payments.

(3) See Table 6 for total assessed value data.

(4) See Table 16 for average daily attendance data.



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT**  
**August 31, 2021**

**Table 12**

<b>Taxing Authority</b>	<b>Debt Outstanding</b>	<b>Percent Overlapping (1)</b>	<b>Amount Applicable to School District</b>
<b>Overlapping:</b>			
<b>Governmental Subdivisions</b>			
Harris County (2)	\$1,723,192,125	2.98%	\$51,351,125
Harris County Department of Education	20,185,000	2.98%	601,513
Port of Houston Authority	492,439,397	2.98%	14,674,694
San Jacinto Community College District	529,434,594	26.11%	138,235,372
<b>Cities</b>			
Houston, City of	3,410,920,000	2.50%	85,273,000
Pasadena, City of	141,000,000	59.06%	83,274,600
Pearland, City of	350,080,000	0.24%	840,192
South Houston, City of	3,730,000	100.00%	3,730,000
<b>Special Districts</b>			
Brazoria County MUD #28	54,840,000	21.86%	11,988,024
Clear Brook City MUD	92,050,000	40.86%	37,611,630
Clear Lake City Water Authority	108,375,000	0.47%	509,363
Harris-Brazoria Counties MUD No. 509	41,975,000	73.78%	30,969,155
Harris County Flood Control District	590,725,000	2.98%	17,603,605
Harris County Hospital District	81,540,000	2.98%	2,429,892
Harris County MUD #381	13,445,000	100.00%	13,445,000
Harris County MUD #382	10,635,000	99.42%	10,573,317
Harris County MUD #410	17,605,000	71.93%	12,663,277
Harris County Toll Road	-	3.34%	-
Kirkmont MUD	3,825,000	100.00%	3,825,000
Sagemeadow Utility District	13,580,000	100.00%	13,580,000
<b>Total Overlapping Debt</b>			<b>\$ 533,178,759</b>
<b>Direct:</b>			
Pasadena Independent School District	769,509,081	100.00%	\$ 769,509,081
<b>Total Direct and Overlapping Debt</b>			<b>\$ 1,302,687,840</b>
<b>Total Direct and Overlapping Debt % of A.V.</b>		<b>7.32%</b>	
<b>Total Direct and Overlapping Debt per Capita</b>		<b>\$5,582</b>	

Source: Municipal Advisory Council

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

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





## DEMOGRAPHIC & ECONOMIC INFORMATION





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

**Table 13**

<b>Fiscal Year</b>	<b>Unemployment Rate (%) (1)</b>	<b>Estimated Population (2)</b>	<b>Median Household Income (3)</b>	<b>Residential Units (4)</b>	<b>Personal Income (5)</b>	<b>Total Assessed Value of Residential Units (4)</b>	<b>Average Assessed Value Per Residential Unit (4)</b>	<b>Peak School Enrollment</b>
2021	9.7%	234,144	\$ 55,039	57,189	\$ 3,147,625,371	\$ 10,214,233,733	\$ 178,605	50,614
2020	6.7%	233,378	61,705	54,291	3,350,026,155	9,159,872,068	168,718	53,157
2019	3.8%	246,182	50,207	56,577	2,840,561,439	8,109,193,168	143,330	53,374
2018	5.5%	271,632	56,565	56,263	3,182,516,595	7,834,997,932	139,257	54,712
2017	4.2%	274,845	54,724	55,299	3,026,182,476	7,201,040,235	130,220	56,282
2016	4.9%	265,425	54,230	54,363	2,948,105,490	6,498,176,002	119,533	56,019
2015	4.8%	259,791	53,822	55,126	2,966,991,572	5,935,227,921	107,667	55,570
2014	5.2%	254,920	45,843	57,541	2,637,852,063	5,656,695,787	98,307	54,505
2013	6.1%	247,451	41,922	62,513	2,620,669,986	5,666,046,003	90,638	53,636
2012	6.8%	242,917	51,289	62,308	3,195,715,012	5,849,352,590	93,878	52,942

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**

*Table 14*

**PRINCIPAL EMPLOYERS**

**Current Year and Nine Years Prior (Unaudited)**

Employer	2021			2012		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pasadena Independent School District	8,400	1	31.95%	7,402	1	31.39%
SGS Petroleum Service Corp	3,200	2	12.17%	1,127	8	4.78%
San Jacinto College	3,162	3	12.03%	2,924	3	12.40%
Turner Industries	3,070	4	11.68%	-	-	-
The Boeing Company	2,500	5	9.51%	2,300	4	9.75%
University of Houston-Clear Lake	1,589	6	6.04%	-	-	-
Bayshore Medical Center	1,500	7	5.71%	-	-	-
Lyondell Chemical Co.	1,150	8	4.37%	-	-	-
City of Pasadena	1,148	9	4.37%	1,030	10	4.37%
Mundy Company	569	10	2.16%	1,500	5	6.36%
Bayer - Baytown	-		-	-	-	-
Shell - Deer Park	-		-	1,400	7	5.94%
Mundy Company	-		-	-	-	-
Exxon Mobil Refining - Baytown	-		-	-	-	-
Silver Eagle Distributors, L.P.	-		-	1,100	9	4.66%
Zachry Holding Inc.	-		-	1,400	6	5.94%
Dorsett Brothers Concrete Supply Inc.	-		-	3,400	2	14.42%
<b>Totals:</b>	<b>26,288</b>		<b>100.00%</b>	<b>23,583</b>		<b>100.00%</b>

