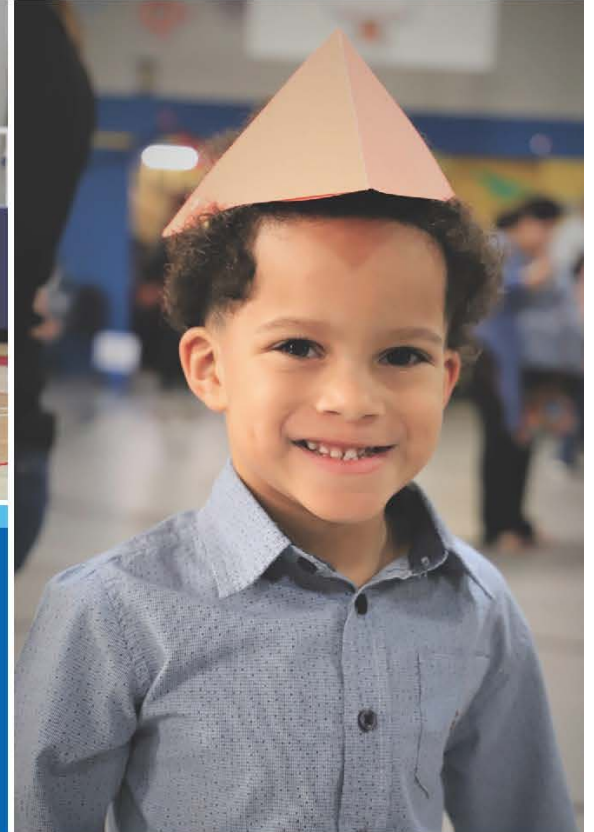




**Best**  
Communities for  
Music Education  
in America

Pasadena, TX



# PASADENA

INDEPENDENT SCHOOL DISTRICT



# 2020 Comprehensive Annual Financial Report

*for the fiscal year ended August 31, 2020*

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

---

Pasadena, Texas

# COMPREHENSIVE ANNUAL FINANCIAL REPORT

For the Year Ended August 31, 2020

DeeAnn Powell, Ed. D.  
Superintendent of Schools

Carla Merka  
Chief Financial Officer



# PASADENA INDEPENDENT SCHOOL DISTRICT

## TABLE OF CONTENTS

	<u>Page</u>	<u>Exhibit</u>
<b>Introduction Section</b>		
Letter of Transmittal	i	
Board of Trustees and Administration	vii	
Organizational Chart	viii	
Certificate of Board	x	
GFOA Certificate of Achievement	xi	
ASBO Certificate of Excellence	xii	
<b>Financial Section</b>		
<b>Independent Auditors' Report</b>	3	
<b>Management's Discussion and Analysis</b>	9	
<b>Basic Financial Statements:</b>		
Government-Wide Financial Statements:		
Statement of Net Position	18	A-1
Statement of Activities	19	B-1
Governmental Fund Financial Statements:		
Balance Sheet – Governmental Funds	20	C-1
Reconciliation of the Balance Sheet for Governmental Funds to the Statement of Net Position	23	C-2
Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds	24	C-3
Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities	26	C-4
Proprietary Funds Financial Statements		
Statement of Net Position	27	D-1
Statement of Revenues, Expenses, and Changes in Net Position	28	D-2
Statement of Cash Flows	29	D-3
Fiduciary Fund Financial Statements:		
Statement of Assets and Liabilities - Fiduciary Fund	30	E-1
Notes to the Financial Statements	31	F-1
<b>Required Supplementary Information:</b>		
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - General Fund	75	G-1
Notes to Required Supplementary Information	76	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	77	G-3
Schedule of the District's Contributions to the Teacher Retirement System of Texas Pension Plan	78	G-4
Notes to Required Supplementary Information - Pensions	79	G-5
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	80	G-6
Schedule of the District's Contributions to the Teacher Retirement System of Texas OPEB Plan	81	G-7
Notes to Required Supplementary Information - OPEB	82	G-8

# PASADENA INDEPENDENT SCHOOL DISTRICT

## TABLE OF CONTENTS (continued)

	<u>Page</u>	<u>Exhibit</u>
<b>Supplementary Information:</b>		
Combining and Individual Fund Financial Statements:		
Fund Descriptions - Nonmajor Governmental Funds - Special Revenue Funds	85	
Combining Balance Sheet - Nonmajor Governmental Funds	88	H-1
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances – Nonmajor Governmental Funds	96	H-2
Combining Statement of Net Position - Internal Service Funds	104	I-1
Combining Statement of Revenues, Expenses, and Changes in Net Position – Internal Service Funds	105	I-2
Combining Statement of Cash Flows - Internal Service Funds	106	I-3
Statement of Changes in Assets and Liabilities - Fiduciary Fund	107	I-4
Compliance Schedules:		
Schedule of Delinquent Taxes Receivable	108	J-1
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - Debt Service Fund	110	J-2
Schedule of Revenues, Expenditures, and Changes in Fund Balance - Budget and Actual - National School Breakfast and Lunch Program	111	J-3
<b>Statistical Section (Unaudited)</b>		
<b>Financial Trends:</b>		
Net Position by Component - Last Ten Fiscal Years	118	1
Changes in Net Position - Last Ten Fiscal Years	120	2
Fund Balances of Governmental Funds - Last Ten Fiscal Years	122	3
Changes in Fund Balances - Governmental Funds - Last Ten Fiscal Years	124	4
<b>Revenue Capacity:</b>		
Governmental Funds Revenues by Source - Last Ten Fiscal Years	129	5
Assessed and Estimated Actual Value of Taxable Property - Last Ten Fiscal Years	130	6
Property Tax Amount - Direct and Overlapping Governments - Last Ten Fiscal Years	131	7
Principal Taxpayers - Current Year and Ten Years Ago	132	8
Property Tax Levies and Collections - Last Ten Fiscal Years	133	9
<b>Debt Capacity:</b>		
Outstanding Debt by Type - Last Ten Fiscal Years	137	10
Ratios of Net General Bonded Debt Outstanding - Last Ten Fiscal Years	138	11
Direct and Overlapping Governmental Activities Debt	139	12
<b>Demographic and Economic Information:</b>		
Demographic and Economic Statistics - Last Ten Fiscal Years	143	13
Principal Employers - Current and Nine Years Ago	144	14
<b>Operating Information:</b>		
Full-time Equivalent District Employees by Position - Last Ten Fiscal Years	147	15
Operating Statistics - Last Ten Fiscal Years	148	16
Teacher Base Salaries - Last Ten Fiscal Years	151	17
School Building Information	152	18
District Map	154	



**PASADENA INDEPENDENT SCHOOL DISTRICT**

**TABLE OF CONTENTS** *(continued)*

	<b><u>Page</u></b>	<b><u>Exhibit</u></b>
<b>Federal Awards Section</b>		
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 <i>Government Auditing Standards</i>	159	
Independent Auditor's Report on Compliance for Each Major Federal Program on Internal Control over Compliance Required by the Uniform Guidance	161	
Schedule of Findings and Questioned Costs	163	
Schedule of Expenditures of Federal Awards	165	K-1
Notes to Schedule of Expenditures of Federal Awards	167	K-2
Summary Schedule of Prior Audit Findings	169	
Corrective Action Plan	170	





## INTRODUCTORY SECTION





# Pasadena Independent School District

January 26, 2021

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 Comprehensive Annual Financial Report (CAFR) of the Pasadena Independent School District (the "District") for the fiscal year ended August 31, 2020. The CAFR 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, 2020 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, 2020, 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 CAFR'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, 4,048 of which are classroom teachers. These employees provide educational services for 53,157 students enrolled in the District. In the last year, the district enrollment has decreased by 0.41%. As the fifteenth 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 84% of the student body with the remainder of the student population being comprised of 5% White, 7% 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 four (4%) percent salary increase for 2019-2020. In March and April 2019, 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 PISD, net of mandatory and optional exemptions, is projected to exceed \$15.5 billion for the school year 2020-2021. Per student spending is expected to decrease from \$11,198 to \$10,395 in the 2020-2021 school year. Refined average daily attendance (ADA) is projected to remain flat. These indicators are reviewed when adopting the general fund budget for 2020-2021. Estimated revenue in the general fund budget for the 2020-2021 school year is \$534.2 million, a decrease of 3% over the adopted 2019-2020 budget of \$551.9 million.

General fund expenditures are budgeted to increase 2.21% or \$11.9 million primarily due to raises and additional staff. The District adopted a deficit budget for 2020-2021 in the amount of \$18.3 million. The Maintenance and Operations tax rate decreased to \$1.073 down from \$1.09 and the Interest and Sinking rate to pay the debt increased at \$.28 to \$.31 for a total tax rate of \$1.383.

### **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 22.6 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 are being 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 will be used to build a new Intermediate School in the New Riverstone Ranch area which will provide enrollment relief to Bondy and Beverly Hills Intermediate schools. Red Bluff Elementary school will be replaced using the existing site. The remaining funds will be 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**

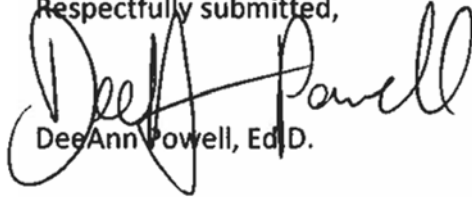
The 2019-2020 School Year was very successful for Pasadena Independent School District and following are only a few of the district's accomplishments:

- Laura Rice 4<sup>th</sup> grade teacher received the VFW National Citizenship Education Teacher Award for Houston area elementary level educators.
- Angela Badon, Dobie High School's orchestra director, named the Educator of the Year by the Houston Symphony.
- Pasadena ISD School Board was recognized as a top five Honor Board in the State of Texas.
- Roberts Middle School named a Texas School to Watch by the National Forum to Accelerate Middle-Grades Reform and the Texas Association of Secondary School Principals.
- Two Sam Rayburn High School students received national Medals at the 2020 Scholastic Awards.
- District name as one of the Best Communities for Music Education.
- 38 Pasadena ISD marketing students advance to DECA state competition.
- Wendy Wiseburn, Principal at Frazier Elementary awarded the Outstanding Leadership by an Afterschool Administrator.
- Kevin Erickson, Dobie High School band director, has been selected as a quarterfinalist for the 2021 GRAMMY Music Educator Award.
- 13 Pasadena ISD campuses named Gold Ribbon Schools.

The District received a "Superior Achievement" rating under the State's FIRST (Financial Integrity Rating System of Texas) program for eighteen (18) consecutive years, the highest rating given. The district also received ASBO's COE (Certificate of Excellence in financial reporting) for its sixth (6<sup>th</sup>) consecutive year ending August 31, 2019. The district was awarded the Government and Finance Officers Association's (GFOA) Certificate of Achievement for Excellence in Financial Reporting for the past eight (8<sup>th</sup>) consecutive school year ending August 31, 2019.

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,

A handwritten signature in black ink, appearing to read "DeeAnn Powell". The signature is fluid and cursive, with the first name "DeeAnn" and last name "Powell" clearly distinguishable.

DeeAnn Powell, Ed.D.

# PASADENA INDEPENDENT SCHOOL DISTRICT

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

**Vickie Morgan**, President, 34 Years, 2023  
**Mariselle Quijano**, Vice President, 11 Years, 2021  
**Fred Roberts**, Secretary, 27 Years, 2021  
**Nelda Sullivan**, Assistant Secretary, 27 Years, 2021  
**Jack Bailey**, Member, 10 Years, 2021  
**Kenny Fernandez**, Member, 5 Years, 2023  
**Marshall Kendrick**, Member, 31 Years, 2023

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

## Superintendent of Schools

**Dr. DeeAnn Powell**

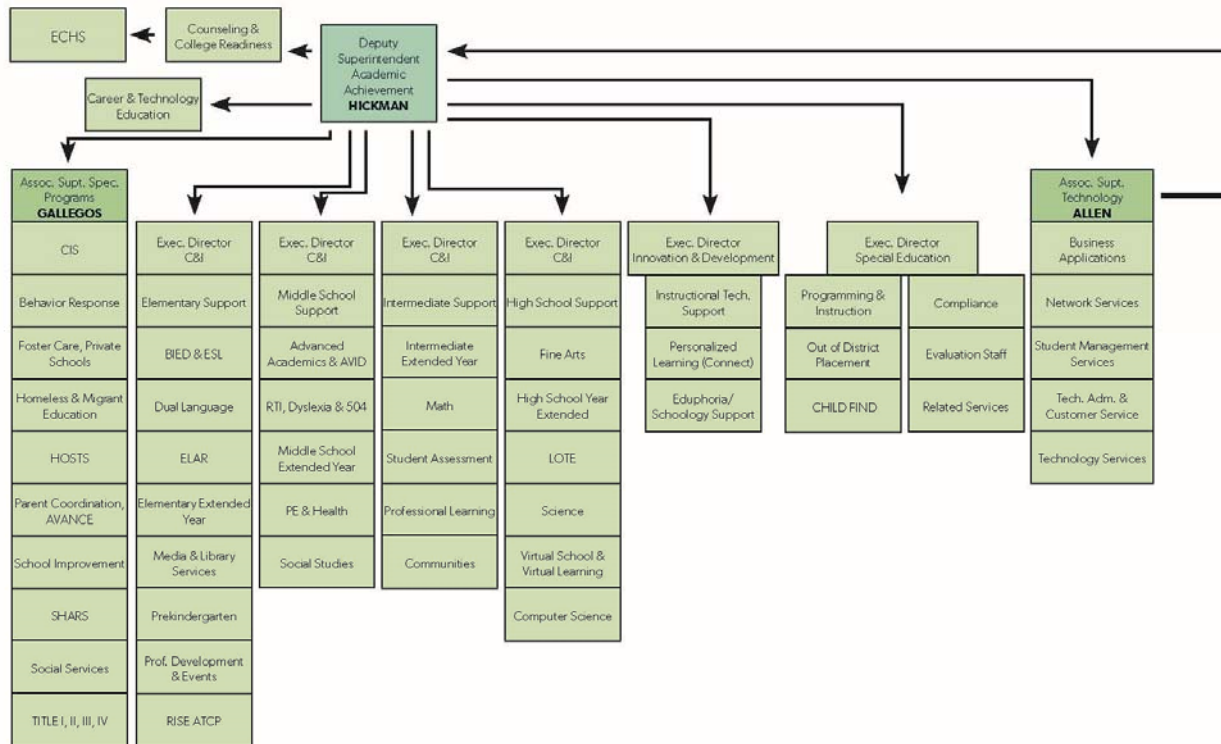
## Administrative Cabinet

**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

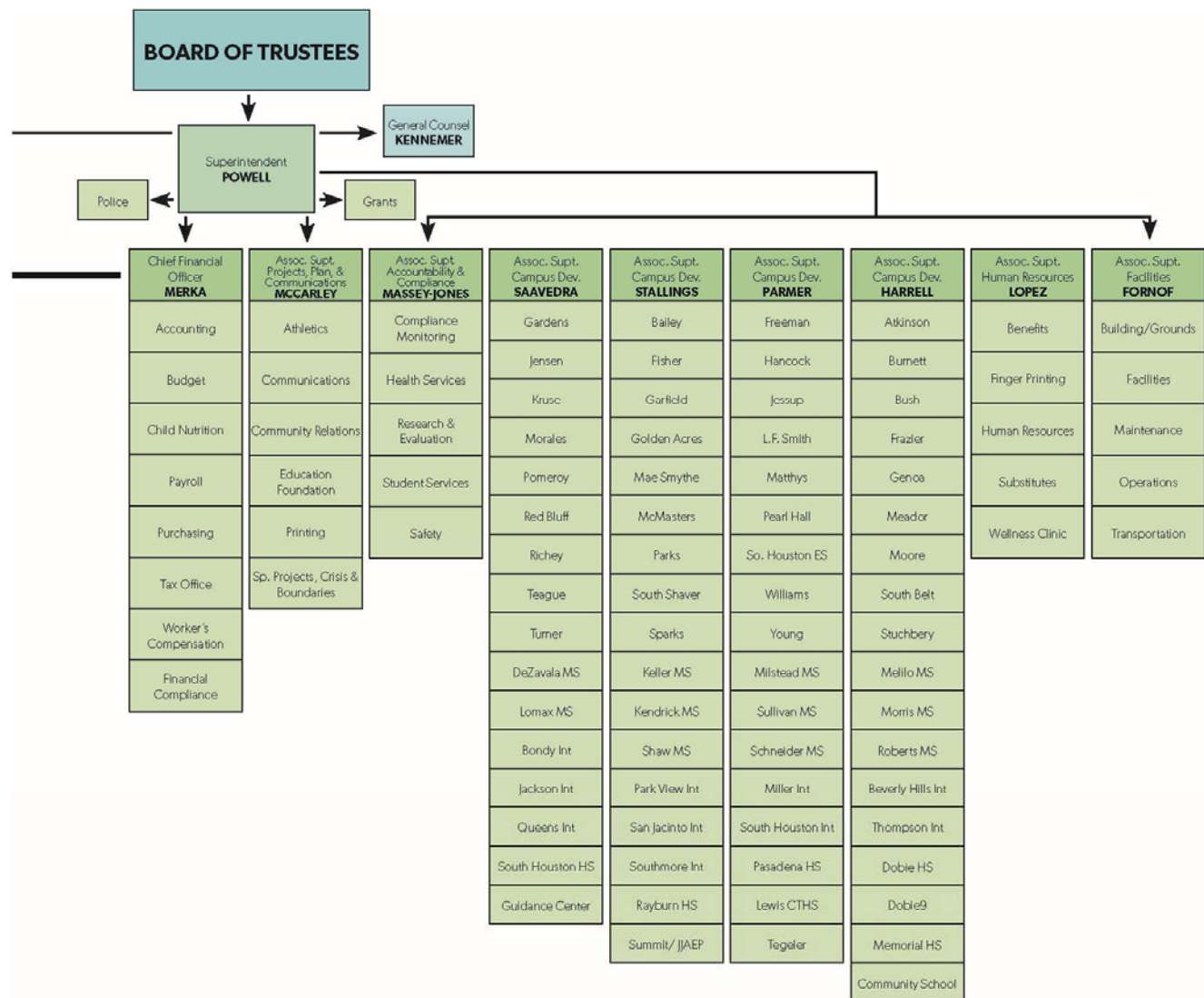
## Organizational Chart

Revised 10/13/20



# Pasadena Independent School District

## Organizational Chart



## CERTIFICATE OF BOARD

**Pasadena Independent School District**

Name of School District

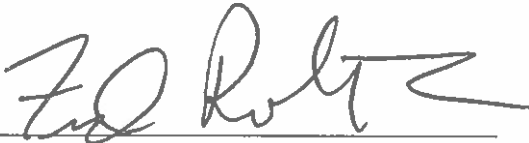
**Harris**

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, 2020 at a meeting of the Board of Trustees of such school district on January 26, 2021.



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 Comprehensive Annual  
Financial Report  
For the Fiscal Year Ended

August 31, 2019

*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 (CAFR)  
for the Fiscal Year Ended August 31, 2019.**

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



A handwritten signature in black ink, reading 'Claire Hertz'.

Claire Hertz, SFO  
President

A handwritten signature in black ink, reading '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, 2020, 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, 2020, 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 combining and individual fund financial statements and compliance schedules, 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 and compliance schedules, 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 26, 2021, on our consideration of the District's internal control over financial reporting and on our tests of its compliance with 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 26, 2021







## 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, 2020.

#### 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 \$71,054,438 (*net position*). Unrestricted net position reflects a deficit of \$232,452,772 which is caused by the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$439,985,087.
- The District’s total net position decreased by \$31,199,867. This is due to the increase in the negative effect of the net pension and OPEB liabilities and related deferred inflows and outflows in the amount of \$33,226,793.
- As of the close of the current fiscal year, the District’s governmental funds reported combined ending fund balances of \$305,734,550, a decrease of \$29,962,729 in comparison with the prior year.
- At the end of the current fiscal year, unassigned fund balance for the general fund was \$157,620,118, or 30.6 percent of total general fund expenditures.
- The District’s total net bonded debt decreased by \$28,693,464 (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, Issuance Costs and Fees, 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-three 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 fiduciary fund is used to account for resources held for the benefit of students. The fiduciary fund is *not* reflected in the government-wide financial statement because the resources of those funds are *not* available to support the District's own programs. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

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

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

**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.

**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, 2020 by \$71,054,438.

**Net Position**

	Governmental Activities					
	2020		2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
Current and other assets	\$ 419,147,334	30%	\$ 412,005,872	30%	\$ 7,141,462	2%
Capital Assets, Net of Depreciation	978,170,982	70%	977,018,623	70%	1,152,359	0%
<b>Total Assets</b>	<b>1,397,318,316</b>	<b>100%</b>	<b>1,389,024,495</b>	<b>100%</b>	<b>8,293,821</b>	<b>1%</b>
<b>Total Deferred Outflows of Resources</b>	<b>169,340,787</b>	<b>100%</b>	<b>161,451,752</b>	<b>100%</b>	<b>7,889,035</b>	<b>5%</b>
Current liabilities	87,775,873	6%	58,059,297	4%	29,716,576	51%
Long-term liabilities	1,271,097,775	94%	1,301,344,861	96%	(30,247,086)	-2%
<b>Total Liabilities</b>	<b>1,358,873,648</b>	<b>100%</b>	<b>1,359,404,158</b>	<b>100%</b>	<b>(530,510)</b>	<b>0%</b>
<b>Total Deferred Inflows of Resources</b>	<b>136,731,017</b>	<b>100%</b>	<b>88,817,784</b>	<b>100%</b>	<b>47,913,233</b>	<b>54%</b>
<b>Net Position:</b>						
Net investment in capital assets	270,641,335	381%	277,562,024	271%	(6,920,689)	-2%
Restricted	32,865,875	46%	37,988,890	37%	(5,123,015)	-13%
Unrestricted	(232,452,772)	-327%	(213,296,609)	-209%	(19,156,163)	9%
<b>Total Net Position</b>	<b>\$ 71,054,438</b>	<b>100%</b>	<b>\$ 102,254,305</b>	<b>100%</b>	<b>\$ (31,199,867)</b>	<b>-31%</b>

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

The largest portion of the District's net position (\$270,641,335) 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 (\$32,865,875) is restricted for grants related to state and federal programs and debt service.

Unrestricted net position reported a negative \$232,452,772 due to implementation of GASB Statement No. 75 for OPEB obligations in the prior year and the resulting net OPEB liability.

**Changes in Net Position**

	Governmental Activities					
	2020		2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
<b>Revenues</b>						
Program Revenues:						
Charges for services	\$ 9,177,615	1%	\$ 12,411,448	2%	\$ (3,233,833)	-26%
Operating grants & contributions	155,032,044	23%	156,048,283	22%	(1,016,239)	-1%
General Revenues:						
Property Taxes, Levied for General Purpose	167,471,082	25%	166,441,003	23%	1,030,079	1%
Property Taxes, Levied for Debt Service	42,483,789	6%	38,863,792	5%	3,619,997	9%
Grants and Contributions Not Restricted to Specific Programs	300,703,430	44%	327,011,357	46%	(26,307,927)	-8%
Investment Earnings	5,511,638	1%	10,517,950	1%	(5,006,312)	-48%
Miscellaneous	1,501,141	0%	2,987,397	0%	(1,486,256)	-50%
<b>Total Revenues</b>	<b>681,880,739</b>	<b>100%</b>	<b>714,281,230</b>	<b>100%</b>	<b>(32,400,491)</b>	<b>-5%</b>
<b>Expenses</b>						
Instruction	412,476,671	58%	391,294,271	57%	21,182,400	5%
Instructional resources and media services	8,254,580	1%	8,315,278	1%	(60,698)	-1%
Curriculum and staff development	9,999,796	1%	9,878,356	1%	121,440	1%
Instructional leadership	10,787,004	2%	9,619,143	1%	1,167,861	12%
School leadership	48,569,450	7%	46,032,004	7%	2,537,446	6%
Guidance, counseling, and evaluation services	33,694,832	5%	30,267,504	4%	3,427,328	11%
Social work services	316,748	0%	345,638	0%	(28,890)	-8%
Health services	6,491,585	1%	5,926,990	1%	564,595	10%
Student transportation	19,364,194	3%	19,769,451	3%	(405,257)	-2%
Food service	31,678,818	4%	33,933,645	5%	(2,254,827)	-7%
Extracurricular activities	11,243,237	2%	12,902,510	2%	(1,659,273)	-13%
General administration	14,601,283	2%	13,439,947	2%	1,161,336	9%
Plant, maintenance and operations	60,364,047	8%	61,674,755	9%	(1,310,708)	-2%
Security and monitoring services	6,508,045	1%	5,785,455	1%	722,590	12%
Data processing services	7,370,527	1%	7,067,502	1%	303,025	4%
Community services	460,044	0%	545,018	0%	(84,974)	-16%
Interest and fiscal charges for long term debt	26,502,700	4%	30,834,342	4%	(4,331,642)	-14%
Issuance Costs and Fees	1,787,139	0%	-	0%	1,787,139	0%
Facilities Repair and Maintenance	86,531	0%	88,731	0%	(2,200)	-2%
Payments Related to Shared Service Arrangements	903,093	0%	767,296	0%	135,797	18%
Payments to Juvenile Justice Alternative Education Programs	98,085	0%	91,716	0%	6,369	7%
Other governmental charges	1,522,197	0%	1,488,678	0%	33,519	2%
<b>Total Expenses</b>	<b>713,080,606</b>	<b>100%</b>	<b>690,068,230</b>	<b>100%</b>	<b>23,012,376</b>	<b>3%</b>
Change in Net Position	(31,199,867)		24,213,000		(55,412,867)	
<b>Net Position - Beginning</b>	<b>102,254,305</b>		<b>78,041,305</b>		<b>24,213,000</b>	
<b>Net Position - Ending</b>	<b>\$ 71,054,438</b>		<b>\$ 102,254,305</b>		<b>\$ (31,199,867)</b>	

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

**Governmental Activities** - The District's net position decreased by \$31,199,867 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 \$455,735,474 represent 67 percent of total revenues and property taxes totaling \$209,954,871 represent 31 percent of total revenues. The remaining 2 percent is generated from charges for services, investment earnings and miscellaneous revenues.

The primary functional expense of the District is instruction (\$412,476,671), which represents 58 percent of total expenses. Plant maintenance and operations (\$60,364,047) represents 8 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 \$305,734,550, a decrease of \$29,962,729 in comparison with the prior year. The decrease in ending governmental fund balances is primarily due to the decrease in the capital projects fund in the amount of \$30,974,735 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 \$157,620,118, while total fund balance reached \$185,810,894. 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 30.6 percent of total general fund expenditures, while total fund balance represents 36.1 percent of that same amount. The fund balance of the District's general fund increased by \$7,762,582 during the current fiscal year. The increase is primarily due to the increase in property tax collections from growth in property tax values.

The debt service fund has a total fund balance of \$29,680,603, all of which is restricted for the payment of debt service. The net decrease in the debt service fund balance during the current year of \$1,048,530 was attributable to payment of debt service expenditures per scheduled debt payments.

The capital projects fund has a total fund balance of \$84,625,777, all of which is restricted for building and equipping school facilities and technology projects/enhancements. The net decrease in fund balance during the current year of \$30,974,735 was due to spending bond funds received in prior years on ongoing capital projects.

**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 increase in net position is primarily due to lower than anticipated workers compensation claims during the year. 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	\$ 553,540,458	\$ 530,107,424	\$ 516,703,149
Total Expenditures	(540,631,678)	(539,069,391)	(514,321,736)
Other sources - transfers in	-	-	16,381,169
Other uses - transfers out	-	(10,000,000)	(11,000,000)
<b>Net Change in Fund Balance</b>	<b>\$ 12,908,780</b>	<b>\$ (18,961,967)</b>	<b>\$ 7,762,582</b>

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

- Budgeted revenues decreased \$13.4 million primarily due to state revenue decreased as a result of COVID-19.
- Budgeted expenditures increased by \$24.0 million due to COVID-19.

Difference between the final budget and actual revenue was primarily due to COVID-19. Expenditures had favorable variances 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, 2020 amounts to \$978,170,982 (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 increase in the District's investment in capital assets for the current fiscal year was \$1,152,359 .

**Capital Assets (Net of Depreciation)**

	<b>Governmental Activities</b>					
	<b>2020</b>		<b>2019</b>		<b>Increase (Decrease)</b>	
	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>	<b>Amount</b>	<b>%</b>
Land	\$ 70,903,065	7%	\$ 70,903,065	7%	\$ -	0%
Buildings and improvements	854,206,552	88%	845,654,053	87%	8,552,499	1%
Furniture and equipment	51,895,824	5%	57,346,472	6%	(5,450,648)	-10%
Construction in progress	1,165,541	0%	3,115,033	0%	(1,949,492)	-63%
<b>Totals</b>	<b>\$ 978,170,982</b>	<b>100%</b>	<b>\$ 977,018,623</b>	<b>100%</b>	<b>\$ 1,152,359</b>	<b>0.1%</b>

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

- \$30,506,950 in additions to buildings and improvements, which includes \$2,805,052 transferred from construction in progress to completed projects.
- \$4,790,642 in additions to furniture and equipment.
- \$1,493,521 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, 2020. The projects include the construction and equipment of school facilities. At year-end, the District's remaining commitments with contractors totals \$21.6 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, 2020 are as follows:

	Governmental Activities					
	2020		2019		Increase (Decrease)	
	Amount	%	Amount	%	Amount	%
General Obligation Bonds, net	\$ 797,365,821	63%	\$ 826,059,285	63%	\$ (28,693,464)	-3%
Health Insurance Claims	4,161,271	0%	4,558,245	0%	(396,974)	-9%
Workers' Compensation Claims	1,914,242	0%	2,004,080	0%	(89,838)	-4%
Compensated Absences	271,981	0%	333,163	0%	(61,182)	-18%
Net Pension Liability	209,167,194	16%	215,224,797	17%	(6,057,603)	-3%
Net OPEB Liability	237,273,584	19%	243,567,654	19%	(6,294,070)	-3%
Derivative Instruments - Rate Swaps	20,943,682	2%	9,597,637	1%	11,346,045	118%
	<u>\$ 1,271,097,775</u>	<u>100%</u>	<u>\$ 1,301,344,861</u>	<u>100%</u>	<u>\$ (30,247,086)</u>	<u>-2%</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 2020-2021 fiscal year budget:

- Appraised value used for the 2020-2021 budget preparation is expected to be \$15.1 billion and taxable value expected to be \$17.0 billion
- General Fund expenditures are budgeted to increase 2.48% or \$12.6 million primarily due to additional staff needed for expected staff raises.
- The District's 2020-2021 refined average daily attendance is expected to be 48,700. This is estimated to remain flat with no growth for the 2020-2021 school year.

These indicators were taken into account when adopting the general fund budget for 2020-2021. Estimated revenue in the general fund budget for the 2020-2021 school year is \$534.0 million, an increase of 6.33% over the adopted 2019-2020 budget of \$551.0 million.

General fund expenditures are budgeted to increase 2.48% or \$11.9 million primarily due to salary increases. The District adopted a deficit budget for 2019-2020 in the amount of \$16.0 million. The Maintenance and Operations tax rate decreased to \$1.07 and the Interest and Sinking rate to pay the debt increased to \$0.31 for a total tax rate of \$1.38.

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

**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, 2020**

**Exhibit A-1**

<b>Data Control Codes</b>		<b>Governmental Activities</b>
	<b>Assets</b>	
1110	Cash and temporary investments	\$ 9,961,006
1120	Investments	246,992,107
1225	Property taxes receivables, net	12,535,778
1240	Due from other governments	52,467,514
1250	Accrued interest	118,564
1290	Other receivables, net	604,675
1300	Inventories	1,744,533
1410	Prepaid items	7,244,302
	Capital assets not subject to depreciation:	
1510	Land	70,903,065
1580	Construction in progress	1,165,541
	Capital assets net of depreciation:	
1520	Buildings and improvements, net	854,206,552
1530	Furniture and equipment, net	51,895,824
1800	Restricted assets	264,013
1910	Long-term investments	87,214,842
<b>1000</b>	<b>Total Assets</b>	<b>1,397,318,316</b>
	<b>Deferred Outflows of Resources</b>	
	Deferred instruments - rate swaps	20,943,682
	Deferred outflows - pension	98,074,178
	Deferred outflows - OPEB	45,112,530
	Deferred charge on refunding	5,210,397
<b>1700</b>	<b>Total Deferred Outflows of Resources</b>	<b>169,340,787</b>
	<b>Liabilities</b>	
2110	Accounts payable	8,614,773
2140	Interest payable	1,469,889
2150	Payroll deductions and withholdings	4,514,125
2160	Accrued wages payable	38,233,690
2180	Due to other governments	34,212,590
2190	Due to student groups	1,592
2300	Unearned revenue	729,214
	Noncurrent Liabilities:	
2501	Due within one year	27,619,297
2502	Due in more than one year	776,094,018
2502	Derivative instruments - rate swaps	20,943,682
2540	Net pension liability	209,167,194
2545	Net other post-employment benefits (OPEB) liability	237,273,584
<b>2000</b>	<b>Total Liabilities</b>	<b>1,358,873,648</b>
	<b>Deferred Inflows of Resources</b>	
	Deferred inflows - pension	34,082,940
	Deferred inflows - OPEB	102,648,077
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<b>136,731,017</b>
	<b>Net Position</b>	
3200	Net investment in capital assets	270,641,335
	Restricted for:	
3820	Federal and state programs	2,655,822
3850	Debt service	30,210,053
3900	Unrestricted	(232,452,772)
<b>3000</b>	<b>Total net position</b>	<b>\$ 71,054,438</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**

*Exhibit B-1*

**STATEMENT OF ACTIVITIES**

*For the Fiscal Year Ended August 31, 2020*

Data Control Codes	Functions/Programs	Expenses	Program Revenue		Net (Expense) Revenue and Changes in Net Position
			Charges for Services	Operating Grants and Contributions	Primary Government
					Governmental Activities
	<b>Governmental activities:</b>				
11	Instruction	\$ 412,476,671	\$ 1,335,808	\$ 79,798,382	\$ (331,342,481)
12	Instructional resources & media service	8,254,580	9,446	843,812	(7,401,322)
13	Curriculum and staff development	9,999,796	29,132	2,051,460	(7,919,204)
21	Instructional leadership	10,787,004	253,617	2,303,336	(8,230,051)
23	School leadership	48,569,450	29,108	5,725,559	(42,814,783)
31	Guidance, counseling & evaluation	33,694,832	24,969	9,220,732	(24,449,131)
32	Social work services	316,748	-	153,394	(163,354)
33	Health services	6,491,585	2,469	10,373,159	3,884,043
34	Student transportation	19,364,194	-	1,691,760	(17,672,434)
35	Food service	31,678,818	5,845,072	21,711,972	(4,121,774)
36	Extracurricular activities	11,243,237	1,475,278	1,104,791	(8,663,168)
41	General administration	14,601,283	145,203	4,835,414	(9,620,666)
51	Plant, maintenance and operations	60,364,047	9,449	5,019,658	(55,334,940)
52	Security and monitoring services	6,508,045	6,117	1,086,647	(5,415,281)
53	Data processing services	7,370,527	-	1,051,020	(6,319,507)
61	Community services	460,044	11,947	204,873	(243,224)
72	Interest and fiscal charges for long term debt	26,502,700	-	7,300,440	(19,202,260)
73	Debt issuance costs and fees	1,787,139	-	-	(1,787,139)
81	Facilities acquisition and construction	86,531	-	555,635	469,104
93	Payments related to shared services arrangements	903,093	-	-	(903,093)
95	Payments to JJAEP	98,085	-	-	(98,085)
99	Payments to Appraisal District	1,522,197	-	-	(1,522,197)
<b>TG</b>	<b>Total governmental activities</b>	<u>713,080,606</u>	<u>9,177,615</u>	<u>155,032,044</u>	<u>(548,870,947)</u>
<b>TP</b>	<b>Total primary government</b>	<u>\$ 713,080,606</u>	<u>\$ 9,177,615</u>	<u>\$ 155,032,044</u>	<u>(548,870,947)</u>

Data Control Codes		
<b>General revenues:</b>		
Taxes:		
<b>MT</b>	Property taxes, levied for general purposes	167,471,082
<b>DT</b>	Property taxes, levied for debt service	42,483,789
<b>SF</b>	State-aid formula grants	300,703,430
<b>IE</b>	Investment earnings	5,511,638
<b>MI</b>	Miscellaneous	1,501,141
<b>TR</b>	<b>Total general revenues</b>	<u>517,671,080</u>
<b>CN</b>	Change in net position	(31,199,867)
<b>NB</b>	<b>Net position - beginning</b>	<u>102,254,305</u>
<b>NE</b>	<b>Net position - ending</b>	<u>\$ 71,054,438</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**August 31, 2020**

**Exhibit C-1**  
**Page 1 of 2**

<b>Data Control Codes</b>	<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Assets</b>			
1110 Cash and cash equivalents	\$ -	\$ 869,394	\$ -
1120 Investments	136,709,148	23,123,711	75,364,982
<b>Receivables:</b>			
1220 Delinquent property taxes receivables	20,711,151	3,854,493	-
1230 Allowance for uncollectible taxes (credit)	(10,174,712)	(1,855,154)	-
1240 Receivables from other governments	30,457,192	-	-
1250 Accrued interest	67,934	20,509	30,121
1260 Due from other funds	31,696,550	-	-
1290 Other receivables	350,161	-	-
1300 Inventories	940,217	-	-
1410 Prepaid items	7,204,870	-	-
1810 Restricted cash and cash equivalents	-	264,013	-
1910 Long term investments	54,859,744	9,180,566	23,174,532
<b>1000 Total Assets</b>	<b>\$ 272,822,255</b>	<b>\$ 35,457,532</b>	<b>\$ 98,569,635</b>
<b>Liabilities:</b>			
2110 Accounts payable	\$ 6,927,603	\$ -	\$ 1,683,249
2150 Payroll deduction and withholdings	4,514,125	-	-
2160 Accrued wages payable	34,751,828	-	5,752
2170 Due to other funds	77,895	-	12,254,857
2180 Payable to other governments	30,203,473	3,777,590	-
2190 Due to student and employee groups	-	-	-
2300 Unearned revenue	-	-	-
<b>2000 Total Liabilities</b>	<b>76,474,924</b>	<b>3,777,590</b>	<b>13,943,858</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenues - Property Taxes	10,536,437	1,999,339	-
<b>2600 Total Deferred Inflows of Resources</b>	<b>10,536,437</b>	<b>1,999,339</b>	<b>-</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
3410 Inventories	940,217	-	-
3430 Prepaid items	7,204,870	-	-
<b>Restricted:</b>			
3450 Federal/State grant restrictions	-	-	-
3470 Capital acquisitions	-	-	84,625,777
3480 Debt service	-	29,680,603	-
<b>Committed:</b>			
3510 Construction repairs, renovations	10,000,000	-	-
3545 Other purposes	-	-	-
<b>Assigned:</b>			
3590 Other assigned	10,045,689	-	-
3600 Unassigned	157,620,118	-	-
<b>3000 Total Fund Balances</b>	<b>185,810,894</b>	<b>29,680,603</b>	<b>84,625,777</b>
<b>4000 Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 272,822,255</b>	<b>\$ 35,457,532</b>	<b>\$ 98,569,635</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**BALANCE SHEET**  
**GOVERNMENTAL FUNDS**  
**August 31, 2020**