Source: Municipal Advisory Council





# OPERATING INFORMATION







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

**Table 15**

<b>Full-Time Equivalent:</b>	<b>2021</b>	<b>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>
Professional Staff:										
Teachers	<u>3,752</u>	<u>3,757</u>	<u>3,926</u>	<u>3,887</u>	<u>3,846</u>	<u>3,761</u>	<u>3,642</u>	<u>3,540</u>	<u>3,430</u>	<u>3,376</u>
Support Staff:										
Counselors	130	104	106	104	102	100	96	91	91	114
Educational Diagnosticians	42	42	41	44	41	41	37	37	32	37
Librarians	71	64	72	72	71	69	64	63	65	64
School Nurses	69	69	72	72	69	68	66	65	63	66
Teacher Facilitators	39	39	178	178	138	133	129	124	124	113
Therapists	61	61	61	61	59	52	52	60	52	56
School Psychologists	34	34	49	49	44	46	47	39	40	34
Other Support Staff	<u>402</u>	<u>241</u>	<u>240</u>	<u>241</u>	<u>237</u>	<u>234</u>	<u>195</u>	<u>189</u>	<u>151</u>	<u>140</u>
Subtotal	<u>848</u>	<u>654</u>	<u>819</u>	<u>821</u>	<u>761</u>	<u>743</u>	<u>686</u>	<u>668</u>	<u>618</u>	<u>624</u>
Administrators:										
Admin/Instr Officers	70	64	64	64	63	64	59	52	56	53
Principals	65	66	67	67	67	67	62	62	62	61
Assistant Principals	138	138	132	138	131	132	125	125	116	119
Superintendent	1	1	1	1	1	1	1	1	1	1
Assoc. Superintendents	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>13</u>	<u>14</u>	<u>14</u>	<u>15</u>	<u>14</u>	<u>13</u>
Subtotal	<u>287</u>	<u>282</u>	<u>277</u>	<u>283</u>	<u>275</u>	<u>278</u>	<u>261</u>	<u>255</u>	<u>249</u>	<u>247</u>
Total Professional Staff	4,887	4,693	5,022	4,991	4,882	4,782	4,589	4,463	4,297	4,247
Educational Aides	1062	970	973	970	908	885	844	776	766	681
Auxiliary Staff	<u>2,375</u>	<u>2,395</u>	<u>2,405</u>	<u>2,395</u>	<u>2,343</u>	<u>2,307</u>	<u>2,217</u>	<u>2,163</u>	<u>2,121</u>	<u>2,109</u>
Total Personnel	<u>8,324</u>	<u>8,058</u>	<u>8,400</u>	<u>8,356</u>	<u>8,133</u>	<u>7,974</u>	<u>7,650</u>	<u>7,402</u>	<u>7,184</u>	<u>7,037</u>

Source: Texas Education Agency Website

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
*Last Ten Fiscal Years*

*Table 16*  
*Page 1 of 2*

<b>Fiscal Year</b>	<b>Average Daily Attendance</b>	<b>Operating Expenditures (1)</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Government - Wide Expenses (2)</b>
2021	51,234	\$ 609,931,890	\$ 11,905	2.92%	\$ 653,310,985
2020	52,157	603,327,935	11,568	4.14%	\$ 713,080,606
2019	52,250	580,365,420	11,107	-0.21%	689,840,642
2018	51,877	577,430,402	11,131	4.00%	466,927,973
2017	51,730	553,626,182	10,702	1.28%	627,794,501
2016	51,742	546,744,724	10,567	4.72%	626,102,003
2015	51,399	518,632,470	10,090	2.32%	577,394,346
2014	50,452	497,551,778	9,862	6.30%	560,569,480
2013	49,519	459,399,382	9,277	0.93%	504,530,430
2012	49,039	450,749,842	9,192	-2.40%	488,587,059

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

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**OPERATING STATISTICS**  
*Last Ten Fiscal Years*

*Table 16*  
*Page 2 of 2*

<b>Fiscal Year</b>	<b>Cost Per Student</b>	<b>Percentage Change</b>	<b>Teaching Staff</b>	<b>Student to Teacher Ratio</b>	<b>Percentage of Students in Free/Reduced Lunch Program</b>
2021	\$ 12,752	-6.73%	3,752	13.66	83.00%
2020	13,672	3.55%	3,757	13.88	82.00%
2019	13,203	-25.83%	3,926	13.31	76.00%
2018	9,001	-25.83%	3,887	13.35	76.00%
2017	12,136	7.72%	3,846	13.45	77.70%
2016	12,100	1.10%	3,761	13.76	77.80%
2015	11,234	9.05%	3,642	14.11	79.50%
2014	11,111	2.26%	3,540	14.25	79.50%
2013	10,189	-2.45%	3,430	14.44	79.60%
2012	9,963	-0.94%	3,376	14.53	80.00%

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

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



**PASADENA INDEPENDENT SCHOOL DISTRICT****Table 17****TEACHER BASE SALARIES****Last Ten Fiscal Years**

<b>Fiscal Year</b>	<b>District Average Salary (1)</b>	<b>Region IV Average Salary (2)</b>	<b>Statewide Average Salary (1)</b>
2021	\$ 60,082	\$ 57,641	\$ 53,288
2020	59,590	60,292	52,162
2019	56,548	57,707	54,122
2018	54,646	57,600	52,363
2017	54,351	55,992	52,525
2016	54,877	55,580	51,891
2015	53,652	54,157	50,715
2014	52,509	52,222	49,692
2013	51,331	50,968	48,821
2012	49,746	50,383	48,375

Sources:

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

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**

**Table 18**  
**Page 1 of 2**

<b>CAMPUS</b>	<b>Year Constructed</b>	<b>Building Age (Years)</b>	<b>Building Capacity</b>	<b># of Portable Classrooms</b>	<b>Portable Capacity (# of rooms*22)</b>	<b>Total Capacity</b>	<b>2020-2021 Enrollment</b>	<b>% of Capacity Used</b>
<b><u>HIGH SCHOOL</u></b>								
Dobie	2003	18	3,500	38	950	4,450	2,898	65%
Dobie 9th	2018	3	1,100	-	-	1,100	962	87%
Dr. Lewis CTHS	2014	7	1,500	-	-	1,500	1,478	99%
Pasadena	2001	20	3,024	2	50	3,074	2,255	73%
Pasadena Memorial	2003	18	2,816	18	450	3,266	2,790	85%
Pasadena Memorial Early College	2017	4	280	8	200	480	250	52%
Sam Rayburn	2002	19	2,528	30	750	3,278	2,467	75%
Sam Rayburn Early College	2017	4	280	-	-	280	252	90%
South Houston	2001	20	2,450	27	675	3,125	1,977	63%
South Houston Early College	2017	4	280	-	-	280	246	88%
<b><u>INTERMEDIATE</u></b>								
Beverly Hills	2004	17	1,500	2	50	1,550	969	63%
Bondy	1993	28	1,144	1	25	1,169	998	85%
Jackson	2002	19	1,384	-	-	1,384	633	46%
Miller	1968	53	980	10	250	1,230	912	74%
Park View	1966	55	960	9	225	1,185	657	55%
Queens	2014	7	900	-	-	900	622	69%
San Jacinto	2008	13	850	-	-	850	672	79%
South Houston	1989	32	1,108	4	100	1,208	735	61%
Southmore	2008	13	850	2	50	900	747	83%
Thompson	1972	49	995	15	375	1,370	979	71%
<b><u>MIDDLE SCHOOLS</u></b>								
DeZavala	2002	19	850	6	132	982	738	75%
Keller	2014	7	850	-	-	850	710	84%
Kendrick	2015	6	850	-	-	850	787	93%
Lomax	2007	14	850	6	150	1,000	684	68%
Melillo	2008	13	850	6	150	1,000	673	67%
Milstead	2007	14	950	6	150	1,100	813	74%
Morris	2004	17	850	14	350	1,200	827	69%
Roberts	2015	6	850	-	-	850	617	73%
Schneider	2006	15	850	2	50	900	772	86%
Shaw	2008	13	850	2	50	900	772	86%
Sullivan	2015	6	850	-	-	850	649	76%
<b><u>ALTERNATIVE</u></b>								
College Readiness Ctr	2010	11	800	-	-	800		0%
Community School	2003	18	107	-	-	107	109	102%
Guidance Center	2005	16	200	-	-	200		0%
Summit	2004	17	175	-	-	175	330	189%
Tegeler	2013	8	520	8	120	640	415	65%

Source: District records

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHOOL BUILDING INFORMATION**

**Table 18**  
**Page 2 of 2**

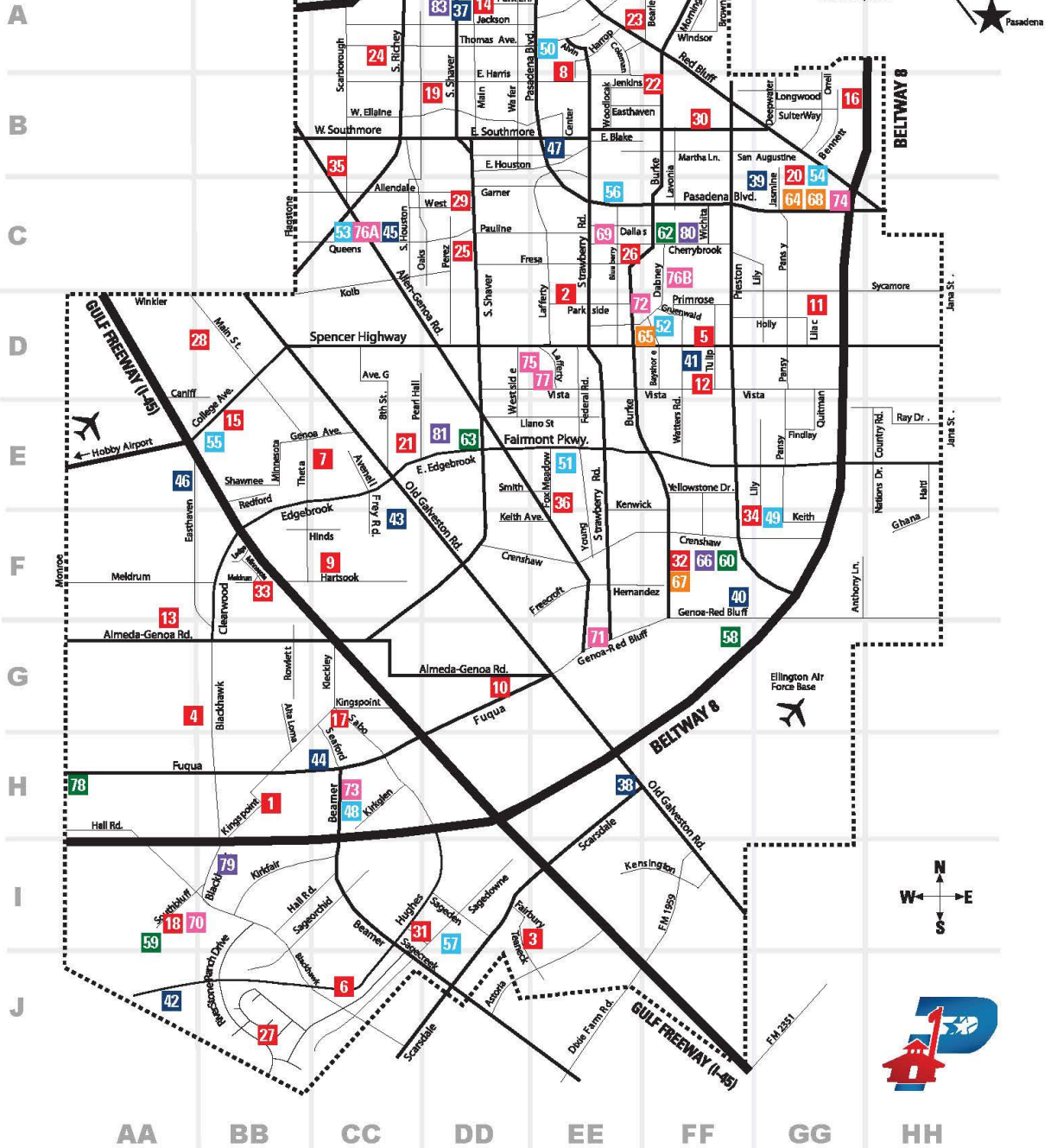
<b>CAMPUS</b>	<b>Year Constructed</b>	<b>Building Age (Years)</b>	<b>Building Capacity</b>	<b># of Portable Classrooms</b>	<b>Portable Capacity (# of rooms*22)</b>	<b>Total Capacity</b>	<b>2020-2021 Enrollment</b>	<b>% of Capacity Used</b>
<b><u>ELEMENTARY</u></b>								
Atkinson	1969	52	607	8	176	783	459	59%
Bailey	1959	62	585	27	594	1,179	598	51%
Burnett	2002	19	585	21	462	1,047	462	44%
Laura Bush	2006	15	750	10	220	970	589	61%
Fisher	1963	58	637	19	418	1,055	596	56%
Frazier	2002	19	512	4	88	600	431	72%
Freeman	1960	61	585	5	110	695	449	65%
Gardens	2014	7	800	-	-	800	527	66%
Garfield	2002	19	694	14	308	1,002	577	58%
Genoa	2002	19	721	12	264	985	590	60%
Golden Acres	1998	23	635	6	132	767	396	52%
Hancock	2016	5	800	-	-	800	398	50%
Jensen	1998	23	669	9	198	867	564	65%
Jessup	1958	63	800	18	396	1,196	601	50%
Kruse	2009	12	825	3	66	891	508	57%
L.F. Smith	1959	62	825	-	-	825	606	73%
Matthys	1992	29	777	6	132	909	546	60%
McMasters	2001	20	430	8	176	606	393	65%
Meador	1963	58	627	8	176	803	749	93%
Moore	1980	41	700	-	-	700	392	56%
Morales	1992	29	644	2	44	688	475	69%
Parks	2001	20	687	-	-	687	430	63%
Pearl Hall	2007	14	800	4	88	888	562	63%
Pomeroy	1959	62	1,058	-	-	1,058	778	74%
Red Bluff	2001	20	752	-	-	752	482	64%
Richey	2008	13	815	4	88	903	550	61%
Smythe, Mae	1955	66	750	-	-	750	739	99%
South Belt	2009	12	780	-	-	780	685	88%
So. Houston	2013	8	800	-	-	800	465	58%
So. Shaver	1949	72	800	-	-	800	554	69%
Sparks	1993	28	649	2	44	693	338	49%
Stuchbery	1967	54	587	5	110	697	625	90%
Teague	1977	44	593	8	176	769	749	97%
Turner	1992	29	680	-	-	680	490	72%
Williams	1958	63	672	8	176	848	482	57%
Young	1980	41	660	12	264	924	646	70%