**Exhibit C-1**  
**Page 2 of 2**

<b>Data Control Codes</b>	<b>Elementary &amp; Secondary School Emergency Relief Fund (ESSER)</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Assets</b>			
1110 Cash and cash equivalents	\$ -	\$ 7,510,395	\$ 8,379,789
1120 Investments	-	195,807	235,393,648
<b>Receivables:</b>			
1220 Delinquent property taxes receivables	-	-	24,565,644
1230 Allowance for uncollectible taxes (credit)	-	-	(12,029,866)
1240 Receivables from other governments	13,939,996	8,070,326	52,467,514
1250 Accrued interest	-	-	118,564
1260 Due from other funds	-	77,197	31,773,747
1290 Other receivables	-	254,514	604,675
1300 Inventories	-	804,316	1,744,533
1410 Prepaid items	-	39,432	7,244,302
1810 Restricted cash and cash equivalents	-	-	264,013
1910 Long term investments	-	-	87,214,842
<b>1000 Total Assets</b>	<b>\$ 13,939,996</b>	<b>\$ 16,951,987</b>	<b>\$ 437,741,405</b>
<b>Liabilities:</b>			
2110 Accounts payable	\$ -	\$ 3,921	\$ 8,614,773
2150 Payroll deduction and withholdings	-	-	4,514,125
2160 Accrued wages payable	-	3,476,110	38,233,690
2170 Due to other funds	13,939,996	5,500,999	31,773,747
2180 Payable to other governments	-	231,527	34,212,590
2190 Due to student and employee groups	-	1,592	1,592
2300 Unearned revenue	-	729,214	729,214
<b>2000 Total Liabilities</b>	<b>13,939,996</b>	<b>9,943,363</b>	<b>118,079,731</b>
<b>Deferred Inflows of Resources</b>			
Unavailable Revenues - Property Taxes	-	1,391,348	13,927,124
<b>2600 Total Deferred Inflows of Resources</b>	<b>-</b>	<b>1,391,348</b>	<b>13,927,124</b>
<b>Fund Balances:</b>			
<b>Nonspendable:</b>			
3410 Inventories	-	-	940,217
3430 Prepaid items	-	39,432	7,244,302
<b>Restricted:</b>			
3450 Federal/State grant restrictions	-	1,264,474	1,264,474
3470 Capital acquisitions	-	-	84,625,777
3480 Debt service	-	-	29,680,603
<b>Committed:</b>			
3510 Construction repairs, renovations	-	-	10,000,000
3545 Other purposes	-	4,350,225	4,350,225
<b>Assigned:</b>			
3590 Other assigned	-	-	10,045,689
3600 Unassigned	-	(36,855)	157,583,263
<b>3000 Total Fund Balances</b>	<b>-</b>	<b>5,617,276</b>	<b>305,734,550</b>
<b>4000 Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 13,939,996</b>	<b>\$ 16,951,987</b>	<b>\$ 437,741,405</b>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF BALANCE SHEET FOR GOVERNMENTAL FUNDS**  
**TO THE STATEMENT OF NET POSITION**  
**August 31, 2020**

**Exhibit C-2**

**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:		\$ 305,734,550
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	1,494,477,484
	Accumulated Depreciation of Governmental Capital Assets	(516,306,502)
		<u>978,170,982</u>
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.	13,927,124
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	(724,005,000)
	Premium on Bonds Payable	(73,360,821)
	Accrued Interest on the Bonds	(1,469,889)
	Compensated Absences	(271,981)
	Net Pension Liability	(209,167,194)
	Net OPEB Liability	(237,273,584)
		<u>(1,245,548,469)</u>
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	6,469,373
	Workers' Compensation	634,790
		<u>7,104,163</u>
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.	5,210,397
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	98,074,178
	Deferred outflows - OPEB related	45,112,530
	Deferred inflows - pension related	(34,082,940)
	Deferred outflows - OPEB related	(102,648,077)
		<u>6,455,691</u>
<b>19</b>	<b>Total Net Position - Governmental Activities</b>	<b><u>\$ 71,054,438</u></b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended August 31, 2020**

**Exhibit C-3**  
**Page 1 of 2**

<b>Data Control Codes</b>		<b>General Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 171,955,411	\$ 42,679,457	\$ 2,288,602
5800	State program revenues	329,778,635	7,474,803	-
5900	Federal program revenues	14,969,103	-	-
<b>5020</b>	<b>Total revenues</b>	<b>516,703,149</b>	<b>50,154,260</b>	<b>2,288,602</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	314,107,938	-	-
0012	Instruction resources and media services	7,180,461	-	-
0013	Curriculum and instructional staff development	7,135,301	-	-
0021	Instructional leadership	7,498,450	-	-
0023	School leadership	40,439,544	-	-
0031	Guidance, counseling and evaluation services	22,125,623	-	-
0032	Social work services	169,179	-	-
0033	Health services	5,463,730	-	-
0034	Student transportation	17,321,396	-	-
0035	Food services	-	-	-
0036	Extracurricular activities	7,635,178	-	-
0041	General administration	12,652,513	-	-
0051	Facilities maintenance and operations	55,458,887	-	-
0052	Security and monitoring services	6,098,603	-	-
0053	Data processing services	6,037,866	-	-
0061	Community services	223,579	-	-
<b>Debt service:</b>				
0071	Principal on long-term debt	-	19,855,000	-
0072	Interest on long-term debt	-	30,050,570	-
0073	Bond issuance costs and fees	-	1,787,139	-
<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	2,250,113	-	28,916,237
<b>Intergovernmental:</b>				
0093	Payments related to shared services arrangements	903,093	-	-
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	98,085	-	-
0099	Payments to Appraisal District	1,522,197	-	-
<b>6030</b>	<b>Total Expenditures</b>	<b>514,321,736</b>	<b>51,692,709</b>	<b>28,916,237</b>
1100	Excess (deficiency) of revenues over expenditures	2,381,413	(1,538,449)	(26,627,635)
<b>Other Financing Sources (Uses)</b>				
7911	Issuance of bonds	-	151,635,000	-
7915	Transfers in	16,381,169	-	10,438,900
7916	Premium or discount on issuance of bonds	-	22,392,312	-
8911	Transfers out	(11,000,000)	-	(14,786,000)
8949	Other uses - payment to refunding agent	-	(173,537,393)	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>5,381,169</b>	<b>489,919</b>	<b>(4,347,100)</b>
1200	Net change in fund balances	7,762,582	(1,048,530)	(30,974,735)
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>178,048,312</b>	<b>30,729,133</b>	<b>115,600,512</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ 185,810,894</b>	<b>\$ 29,680,603</b>	<b>\$ 84,625,777</b>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENDITURES AND CHANGES**  
**IN FUND BALANCE - GOVERNMENTAL FUNDS**  
**For the Fiscal Year Ended August 31, 2020**

**Exhibit C-3**  
**Page 2 of 2**

<b>Data Control Codes</b>		<b>Elementary &amp; Secondary School Emergency Relief Fund (ESSER)</b>	<b>Nonmajor Governmental Funds</b>	<b>Total Governmental Funds</b>
<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ 9,272,541	\$ 226,196,011
5800	State program revenues	-	8,895,381	346,148,819
5900	Federal program revenues	13,939,996	58,760,678	87,669,777
<b>5020</b>	<b>Total revenues</b>	<b>13,939,996</b>	<b>76,928,600</b>	<b>660,014,607</b>
<b>Expenditures</b>				
<b>Current:</b>				
0011	Instruction	13,939,996	32,823,993	360,871,927
0012	Instruction resources and media services	-	34,111	7,214,572
0013	Curriculum and instructional staff development	-	1,464,307	8,599,608
0021	Instructional leadership	-	1,814,628	9,313,078
0023	School leadership	-	1,677,584	42,117,128
0031	Guidance, counseling and evaluation services	-	6,703,518	28,829,141
0032	Social work services	-	125,669	294,848
0033	Health services	-	145,722	5,609,452
0034	Student transportation	-	187,374	17,508,770
0035	Food services	-	30,807,525	30,807,525
0036	Extracurricular activities	-	2,732,743	10,367,921
0041	General administration	-	71,730	12,724,243
0051	Facilities maintenance and operations	-	728,450	56,187,337
0052	Security and monitoring services	-	532,199	6,630,802
0053	Data processing services	-	530,998	6,568,864
0061	Community services	-	216,026	439,605
<b>Debt service:</b>				
0071	Principal on long-term debt	-	-	19,855,000
0072	Interest on long-term debt	-	-	30,050,570
0073	Bond issuance costs and fees	-	-	1,787,139
<b>Capital outlay:</b>				
0081	Facilities acquisition and construction	-	-	31,166,350
<b>Intergovernmental:</b>				
0093	Payments related to shared services arrangements	-	-	903,093
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	-	-	98,085
0099	Payments to Appraisal District	-	-	1,522,197
<b>6030</b>	<b>Total Expenditures</b>	<b>13,939,996</b>	<b>80,596,577</b>	<b>689,467,255</b>
1100	Excess (deficiency) of revenues over expenditures	-	(3,667,977)	(29,452,648)
<b>Other Financing Sources (Uses)</b>				
7911	Issuance of bonds	-	-	151,635,000
7915	Transfers in	-	-	26,820,069
7916	Premium or discount on issuance of bonds	-	-	22,392,312
8911	Transfers out	-	(2,034,069)	(27,820,069)
8949	Other uses - payment to refunding agent	-	-	(173,537,393)
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<b>-</b>	<b>(2,034,069)</b>	<b>(510,081)</b>
1200	Net change in fund balances	-	(5,702,046)	(29,962,729)
<b>0100</b>	<b>Fund Balance - beginning</b>	<b>-</b>	<b>11,319,322</b>	<b>335,697,279</b>
<b>3000</b>	<b>Fund Balance - ending</b>	<b>\$ -</b>	<b>\$ 5,617,276</b>	<b>\$ 305,734,550</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND**  
**CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE**  
**STATEMENT OF ACTIVITIES**  
**For the Fiscal Year Ended August 31, 2020**

**Exhibit C-4**

<u>Data Control Codes</u>		
	Net change in fund balances - total governmental funds (from C-3)	\$ (29,962,729)
	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.	34,446,611
2	Depreciation expense taken to Statement of Activities.	(33,294,252)
		<u>1,152,359</u>
3	The net effect of various miscellaneous transactions involving capital assets (i.e., retirements and transfers) is to decrease net position.	
4	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.	2,418,052
5	Repayment of bond principal is an expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	19,855,000
6	Payment to escrow agent for refunding.	173,537,393
7	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(151,635,000)
8	Premium received from issuance of long-term debt	(22,392,312)
9	Changes in pension liabilities and related deferred outflows and inflows of resources	(28,104,533)
10	Changes in OPEB liabilities and related deferred outflows and inflows of resources	(5,122,260)
	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:	
11	Decrease in interest payable not recognized in fund statements	11,264
12	Amortization of gain/loss on refunding	(994,763)
13	Amortization of premiums and discounts on issuance of bonds	4,531,369
14	Change in accrued compensated absences	61,182
15	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>5,445,111</u>
	<b>Change in net position of governmental activities</b>	<b><u>\$ (31,199,867)</u></b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF NET POSITION**  
**PROPRIETARY FUNDS**  
*August 31, 2020*

*Exhibit D-1*

<b>Data Control Codes</b>		<b>Governmental Activities Internal Service Funds</b>
<b>Assets</b>		
<b>Current assets:</b>		
1110	Cash and cash equivalents	\$ 1,581,217
1120	Temporary investments, at fair value	11,598,459
<b>Total Current Assets</b>		<u>13,179,676</u>
1000	<b>Total Assets</b>	<u><u>\$ 13,179,676</u></u>
<b>Liabilities</b>		
<b>Current liabilities:</b>		
2200	Claims payable	\$ 4,657,757
<b>Total current liabilities</b>		<u>4,657,757</u>
<b>Non-current liabilities:</b>		
2590	Claims and judgments	1,417,756
<b>Total non-current liabilities</b>		<u>1,417,756</u>
2000	<b>Total Liabilities</b>	<u>6,075,513</u>
<b>Net Position</b>		
3900	Unrestricted net position	7,104,163
3000	<b>Total Net Position</b>	<u><u>\$ 7,104,163</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN NET POSITION**  
**PROPRIETARY FUNDS**  
*For the Fiscal Year Ended August 31, 2020*

*Exhibit D-2*

<b>Data Control Codes</b>	<b>Governmental Activities Internal Service Funds</b>
<b>Operating Revenues</b>	
5754 Interfund services provided and used	\$ 45,875,808
5745 Insurance recovery	2,692,269
5749 Miscellaneous revenue	87,430
5020 <b>Total operating revenues</b>	<b>48,655,507</b>
<b>Operating Expenses</b>	
6100 Payroll costs	996,786
6200 Purchased and contracted services	852,935
6400 Claims expense and other operating expenses	42,442,285
6030 <b>Total Operating Expenses</b>	<b>44,292,006</b>
1200 Operating Income (Loss)	4,363,501
<b>Non-Operating Revenues (Expenses)</b>	
7955 Investment earnings	81,610
8030 <b>Total Non-Operating Revenues</b>	<b>81,610</b>
<b>Income (Loss) before Transfers</b>	<b>4,445,111</b>
<b>Transfers</b>	
7915 Transfers in	1,000,000
<b>Total Transfers</b>	<b>1,000,000</b>
1200 Change in Net Position	5,445,111
<b>Net Position:</b>	
0100 <b>Net Position - beginning</b>	<b>1,659,052</b>
3300 <b>Net Position - ending</b>	<b>\$ 7,104,163</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CASH FLOWS**  
**PROPRIETARY SERVICE FUNDS**  
*For the Fiscal Year Ended August 31, 2020*

*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	\$ 45,875,808
Cash receipts from (payments to) miscellaneous sources	87,430
Cash payments for insurance claims	2,692,269
Cash payments to employees	(996,786)
Cash payments to suppliers for goods and services	(43,782,032)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>3,876,689</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>	
Cash payment from other funds	1,000,000
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<u>1,000,000</u>
<b>Cash Flows from Investing Activities:</b>	
Interest on investments	81,610
Purchase on Investments	(3,991,371)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>(3,909,761)</u>
 Net Increase (Decrease) in Cash and Cash Equivalents	 966,928
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>614,289</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u><u>\$ 1,581,217</u></u>
<b>Reconciliation to Balance Sheet</b>	
Cash and Cash Equivalents Per Cash Flow	<u>\$ 1,581,217</u>
 Cash and Cash Equivalents per Balance Sheet	 <u><u>\$ 1,581,217</u></u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>	
Operating Income (Loss)	\$ 4,363,501
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided by (used for) Operating Activities	
Change in Assets and Liabilities:	
Increase (decrease) in Claims payable	(486,812)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u><u>\$ 3,876,689</u></u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF ASSETS AND LIABILITIES - FIDUCIARY FUND**  
*For the Fiscal Year Ended August 31, 2020*

*Exhibit E-1*

<b>Data Control Codes</b>		<b>Agency Fund</b>
	<b>Assets</b>	
1110	Cash and cash equivalents	\$ 510,339
	<b>Total Assets</b>	<u>\$ 510,339</u>
	<b>Liabilities</b>	
2190	Due to others	\$ 510,339
2000	<b>Total Liabilities</b>	<u>\$ 510,339</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 *Elementary & Secondary School Emergency Relief Fund (ESSER) fund* is used to account for federal stimulus Elementary and ESSER fund granted to LEAs through the CARES Act to support LEAs' ability to operate and instruct their students during the COVID-19 pandemic.

**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 *agency fund* is used to account for assets held by the District as an agent for student organizations. The fund is custodial in nature (assets equal liabilities) and does not involve measurement of results of operation.

**D. Implementation of New Standards**

The following GASB pronouncements have been implemented by the District in the current fiscal year:

GASB Statement No. 95, *Postponement of the Effective Dates of Certain Authoritative Guidance*. This Statement was issued in March 2020. The primary objective of this Statement is to provide temporary relief to governments and other stakeholders in light of the COVID-19 pandemic. That objective is accomplished by postponing the effective dates of certain provisions in Statements and Implementation Guides that first became effective or are scheduled to become effective for periods beginning after June 15, 2018, and later. The requirements of this Statement are effective immediately.



**Note 1 - Summary of Significant Accounting Policies (continued)****D. Implementation of New Standards (continued)**

The effective dates of the following pronouncements are postponed by 12 months:

- Statement No. 83, *Certain Asset Retirement Obligations*
- Statement No. 84, *Fiduciary Activities*
- Statement No. 88, *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements*
- Statement No. 89, *Accounting for Interest Cost Incurred before the End of a Construction Period*
- Statement No. 90, *Majority Equity Interests*
- Statement No. 91, *Conduit Debt Obligations*
- Statement No. 92, *Omnibus 2020*
- Statement No. 93, *Replacement of Interbank Offered Rates*
- Implementation Guide No. 2017-3, *Accounting and Financial Reporting for Postemployment Benefits Other Than Pensions (and Certain Issues Related to OPEB Plan Reporting)*
- Implementation Guide No. 2018-1, *Implementation Guidance Update—2018*
- Implementation Guide No. 2019-1, *Implementation Guidance Update—2019*
- Implementation Guide No. 2019-2, *Fiduciary Activities*.

The effective dates of the following pronouncements are postponed by 18 months:

- Statement No. 87, *Leases*
- Implementation Guide No. 2019-3, *Leases*.

The District implemented GASB No. 83 *Certain Asset Retirement Obligations* and GASB No. 88 *Certain Disclosures Related to Debt, including Direct Borrowings and Direct Placements* in fiscal year 2019. The District plans on implementing GASB No. 84 *Fiduciary Activities* in fiscal year 2021 and GASB No. 87 *Leases* in fiscal year 2022.

The following GASB pronouncements have been issued but not yet implemented by the District:

GASB Statement No. 97, *Certain Component Unit Criteria, and Accounting and Financial Reporting for Internal Revenue Code Section 457 Deferred Compensation Plans*—an amendment of GASB Statements No. 14 and No. 84, and a supersession of GASB Statement No. 32. It was issued in June 2020, but the requirements in (1) paragraph 4 of this Statement as it applies to defined contribution pension plans, defined contribution OPEB plans, and other employee benefit plans and (2) paragraph 5 of this Statement are effective immediately. The requirements in paragraphs 6–9 of this Statement are effective for fiscal years beginning after June 15, 2021. Implementation of this Statement is planned for fiscal year 2022.

GASB Statement No. 96, *Subscription-Based Information Technology Arrangements*. This statement was issued in May 2020 and provides guidance on the accounting and financial reporting for subscription-based information technology arrangements (SBITAs) for government end users (governments). This Statement (1) defines a SBITA; (2) establishes that a SBITA results in a right-to-use subscription asset—an intangible asset—and a corresponding subscription liability; (3) provides the capitalization criteria for outlays other than subscription payments, including implementation costs of a SBITA; and (4) requires note disclosures regarding a SBITA. To the extent relevant, the standards for SBITAs are based on the standards established in Statement No. 87, *Leases*, as amended. This statement is effective for fiscal years beginning after June 15, 2022, and all reporting periods thereafter. Implementation of this Statement is planned for fiscal year 2023.

**Note 1 - Summary of Significant Accounting Policies (continued)****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 of economic resources. The basis of accounting indicates the timing of transactions or events for recognition in the financial statements.

The government-wide financial statements are reported using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund financial statements. 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.

The proprietary funds are reported using the economic resources measurement focus and the accrual basis of accounting. The fiduciary fund financial statement reflects the District's agency fund, which has no measurement focus but utilizes the accrual basis of accounting for reporting its assets and liabilities.

**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:

<b>Asset</b>	<b>Years</b>
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.

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

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

**6. Deferred Outflows/Inflows of Resources (continued)**

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.

**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.

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

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

**8. Long-Term Obligations (continued)**

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 current and past requirements for other long-term liabilities are generally liquidated with resources of the general fund.

**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).

**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)**

*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.

*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.

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

**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.

**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.

1. 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.
2. A meeting of the Board is then called for the purpose of adopting the proposed budget after ten days' public notice of the meeting has been given.
3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board.



**Note 2 - Stewardship, Compliance, and Accountability (continued)****A. Budgetary Information (continued)**

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.

**B. Encumbrances**

Encumbrance accounting is employed in governmental funds. Encumbrances (e.g., purchase orders, contracts) outstanding at year-end are reported as restricted, committed, or assigned, as appropriate.

At August 31, 2020, certain amounts which were previously restricted or assigned for specific purposes have been encumbered in the governmental funds. These amounts are as follows:

<b>Fund</b>	<b>Restricted</b>	<b>Committed</b>	<b>Assigned</b>
General Fund	\$ -	\$ 10,000,000	\$ 10,045,689
Capital Projects Fund	26,200,954	-	-
Total Encumbrances	<u>\$ 26,200,954</u>	<u>\$ 10,000,000</u>	<u>\$ 10,045,689</u>

**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.

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

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

**Investments (continued)**

For fiscal year 2020, 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 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.