Source: District records

# PASADENA ISD DISTRICT MAP

PASADENA INDEPENDENT SCHOOL DISTRICT

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## PASADENA INDEPENDENT SCHOOL DISTRICT

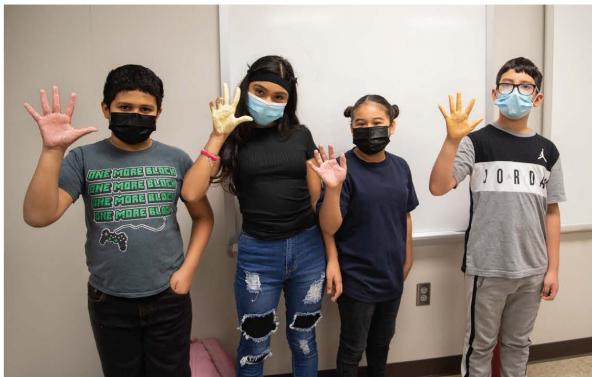
ELEMENTARY	1. <b>H-BB</b> <b>Atkinson</b> , 9602 Kingspoint Rd., Houston, TX. 77075.....713-740-0520	58. <b>G-FF</b> <b>Career &amp; Technical</b> , 1348 Genoa Red Bluff, Houston, TX. 77034... 713-740-5320
	2. <b>D-EE</b> <b>Bailey</b> , 2707 Lafferty Rd., Pasadena, TX. 77502.....713-740-0528	59. <b>I-AA</b> <b>J. Frank Dobie</b> , 10220 Blackhawk Blvd., Houston, TX. 77089... 713-740-0370
	3. <b>J-EE</b> <b>Burnett</b> , 11825 Teanack Dr., Houston, TX. 77089.....713-740-0536	60. <b>F-FF</b> <b>Memorial</b> , 4410 Crenshaw, Pasadena, TX. 77504.....713-740-0390
	4. <b>G-AA</b> <b>Bush</b> , 9100 Blackhawk Blvd., Houston, TX. 77075.....713-740-0928	61. <b>A-DD</b> <b>Pasadena</b> , 206 South Shaver, Pasadena, TX. 77506 .....713-740-0310
	5. <b>D-FF</b> <b>Fisher</b> , 2920 Watters Rd., Pasadena, TX. 77502.....713-740-0552	62. <b>C-FF</b> <b>Sam Rayburn</b> , 2121 Cherrybrook Ln., Pasadena, TX. 77502 713-740-0330
	6. <b>J-CC</b> <b>Frazier</b> , 10503 Hughes Rd., Houston, TX. 77089 .....713-740-0560	63. <b>E-DD</b> <b>South Houston</b> , 3820 South Shaver, South Houston, TX. 77587 713-740-0350
	7. <b>E-CC</b> <b>Freeman</b> , 2323 Theta St., Houston, TX. 77034 .....713-740-0568	
	8. <b>A-EE</b> <b>Gardens</b> , 1107 East Harris, Pasadena, TX. 77506.....713-740-0576	
	9. <b>F-CC</b> <b>Garfield</b> , 10301 Hartsook St., Houston, TX. 77034 .....713-740-0584	
	10. <b>G-DD</b> <b>Genoa</b> , 12900 Alameda Genoa Rd., Houston, TX. 77034 .713-740-0592	
	11. <b>D-GG</b> <b>Golden Acres</b> , 5232 Sycamore, Pasadena, TX. 77503.....713-740-0600	
	12. <b>D-FF</b> <b>Jensen</b> , 3514 Tulip, Pasadena, TX. 77504 .....713-740-0608	
	13. <b>G-AA</b> <b>Jessup</b> , 9301 Alameda Genoa Rd., Houston, TX. 77075 .713-740-0616	
	14. <b>A-DD</b> <b>Kruse</b> , 400 Park Lane, Pasadena, TX. 77506 .....713-740-0624	
	15. <b>E-BB</b> <b>Matthys</b> , 1500 Main St., South Houston, TX. 77587 .....713-740-0632	
	16. <b>B-GG</b> <b>McMasters</b> , 1011 Bennett Dr., Pasadena, TX. 77503 .....713-740-0640	
	17. <b>H-CC</b> <b>Meador</b> , 10701 Seaford Dr., Houston, TX. 77089.....713-740-0648	
	18. <b>I-AA</b> <b>Moore</b> , 8880 Southbluff, Houston, TX. 77089.....713-740-0656	
	19. <b>B-DD</b> <b>Morales</b> , 305 W. Harris, Pasadena, TX. 77506 .....713-740-0664	
	20. <b>B-GG</b> <b>Parks</b> , 3302 San Augustine, Pasadena, TX. 77503 .....713-740-0680	
	21. <b>E-CC</b> <b>Pearl Hall</b> , 1504 9th St., South Houston, TX. 77587 .....713-740-0688	
	22. <b>B-FF</b> <b>Pomeroy</b> , 922 Burke Rd., Pasadena, TX. 77506 .....713-740-0696	
	23. <b>A-EE</b> <b>Red Bluff</b> , 416 Bearle St., Pasadena, TX. 77506 .....713-740-0704	
	24. <b>A-CC</b> <b>Richey</b> , 610 South Richey, Pasadena, TX. 77506 .....713-740-0712	
	25. <b>C-DD</b> <b>Smith, L.F.</b> , 2703 Perez, Pasadena, TX. 77502.....713-740-0720	
	26. <b>C-EE</b> <b>Smythe, Mae</b> , 2424 Burke Rd. Pasadena, TX. 77502 .....713-740-0728	
	27. <b>J-BB</b> <b>South Belt</b> , 1801 Riverstone Ranch Dr., Houston TX. 77089 713-740-5276	
	28. <b>D-BB</b> <b>South Houston</b> , 900 Main St., South Houston, TX. 77587 713-740-0736	
	29. <b>C-DD</b> <b>South Shaver</b> , 200 West Ave., Pasadena, TX. 77502 .....713-740-0842	
	30. <b>B-FF</b> <b>Sparks</b> , 2503 E. Southmore, Pasadena, TX. 77502 .....713-740-0744	
	31. <b>I-DD</b> <b>Stuchbery</b> , 11210 Hughes Rd., Houston, TX. 77089 .....713-740-0752	
	32. <b>F-FF</b> <b>Teague</b> , 4200 Crenshaw, Pasadena, TX. 77504.....713-740-0760	
	33. <b>F-BB</b> <b>Hancock, Thomas</b> 9604 Minnesota, Houston, TX. 77075 ..713-740-5430	
	34. <b>E-GG</b> <b>Turner</b> , 4333 Lily, Pasadena, TX. 77505 .....713-740-0768	
	35. <b>B-CC</b> <b>Williams</b> , 1522 Scarborough Ln., Pasadena, TX. 77502 ..713-740-0776	