**PASADENA INDEPENDENT SCHOOL DISTRICT***Exhibit F-1***NOTES TO THE FINANCIAL STATEMENTS (continued)***For the Year Ended August 31, 2020***Note 3 – Detailed Notes on All Funds (continued)****E. 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:

	<b>August 31, 2020</b>	<b>Significant Other Observable Inputs (Level 2)</b>	<b>Percent of Total Investments</b>	<b>Weighted Average Maturity (Days)</b>	<b>Credit Rating (S&amp;P)</b>
<b>Investments Measured at Amortized Cost:</b>					
<b>Investment Pools</b>					
TexPool	\$ 73,042,770	\$ -	21.8%	27	AAAm
TexPool Prime	508,293	-	0.2%	50	AAAm
Lone Star Corporate Overnight Fund	18,399	-	0.0%	54	AAAm
Long Star Government overnight Fund	48,779	-	0.0%	24	AAAm
Texas DAILY	312,206	-	0.1%	48	AAAm
<b>Investments Measured at Fair Value, Not Subject to Level Reporting:</b>					
<b>Investment Pools</b>					
Lone Star Corporate Overnight Plus Fund	54,728,304	-	16.4%	65	AAAf
Texas CLASS	38,084,313	-	11.4%	54	AAAm
<b>Investments Measured at Fair Value Subject to Level Reporting:</b>					
U.S. Government Agencies	81,876,312	81,876,312	24.5%	1016	AA+
Money Market	311,219	311,219	0.1%	1	N/A
US Treasury Securities	3,272,491	3,272,491	1.0%	546	AA+
Municipal Bonds	1,686,261	1,686,261	0.5%	427	AA+
Certificates of Deposit	2,522,474	2,522,474	0.8%	834	N/A
Commercial Paper	78,059,141	78,059,141	23.3%	121	A-1/A-1+
<b>Total</b>	<b>\$ 334,470,962</b>	<b>\$ 167,727,898</b>	<b>100.0%</b>		
<b>Portfolio Weighted Average Maturity</b>				<b>313</b>	

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)****E. 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 PFIA. 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, and Texas DAILY 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)**

**E. 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, 2020, District's bank balances of \$15,954,442 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.

**PASADENA INDEPENDENT SCHOOL DISTRICT**

*Exhibit F-1*

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the Year Ended August 31, 2020*

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

**B. Receivables**

Receivables as of August 31, 2020, including the applicable allowance for uncollectible accounts, are as follows:

	General Fund	Debt Service Fund	Capital Projects Fund	Elementary & Secondary School Emergency Relief Fund (ESSER)	Nonmajor Governmental Funds	Total
<b>Receivables:</b>						
Property taxes	\$ 20,711,151	\$ 3,854,493	\$ -	\$ -	\$ -	\$ 24,565,644
Due from other governments	30,457,192	-	-	13,939,996	8,070,326	52,467,514
Accrued interest	67,934	20,509	30,121	-	-	118,564
Other receivables	350,161	-	-	-	254,514	604,675
<b>Gross receivables</b>	<b>51,586,438</b>	<b>3,875,002</b>	<b>30,121</b>	<b>13,939,996</b>	<b>8,324,840</b>	<b>77,756,397</b>
Less allowance for doubtful accounts	(10,174,712)	(1,855,154)	-	-	-	(12,029,866)
<b>Net receivables</b>	<b>\$ 41,411,726</b>	<b>\$ 2,019,848</b>	<b>\$ 30,121</b>	<b>\$ 13,939,996</b>	<b>\$ 8,324,840</b>	<b>\$ 65,726,531</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, 2020, were as follows:

	Receivable	Payable
<b>Governmental Funds:</b>		
General Fund	31,696,550	77,895
Capital Projects		12,254,857
ESSER		13,939,996
Nonmajor Governmental Funds	77,197	5,500,999
	<u>\$ 31,773,747</u>	<u>\$ 31,773,747</u>

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, 2020:

Transfer Out	Transfer In	Amount
General Fund	Capital Projects Fund	\$ 10,000,000
General Fund	Internal Service Fund	1,000,000
Capital Projects Fund	General Fund	14,786,000
Nonmajor Governmental Funds	General Fund	1,595,169
Nonmajor Governmental Funds	Capital Projects Fund	438,900
<b>Total</b>		<u>\$ 27,820,069</u>

Transfers between the general fund and capital projects fund were to reimburse each fund for expenditures incurred in prior fiscal years. Transfers to the internal service fund from the general fund were provided to cover an operating deficit resulting from workers compensation claims. Transfers to the general fund and capital projects fund from the nonmajor governmental funds were to reimburse the general fund for grant expenditures incurred in prior years.

**PASADENA INDEPENDENT SCHOOL DISTRICT**

**Exhibit F-1**

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

**For the Year Ended August 31, 2020**

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

**D. Capital Assets**

	Beginning Balance August 31, 2019	Additions	Retirements	Transfers	Ending Balance August 31, 2020
<b>Capital assets, not being depreciated:</b>					
Land	\$ 70,903,065	\$ -	\$ -	\$ -	\$ 70,903,065
Construction in progress	3,115,033	855,560	-	(2,805,052)	1,165,541
<b>Total Capital assets, not being depreciated</b>	<b>74,018,098</b>	<b>855,560</b>	<b>-</b>	<b>(2,805,052)</b>	<b>72,068,606</b>
<b>Capital assets, being depreciated:</b>					
Buildings and improvements	1,186,974,496	27,701,898	-	2,805,052	1,217,481,446
Furniture and equipment	147,347,095	4,790,642	(438,900)	-	151,698,837
Vehicles	38,111,558	1,493,521	-	-	39,605,079
Library books and media	13,623,516	-	-	-	13,623,516
<b>Total Capital assets, being depreciated</b>	<b>1,386,056,665</b>	<b>33,986,061</b>	<b>(438,900)</b>	<b>2,805,052</b>	<b>1,422,408,878</b>
<b>Less accumulated depreciation for:</b>					
Buildings and improvements	(341,320,443)	(21,954,451)	-	-	(363,274,894)
Furniture and equipment	(109,425,442)	(9,573,394)	43,890	-	(118,954,946)
Vehicles	(20,783,878)	(1,609,327)	-	-	(22,393,205)
Library books and media	(11,526,377)	(157,080)	-	-	(11,683,457)
<b>Total Accumulated depreciation</b>	<b>(483,056,140)</b>	<b>(33,294,252)</b>	<b>43,890</b>	<b>-</b>	<b>(516,306,502)</b>
<b>Total Capital Assets, being Depreciated, net</b>	<b>903,000,525</b>	<b>691,809</b>	<b>(395,010)</b>	<b>2,805,052</b>	<b>906,102,376</b>
<b>Governmental Capital Assets</b>	<b>\$ 977,018,623</b>	<b>\$ 1,547,369</b>	<b>\$ (395,010)</b>	<b>\$ -</b>	<b>\$ 978,170,982</b>

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

	Function	Depreciation Expense
11	Instruction	\$ 20,640,337
12	Instructional resources and media services	464,812
13	Curriculum and staff development	462,082
21	Instructional leadership	486,014
23	School leadership	2,617,259
31	Guidance, counseling and evaluation services	1,432,696
32	Social work services	10,934
33	Health services	353,673
34	Student transportation	1,121,666
36	Extracurricular activities	494,614
41	General administration	819,265
51	Plant maintenance and operations	3,591,818
52	Security and monitoring services	393,556
53	Data processing services	391,069
61	Community services	14,457
	<b>Total depreciation expense</b>	<b>\$ 33,294,252</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT***Exhibit F-1***NOTES TO THE FINANCIAL STATEMENTS (continued)***For the Year Ended August 31, 2020***Note 3 – Detailed Notes on All Funds (continued)****Construction Commitments**

The District has active construction projects as of August 31, 2020. 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>
Red Bluff Elementary	\$ 103,684	\$ 49,400	\$ 54,284
Veteran's Stadium Lights	129,260	75,297	53,963
Bondy's A/C	512,322	441,906	70,416
Pasadena Culinary Arts	1,612,199	153,947	1,458,252
Maintenance & Warehouse Center	18,316,220	163,781	18,152,439
Roof Package for Multiple Sites	2,000,000	180,147	1,819,853
Window Leak Testing Dobie HS	46,709	18,048	28,661
Concrete Repair @ South Houston Intermediate	32,879	28,500	4,379
Miscellaneous Capital Projects	54,515	54,515	-
<b>Totals</b>	<b>\$ 22,807,788</b>	<b>\$ 1,165,541</b>	<b>\$ 21,642,247</b>

**E. Long-Term Liabilities**

The District's long-term liabilities consist of bond indebtedness, health insurance, workers' compensation, compensated absences, net pension and OPEB liability 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 liabilities are generally liquidated with resources of the general fund.

**Changes in Long-Term Liabilities**

Long-term liability activity for the year ended August 31, 2020, was as follows:

	<b>Balance at August 31, 2019</b>	<b>Additions</b>	<b>Retirements</b>	<b>Balance at August 31, 2020</b>	<b>Due Within One Year</b>
<b>Bonds Payable:</b>					
General obligation bonds payable	\$ 753,985,000	\$ 151,635,000	\$ (181,615,000)	\$ 724,005,000	\$ 22,900,000
Issuance premiums	72,074,285	22,392,312	(21,105,776)	73,360,821	-
<b>Total Bonds Payable, net</b>	<b>826,059,285</b>	<b>174,027,312</b>	<b>(202,720,776)</b>	<b>797,365,821</b>	<b>22,900,000</b>
Health Insurance Claims	4,558,245	42,790,304	(43,187,278)	4,161,271	4,161,271
Workers' Compensation Claims	2,004,080	906,948	(996,786)	1,914,242	496,486
Compensated Absences	333,163	2,641	(63,823)	271,981	61,540
<b>Government Activities Long-term Liabilities</b>	<b>\$ 832,954,773</b>	<b>\$ 217,727,205</b>	<b>\$ (246,968,663)</b>	<b>\$ 803,713,315</b>	<b>\$ 27,619,297</b>



**PASADENA INDEPENDENT SCHOOL DISTRICT**

*Exhibit F-1*

**NOTES TO THE FINANCIAL STATEMENTS (continued)**

*For the Year Ended August 31, 2020*

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

**E. Long-Term Liabilities (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:

Series	Original Issuance Amount	Interest Rate (%)	Final Maturity Date	Beginning Balance	Additions	Reductions	Debt Outstanding
2005B - School Building Bonds	\$ 80,000,000	Variable	2035	\$ 79,900,000	\$ -	\$ -	\$ 79,900,000
2010 - Refunding Bonds	56,385,000	2.50% to 5.00%	2029	50,895,000	-	(50,895,000)	-
2012A - School Building Bonds	60,755,000	2.00% to 5.00%	2041	55,905,000	-	(31,135,000)	24,770,000
2012B - Refunding Bonds	12,785,000	2.00% to 5.00%	2021	4,225,000	-	(2,165,000)	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	17,575,000	-	(13,360,000)	4,215,000
2013 - School Building and Refunding Bonds	226,360,000	1.00% to 5.00%	2043	200,950,000	-	(71,215,000)	129,735,000
2014B - Refunding Bonds	2,380,000	1.94%	2021	745,000	-	(390,000)	355,000
2015A - School Building Bonds	61,060,000	3.00% to 5.00%	2035	40,075,000	-	(5,780,000)	34,295,000
2015B - School Building Bonds	98,375,000	Variable	2044	61,060,000	-	-	61,060,000
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	115,230,000	-	(6,675,000)	108,555,000
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	-	108,635,000
				<u>\$ 753,985,000</u>	<u>\$ 151,635,000</u>	<u>\$ (181,615,000)</u>	<u>\$ 724,005,000</u>

In the current fiscal year, the District issued Series 2019 Unlimited Tax Refunding Bonds in the amount of \$43,000,000 with a premium of \$8,478,344 and deferred gain of \$184,126. The District also issued Series 2020 Unlimited Tax Refunding Bonds in the amount of \$108,635,000 with a premium of \$13,913,968 and deferred loss of \$726,292. Proceeds from both issuances were used to refund certain outstanding bonds of the District and to pay cost of issuance related to the bonds. The refunding transactions were undertaken to lower the District's debt service payments. The Series 2019 and Series 2020 issuances resulted in present value savings of \$8,360,862 and \$16,545,697, respectively.

**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.

Original Issuance Amount	End of Initial Rate Period	Final Maturity	Initial Rate	Initial Yield
\$ 79,900,000	8/31/2005	2/1/2035	4.70%	2.35%

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

**E. Long-Term Liabilities (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, 2020, the District reported \$264,013 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>
2021	\$ 22,900,000	\$ 28,585,165	\$ 51,485,165
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
2026-2030	172,615,000	111,523,397	284,138,397
2031-2035	164,880,000	76,573,021	241,453,021
2036-2040	142,180,000	43,298,900	185,478,900
2041-2044	122,930,000	9,605,325	132,535,325
	<u>\$ 724,005,000</u>	<u>375,058,893</u>	<u>\$ 1,099,063,893</u>

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

**E. Long-Term Liabilities (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, 2020.

**Current Year Refunding of Long-Term Debt**

In the current fiscal year, the District defeased certain outstanding bonds 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, 2020, the District had \$110,865,000 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, 2020, and the changes in fair value of the derivative instrument for the year then ended are as follows:

<b>Cash Flow Hedge:</b>	<b><u>Amount</u></b>
Positive/(Negative) fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	\$ (20,943,682)
Current year increase/(decrease) in fair value of interest rate swaps (deferred outflows) and derivative instruments (liabilities)	(1,872,789)

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 Liabilities (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	0.042%
Effective swap rate to date	4.471%

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	\$2,900,204
Basis (Cost) / Benefit to Date	\$3,499,730
Adjusted Swap Benefit vs. Fixed Rate Bonds	\$6,399,933

**Fair Value**

Because long-term LIBOR Swap interest rates have declined since inception of the Swaps, the Swaps had a negative fair value of \$20,943,682. 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, 2020, 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 (S&amp;P / Moody's)</b>
Morgan Stanley Capital Services	\$ 39,950,000	\$ (10,422,904)	A+ / A3
Bank of America, N.A.	39,950,000	(10,520,778)	A+ / Aa3
	<u>\$ 79,900,000</u>	<u>\$ (20,943,682)</u>	

**Note 3 - Detailed Notes on All Funds (continued)****E. Long-Term Liabilities (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 convergence 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, 2020, Morgan Stanley Capital Services was rated A3 and A+ by Moody's Investors Service and Standard & Poor's respectively, while Bank of America, N.A. was rated Aa3 and A+ by Moody's and S&P respectively.

**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 Liabilities (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, 2020, 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>
2021	\$ -	\$ 71,910	\$ 3,453,278	\$ 3,525,188
2022	3,735,000	69,573	3,373,345	7,177,918
2023	7,570,000	64,234	3,129,343	10,763,577
2024	6,355,000	58,091	2,828,277	9,241,368
2025	6,230,000	52,468	2,556,268	8,838,736
2026 - 2030	25,775,000	191,601	9,345,824	35,312,424
2031 - 2035	30,235,000	64,853	3,240,772	33,540,625
<b>Totals</b>	<b>\$ 79,900,000</b>	<b>\$ 572,729</b>	<b>\$ 27,927,107</b>	<b>\$ 108,399,836</b>

**Operating Leases**

Commitments under operating lease agreements for facilities and equipment provide for minimum future rental payments. As of August 31, 2020, these payments were as follows:

<b>Year Ending August 31,</b>	<b>General</b>
2021	\$ 59,444
2022	39,352
2023	24,240
2024	4,502
2025	2,419
<b>Total Minimum Rentals</b>	<b>\$ 129,957</b>

Rental expenditures in fiscal year 2020 were \$73,450.

**PASADENA INDEPENDENT SCHOOL DISTRICT***Exhibit F-1***NOTES TO THE FINANCIAL STATEMENTS (continued)***For the Year Ended August 31, 2020***Note 3 - Detailed Notes on All Funds (continued)****F. Fund Balance**

Other committed fund balance includes the following commitments of funds:

**Committed Fund Balances**

Campus Activity Funds	\$ 4,350,255
Facilities Construction in the General Fund	10,000,000
	<u>\$ 14,350,255</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:

	<u>General Fund</u>	<u>Debt Service Fund</u>	<u>Capital Projects Fund</u>	<u>Nonmajor Funds</u>	<u>Total</u>
Property Taxes	\$ 166,832,668	\$ 42,095,499	\$ -	\$ -	\$ 208,928,167
Charges for Services	520,171	-	-	7,440,430	7,960,601
Investment Earnings	2,479,167	583,958	2,288,602	78,301	5,430,028
Other	2,123,405	-	-	1,753,810	3,877,215
<b>Total</b>	<u>\$ 171,955,411</u>	<u>\$ 42,679,457</u>	<u>\$ 2,288,602</u>	<u>\$ 9,272,541</u>	<u>\$ 226,196,011</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.

**Self-Funded Health Insurance**

During the year ended August 31, 2020, 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.

**Note 4 - Other Information (continued)****A. Risk Management (continued)**

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.

An analysis of claims liability for the past two fiscal years are as follows: As of August 31, 2020, estimated claims that were unpaid and incurred but not reported totaled \$4,161,271.

An analysis of claims liability for the past two fiscal years are as follows:

	<b>2020</b>	<b>2019</b>
Accrual, September 1	\$ 4,558,245	\$ 4,025,801
Current year estimates/provisions	42,790,304	52,111,274
Payments for claims	(43,187,278)	(51,578,830)
Accrual, August 31	<u>\$ 4,161,271</u>	<u>\$ 4,558,245</u>

**Self-Funded Worker's Compensation**

During the year ended August 31, 2020, 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, 2020, 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 \$1,914,242.

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

<u>Fiscal Year</u>	<u>Claims</u>
2011	359
2012	371
2013	588
2014	374
2015	347
2016	342
2017	343
2018	390
2019	375
2020	272
10-Year Average	<u>376</u>

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

	<u>2020</u>	<u>2019</u>
<b>Unpaid Claims, Beginning of Fiscal Year</b>	\$ 2,004,080	\$ 1,958,592
Incurred Claims, including provisions (adjustment) for IBNR	906,948	1,245,302
Claim Payments	(996,786)	(1,199,814)
<b>Unpaid Claims, End of Fiscal Year</b>	<u>\$ 1,914,242</u>	<u>\$ 2,004,080</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, 2020, 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. Defined Benefit Pension Plan****Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then *Financial Reports* or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

**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 post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan Description 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.

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

**B. Defined Benefit Pension Plan (continued)**

**Benefits Provided (continued)**

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.

**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>2020</b>	<b>2019</b>
Member	7.70%	7.70%
Non-Employer Contributing Entity	7.50%	6.80%
Employers	7.50%	6.80%

	<b>Fiscal Year</b>	
	<b>2020</b>	
	<b>Contributions</b>	
Employer (District)	\$	14,829,764
Employee (Member)		32,041,746
Non-Employer Contributing Entity		
On-Behalf Contributions (State)		21,450,955

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

**B. Defined Benefit Pension Plan (continued)**

**Contributions (continued)**

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 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.
- When the employing district is a public or charter school, the employer shall contribute 1.5% of covered payroll to the pension fund beginning in fiscal year 2020. This contribution rate called the Public Education Employer Contribution will replace the Non (OASDI) surcharge that was in effect in fiscal year 2019.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.
- When a school district or charter school does not contribute to the Federal Old-Age, Survivors and Disability Insurance (OASDI) Program for certain employees, they must contribute 1.5% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees. This surcharge was in effect through fiscal year 2019 and was replaced with the Public Education Employer Contribution explained above.

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

**B. Defined Benefit Pension Plan (continued)**

**Actuarial Assumptions**

The total pension liability in the August 31, 2018 actuarial valuation rolled forward to August 31, 2019 was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Market Value
Single Discount Rate	7.25%
Long-term Expected Investment Rate of Return	7.25%
Municipal Bond Rate as of August 2019	2.63%. Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."
Inflation	2.30%
Salary Increases	3.05% to 9.05% including inflation
Benefit Changes During the Year	None
Ad Hoc Post-Employment Benefit Changes	None

The actuarial methods and assumptions are used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2018. For a full description of these assumptions please see the actuarial valuation report dated November 9, 2018.

**Discount Rate**

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

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

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

## Note 4 - Other Information (continued)

## B. Defined Benefit Pension Plan (continued)

## Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the Systems target asset allocation as of August 31, 2019 are summarized below:

Asset Class	Target Allocation <sup>1</sup>	New Target Allocation <sup>2</sup>	Long-Term Expected Geometric Real Rate of Return <sup>3</sup>
<b>Global Equity</b>			
USA	18.00%	18.00%	6.40%
Non-U.S. Developed	13.00%	13.00%	6.30%
Emerging Markets	9.00%	9.00%	7.30%
Directional Hedge Funds	4.00%	0.00%	0.00%
Private Equity	13.00%	14.00%	8.40%
<b>Stable Value</b>			
U.S. Treasuries <sup>4</sup>	11.00%	16.00%	3.10%
Stable Value Hedge Funds	4.00%	5.00%	4.50%
Absolute Return	0.00%	0.00%	0.00%
<b>Real Return</b>			
Global Inflation Linked Bonds <sup>4</sup>	3.00%	0.00%	0.00%
Real Estate	14.00%	15.00%	8.50%
Energy, Natural Resources and Infrastructure	5.00%	6.00%	7.30%
Commodities	0.00%	0.00%	0.00%
<b>Risk Parity</b>			
Risk Parity	5.00%	8.00%	5.8%/6.5% <sup>5</sup>
<b>Leverage</b>			
Cash	1.00%	2.00%	2.50%
Asset Allocation Leverage	0.00%	-6.00%	2.70%
<b>Expected Return</b>	<u>100.00%</u>	<u>100.00%</u>	<u>7.23%</u>

<sup>1</sup> Target allocations are based on the Strategic Asset Allocation as of FY2019.

<sup>2</sup> New allocations are based on the Strategic Asset Allocation to be implemented in FY2020.

<sup>3</sup> 10-Year annualized geometric nominal returns include the real rate of return and inflation of

<sup>4</sup> New Target Allocation groups Government Bonds within the stable value allocation.

This includes global sovereign nominal and inflation-linked bonds.

<sup>5</sup> 5.8% (6.5%) return expectation corresponds to Risk Parity with a 10% (12%) volatility.

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

**B. Defined Benefit Pension Plan (continued)**

**Discount Rate Sensitivity Analysis**

The following schedule shows the impact of the Net Pension Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (7.25%) in measuring the Net Pension Liability.

<b>Discount Rate</b>		
<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
<b>(6.25%)</b>	<b>(7.25%)</b>	<b>(8.25%)</b>
\$ 321,520,363	\$ 209,167,194	\$ 118,139,441

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

At August 31, 2020, the District reported a liability of \$209,167,194 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 are as follows:

District's proportionate share of the collective net pension liability	\$ 209,167,194
State's proportionate share that is associated with the District	257,967,666
<b>Total</b>	<u><u>\$ 467,134,860</u></u>

The net pension liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period **September 01, 2018 through August 31, 2019**.

At August 31, 2019, the employer's proportion of the collective net pension liability was 0.4024%, which was an increase of 0.0114% from its proportion measured as of August 31, 2018.

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

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected in the actuarial assumptions.
- The Texas legislature approved funding for a 13th check. All eligible members retired as of December 31, 2018 will receive an extra annuity check in September 2019 in either the matching amount of their monthly annuity payment or \$2,000, whichever is less.

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

**B. Defined Benefit Pension Plan (continued)**

**Changes Since the Prior Actuarial Valuation**

For the year ended August 31, 2020, the District recognized pension expense of \$42,938,811, which includes on-behalf revenue and expense of \$40,523,086 representing support provided by the State on behalf of the District.

At August 31, 2020, the District reported deferred outflows of resources for contributions made after the measurement date and 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	\$ 878,689	\$ (7,262,617)
Changes of assumption	64,893,936	(26,817,245)
Net difference between projected and actual earnings on plan investments	2,100,280	-
Changes in proportion and differences between District contributions and proportionate share of contributions	15,371,509	(3,078)
District contributions subsequent to the measurement date	14,829,764	-
<b>Total</b>	<b>\$ 98,074,178</b>	<b>\$ (34,082,940)</b>

The \$14,829,764 reported as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended August 31, 2021. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to pensions will be recognized in pension expense as follows:

<b>Year Ending August 31:</b>	<b>Amount</b>
2021	\$ 12,103,253
2022	9,768,086
2023	12,892,076
2024	11,938,313
2025	4,141,227
2026	(1,681,481)
<b>Total</b>	<b>\$ 49,161,474</b>



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

**OPEB Plan Fiduciary Net Position**

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Comprehensive Annual Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://trs.texas.gov/TRS%20Documents/cafr2019.pdf>, selecting About TRS then Publications then Financial Reports or by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698.

**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. 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. There are no automatic postemployment benefit changes; including automatic COLAs.

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

<b>TRS-Care Monthly for Retirees</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 1.0% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act. The following table shows contributions to the TRS-Care plan by type of contributor.

	<b>Contribution Rates</b>	
	<b>2020</b>	<b>2019</b>
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

	<b>Fiscal Year</b>	
	<b>2020</b>	
	<b>Contributions</b>	
Employer (District)	\$	3,541,172
Employee (Member)		2,734,802
Non-Employer Contributing Entity		8,033,299

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

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of \$73.6 million in fiscal year 2019.

In addition, \$230,756,971 was transferred to TRS to pay for TRS-Care during the 86th Legislative Session, House Bill 1. GASB Statement No. 85 requires that an on-behalf payment is recorded for the districts proportionate share. The proportionate share was determined using the GASB Statement No. 75 TRS-Care proportionate share allocation. For the year ended August 31, 2020, the District recorded an expenditure for their proportionate share of the funds along with the corresponding revenue of \$1,157,774.

**Note 4 - Other Information (continued)****C. Defined Other Post-Employment Benefit Plan (continued)****Actuarial Assumptions**

The total OPEB liability in the August 31, 2018 was rolled forward to August 31, 2019. The actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2018, rolled forward to August 31, 2019
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	2.63% as of August 31, 2019
Aging Factors	Based on plan specific experience
Election Rates	Normal Retirement: 65% participation prior to age 65 and 50% after age 65. 25% of pre-65 retirees are assumed to discontinue coverage at age 65
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Salary Increases	3.05% to 9.05%, including inflation
Healthcare Trend Rates	Initial medical trend rates were 10.25% for Medicare retirees and 7.50% for non-Medicare retirees. Initial prescription drug trend rate of 10.25% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.50% over a period of 13 years.
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 used for members of TRS are identical to the assumptions employed in the August 31, 2019 TRS annual pension actuarial valuation: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, (f) Wage Inflation, and (g) Salary Increases.

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 2.63% was used to measure the total OPEB liability. There was a change of 1.06% 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.

**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 (2.63%) in measuring the net OPEB liability.

	<b>Discount Rate</b>		
	<b>1% Decrease</b>	<b>Current Rate</b>	<b>1% Increase</b>
	<b>(1.63%)</b>	<b>(2.63%)</b>	<b>(3.63%)</b>
District's proportionate share of the Net OPEB Liability:	\$ 286,465,352	\$ 237,273,584	\$ 198,790,822

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

At August 31, 2020, the District reported a liability of \$237,273,584 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	\$ 237,273,584
State's proportionate share that is associated with District	315,283,522
<b>Total</b>	<u><u>\$ 552,557,106</u></u>

The Net OPEB Liability was measured as of August 31, 2018 and rolled forward to August 31, 2019 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The employer’s proportion of the Net OPEB Liability was based on the employer’s contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2018 thru August 31, 2019.

At August 31, 2019 the District’s proportion of the collective Net OPEB Liability was 0.5017% which was an increase of 0.0139% from its proportion measured as of August 31, 2018.

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

**C. Defined Other Post-Employment Benefit Plan (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 8.5% rate is used:

	<b>Healthcare Cost Trend Rate</b>		
	<b>1% Decrease</b>	<b>Current</b>	<b>1% Increase</b>
District's proportionate share of the Net OPEB Liability:	\$ 193,559,468	\$ 237,273,584	\$ 295,830,430

**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 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- 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.
- 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.
- Change 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, 2020, the District recognized OPEB expense of \$8,680,080 which includes on-behalf revenue and expense of \$8,309,579 representing support provided by the State on behalf of the District.

At August 31, 2020, 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:

	<b>Outflows of Resources</b>	<b>Inflows of Resources</b>
Differences between expected and actual experience	\$ 11,640,286	\$ (38,827,306)
Changes of assumption	13,178,698	(63,820,771)
Net difference between projected and actual earnings on plan investments	25,598	-
Changes in proportion and differences between District contributions and proportionate share of contributions	16,726,776	-
District contributions subsequent to the measurement date	3,541,172	-
<b>Totals</b>	<b>\$ 45,112,530</b>	<b>\$ (102,648,077)</b>

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

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

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

The \$3,541,172 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 fiscal year ended August 31, 2021. Other amounts reported as deferred outflows of resources (deferred inflows of resources) related to OPEB will be recognized in OPEB expense as follows:

<b>Year Ending August 31</b>	<b>Amount</b>
2021	\$ (10,850,933)
2022	(10,850,933)
2023	(10,859,219)
2024	(10,863,958)
2025	(10,862,660)
2026	(6,789,016)
<b>Total</b>	<b>\$ (61,076,719)</b>

**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, 2020, 2019, and 2018, the subsidy payments received by TRS-Care on-behalf of the District were \$2,001,493 \$1,523,940, and \$1,205,500, respectively. These payments are recorded as equal revenues and expenditures in the governmental funds' financial statements of the District.

**D. Subsequent Events**

On January 31, 2020, the Secretary of the United States Health and Human Services Department declared a public health emergency for the United States and on March 13, 2020, the President of the United States declared the outbreak of COVID-19 in the United States a national emergency. On March 13, 2020, the Governor of Texas (the "Governor") declared a state of disaster for all counties in Texas in response to the COVID-19, which disaster declaration he has subsequently extended. In addition, certain local officials, including the County Judge of Harris County, also declared a local state of disaster.

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

**D. Subsequent Events (continued)**

The TEA advised districts that for to stabilize funding expectations for 2020-21, districts will be provided an ADA grace period for the first two six weeks of Foundation School Program reporting. Specifically, TEA will replace attendance numbers for each eligible LEA's 2020-2021 first two six-week attendance periods with projected ADA and student FTE numbers calculating using a three-year average trend of final numbers from the 2017-2018 through the 2019-2020 school years, unless this projection is both 15% higher and 100 ADA higher than the 2020- 2021 LPE projections. In the latter case, 2020-2021 LPE counts will be used. Student enrollment as of mid- September 2020 is lower than budgeted student enrollment and the District is actively contacting all students who were dropped in 2020-21 due to not showing for remote instruction at the start of school in August 2020.

TEA will make available an ADA hold harmless for the third six weeks attendance reporting period, on the condition that LEAs allow on-campus instruction throughout the entire third six weeks period, as further described below. The ADA hold harmless methodology will be identical to the methodology used for the first two six weeks attendance reporting periods, except that the third six weeks will be examined independent of the first two six weeks attendance reporting periods. Specifically, if an LEA's refined ADA counts during the third six weeks attendance reporting period is less than the ADA hold harmless projections (described in the prior question and available online), the third six-weeks attendance reporting period for 2020-2021 will be excluded from the calculation of ADA and student FTEs for FSP funding purposes and will be replaced with the ADA hold harmless projections. As noted above, this ADA hold harmless methodology will only apply to attendance-based counts and will not apply to enrollment-based FSP allotments such as the state compensatory education allotment and the dyslexia allotment.

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 an D-19, and future governmental actions, all of which are highly uncertain and cannot be predicted.







## 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, 2020**

**Exhibit G-1**

		Budgeted Amounts			Variance with
		Original	Final	Actual	Final Budget
Revenues					
5700	Local, intermediate, and out-of-state	\$ 164,364,000	\$ 171,659,231	\$ 171,955,411	\$ 296,180
5800	State program revenues	376,270,458	345,925,961	329,778,635	(16,147,326)
5900	Federal program revenues	12,906,000	12,522,232	14,969,103	2,446,871
5020	Total revenues	553,540,458	530,107,424	516,703,149	(13,404,275)
Expenditures					
Current:					
0011	Instruction	326,759,992	320,480,788	314,107,938	6,372,850
0012	Instruction resources and media services	7,661,034	7,645,565	7,180,461	465,104
0013	Curriculum and instructional staff development	8,294,039	7,940,801	7,135,301	805,500
0021	Instructional leadership	6,730,707	7,939,597	7,498,450	441,147
0023	School leadership	40,511,729	40,644,256	40,439,544	204,712
0031	Guidance, counseling and evaluation services	26,933,670	24,251,211	22,125,623	2,125,588
0032	Social work services	210,750	225,750	169,179	56,571
0033	Health services	5,347,272	5,518,488	5,463,730	54,758
0034	Student transportation	17,346,719	18,420,027	17,321,396	1,098,631
0036	Extracurricular activities	8,271,433	8,366,523	7,635,178	731,345
0041	General administration	13,191,975	13,585,143	12,652,513	932,630
0051	Facilities maintenance and operations	58,376,685	59,147,248	55,458,887	3,688,361
0052	Security and monitoring services	5,883,719	6,646,338	6,098,603	547,735
0053	Data processing services	10,505,664	9,021,866	6,037,866	2,984,000
0061	Community services	390,715	391,915	223,579	168,336
Capital outlay:					
0081	Facilities acquisition and construction	1,360,000	6,282,608	2,250,113	4,032,495
Intergovernmental:					
0093	Payments related to shared services arrangements	1,200,000	905,692	903,093	2,599
0095	Payments to Juvenile Justice Alt. Ed. Prgm.	100,000	100,000	98,085	1,915
0099	Payments to Appraisal District	1,555,575	1,555,575	1,522,197	33,378
6030	Total Expenditures	540,631,678	539,069,391	514,321,736	24,747,655
1100	Excess (deficiency) of revenues over expenditures	12,908,780	(8,961,967)	2,381,413	11,343,380
Other Financing Sources (Uses)					
7915	Transfers in	-	-	16,381,169	16,381,169
8911	Transfers out	-	(10,000,000)	(11,000,000)	(1,000,000)
7080	Total Other Financing Sources (Uses)	-	(10,000,000)	5,381,169	15,381,169
1200	Net change in fund balances	12,908,780	(18,961,967)	7,762,582	26,724,549
0100	Fund Balance - beginning	178,048,312	178,048,312	178,048,312	-
3000	Fund Balance - ending	\$ 190,957,092	\$ 159,086,345	\$ 185,810,894	\$ 26,724,549

**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, 2020.

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, 2019. 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**  
**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 Six Measurement Years**

**Exhibit G-3**

	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net pension liability	0.40240%	0.39102%	0.39015%
District's proportionate share of the net pension liability	\$ 209,167,194	\$ 215,224,797	\$ 124,749,408
State's proportionate share of the net pension liability associated with the District	<u>257,967,666</u>	<u>289,741,506</u>	<u>174,464,486</u>
Total	<u>\$ 467,134,860</u>	<u>\$ 504,966,303</u>	<u>\$ 299,213,894</u>
District's covered payroll (for Measurement Year)	\$ 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	51.9%	54.7%	32.38%
Plan fiduciary net position as a percentage of the total pension liability *	75.24%	73.74%	82.17%
Plan's net pension liability as a percentage of covered payroll *	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	<u>207,913,636</u>	<u>194,271,517</u>	<u>164,362,313</u>
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 Six Fiscal Years**

**Exhibit G-4**

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

	<b>2017</b>	<b>2016</b>	<b>2015</b>
Contractually required contributions	\$ 12,777,649	\$ 11,919,889	\$ 11,260,635
Contributions in relation to the contractual required contributions	(12,777,649)	(11,919,889)	(11,260,635)
Contribution deficiency (excess)	\$ -	\$ -	\$ -
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%

### **Changes of Assumptions**

- The single discount rate as of August 31, 2018 was a blended rate of 6.907 percent and that has changed to the long-term rate of return of 7.25 percent as of August 31, 2019.
- With the enactment of SB 3 by the 2019 Texas Legislature, an assumption has been made about how this would impact future salaries. It is assumed that eligible active members will each receive a \$2,700 increase in fiscal year 2020. This is in addition to the salary increase expected based on the actuarial assumptions.

### **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**  
**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 Three Measurement Years**

*Exhibit G-6*

	<b>2019</b>	<b>2018</b>	<b>2017</b>
District's proportion of the net OPEB liability	0.501700%	0.487809%	0.469001%
District's proportionate share of the net OPEB liability	\$ 237,273,584	\$ 243,567,654	\$ 203,950,904
State's proportionate share of the net OPEB liability associated with the District	315,283,522	327,217,929	294,054,584
Total	<u>\$ 552,557,106</u>	<u>\$ 570,785,583</u>	<u>\$ 498,005,488</u>
District's covered payroll (for Measurement Year)	\$ 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	58.88%	61.87%	52.94%
Plan fiduciary net position as a percentage of the total OPEB liability *			
Plan's net OPEB liability as a percentage of covered payroll *			

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 Three Fiscal Years**

*Exhibit G-7*

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

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

### **Changes of Assumptions**

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 3.69 percent as of August 31, 2018 to 2.63 percent as of August 31, 2019. This change increased the TOL.
- The health care trend rates were reset to better reflect the plan's anticipated experience. This change increased the TOL.
- 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.
- 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.
- Change of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

### **Changes of Benefit Terms**

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

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##### *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.

## Nonmajor Governmental Funds

### Special Revenue Funds

#### Fund Name & Description (continued)

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##### *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.

##### *ESSA 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.

##### *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.

##### *Hurricane Harvey Recovery*

Accounts on a project basis for repairs and restoration costs associated with damages incurred during Hurricane Harvey, which is expected to be reimbursed through insurance proceeds and FEMA.

##### *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.

##### *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.

##### *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.

## Nonmajor Governmental Funds

### Special Revenue Funds

#### Fund Name & Description (continued)

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##### *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.

##### *Miscellaneous Local Grants*

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

##### *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, 2020**

**Exhibit H-1**  
**Page 1 of 8**

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>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120	Investments	-	-	-	-
	<b>Receivables:</b>				
1240	Receivables from other governments	43,334	3,198,867	37,185	1,402,750
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	100	3,718	-	23,446
<b>1000</b>	<b>Total Assets</b>	<u>\$ 43,434</u>	<u>\$ 3,202,585</u>	<u>\$ 37,185</u>	<u>\$ 1,426,196</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ 1,202
2160	Accrued wages payable	2,522	1,247,681	16,568	618,996
2170	Due to other funds	40,912	1,954,904	20,617	805,998
2180	Payable to other governments	-	-	-	-
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>43,434</u>	<u>3,202,585</u>	<u>37,185</u>	<u>1,426,196</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	-	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	100	3,718	-	23,446
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	<b>Unassigned</b>	<u>(100)</u>	<u>(3,718)</u>	<u>-</u>	<u>(23,446)</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 43,434</u>	<u>\$ 3,202,585</u>	<u>\$ 37,185</u>	<u>\$ 1,426,196</u>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 2 of 8**

		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	\$ -	\$ -	\$ -	\$ 1,216,422
1120	Investments	-	-	195,807	-
	<b>Receivables:</b>				
1240	Receivables from other governments	19,326	-	199,399	-
1260	Due from other funds	-	-	76,928	-
1290	Other receivables	-	-	254,263	-
1300	Inventories	-	-	804,316	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 19,326</u>	<u>\$ -</u>	<u>\$ 1,530,713</u>	<u>\$ 1,216,422</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	4,873	-	913,013	59
2170	Due to other funds	14,453	-	569,589	-
2180	Payable to other governments	-	-	-	-
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>19,326</u>	<u>-</u>	<u>1,482,602</u>	<u>59</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	-	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	-	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	48,111	1,216,363
	<b>Committed:</b>				
3545	Other purposes	-	-	-	-
3600	<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>48,111</u>	<u>1,216,363</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 19,326</u>	<u>\$ -</u>	<u>\$ 1,530,713</u>	<u>\$ 1,216,422</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 3 of 8**

<b>Data Control Codes</b>	<b>244  Career and Technical Education - Basic Grant</b>	<b>255  ESEA Title II, Part A - Teacher and Principal Training and Recruiting</b>	<b>263  ESEA Title III, Part A - English Language Acquisition and Language Enhancement</b>	<b>265  ESEA Title IV, Part B - 21st Century Learning Centers</b>
<b>Assets</b>				
1110 Cash and cash equivalents	\$ -	\$ -	\$ -	\$ -
1120 Investments	-	-	-	-
<b>Receivables:</b>				
1240 Receivables from other governments	168,878	313,775	215,956	484,577
1260 Due from other funds	-	-	269	-
1290 Other receivables	-	-	-	-
1300 Inventories	-	-	-	-
1410 Prepaid items	-	-	9,450	141
<b>1000 Total Assets</b>	<b>\$ 168,878</b>	<b>\$ 313,775</b>	<b>\$ 225,675</b>	<b>\$ 484,718</b>
<b>Liabilities:</b>				
2110 Accounts payable	\$ -	\$ -	\$ -	\$ -
2160 Accrued wages payable	30,432	132,938	88,911	157,229
2170 Due to other funds	138,446	180,837	136,764	327,489
2180 Payable to other governments	-	-	-	-
2190 Due to student and employee groups	-	-	-	-
2300 Unearned revenue	-	-	-	-
<b>2000 Total Liabilities</b>	<b>168,878</b>	<b>313,775</b>	<b>225,675</b>	<b>484,718</b>
<b>Deferred Inflows of Resources</b>				
Unavailable Revenues - grant funds	-	-	-	-
<b>2600 Total Deferred Inflows of Resources</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>Fund Balances:</b>				
<b>Nonspendable:</b>				
3430 Prepaid items	-	-	9,450	141
<b>Restricted:</b>				
3450 Federal/State grant restrictions	-	-	-	-
<b>Committed:</b>				
3545 Other purposes	-	-	-	-
<b>Unassigned</b>	<b>-</b>	<b>-</b>	<b>(9,450)</b>	<b>(141)</b>
<b>3000 Total Fund Balances</b>	<b>-</b>	<b>-</b>	<b>-</b>	<b>-</b>
<b>4000 Total Liabilities, Deferred Inflows, and Fund Balances</b>	<b>\$ 168,878</b>	<b>\$ 313,775</b>	<b>\$ 225,675</b>	<b>\$ 484,718</b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 4 of 8**