	36. <b>E-EE</b> <b>Young</b> , 4221 Fox Meadow Ln., Pasadena, TX. 77504 .....713-740-0784	
MIDDLE	37. <b>A-DD</b> <b>DeZavala</b> , 101 E. Jackson, Pasadena, TX. 77506 .....713-740-0544	
	38. <b>H-EE</b> <b>Roberts, Fred</b> 13402 Conklin Lane, Houston TX. 77034..713-740-5390	
	39. <b>B-GG</b> <b>Keller</b> , 1711 Magnolia Dr., Pasadena, TX. 77503.....713-740-5284	
	40. <b>F-FF</b> <b>Lomax</b> , 1519 Genoa Red Bluff, Pasadena, TX. 77504.....713-740-5230	
	41. <b>D-FF</b> <b>Kendrick, Marshall</b> 3001 Watters Rd., Pasadena TX. 77504..713-740-5830	
	42. <b>J-AA</b> <b>Melillo</b> , 9220 Hughes Rd., Houston, TX. 77089.....713-740-5260	
	43. <b>F-CC</b> <b>Milstead</b> , 338 Gilpin, Houston, TX. 77034 .....713-740-5238	
	44. <b>H-CC</b> <b>Morris</b> , 10415 Fuqua, Houston, TX. 77089.....713-740-0672	
	45. <b>C-CC</b> <b>Sullivan, Nelda</b> 1112 Queens Rd., Pasadena, TX. 77502...713-740-5420	
	46. <b>F-BB</b> <b>Schneider</b> , 8420 Easthaven, Houston, TX. 77587.....713-740-0920	
EARLY COLLEGE HIGH SCHOOLS	47. <b>B-EE</b> <b>Shaw</b> , 1201 Houston Ave., Pasadena, TX. 77502.....713-740-5268	
	48. <b>H-CC</b> <b>Beverly Hills</b> , 11111 Beamer Rd., Houston, TX. 77089 .713-740-0420	
	49. <b>E-GG</b> <b>Bondy</b> , 5101 Keith Road, Pasadena, TX. 77505 .....713-740-0430	
	50. <b>A-EE</b> <b>Jackson</b> , 1020 East Thomas, Pasadena, TX. 77506 .....713-740-0440	
	51. <b>E-EE</b> <b>Miller</b> , 1002 Fairmont Pkwy., Pasadena, TX. 77504 .....713-740-0450	
	52. <b>D-FF</b> <b>Park View</b> , 3003 Dabney, Pasadena, TX. 77502 .....713-740-0460	
	53. <b>C-CC</b> <b>Queens</b> , 1452 Queens Rd., Houston, TX. 77017 .....713-740-0470	
	54. <b>C-GG</b> <b>San Jacinto</b> , 3600 Red Bluff Rd., Pasadena, TX. 77503 713-740-0480	
	55. <b>E-BB</b> <b>South Houston</b> , 900 College Ave., South Houston, TX. 77587 ...713-740-0490	
	56. <b>C-EE</b> <b>Southmore</b> , 2000 Patricia Ln., Pasadena, TX. 77502.....713-740-0500	
INTERMEDIATE	57. <b>I-DD</b> <b>Thompson</b> , 11309 Sagedowne Ln., Houston, TX. 77089 713-740-0510	
ADMIN / COMMUNITY	69. <b>C-EE</b> <b>Administration Building</b> , 1515 Cherrybrook Ln., Pasadena, TX. 77502	
	70. <b>I-AA</b> <b>AG Complex 1 (Dobie)</b> , 10502 Blackhawk, Houston, TX. 77089	
	71. <b>G-EE</b> <b>AG Complex 2</b> , 525 Genoa Red Bluff, Houston, TX. 77034	
	72. <b>D-EE</b> <b>Athletic Complex (Philips Fieldhouse, Shippey Aquatic Center, Stadium)</b> 2906 Dabney, Pasadena, Texas 77502	
	73. <b>H-CC</b> <b>Collaborative Learning Center</b> , 11111 Beamer Rd., Houston, TX. 77089	
	74. <b>C-GG</b> <b>Frank Braden Center-Orozco Professional Development Center</b> 1814-1854 E.Sam Houston Parkway South, Pasadena, TX. 77503	
	75. <b>D-DD</b> <b>Maintenance &amp; Warehouse</b> , 3131-3135 Westside Dr., Pasadena, TX. 77504	
	76A. <b>C-CC</b> <b>Softball Complex</b> 1112 Queens, Rd, Pasadena, TX. 77502	
	76B. <b>C-EE</b> <b>Aux. Field/Baseball</b> 2906 Dabney, Pasadena, TX. 77502	
	77. <b>D-EE</b> <b>Transportation &amp; Operations</b> , 3212-3214 Lafferty, Pasadena, TX. 77504	
HIGH SCHOOLS	78. <b>H-AA</b> <b>J. Frank Dobie 9th Grade Campus</b> 10811 Monroe St., Houston, TX. 77075	
	79. <b>I-BB</b> <b>J. Frank Dobie Early College High School</b> 10220 Blackhawk, Houston, TX. 77089	
	80. <b>C-FF</b> <b>Sam Rayburn Early College High School</b> 2121 Cherrybrook, Pasadena, TX. 77502	
	81. <b>E-DD</b> <b>South Houston Early College High School</b> 1606 Ave. "N", South Houston, TX. 77587	
ALT	64. <b>C-GG</b> <b>Community School</b> , 1838A E.Sam Houston Pkwy. So., Pasadena, TX. 77503 .713-740-0298	
	65. <b>D-FF</b> <b>Guidance Center</b> , 3010 Bayshore Dr., Pasadena, TX. 77502 .....713-740-0792	
EARLY COLLEGE HIGH SCHOOLS	66. <b>F-FF</b> <b>Pasadena Memorial Early College High School</b> 4320 Crenshaw, Pasadena, TX. 77504	
	83. <b>A-DD</b> <b>Pasadena Early College High School</b> 206 South Shaver, Pasadena, TX. 77506	

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# FEDERAL AWARDS







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

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

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Pasadena Independent School District, (the “District”) as of and for the year ended August 31, 2021, and the related notes to the financial statements, which collectively comprise the District’s basic financial statements, and have issued our report thereon dated January 25, 2022.

**Internal Control Over Financial Reporting**

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

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

Our consideration of internal control was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control that might be material weaknesses or significant deficiencies. Given these limitations, during our audit we did not identify any deficiencies in internal control that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

To the Board of Trustees  
Pasadena Independent School District

### **Compliance and Other Matters**

As part of obtaining reasonable assurance about whether the District's financial statements are free from material misstatement, we performed tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements, noncompliance with which could have a direct and material effect on the financial statements. However, providing an opinion on compliance with those provisions was not an objective of our audit, and accordingly, we do not express such an opinion. The results of our tests disclosed no instances of noncompliance that are required to be reported under *Government Auditing Standards*.

### **Purpose of this Report**

The purpose of this report is solely to describe the scope of our testing of internal control and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the entity's internal control or on compliance. This report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the entity's internal control and compliance. Accordingly, this communication is not suitable for any other purpose.

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

Houston, Texas  
January 25, 2022

**INDEPENDENT AUDITOR'S REPORT ON COMPLIANCE FOR EACH MAJOR  
FEDERAL PROGRAM AND REPORT ON INTERNAL CONTROL OVER  
COMPLIANCE REQUIRED BY THE UNIFORM GUIDANCE**

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

**Report on Compliance for Each Major Federal Program**

We have audited Pasadena Independent School District's (the "District") compliance with the types of compliance requirements described in the *OMB Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended August 31, 2021. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

**Management's Responsibility**

Management is responsible for compliance with federal statutes, regulations, and the terms and conditions of its federal awards applicable to its federal programs.

**Auditor's Responsibility**

Our responsibility is to express an opinion on compliance for each of the District's major federal programs based on our audit of the types of compliance requirements referred to above. We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America; the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States; and the audit requirements of Title 2 U.S. Code of Federal Regulations Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Those standards and the Uniform Guidance require that we plan and perform the audit to obtain reasonable assurance about whether noncompliance with the types of compliance requirements referred to above that could have a direct and material effect on a major federal program occurred. An audit includes examining, on a test basis, evidence about the District's compliance with those requirements and performing such other procedures as we considered necessary in the circumstances.

We believe that our audit provides a reasonable basis for our opinion on compliance for each major federal program. However, our audit does not provide a legal determination of the District's compliance.

### Opinion on Each Major Federal Program

In our opinion, the District, complied, in all material respects, with the types of compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended August 31, 2021.

### Report on Internal Control over Compliance

Management of the District is responsible for establishing and maintaining effective internal control over compliance with the types of compliance requirements referred to above. In planning and performing our audit of compliance, we considered the District's internal control over compliance with the types of requirements that could have a direct and material effect on each major federal program to determine the auditing procedures that are appropriate in the circumstances for the purpose of expressing an opinion on compliance for each major federal program and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, we do not express an opinion on the effectiveness of District's internal control over compliance.

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

Our consideration of internal control over compliance was for the limited purpose described in the first paragraph of this section and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies. We did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses. However, material weaknesses may exist that have not been identified.

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



Houston, Texas

January 25, 2022



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

**I. Summary of Auditors' Results**

**Financial Statements**

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

**Federal Awards**

Internal controls over major programs: Material weakness (es) identified?	No
Significant deficiencies identified that are not considered to be material weaknesses?	No
Type of auditor's report issued on compliance for major programs:	Unmodified
Any audit findings disclosed that are required to be reported in Accordance with Uniform Guidance?	No

**Identification of major programs:**

<b><u>Name of Federal Program or Cluster</u></b>	<b><u>Assistance Listing Number (ALN)</u></b>
Child Nutrition Cluster	10.553, 10.555, 10.558
COVID-19 - ESSER Grant	84.425D
COVID-19 - ESSER - PRIOR PURCHASE REIMB PROG (PPRP)	84.425D
COVID-19 - CRRSA ESSER II	84.425D
COVID-19 - ARP ESSER III	84.425U
Title IV, Part B 21st Century Community Learning Centers	84.287C
COVID-19 - Coronavirus Relief Fund - Harris County Match	21.019
COVID-19 - Coronavirus Relief Fund - Non-Cash Assistance	21.019
COVID-19 - Coronavirus Relief Fund - TDEM 1	21.019

Dollar threshold used to distinguish between Type A and Type B Federal Programs	\$2,905,295
Auditee qualified as a low-risk auditee?	Yes

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
***SCHEDULE OF FINDINGS AND QUESTIONED COSTS (continued)***  
***FOR THE YEAR ENDED AUGUST 31, 2021***

**II. Financial Statement Finding**

None reported

**III. Federal Awards Findings and Questioned Costs**

None reported.