		287	289	315	397
<b>Data Control Codes</b>		<b>Hurricane Harvey Recovery</b>	<b>Federally Funded Special Revenue Funds</b>	<b>SSA-IDEA-Part B, Discretionary</b>	<b>Advanced Placement Incentives</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ -	\$ -	\$ 547
1120	Investments	-	-	-	-
	<b>Receivables:</b>				
1240	Receivables from other governments	-	961,133	15,426	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 961,133</u>	<u>\$ 15,426</u>	<u>\$ 547</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ 1,505	\$ -	\$ -
2160	Accrued wages payable	-	40,522	1,872	-
2170	Due to other funds	-	917,197	13,554	-
2180	Payable to other governments	-	1,909	-	547
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>961,133</u>	<u>15,426</u>	<u>547</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	-	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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	<b>Unassigned</b>	-	-	-	-
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ -</u>	<u>\$ 961,133</u>	<u>\$ 15,426</u>	<u>\$ 547</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

*Exhibit H-1*  
*Page 5 of 8*

		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	\$ 3,113	\$ 1,391,348	\$ -	\$ 305,640
1120	Investments	-	-	-	-
	<b>Receivables:</b>				
1240	Receivables from other governments	-	-	28,666	479,722
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 3,113</u>	<u>\$ 1,391,348</u>	<u>\$ 28,666</u>	<u>\$ 785,362</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	9,293	56,148
2170	Due to other funds	-	-	19,373	-
2180	Payable to other governments	3,113	-	-	-
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	729,214
<b>2000</b>	<b>Total Liabilities</b>	<u>3,113</u>	<u>-</u>	<u>28,666</u>	<u>785,362</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	1,391,348	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,391,348</u>	<u>-</u>	<u>-</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	<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 3,113</u>	<u>\$ 1,391,348</u>	<u>\$ 28,666</u>	<u>\$ 785,362</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 6 of 8**

		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	\$ -	\$ -	\$ 4,354,130	\$ 93,314
1120	Investments	-	-	-	-
	<b>Receivables:</b>				
1240	Receivables from other governments	132,658	351,604	-	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	251	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	2,577	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ 132,658</u>	<u>\$ 351,604</u>	<u>\$ 4,356,958</u>	<u>\$ 93,314</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ 1,214	\$ -
2160	Accrued wages payable	49,200	76,929	1,350	-
2170	Due to other funds	83,458	274,675	-	-
2180	Payable to other governments	-	-	-	93,314
2190	Due to student and employee groups	-	-	1,592	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>132,658</u>	<u>351,604</u>	<u>4,156</u>	<u>93,314</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	-	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Fund Balances:</b>				
	<b>Nonspendable:</b>				
3430	Prepaid items	-	-	2,577	-
	<b>Restricted:</b>				
3450	Federal/State grant restrictions	-	-	-	-
	<b>Committed:</b>				
3545	Other purposes	-	-	4,350,225	-
3600	<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>4,352,802</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 132,658</u>	<u>\$ 351,604</u>	<u>\$ 4,356,958</u>	<u>\$ 93,314</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 7 of 8**

		490	491	492	497
<b>Data Control Codes</b>		<b>Miscellaneous Local Grants</b>	<b>Environmental Health Youth Council Program</b>	<b>Early College</b>	<b>Bridge Up at Menninger</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ -	\$ 15,381	\$ -	\$ 99,165
1120	Investments	-	-	-	-
	<b>Receivables:</b>				
1240	Receivables from other governments	-	-	17,070	-
1260	Due from other funds	-	-	-	-
1290	Other receivables	-	-	-	-
1300	Inventories	-	-	-	-
1410	Prepaid items	-	-	-	-
<b>1000</b>	<b>Total Assets</b>	<u>\$ -</u>	<u>\$ 15,381</u>	<u>\$ 17,070</u>	<u>\$ 99,165</u>
	<b>Liabilities:</b>				
2110	Accounts payable	\$ -	\$ -	\$ -	\$ -
2160	Accrued wages payable	-	-	10,059	17,515
2170	Due to other funds	-	-	2,733	-
2180	Payable to other governments	-	15,381	4,278	81,650
2190	Due to student and employee groups	-	-	-	-
2300	Unearned revenue	-	-	-	-
<b>2000</b>	<b>Total Liabilities</b>	<u>-</u>	<u>15,381</u>	<u>17,070</u>	<u>99,165</u>
	<b>Deferred Inflows of Resources</b>				
	Unavailable Revenues - grant funds	-	-	-	-
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</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	<b>Unassigned</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ -</u>	<u>\$ 15,381</u>	<u>\$ 17,070</u>	<u>\$ 99,165</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING BALANCE SHEET**  
**NON-MAJOR GOVERNMENTAL FUNDS – SPECIAL REVENUE FUNDS**  
**August 31, 2020**

**Exhibit H-1**  
**Page 8 of 8**

498

<b>Data Control Codes</b>		<b>CASE Partnership</b>	<b>Total Nonmajor Governmental Funds</b>
	<b>Assets</b>		
1110	Cash and cash equivalents	\$ 31,335	\$ 7,510,395
1120	Investments	-	195,807
	<b>Receivables:</b>		
1240	Receivables from other governments	-	8,070,326
1260	Due from other funds	-	77,197
1290	Other receivables	-	254,514
1300	Inventories	-	804,316
1410	Prepaid items	-	39,432
<b>1000</b>	<b>Total Assets</b>	<u>\$ 31,335</u>	<u>\$ 16,951,987</u>
	<b>Liabilities:</b>		
2110	Accounts payable	\$ -	\$ 3,921
2160	Accrued wages payable	-	3,476,110
2170	Due to other funds	-	5,500,999
2180	Payable to other governments	31,335	231,527
2190	Due to student and employee groups	-	1,592
2300	Unearned revenue	-	729,214
<b>2000</b>	<b>Total Liabilities</b>	<u>31,335</u>	<u>9,943,363</u>
	<b>Deferred Inflows of Resources</b>		
	Unavailable Revenues - grant funds	-	1,391,348
<b>2600</b>	<b>Total Deferred Inflows of Resources</b>	<u>-</u>	<u>1,391,348</u>
	<b>Fund Balances:</b>		
	<b>Nonspendable:</b>		
3430	Prepaid items	-	39,432
	<b>Restricted:</b>		
3450	Federal/State grant restrictions	-	1,264,474
	<b>Committed:</b>		
3545	Other purposes	-	4,350,225
3600	<b>Unassigned</b>	-	(36,855)
<b>3000</b>	<b>Total Fund Balances</b>	<u>-</u>	<u>5,617,276</u>
<b>4000</b>	<b>Total Liabilities, Deferred Inflows, and Fund Balances</b>	<u>\$ 31,335</u>	<u>\$ 16,951,987</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, 2020**

**Exhibit H-2**  
**Page 1 of 8**

		206	211	212	224
<b>Data Control Codes</b>		<b>ESEA Title X, Part C - Education for the Homeless Children and Youth</b>	<b>ESEA Title I, Part A- Improving Basic Programs</b>	<b>ESSA Title I Part C</b>	<b>IDEA, Part B Formula</b>
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	139,388	17,574,421	230,509	8,623,401
<b>5020</b>	<b>Total revenues</b>	<u>139,388</u>	<u>17,574,421</u>	<u>230,509</u>	<u>8,623,401</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	137,771	14,211,393	70,763	3,604,132
0012	Instruction resources and media services	-	4,792	-	-
0013	Curriculum and instructional staff development	1,058	426,498	100,814	661,988
0021	Instructional leadership	70	402,743	-	251,806
0023	School leadership	-	218,370	-	-
0031	Guidance, counseling and evaluation services	-	2,007,052	58,932	4,105,475
0032	Social work services	-	-	-	-
0033	Health services	-	143,084	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	67	-	-
0052	Security and monitoring services	-	275	-	-
0053	Data processing services	-	-	-	-
0061	Community services	489	160,147	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>139,388</u>	<u>17,574,421</u>	<u>230,509</u>	<u>8,623,401</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Other Financing Sources (Uses)</b>				
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2020**

**Exhibit H-2**  
**Page 2 of 8**

		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	\$ -	\$ -	\$ 3,377,862	\$ -
5800	State program revenues	-	-	162,862	-
5900	Federal program revenues	113,831	546,093	20,998,394	409,564
<b>5020</b>	<b>Total revenues</b>	<u>113,831</u>	<u>546,093</u>	<u>24,539,118</u>	<u>409,564</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	113,831	546,093	-	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	-
0021	Instructional leadership	-	-	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	30,571,622	235,903
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	9,439	-
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>113,831</u>	<u>546,093</u>	<u>30,581,061</u>	<u>235,903</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>(6,041,943)</u>	<u>173,661</u>
<b>Other Financing Sources (Uses)</b>					
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	(6,041,943)	173,661
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>6,090,054</u>	<u>1,042,702</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 48,111</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, 2020**

**Exhibit H-2**  
**Page 3 of 8**

		244	255	263	265
			ESEA Title II, Part A - Teacher and Principal Training and Recruiting	ESEA Title III, Part A - English Language Acquisition and Language Enhancement	ESEA Title IV, Part B - 21st Century Learning Centers
<b>Data Control Codes</b>		<b>Career and Technical Education - Basic Grant</b>			
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	-	-	-	-
5900	Federal program revenues	735,572	1,771,830	1,384,080	3,168,090
<b>5020</b>	<b>Total revenues</b>	<u>735,572</u>	<u>1,771,830</u>	<u>1,384,080</u>	<u>3,168,090</u>
	<b>Expenditures</b>				
	<b>Current:</b>				
0011	Instruction	398,348	1,709,821	1,336,272	1,260,714
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	62,009	700	-
0021	Instructional leadership	24,495	-	-	516,905
0023	School leadership	-	-	-	1,369,227
0031	Guidance, counseling and evaluation services	312,729	-	47,108	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	-	7,323
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	13,921
<b>6030</b>	<b>Total Expenditures</b>	<u>735,572</u>	<u>1,771,830</u>	<u>1,384,080</u>	<u>3,168,090</u>
	Excess (deficiency) of revenues over				
1100	expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
	<b>Other Financing Sources (Uses)</b>				
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2020**

*Exhibit H-2*  
*Page 4 of 8*

		287	289	315	397
<b>Data Control Codes</b>		<b>Hurricane Harvey Recovery</b>	<b>Federally Funded Special Revenue Funds</b>	<b>SSA-IDEA-Part B, Discretionary</b>	<b>Advanced Placement Incentives</b>
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	1,150,626	-	-	27,895
5900	Federal program revenues	444,543	2,539,609	51,790	-
<b>5020</b>	<b>Total revenues</b>	<u>1,595,169</u>	<u>2,539,609</u>	<u>51,790</u>	<u>27,895</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	-	1,325,979	51,790	-
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	24,513	-	27,895
0021	Instructional leadership	-	335,564	-	-
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	4,500	-	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	-	-
0034	Student transportation	-	187,374	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	71,730	-	-
0051	Facilities maintenance and operations	-	-	-	-
0052	Security and monitoring services	-	146,136	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	4,913	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>-</u>	<u>2,100,709</u>	<u>51,790</u>	<u>27,895</u>
1100	Excess (deficiency) of revenues over expenditures	<u>1,595,169</u>	<u>438,900</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
8911	Transfers out	<u>(1,595,169)</u>	<u>(438,900)</u>	<u>-</u>	<u>-</u>
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>(1,595,169)</u>	<u>(438,900)</u>	<u>-</u>	<u>-</u>
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, 2020**

**Exhibit H-2**  
**Page 5 of 8**

		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	\$ -	\$ -	\$ -	\$ -
5800	State program revenues	1,562	6,579,810	128,460	493,343
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total revenues</b>	<u>1,562</u>	<u>6,579,810</u>	<u>128,460</u>	<u>493,343</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	1,562	5,370,605	2,791	86,561
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	30,799
0021	Instructional leadership	-	-	-	5,761
0023	School leadership	-	-	-	-
0031	Guidance, counseling and evaluation services	-	-	-	-
0032	Social work services	-	-	125,669	-
0033	Health services	-	-	-	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	-	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	681,626	-	-
0052	Security and monitoring services	-	-	-	366,803
0053	Data processing services	-	527,579	-	3,419
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>1,562</u>	<u>6,579,810</u>	<u>128,460</u>	<u>493,343</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2020**

**Exhibit H-2**  
**Page 6 of 8**

		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	\$ -	\$ 1,017,908	\$ 4,140,869	\$ 127,428
5800	State program revenues	350,823	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total revenues</b>	<u>350,823</u>	<u>1,017,908</u>	<u>4,140,869</u>	<u>127,428</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	150,268	994,198	979,678	127,178
0012	Instruction resources and media services	-	-	29,319	-
0013	Curriculum and instructional staff development	98,751	-	222	-
0021	Instructional leadership	-	23,667	-	-
0023	School leadership	-	-	89,816	-
0031	Guidance, counseling and evaluation services	101,804	43	60,349	-
0032	Social work services	-	-	-	-
0033	Health services	-	-	249	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	-	2,731,251	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	-	28,458	-
0052	Security and monitoring services	-	-	18,985	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	36,306	250
<b>6030</b>	<b>Total Expenditures</b>	<u>350,823</u>	<u>1,017,908</u>	<u>3,974,633</u>	<u>127,428</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>166,236</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
1200	Net change in fund balances	-	-	166,236	-
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>-</u>	<u>4,186,566</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 4,352,802</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, 2020**

**Exhibit H-2**  
**Page 7 of 8**

		490	491	492	497
<b>Data Control Codes</b>		<b>Miscellaneous Local Grants</b>	<b>Environmental Health Youth Council Program</b>	<b>Early College</b>	<b>BridgeUp at Menninger</b>
<b>Revenues</b>					
5700	Local, intermediate, and out-of-state	\$ 10,000	\$ 5,333	\$ 335,060	\$ 223,102
5800	State program revenues	-	-	-	-
5900	Federal program revenues	-	-	-	-
<b>5020</b>	<b>Total revenues</b>	<u>10,000</u>	<u>5,333</u>	<u>335,060</u>	<u>223,102</u>
<b>Expenditures</b>					
<b>Current:</b>					
0011	Instruction	10,000	4,985	77,592	188,236
0012	Instruction resources and media services	-	-	-	-
0013	Curriculum and instructional staff development	-	-	-	29,060
0021	Instructional leadership	-	-	253,617	-
0023	School leadership	-	-	171	-
0031	Guidance, counseling and evaluation services	-	-	-	5,526
0032	Social work services	-	-	-	-
0033	Health services	-	-	2,389	-
0034	Student transportation	-	-	-	-
0035	Food services	-	-	-	-
0036	Extracurricular activities	-	201	1,291	-
0041	General administration	-	-	-	-
0051	Facilities maintenance and operations	-	147	-	280
0052	Security and monitoring services	-	-	-	-
0053	Data processing services	-	-	-	-
0061	Community services	-	-	-	-
<b>6030</b>	<b>Total Expenditures</b>	<u>10,000</u>	<u>5,333</u>	<u>335,060</u>	<u>223,102</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Other Financing Sources (Uses)</b>					
8911	Transfers out	-	-	-	-
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>-</u>	<u>-</u>	<u>-</u>
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, 2020**

**Exhibit H-2**  
**Page 8 of 8**

498

<b>Data Control Codes</b>		<b>CASE Partnership</b>	<b>Total Nonmajor Governmental Funds</b>
<b>Revenues</b>			
5700	Local, intermediate, and out-of-state	\$ 34,979	\$ 9,272,541
5800	State program revenues	-	8,895,381
5900	Federal program revenues	29,563	58,760,678
<b>5020</b>	<b>Total revenues</b>	<u>64,542</u>	<u>76,928,600</u>
<b>Expenditures</b>			
<b>Current:</b>			
0011	Instruction	63,432	32,823,993
0012	Instruction resources and media services	-	34,111
0013	Curriculum and instructional staff development	-	1,464,307
0021	Instructional leadership	-	1,814,628
0023	School leadership	-	1,677,584
0031	Guidance, counseling and evaluation services	-	6,703,518
0032	Social work services	-	125,669
0033	Health services	-	145,722
0034	Student transportation	-	187,374
0035	Food services	-	30,807,525
0036	Extracurricular activities	-	2,732,743
0041	General administration	-	71,730
0051	Facilities maintenance and operations	1,110	728,450
0052	Security and monitoring services	-	532,199
0053	Data processing services	-	530,998
0061	Community services	-	216,026
<b>6030</b>	<b>Total Expenditures</b>	<u>64,542</u>	<u>80,596,577</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(3,667,977)</u>
<b>Other Financing Sources (Uses)</b>			
8911	Transfers out	-	(2,034,069)
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>(2,034,069)</u>
1200	Net change in fund balances	-	(5,702,046)
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>-</u>	<u>11,319,322</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ -</u>	<u>\$ 5,617,276</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF NET POSITION**  
**INTERNAL SERVICE FUNDS**  
*August 31, 2020*

*Exhibit I-1*

<b>Data Control Codes</b>		<b>Employee Health Insurance</b>	<b>Worker's Compensatio n Fund</b>	<b>Total Internal Service Funds</b>
	<b>Assets</b>			
	<b>Current assets:</b>			
1110	Cash and cash equivalents	\$ 522,001	\$ 1,059,216	\$ 1,581,217
1120	Temporary investments, at fair value	10,108,643	1,489,816	11,598,459
	Total Current Assets	10,630,644	2,549,032	13,179,676
1000	<b>Total Assets</b>	<u>\$ 10,630,644</u>	<u>\$ 2,549,032</u>	<u>\$ 13,179,676</u>
	<b>Liabilities</b>			
	<b>Current liabilities:</b>			
2200	Claims payable	\$ 4,161,271	\$ 496,486	\$ 4,657,757
	<b>Total current liabilities</b>	4,161,271	496,486	4,657,757
	<b>Non-current liabilities:</b>			
2590	Claims and judgments	-	1,417,756	1,417,756
	<b>Total non-current liabilities</b>	-	1,417,756	1,417,756
2000	<b>Total Liabilities</b>	<u>4,161,271</u>	<u>1,914,242</u>	<u>6,075,513</u>
	<b>Net Position</b>			
3900	Unrestricted net position	6,469,373	634,790	7,104,163
3000	<b>Total Net Position</b>	<u>\$ 6,469,373</u>	<u>\$ 634,790</u>	<u>\$ 7,104,163</u>



**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF REVENUES, EXPENSES AND CHANGES IN**  
**NET POSITION**  
**INTERNAL SERVICE FUNDS**  
**August 31, 2020**