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

**Exhibit K-1**  
**Page 1 of 2**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number*	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education</b>				
<b>Direct Award</b>				
289	COPS School Violence Prevention Program	84.184S	2019SVWX0001	\$ 240,731
289	STOP School Violence Prevention Program	84.184S	2020-YS-BX-0119	71,447
	Total ALN 84.184			<u>312,178</u>
<b>Passed Through State Department of Education:</b>				
206	Texas Support for Homeless Education Program	84.196A	214600057110053	199,861
206	Texas Support for Homeless Education Program	84.196A	204600057110057	96
	Total ALN 84.196			<u>199,957</u>
211	ESEA Title I, Part A - Improving Basic Programs	84.010A	22610101101917	1,275,860
211	ESEA Title I, Part A - Improving Basic Programs	84.010A	21610101101917	16,275,675
211	ESEA Title I, Part A - Improving Basic Programs	84.010A	20610101101917	2,726,633
211	Title I - School Improvement Grant	84.010A	21610141101917	218,920
	Total ALN 84.010			<u>20,497,088</u>
212	Title I, Part C - Migrant Education Program	84.011A	22615001101917	9,870
212	Title I, Part C - Migrant Education Program	84.011A	21615001101917	84,403
212	Title I, Part C - Migrant Education Program	84.011A	20615001101917	57,282
	Total ALN 84.011			<u>151,555</u>
224	IDEA - Part B, Formula	84.027A	226600011019176000	665,554
224	IDEA - Part B, Formula	84.027A	216600011019176000	7,760,584
224	IDEA - Part B, Formula	84.027A	206600011019176000	739,910
225	IDEA - Part B, Preschool	84.173A	226610011019176000	5,397
225	IDEA - Part B, Preschool	84.173A	216610011019176000	104,405
225	IDEA - Part B, Preschool	84.173A	206610011019176000	26,504
226	IDEA - Part B High Cost	84.027A	66002106	534,016
<b>Passed Through Region 4 Education Service Center:</b>				
315	DEAF	84.027A	3159-93-878	60,370
	Total Special Education Cluster (ALN 84.027, 84.173)			<u>9,896,740</u>
<b>Passed Through State Department of Education (continued)</b>				
244	Career and Technical - Basic Grant	84.048A	22420006101917	28,488
244	Career and Technical - Basic Grant	84.048A	21420006101917	772,586
244	Career and Technical - Basic Grant	84.048A	20420006101917	3,188
244	2019-2020 Perkins Reserve	84.048A	204200287110066	6,630
	Total ALN 84.048			<u>810,892</u>
255	ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	22694501101917	158,650
255	ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	21694501101917	1,950,126
255	ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	20694501101917	54,712
	Total ALN 84.367			<u>2,163,488</u>
263	Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	22671001101917	97,059
263	Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	21671001101917	1,280,077
263	Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	20671001101917	178,994
	Total CFDA 84.365			<u>1,556,130</u>
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	216950247110019	1,715,412
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	206950247110019	74,703
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	226950267110035	96,376
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	216950267110035	1,433,742
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	206950267110035	44,569
	Total ALN 84.287			<u>3,364,802</u>
276	Instructional Continuity	84.377A	17610740101917	180,000

\*ALN formerly known as CFDA #.

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

**Exhibit K-1**

**Page 2 of 2**

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal Assistance Listing Number*	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education (continued)</b>				
<b>Passed Through State Department of Education (continued)</b>				
266	COVID-19 - ESSER Grant	84.425D	20521001101917	292,072
199	COVID-19 - ESSER - PRIOR PURCHASE REIMB PROG (PPRP)	84.425D	52102135	1,711,121
281	COVID-19 - ESSER - PRIOR PURCHASE REIMB PROG (PPRP)	84.425D	52102135	1,831,331
281	COVID-19 - CRRSA ESSER II	84.425D	21521001101917	4,176,466
282	COVID-19 - ARP ESSER III	84.425U	21528001101917	2,870,735
	Total ALN 84.425			<u>10,881,725</u>
289	Title IV, Part A, Subpart 1	84.424A	22680101101917	34,603
289	Title IV, Part A, Subpart 1	84.424A	21680101101917	1,148,234
289	Title IV, Part A, Subpart 1	84.424A	20680101101917	407,433
	Total ALN 84.424			<u>1,590,270</u>
199	Restart Hurricane Harvey, Cycle 2	84.938A	21511704101917	12,892,139
<b>Passed Through Harris County Department of Education</b>				
265	Title IV, Part B 21st Century Community Learning Centers	84.287C	748001215	150,423
<b>Total U. S. Department of Education</b>				<u>64,647,387</u>
<b>U. S. Department of Agriculture</b>				
<b>Passed Through the Texas Department of Agriculture:</b>				
<i>National School Lunch Program - USDA Commodities</i>				
240	(non-cash assistance)	10.555	00527	2,420,836
240	COVID-19 - Emergency Operational Costs (EOC)	10.555	00527	2,896,187
<b>Passed Through State Department of Education:</b>				
240	School Breakfast Program	10.553	71402101	5,442,767
240	School Breakfast Program - Seamless Summer Option	10.553	71402101	125,571
240	National School Lunch Program	10.555	71302101	15,272,596
240	National School Lunch Program - Seamless Summer Option	10.555	71302101	310,217
	Total Child Nutrition Cluster (ALN 10.553, 10.555)			<u>26,468,174</u>
<b>Passed Through the Texas Department of Agriculture:</b>				
240	Child and Adult Care Food Program (CACFP)	10.558	00527	345,424
240	COVID-19 - Commodity Storage Reimbursement	10.560	00527	148,566
<b>Total U. S. Department of Agriculture</b>				<u>26,962,164</u>
<b>U. S. Department of Treasury</b>				
<b>Passed Through State Department of Education:</b>				
199	COVID-19 - Coronavirus Relief Fund - Harris County Match	21.019	39312101	622,125
<b>Passed Through Region IV Education Service Center:</b>				
199	COVID-19 - Coronavirus Relief Fund - Non-Cash Assistance	21.019	52202002	1,244,250
<b>Passed through Texas Department of Public Safety</b>				
<b>Division of Emergency Management:</b>				
199	COVID-19 - Coronavirus Relief Fund - TDEM 1	21.019	LEA2020	1,745,346
<b>Total U. S. Department of Treasury</b>				<u>3,611,721</u>
<b>U. S. Department of Health and Human Services</b>				
<b>Passed through Harris County Department of Education</b>				
498	CASE	93.596	N/A	30,000
	Total CCDF Cluster (ALN 93.596)			<u>30,000</u>
<b>Passed through Texas Health and Human Services Commission</b>				
199	Medicaid Administrative Claiming (MAC)	93.778	529-07-0157-00079	471,203
	Total Medicaid Cluster (ALN 93.778)			<u>471,203</u>
<b>Total U. S. Department of Health and Human Services</b>				<u>501,203</u>
<b>U.S. Department of Housing &amp; Urban Development</b>				
<b>Passed through Texas Health and Human Services Commission</b>				
199	Community Development Block Grant	14.218	068-CV132-8593	772,736
	Total CDBG - Entitlement Grants Cluster (ALN 14.218)			<u>772,736</u>
<b>Total U.S. Department of Housing &amp; Urban Development</b>				<u>772,736</u>
<b>U.S. Department of Defense</b>				
199	Reserve Officers' Training Corp. (ROTC)	12.000	N/A	347,967
<b>Total U.S. Department of Defense</b>				<u>347,967</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 96,843,178</u>