**Exhibit I-2**

<b>Data Control Codes</b>		<b>Employee Health Insurance</b>	<b>Worker's Compensation Fund</b>	<b>Total Internal Service Funds</b>
	<b>Operating Revenues</b>			
5754	Interfund services provided and used	\$ 45,875,808	\$ -	\$ 45,875,808
5745	Insurance recovery	2,692,269	-	2,692,269
5749	Miscellaneous revenue	-	87,430	87,430
5020	<b>Total operating revenues</b>	<u>48,568,077</u>	<u>87,430</u>	<u>48,655,507</u>
	<b>Operating Expenses</b>			
6100	Payroll costs	-	996,786	996,786
6200	Purchased and contracted services	744,993	107,942	852,935
6400	Claims expense and other operating expenses	42,442,285	-	42,442,285
6030	<b>Total Operating Expenses</b>	<u>43,187,278</u>	<u>1,104,728</u>	<u>44,292,006</u>
1200	Operating Income (Loss)	5,380,799	(1,017,298)	4,363,501
	<b>Non-Operating Revenues (Expenses)</b>			
7955	Investment earnings	58,119	23,491	81,610
8030	<b>Total Non-Operating Revenues</b>	<u>58,119</u>	<u>23,491</u>	<u>81,610</u>
	<b>Income (Loss) before Transfers</b>	5,438,918	(993,807)	4,445,111
	<b>Transfers</b>			
7915	Transfers in	-	1,000,000	1,000,000
	<b>Total Transfers</b>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
1200	Change in Net Position	5,438,918	6,193	5,445,111
	<b>Net Position:</b>			
0100	<b>Net Position - beginning</b>	1,030,455	628,597	1,659,052
3300	<b>Net Position - ending</b>	<u>\$ 6,469,373</u>	<u>\$ 634,790</u>	<u>\$ 7,104,163</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**COMBINING STATEMENT OF CASH FLOWS**  
**INTERNAL SERVICE FUNDS**  
For the Fiscal Year Ended August 31, 2020

*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	\$ 45,875,808	\$ -	\$ 45,875,808
Cash receipts from (payments to) miscellaneous sources	-	87,430	87,430
Cash payments for insurance claims	2,692,269	-	2,692,269
Cash payments to employees	-	(996,786)	(996,786)
Cash payments to suppliers for goods and services	(43,584,252)	(197,780)	(43,782,032)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>4,983,825</u>	<u>(1,107,136)</u>	<u>3,876,689</u>
<b>Cash Flows from Non-Capital Financing Activities:</b>			
Cash payment from other fund	-	1,000,000	1,000,000
<b>Net Cash Provided by (Used for) Non-Capital Financing Activities</b>	<u>-</u>	<u>1,000,000</u>	<u>1,000,000</u>
<b>Cash Flows from Investing Activities:</b>			
Interest on investments	58,119	23,491	81,610
Sale (purchase) of investments	(4,979,332)	987,961	(3,991,371)
<b>Net Cash Provided by (Used for) Investing Activities</b>	<u>(4,921,213)</u>	<u>1,011,452</u>	<u>(3,909,761)</u>
Net Increase (Decrease) in Cash and Cash Equivalents	62,612	904,316	966,928
<b>Cash and Cash Equivalents at Beginning of Year</b>	<u>459,389</u>	<u>154,900</u>	<u>614,289</u>
<b>Cash and Cash Equivalents at End of Year</b>	<u>\$ 522,001</u>	<u>\$ 1,059,216</u>	<u>\$ 1,581,217</u>
<b>Reconciliation to Balance Sheet</b>			
Cash and Cash Equivalents Per Cash Flow	<u>\$ 522,001</u>	<u>\$ 1,059,216</u>	<u>\$ 1,581,217</u>
Cash and Cash Equivalents per Balance Sheet	<u>\$ 522,001</u>	<u>\$ 1,059,216</u>	<u>\$ 1,581,217</u>
<b>Reconciliation of Operating Income (Loss) to Net Cash Provided by (Used for) Operating Activities</b>			
Operating Income (Loss)	\$ 5,380,799	\$ (1,017,298)	\$ 4,363,501
Adjustments to Reconcile Operating Income to Net Cash Provided by Operating Activities			
Change in Assets and Liabilities:			
Increase (decrease) in Claims payable	(396,974)	(89,838)	(486,812)
<b>Net Cash Provided by (Used for) Operating Activities</b>	<u>\$ 4,983,825</u>	<u>\$ (1,107,136)</u>	<u>\$ 3,876,689</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**STATEMENT OF CHANGES IN ASSETS AND LIABILITIES**  
**AGENCY (FIDUCIARY) FUND**  
**For the Fiscal Year Ended August 31, 2020**

*Exhibit I-4*

**Agency Fund**

<b>Data Control Codes</b>		<b>Balance August 31, 2019</b>	<b>Additions</b>	<b>Deductions</b>	<b>Balance August 31, 2020</b>
	<b>Assets</b>				
1110	Cash and cash equivalents	\$ 612,586	\$ 404,760	\$ (507,007)	\$ 510,339
1290	Other receivables	1,500	-	(1,500)	-
1000	<b>Total Assets</b>	<u>\$ 614,086</u>	<u>\$ 404,760</u>	<u>\$ (508,507)</u>	<u>\$ 510,339</u>
	<b>Liabilities</b>				
2190	Due to others	\$ 614,086	\$ 491,051	\$ (594,798)	\$ 510,339
2000	<b>Total Liabilities</b>	<u>\$ 614,086</u>	<u>\$ 491,051</u>	<u>\$ (594,798)</u>	<u>\$ 510,339</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF DELINQUENT TAXES RECEIVABLE**  
For the Year Ended August 31, 2020

*Exhibit J-1*  
Page 1 of 2

	1	2	3	10	20
	Tax Rates		Net Assessed /	Beginning	Current
Last Ten			Appraised	Balance	Year's
Fiscal Years	Maintenance	Debt Service	Value For School	08/31/19	Total Levy
			Tax Purposes (1)		
2011 and prior	Various	Various	Various	\$ 4,831,121	\$ -
2012	1.0700	0.2800	\$ 9,391,633,037	418,285	-
2013	1.0700	0.2800	9,644,712,000	436,069	-
2014	1.0700	0.2800	10,273,935,407	511,155	-
2015	1.0700	0.2800	10,868,937,037	635,402	-
2016	1.0700	0.2800	11,583,104,222	757,238	-
2017	1.0700	0.2800	12,396,518,741	848,413	-
2018	1.2000	0.2800	13,110,991,554	1,051,498	-
2019	1.2000	0.2800	13,691,918,446	2,862,221	-
2020	1.0984	0.2800	15,205,978,743	-	209,599,211
<b>1000 Totals</b>				<u>\$ 12,351,402</u>	<u>\$ 209,599,211</u>

- (1) Assessed Valuations are adjusted for tax freeze amounts as defined by the Texas Education Agency.  
(2) Supplemental TIF payment paid by TEA into the TIRZ due to tax rate compression.

**Exhibit J-1**  
**Page 2 of 2**

[illegible]

**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, 2020**

**Exhibit J-2**

Data Control Codes		Budgeted Amounts		Actual	Variance with Final Budget
		Original	Final		
	<b>Revenues</b>				
5700	Local, intermediate, and out-of-state	\$ 42,000,000	\$ 44,500,000	\$ 42,679,457	\$ (1,820,543)
5800	State program revenues	11,249,211	10,230,341	7,474,803	(2,755,538)
<b>5020</b>	<b>Total revenues</b>	<u>53,249,211</u>	<u>54,730,341</u>	<u>50,154,260</u>	<u>(4,576,081)</u>
	<b>Expenditures</b>				
	<b>Debt service:</b>				
0071	Principal on long-term debt	19,855,000	73,835,875	19,855,000	53,980,875
0072	Interest on long-term debt	30,566,378	30,566,378	30,050,570	515,808
0073	Bond issuance costs and fees	2,827,833	2,827,833	1,787,139	1,040,694
<b>6030</b>	<b>Total Expenditures</b>	<u>53,249,211</u>	<u>107,230,086</u>	<u>51,692,709</u>	<u>55,537,377</u>
1100	Excess (deficiency) of revenues over expenditures	<u>-</u>	<u>(52,499,745)</u>	<u>(1,538,449)</u>	<u>50,961,296</u>
	<b>Other Financing Sources (Uses)</b>				
7911	Issuance of bonds	-	174,027,312	151,635,000	(22,392,312)
7916	Premium or discount on issuance of bonds	-	-	22,392,312	22,392,312
8949	Other uses - payment to refunding agent	-	(121,643,776)	(173,537,393)	(51,893,617)
<b>7080</b>	<b>Total Other Financing Sources (Uses)</b>	<u>-</u>	<u>52,383,536</u>	<u>489,919</u>	<u>(51,893,617)</u>
1200	Net change in fund balances	-	(116,209)	(1,048,530)	(932,321)
<b>0100</b>	<b>Fund Balance - beginning</b>	<u>30,729,133</u>	<u>30,729,133</u>	<u>30,729,133</u>	<u>-</u>
<b>3000</b>	<b>Fund Balance - ending</b>	<u>\$ 30,729,133</u>	<u>\$ 30,612,924</u>	<u>\$ 29,680,603</u>	<u>\$ (932,321)</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF REVENUES, EXPENDITURES, AND CHARGES IN FUND BALANCE**  
**BUDGET AND ACTUAL – NATIONAL SCHOOL BREAKFAST AND LUNCH PROGRAM**  
*For the Year Ended August 31, 2020*

*Exhibit J-3*

Data Control Codes		Budgeted Amounts			Variance with Final Budget
		Original	Final	Actual	
	Revenues				
5700	Local, intermediate, and out-of-state	\$ 6,450,000	\$ 6,450,000	\$ 3,377,862	\$ (3,072,138)
5800	State program revenues	425,000	425,000	162,862	(262,138)
5900	Federal program revenues	35,298,450	35,608,450	20,998,394	(14,610,056)
5020	Total revenues	42,173,450	42,483,450	24,539,118	(17,944,332)
	Expenditures				
	Current:				
0035	Food services	41,952,450	42,262,450	30,571,622	11,690,828
0051	Facilities maintenance and operations	21,000	21,000	9,439	11,561
	Capital outlay:				
0081	Facilities acquisition and construction	200,000	200,000	-	200,000
6030	Total Expenditures	42,173,450	42,483,450	30,581,061	11,902,389
	Excess (deficiency) of revenues over expenditures				
1100		-	-	(6,041,943)	(6,041,943)
1200	Net change in fund balances	-	-	(6,041,943)	(6,041,943)
0100	Fund Balance - beginning	6,090,054	6,090,054	6,090,054	-
3000	Fund Balance - ending	\$ 6,090,054	\$ 6,090,054	\$ 48,111	\$ (6,041,943)







# STATISTICAL SECTION

(UNAUDITED)





## Statistical Section

(Unaudited)

### Page

#### **Financial Trends**

118

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

#### **Revenue Capacity Information**

129

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**

137

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**

143

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**

147

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*

	<u>2020</u>	<u>2019</u>	<u>2018 (3)</u>	<u>2017</u>	<u>2016</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 270,641,335	\$ 277,562,024	\$ 279,117,949	\$ 257,255,969	\$ 264,348,878
Restricted	32,865,875	37,988,890	43,112,633	60,713,417	53,609,363
Unrestricted	<u>(232,452,772)</u>	<u>(213,296,609)</u>	<u>(244,189,277)</u>	<u>23,351,447</u>	<u>37,202,599</u>
<b>Total Primary Government Net Position</b>	<u>\$ 71,054,438</u>	<u>\$ 102,254,305</u>	<u>\$ 78,041,305</u>	<u>\$ 341,320,833</u>	<u>\$ 355,160,840</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**  
**NET POSITION BY COMPONENT**  
*For the Last Ten Years*  
*(Accrual Basis of Accounting)*

*Table 1*  
*Page 2 of 2*

	<u>2015 (2)</u>	<u>2014</u>	<u>2013</u>	<u>2012 (1)</u>	<u>2011</u>
<b>Primary Government</b>					
<b>Governmental Activities</b>					
Net investment in capital assets	\$ 261,603,345	\$ 272,843,426	\$ 269,759,098	\$ 249,185,456	\$ 236,149,687
Restricted	56,355,063	56,505,747	58,428,315	74,818,112	58,104,519
Unrestricted	<u>41,591,030</u>	<u>110,651,866</u>	<u>113,778,767</u>	<u>101,379,409</u>	<u>97,852,662</u>
<b>Total Primary Government Net Position</b>	<u>\$ 359,549,438</u>	<u>\$ 440,001,039</u>	<u>\$ 441,966,180</u>	<u>\$ 425,382,977</u>	<u>\$ 392,106,868</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**

	2020	2019	2018 (3)	2017	2016
<b>Expenses - Governmental Activities:</b>					
Instruction	\$ 412,476,671	\$ 391,294,271	\$ 240,757,586	\$ 360,129,894	\$ 354,205,178
Instructional Resources and Media Services	8,254,580	8,315,278	5,940,698	7,646,925	7,659,442
Curriculum and Staff Development	9,999,796	9,878,356	7,137,987	10,143,208	9,649,278
Instructional Leadership	10,787,004	9,619,143	4,846,925	8,982,885	8,145,039
School Leadership	48,569,450	46,032,004	28,884,806	41,386,440	40,624,435
Guidance, Counseling, and Evaluation Services	33,694,832	30,267,504	15,427,568	27,047,028	25,791,822
Social Work Services	316,748	345,638	243,064	309,340	316,556
Health Services	6,491,585	5,926,990	3,668,580	5,391,271	5,318,208
Student Transportation	19,364,194	19,769,451	14,936,599	16,051,727	16,713,137
Food Service	31,678,818	33,933,645	23,597,639	33,725,141	34,678,478
Extracurricular Activities	11,243,237	12,902,510	10,574,450	11,537,877	11,800,578
General Administration	14,601,283	13,439,947	9,926,979	11,983,289	12,625,764
Plant Maintenance and Operations	60,364,047	61,674,755	56,127,640	50,071,209	53,594,631
Security and Monitoring Services	6,508,045	5,785,455	4,334,104	5,144,453	5,322,890
Data Processing Services	7,370,527	7,067,502	6,734,161	7,211,050	9,110,464
Community Services	460,044	545,018	527,262	449,139	330,926
Interest on Long-term Debt	26,502,700	30,834,342	29,751,023	28,362,105	28,880,942
Bond Issuance Costs and Fees	1,787,139	-	1,015,195	18,065	19,884
Facilities Repair and Maintenance	86,531	88,731	-	56,102	58,547
Payments Related to Shared Services Arrangements	903,093	767,296	992,825	839,131	-
Payments to Juvenile Justice Alternative Education Programs	98,085	91,716	122,945	105,950	93,782
Other Intergovernmental Charges	1,522,197	1,488,678	1,379,937	1,202,272	1,162,022
<b>Total Governmental Activities</b>	<b>713,080,606</b>	<b>690,068,230</b>	<b>466,927,973</b>	<b>627,794,501</b>	<b>626,102,003</b>
<b>Program Revenues - Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	1,335,808	2,260,992	2,762,648	1,661,717	1,929,586
Extracurricular Activities	1,475,278	4,338,170	3,586,934	3,508,113	3,207,279
Food Service	5,845,072	4,384,074	3,638,128	4,455,876	4,689,417
Plant Maintenance and Operations	9,449	236,494	7,622,616	246,391	278,805
Other Activities	512,008	1,191,718	1,129,073	233,048	183,212
Operating Grants and Contributions	155,032,044	156,048,283	6,401,325	119,058,345	124,107,651
<b>Total Governmental Activities Program Revenues</b>	<b>164,209,659</b>	<b>168,459,731</b>	<b>25,140,724</b>	<b>129,163,490</b>	<b>134,395,950</b>
<b>Net (Expense)Revenue</b>					
<b>Governmental Activities</b>	<b>(548,870,947)</b>	<b>(521,608,499)</b>	<b>(441,787,249)</b>	<b>(498,631,011)</b>	<b>(491,706,053)</b>
<b>General Revenue - Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	167,471,082	166,441,003	155,069,674	130,927,001	124,327,647
Property Taxes, Levied for Debt Service	42,483,789	38,863,792	36,225,287	34,202,242	32,709,809
Grants and Contributions Not restricted to Specific Programs	300,703,430	327,011,357	335,919,922	310,199,845	319,831,829
Investment Earnings	5,511,638	10,517,950	3,429,956	2,868,413	2,024,187
Miscellaneous	1,501,141	2,987,397	5,489,561	6,593,503	8,423,983
<b>Total Governmental Activities General Revenues</b>	<b>517,671,080</b>	<b>545,821,499</b>	<b>536,134,400</b>	<b>484,791,004</b>	<b>487,317,455</b>
<b>Change in Net Position</b>	<b>\$ (31,199,867)</b>	<b>\$ 24,213,000</b>	<b>\$ 94,347,151</b>	<b>\$ (13,840,007)</b>	<b>\$ (4,388,598)</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*

	2015 (2)	2014	2013	2012 (1)	2011
<b>Expenses - Governmental Activities:</b>					
Instruction	\$ 321,831,212	\$ 325,153,833	\$ 281,082,994	\$ 279,481,563	\$ 281,367,024
Instructional Resources and Media Services	6,972,289	6,465,420	6,094,393	6,151,309	6,387,688
Curriculum and Staff Development	9,497,568	8,820,253	8,561,707	7,239,584	7,621,886
Instructional Leadership	7,399,776	6,863,218	5,890,317	5,187,804	6,251,276
School Leadership	37,633,013	35,211,293	32,962,634	31,598,938	32,895,017
Guidance, Counseling, and Evaluation Services	22,937,986	21,376,942	19,879,822	18,933,163	19,634,366
Social Work Services	299,521	264,439	228,199	220,407	233,151
Health Services	4,943,441	4,708,615	4,421,353	4,349,259	4,643,035
Student Transportation	17,021,162	15,297,552	13,585,958	12,026,790	12,559,177
Food Service	33,761,115	31,073,888	29,204,609	28,081,754	27,838,575
Extracurricular Activities	9,842,788	9,186,672	7,749,509	7,381,304	6,757,699
General Administration	12,002,308	10,951,819	10,296,752	10,170,769	10,361,767
Plant Maintenance and Operations	51,212,353	46,164,145	47,394,544	46,124,950	47,322,211
Security and Monitoring Services	5,204,081	5,041,819	4,605,872	4,457,814	4,907,271
Data Processing Services	6,484,373	6,267,263	5,792,598	5,687,778	4,956,293
Community Services	228,640	255,974	269,302	185,536	293,667
Interest on Long-term Debt	27,139,258	26,158,665	23,960,045	21,422,919	17,443,988
Bond Issuance Costs and Fees	1,684,522	144,516	1,390,501	920,470	784,974
Facilities Repair and Maintenance	103,205	65,274	68,173	37,456	-
Payments Related to Shared Services Arrangements	-	-	-	-	-
Payments to Juvenile Justice Alternative Education Programs	63,843	54,885	67,570	63,133	355,238
Other Intergovernmental Charges	1,131,892	1,042,995	1,023,578	1,045,847	1,086,952
<b>Total Governmental Activities</b>	<b>577,394,346</b>	<b>560,569,480</b>	<b>504,530,430</b>	<b>490,768,547</b>	<b>493,701,255</b>
<b>Program Revenues - Governmental Activities:</b>					
<b>Charges for Services:</b>					
Instruction	1,584,397	489,246	5,494,559	4,785,925	4,909,981
Extracurricular Activities	2,621,721	4,314,371	1,790,154	1,755,287	1,717,844
Food Service	4,524,601	3,294,157	4,138,638	4,239,806	4,645,023
Plant Maintenance and Operations	218,818	185,535	868,469	722,791	819,306
Other Activities	265,082	-	2,005,771	1,772,099	1,886,190
Operating Grants and Contributions	109,565,356	106,967,866	95,170,222	96,450,142	122,259,463
<b>Total Governmental Activities Program Revenues</b>	<b>118,779,975</b>	<b>115,251,175</b>	<b>109,467,813</b>	<b>109,726,050</b>	<b>136,237,807</b>
<b>Net (Expense)Revenue</b>					
<b>Governmental Activities</b>	<b>(458,614,371)</b>	<b>(445,318,305)</b>	<b>(395,062,617)</b>	<b>(381,042,497)</b>	<b>(357,463,448)</b>
<b>General Revenue - Governmental Activities:</b>					
Property Taxes, Levied for General Purposes	116,596,190	112,210,474	104,662,062	101,836,548	101,307,354
Property Taxes, Levied for Debt Service	30,413,560	29,153,316	27,013,750	26,642,669	26,412,793
Grants and Contributions Not restricted to Specific Programs	305,159,815	293,529,741	278,564,818	257,607,627	239,093,022
Investment Earnings	1,369,950	564,220	493,587	293,962	1,325,113
Miscellaneous	8,684,632	7,895,413	911,603	786,800	1,940,617
<b>Total Governmental Activities General Revenues</b>	<b>462,224,147</b>	<b>443,353,164</b>	<b>411,645,820</b>	<b>387,167,606</b>	<b>370,078,899</b>
<b>Change in Net Position</b>	<b>\$ 3,609,776</b>	<b>\$ (1,965,141)</b>	<b>\$ 16,583,203</b>	<b>\$ 6,125,109</b>	<b>\$ 12,615,451</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*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>General Fund</b>					
Nonspendable	\$ 8,145,087	\$ 8,158,260	\$ 6,875,132	\$ 6,617,970	\$ 978,634
Committed	10,000,000	25,000,000	19,100,000	19,275,000	21,600,000
Assigned	10,045,689	2,242,299	2,242,299	7,988,031	16,620,980
Unassigned	157,620,118	142,647,753	95,659,941	61,902,526	63,593,006
<b>Total General Fund</b>	<u>185,810,894</u>	<u>178,048,312</u>	<u>123,877,372</u>	<u>95,783,527</u>	<u>102,792,620</u>
 <b>All Other Governmental Funds</b>					
Nonspendable	39,432	852,802	626	-	-
Restricted for:					
Federal and state programs	1,264,474	6,290,184	10,164,799	8,290,644	7,060,002
Debt service	29,680,603	30,729,133	32,717,437	51,602,157	45,200,646
Construction	84,625,777	115,600,512	134,624,564	45,881,164	140,601,788
Committed	4,350,225	4,176,336	4,006,640	3,847,278	3,468,105
<b>Total All Other Governmental Funds</b>	<u>\$ 119,960,511</u>	<u>\$ 157,648,967</u>	<u>\$ 181,514,066</u>	<u>\$ 109,621,243</u>	<u>\$ 196,330,541</u>