\*ALN formerly known as CFDA #.

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

*Exhibit K-2*

*Page 1 of 2*

**Note 1 - Basis of Accounting**

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

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

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

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

**Note 2 - Basis of Presentation**

The accompanying schedule of expenditures of federal awards (the "Schedule") includes the federal grant activity of the District under programs of the federal government for the year ended August 31, 2021. The information in this schedule is presented in accordance with the requirements Single Audit Act Amendments of 1996 and Title 2 U.S. Code of Federal Regulations (CFR) Part 200, Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards (Uniform Guidance). Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.

**Note 3 - Reconciliation of Basic Financial Statements**

<b>Total Expenditures of Federal Awards per Exhibit K-1</b>	\$ 96,843,178
General Fund - Federal Revenue Excluded:	
School Health and Related Services (SHARS)	11,580,372
Interest Subsidy on Qualified School Construction Bond	1,684,648
E-Rate Schools and Libraries Universal Service Support Mechanism	889,534
<b>Total Expenditures of Federal Awards per Exhibit C-3</b>	<u><u>\$ 110,997,732</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2021**

*Exhibit K-2*

*Page 2 of 2*

**Note 4 – General Fund Federal Program Revenues**

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the general fund for the year ended August 31, 2021, are as follows:

<b>Program Source</b>	<b>ALN</b>	<b>Amount</b>
SHARS	N/A	\$ 11,580,372
Interest Subsidy on Qualified School Construction Bond	N/A	1,684,648
Medicaid Administrative Claiming Program	93.778	471,203
ROTC	12.000	347,967
E-Rate Schools and Libraries Universal Service Support Mechanism	N/A	889,534
COVID-19 - ESSER - Prior Purchase Reimb Program (PPRP)	84.425D	1,711,121
Community Development Block Grant	14.218	772,736
Restart Hurricane Harvey, Cycle 2	84.938A	12,892,139
COVID-19 - Coronavirus Relief Fund - Harris County Match	21.019	622,125
COVID-19 - Coronavirus Relief Fund - Non-Cash Assistance	21.019	1,244,250
COVID-19 - Coronavirus Relief Fund - TDEM 1	21.019	1,745,346
Indirect Costs:		
STOP School Violence Prevention Program	84.184S	6,047
Career and Technical - Basic Grant	84.048A	25,773
ESEA Title I, Part A - Improving Basic Programs	84.010A	676,269
ESEA Title II, Part A - Teacher and Principal Training and Recruiting	84.367A	71,912
ESSER Grant	84.425D	285,861
ARP ESSER III	84.425U	195,823
IDEA - Part B, Formula	84.027A	330,867
IDEA - Part B, Preschool	84.173A	5,207
National School Lunch Program	10.555	1,000,000
Texas Support for Homeless Education Program	84.196A	6,936
Title I - School Improvement Grant	84.010A	7,606
Title I, Part C - Migrant Education Program	84.011A	5,354
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	9,480
Title IV, Part A, Subpart 1	84.424A	19,146
Title IV, Part B 21st Century Community Learning Centers	84.287C	116,988
<b>Total</b>		<b>\$ 36,724,710</b>

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

The District periodically receives grant awards subsequent to the fiscal year in which the original expenditure occurred. The following amounts were awarded in fiscal year 2021 as reimbursement for prior period expenditures.

<b>Program Source</b>	<b>ALN</b>	<b>Amount</b>
COVID-19 - ESSER - Prior Purchase Reimb Program (PPRP)	84.425D	\$ 1,711,121
Community Development Block Grant	14.218	772,736
Restart Hurricane Harvey, Cycle 2	84.938A	12,892,139
COVID-19 - Coronavirus Relief Fund - Harris County Match	21.019	622,125
COVID-19 - Coronavirus Relief Fund - Non-Cash Assistance	21.019	1,244,250
COVID-19 - Coronavirus Relief Fund - TDEM 1	21.019	1,745,346
		<b>\$ 18,987,717</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***  
***For the Year Ended August 31, 2021***

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

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

The Summary Schedule of Prior Audit Findings for the year ended August 31, 2021 has been prepared to address these requirements.

**I. Prior Audit Findings**

None noted

**PASADENA INDEPENDENT SCHOOL DISTRICT**

***CORRECTIVE ACTION PLAN***

***For the Year Ended August 31, 2021***

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

The Corrective Action Plan for the year ended August 31, 2021 has been prepared to address these requirements.

**I. Corrective Action Plan**

Not applicable







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