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*

	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>General Fund</b>					
Nonspendable	\$ 1,044,438	\$ 1,020,153	\$ 1,105,659	\$ 7,122,607	\$ 6,542,969
Committed	27,850,000	11,334,110	42,454,094	28,525,000	30,000,000
Assigned	9,683,339	16,320,015	3,200,920	7,322,483	8,136,653
Unassigned	59,255,564	55,059,909	50,062,993	47,802,710	48,174,594
<b>Total General Fund</b>	<u>97,833,341</u>	<u>83,734,187</u>	<u>96,823,666</u>	<u>90,772,800</u>	<u>92,854,216</u>
 <b>All Other Governmental Funds</b>					
Nonspendable	-	-	-	-	1,347,318
Restricted for:					
Federal and state programs	6,454,425	7,844,719	1,002,453	8,356,406	5,205,305
Debt service	49,557,927	47,938,360	44,411,225	61,963,266	52,594,921
Construction	174,501,822	78,878,746	182,202,597	73,829,010	355,128
Committed	3,285,163	3,183,811	2,780,877	2,577,159	2,125,756
<b>Total All Other Governmental Funds</b>	<u>\$ 233,799,337</u>	<u>\$ 137,845,636</u>	<u>\$ 230,397,152</u>	<u>\$146,725,841</u>	<u>\$ 61,628,428</u>

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**

	2020	2019	2018	2017	2016
<b>Revenues</b>					
Local and Intermediate Revenues	\$ 226,196,011	\$ 232,753,722	\$ 226,232,576	\$ 188,361,439	\$ 179,480,336
State Program Revenues	346,148,819	362,474,109	369,211,059	347,413,115	358,808,557
Federal Program Revenues	87,669,777	101,736,330	85,440,369	70,886,398	73,586,963
Total Revenues	660,014,607	696,964,161	680,884,004	606,660,952	611,875,856
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	360,871,927	340,100,145	336,430,749	331,626,355	321,741,170
Instructional Resources and Media Services	7,214,572	7,387,444	7,456,356	7,099,448	7,059,654
Curriculum and Staff Development	8,599,608	8,787,308	9,690,072	9,302,477	8,925,416
Instructional Leadership	9,313,078	8,573,367	7,780,203	8,150,138	7,498,604
School Leadership	42,117,128	39,807,301	39,510,529	38,199,906	37,354,937
Guidance, Counseling, and Evaluation Services	28,829,141	26,442,220	25,609,592	24,464,681	23,679,841
Social Work Services	294,848	327,203	321,149	287,453	291,952
Health Services	5,609,452	5,212,153	5,078,585	4,966,423	4,897,165
Student Transportation	17,508,770	17,609,545	16,648,013	15,049,052	15,401,367
Food Services	30,807,525	35,340,496	32,686,032	33,829,620	32,924,067
Extracurricular Activities	10,367,921	12,070,308	12,099,126	11,008,967	11,059,681
General Administration	12,724,243	11,863,997	12,175,460	11,099,916	11,731,679
Plant Maintenance and Operations	56,187,337	57,193,941	59,275,635	46,962,700	50,496,826
Security and Monitoring Services	6,630,802	5,104,849	5,305,154	5,083,764	5,114,295
Data Processing Services	6,568,864	6,519,907	8,768,088	6,916,037	8,833,256
Community Services	439,605	525,466	550,027	434,303	310,292
<b>Debt Service:</b>					
Principal on Long-term Debt	19,855,000	17,095,000	38,720,000	15,235,000	24,790,000
Interest on Long-term Debt	30,050,570	33,938,719	32,404,732	30,748,363	31,286,022
Bond Issuance Costs and Fees	1,787,139	-	1,015,195	18,065	19,884
<b>Capital Outlay:</b>					
Facilities Acquisition and Construction	31,166,350	24,713,462	54,688,014	97,877,863	38,213,916
<b>Intergovernmental:</b>					
Payments to Shared Services Arrangements	903,093	767,296	992,825	839,131	-
Payments to Juvenile Justice Alternative Education Program	98,085	91,716	122,945	105,950	93,782
Other Intergovernmental Charges	1,522,197	1,488,678	1,379,937	1,202,272	1,162,022
<b>Total Expenditures</b>	<b>689,467,255</b>	<b>660,960,521</b>	<b>708,708,418</b>	<b>700,507,884</b>	<b>642,885,828</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(29,452,648)	36,003,640	(27,824,414)	(93,846,932)	(31,009,972)
<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	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)	(1,499,545)
Other non-operating revenues	-	-	-	-	-
Transfers out	(27,820,069)	(16,347,480)	(10,539,406)	(45,035)	-
Other uses - payment to refunding agent	(173,537,393)	-	-	-	-
Total Other Financing Sources (Uses)	(510,081)	(5,697,799)	127,811,082	128,541	(1,499,545)
<b>Net Change in Fund Balances</b>	<b>\$ (29,962,729)</b>	<b>\$ 30,305,841</b>	<b>\$ 99,986,668</b>	<b>\$ (93,718,391)</b>	<b>\$ (32,509,517)</b>
Debt Service as a Percentage of					
Noncapital Expenditures	7.89%	8.08%	11.11%	11.11%	10.35%

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**

	2015	2014	2013	2012	2011
<b>Revenues</b>					
Local and Intermediate Revenues	\$ 169,398,583	\$ 158,078,975	\$ 148,488,211	\$ 143,082,015	\$ 146,068,919
State Program Revenues	345,388,744	327,493,055	297,008,916	278,055,597	262,447,707
Federal Program Revenues	69,402,718	72,111,900	76,598,991	75,990,919	98,851,957
Total Revenues	584,190,045	557,683,930	522,096,118	497,128,531	507,368,583
<b>Expenditures</b>					
<b>Current:</b>					
Instruction	302,719,650	290,261,005	268,185,484	268,462,252	266,818,898
Instructional Resources and Media Services	6,569,559	6,107,560	5,739,563	5,844,315	6,005,730
Curriculum and Staff Development	9,032,214	8,415,773	8,178,297	6,922,325	7,274,457
Instructional Leadership	7,056,372	6,557,767	5,623,402	4,972,397	5,962,798
School Leadership	35,454,217	33,344,064	31,287,970	30,181,900	30,787,773
Guidance, Counseling, and Evaluation Services	22,005,303	20,591,835	19,192,795	18,443,513	18,734,641
Social Work Services	281,774	250,224	219,434	213,290	222,562
Health Services	4,653,708	4,453,897	4,167,199	4,127,557	4,378,401
Student Transportation	15,796,887	17,462,868	12,870,731	11,489,544	13,541,964
Food Services	33,879,493	34,021,593	29,790,739	28,360,339	28,647,695
Extracurricular Activities	9,463,566	8,819,775	7,423,784	7,050,975	6,404,302
General Administration	11,273,322	10,382,520	9,702,224	9,658,098	9,763,042
Plant Maintenance and Operations	47,980,999	44,133,209	45,135,772	43,888,815	44,534,269
Security and Monitoring Services	4,866,578	5,033,992	4,633,454	4,416,566	4,770,890
Data Processing Services	6,137,993	6,332,759	5,889,444	5,423,732	5,682,054
Community Services	265,100	285,057	267,942	185,244	292,824
<b>Debt Service:</b>					
Principal on Long-term Debt	17,220,000	16,465,000	31,130,000	13,490,000	16,515,000
Interest on Long-term Debt	28,964,382	27,583,613	26,937,545	17,109,658	17,660,881
Bond Issuance Costs and Fees	1,684,522	144,516	1,390,501	2,328,308	784,435
<b>Capital Outlay:</b>					
Facilities Acquisition and Construction	78,871,404	130,337,442	78,460,508	27,516,938	7,810,669
<b>Intergovernmental:</b>					
Payments to Shared Services Arrangements	-	-	-	-	-
Payments to Juvenile Justice Alternative Education Program	63,843	54,885	67,570	63,133	355,238
Other Intergovernmental Charges	1,131,892	1,042,995	1,023,578	1,045,847	1,086,952
<b>Total Expenditures</b>	<b>645,372,778</b>	<b>672,082,349</b>	<b>597,317,936</b>	<b>511,194,746</b>	<b>498,035,475</b>
Excess (Deficiency) of Revenues Over (Under) Expenditures	(61,182,733)	(114,398,419)	(75,221,818)	(14,066,215)	9,333,108
<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	(1,304,413)	(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)	-
Total Other Financing Sources (Uses)	171,235,588	(242,576)	173,943,995	97,082,212	-
<b>Net Change in Fund Balances</b>	<b>\$ 110,052,855</b>	<b>\$ (114,640,995)</b>	<b>\$ 98,722,177</b>	<b>\$ 83,015,997</b>	<b>\$ 9,333,108</b>
Debt Service as a Percentage of					
Noncapital Expenditures	7.91%	8.47%	8.26%	11.25%	6.35%

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*

	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
<b>Local Sources:</b>					
Property tax	\$ 208,928,167	\$ 205,654,269	\$ 196,269,431	\$ 168,841,794	\$ 157,037,456
Other	17,267,844	27,100,098	29,963,145	19,519,645	22,442,880
<b>State sources</b>	346,148,819	362,474,104	369,211,059	347,413,115	358,808,557
<b>Federal sources</b>	<u>87,669,777</u>	<u>101,736,330</u>	<u>85,440,369</u>	<u>70,886,398</u>	<u>73,586,963</u>
<b>Total</b>	<u><u>\$ 660,014,607</u></u>	<u><u>\$ 696,964,801</u></u>	<u><u>\$ 680,884,004</u></u>	<u><u>\$ 606,660,952</u></u>	<u><u>\$ 611,875,856</u></u>
	<u>2015</u>	<u>2014</u>	<u>2013</u>	<u>2012</u>	<u>2011</u>
<b>Local Sources:</b>					
Property tax	\$ 149,214,870	\$ 140,009,046	\$ 131,489,515	\$ 128,587,098	\$ 128,494,153
Other	20,183,713	18,069,929	16,998,696	14,494,917	17,574,766
<b>State sources</b>	345,388,744	327,493,055	297,008,916	278,055,597	262,447,707
<b>Federal sources</b>	<u>69,402,718</u>	<u>72,111,900</u>	<u>76,598,991</u>	<u>75,990,919</u>	<u>98,851,957</u>
<b>Total</b>	<u><u>\$ 584,190,045</u></u>	<u><u>\$ 557,683,930</u></u>	<u><u>\$ 522,096,118</u></u>	<u><u>\$ 497,128,531</u></u>	<u><u>\$ 507,368,583</u></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>
2020	\$ 9,159,872,068	\$ 7,775,694,991	\$ 2,956,216,219	\$ 19,891,783,278	\$ (4,685,804,535)	\$ 15,205,978,743	\$ 1.38
2019	8,109,193,168	6,668,849,530	2,930,956,716	17,708,999,414	(4,017,080,968)	13,691,918,446	1.48
2018	7,834,997,932	7,701,837,301	1,276,594,009	16,813,429,242	(3,702,437,688)	13,110,991,554	1.48
2017	7,201,040,235	7,266,169,850	1,436,819,513	15,904,029,598	(3,507,510,857)	12,396,518,741	1.35
2016	6,498,176,002	7,099,247,574	1,401,864,088	14,999,287,664	(3,416,183,442)	11,583,104,222	1.35
2015	5,935,227,921	6,698,825,873	1,492,753,256	14,126,807,050	(3,257,870,013)	10,868,937,037	1.35
2014	5,656,695,787	6,768,502,075	1,219,758,476	13,644,956,338	(3,371,020,931)	10,273,935,407	1.35
2013	5,666,046,003	6,217,743,404	1,135,905,080	13,019,694,487	(3,374,982,487)	9,644,712,000	1.35
2012	5,849,352,590	5,862,935,029	1,106,758,541	12,819,046,160	(3,427,413,123)	9,391,633,037	1.35
2011	5,956,692,078	5,655,133,246	1,097,835,086	12,709,660,410	(3,283,651,299)	9,426,009,111	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>2020</b>	<b>2019</b>	<b>2018</b>	<b>2017</b>	<b>2016</b>
Pasadena ISD	1.3784	1.4800	1.4800	1.3500	1.3500
Clear Brook City MUD	0.6000	0.6700	0.6700	0.6700	0.6700
Clear Lake City Water Authority	0.2700	0.2700	0.2700	0.2300	0.2700
Harris-Brazoria Counties MUD 509	0.8500	0.8500	0.8500	0.8200	0.8200
Harris County (a)	0.4071	0.4186	0.4180	0.4180	0.4192
Harris County Department of Education	0.0050	0.0052	0.0052	0.0052	0.0054
Harris County Flood Control District	0.0279	0.0288	0.0283	0.0283	0.0273
Harris County Hospital District	0.1659	0.1711	0.1711	0.1711	0.1700
Harris County MUD #381	0.6000	0.6200	0.6300	0.7000	0.7000
Harris County MUD #382	0.5300	0.5500	0.5500	0.6300	0.6300
Harris County MUD #410	0.5600	0.5600	0.5900	0.6300	0.6300
Kirkmont MUD	0.5600	0.5600	0.5400	0.5350	0.5350
Houston, City of	0.5679	0.5883	0.5842	0.5842	0.6011
Pasadena, City of	0.5703	0.6154	0.5754	0.5754	0.5754
Pearland, City of	0.7412	0.7092	0.6851	0.7053	0.7053
Port of Houston Authority	0.0107	0.0116	0.0126	0.0126	0.0134
Sagemeadow UD	0.4800	0.4500	0.4500	0.5000	0.5000
San Jacinto CCD	0.1782	0.1793	0.1833	0.1833	0.1758
South Houston, City of	0.6999	0.6505	0.6433	0.6433	0.6995
	<b>2015</b>	<b>2014</b>	<b>2013</b>	<b>2012</b>	<b>2011</b>
Pasadena ISD	1.3500	1.3500	1.3500	1.3500	1.3500
Clear Brook City MUD	0.6700	0.6700	0.6700	0.6700	0.6700
Clear Lake City Water Authority	0.2800	0.2800	0.2800	0.2800	0.2800
Harris-Brazoria Counties MUD 509	0.8500	0.8500	-	-	-
Harris County (a)	0.4173	0.4146	0.4002	0.3922	0.3892
Harris County Department of Education	0.0060	0.0064	0.0066	0.0061	0.0058
Harris County Flood Control District	0.0274	0.0283	0.0281	0.0292	0.0309
Harris County Hospital District	0.1700	0.1700	-	-	-
Harris County MUD #381	0.7400	0.7800	0.7800	0.7800	0.7800
Harris County MUD #382	0.6700	0.6800	0.6900	0.6900	0.6900
Harris County MUD #410	0.6900	0.7500	0.7500	0.7200	0.7200
Kirkmont MUD	0.5620	0.5690	0.5400	0.4670	0.4670
Houston, City of	0.6311	0.6387	0.6387	0.6387	0.6438
Pasadena, City of	0.5769	0.5916	0.5916	0.5620	0.5620
Pearland, City of	0.7121	0.7051	0.7051	0.6526	0.6526
Port of Houston Authority	0.0153	0.0172	0.0195	0.0164	0.0177
Sagemeadow UD	0.5200	0.5200	0.4900	0.3650	0.3650
San Jacinto CCD	0.1856	0.1856	0.1856	0.1708	0.1634
South Houston, City of	0.6445	0.6699	0.7082	0.6784	0.6784

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**  
**PRINCIPAL TAXPAYERS**  
**CURRENT YEAR AND NINE YEARS PRIOR**

*Table 8*

	Tax Year 2019 (Fiscal Year 2020)			Tax Year 2010 (Fiscal Year 2011)		
	Assessed Value (1)	Rank	Percentage of Total Assessed Value (2)	Assessed Value (1)	Rank	Percentage of Total Assessed Value (3)
Pasadena Refining System Inc.	\$ 408,956,932	1	2.69%	\$ 145,574,166	3	1.54%
Houston Refining LP	331,570,610	2	2.18%	535,704,149	1	5.68%
Enterprise Crude Pipeline	304,109,088	3	2.00%	-	-	-
GATX Terminals Corp.	276,398,454	4	1.82%	89,272,256	5	0.95%
CenterPoint Energy Inc.	252,246,356	5	1.66%	178,163,638	2	1.89%
KM Liquids Terminals LLC	242,066,176	6	1.59%	-	-	-
Channel Energy Center LP	111,708,310	7	0.73%	85,985,310	6	0.91%
Valero Energy Corp.	81,013,323	8	0.53%	42,193,990	10	0.45%
KIR Pasadena LP	80,279,828	9	0.53%	45,769,737	9	0.49%
Southwest Airlines Co.	71,012,727	10	0.47%	-	-	-
HD Supply Inc	-		-	92,947,723	4	0.99%
Wal-Mart	-		-	58,405,401	7	0.62%
Powell Industries	-		-	48,769,737	8	0.52%
<b>TOTALS</b>	<b>\$ 2,159,361,804</b>		<b>14.20%</b>	<b>\$ 1,322,786,107</b>		<b>14.03%</b>

Source: District records.

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

(2) Total assessed value-current year (Table 6): \$ 15,205,978,743

(3) Total assessed value-ten years ago (Table 6): \$ 9,426,009,111

**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>Total Collections to Date</b>	
		<b>Taxes Collected</b>	<b>Percent of Adjusted Tax Levy</b>	<b>Collections in Subsequent Years</b>	<b>Taxes Collected</b>	<b>Collected as Percent of Current Tax Levy</b>
2020	\$ 209,599,211	\$ 204,103,207	97.4%	\$ -	\$ 204,103,207	97.4%
2019	200,946,242	199,778,172	99.42	115,295	199,893,467	99.48
2018	192,572,483	190,518,402	98.93	1,384,152	191,902,554	99.65
2017	165,752,755	164,258,092	99.10	863,649	165,121,741	99.62
2016	154,188,375	152,672,348	99.02	945,526	153,617,874	99.63
2015	145,761,677	143,824,978	98.67	1,441,619	145,266,597	99.66
2014	137,832,899	135,830,660	98.55	1,613,802	137,444,462	99.72
2013	129,112,164	127,592,900	98.82	1,176,131	128,769,031	99.73
2012	125,257,440	123,551,583	98.64	1,342,332	124,893,915	99.71
2011	126,796,794	123,912,114	97.72	2,538,956	126,451,070	99.73

Source: District records





# DEBT CAPACITY







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

<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>				
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
2011	420,461,615	290,000	420,751,615	1.36%	244,213	1,723

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>
2020	\$ 797,365,821	\$ 29,680,603	\$ 767,685,218	5.05%	\$ 14,719
2019	826,059,285	30,729,133	795,330,152	5.81%	15,222
2018	847,256,260	32,717,437	814,538,823	6.21%	15,701
2017	754,910,583	51,602,157	703,308,426	5.67%	13,596
2016	773,880,747	45,200,646	728,680,101	6.29%	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
2011	420,461,615	52,594,921	367,866,694	3.90%	7,610

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, 2020**

*Table 12*

<b>Taxing Authority</b>	<b>Debt Outstanding</b>	<b>Percent Overlapping (1)</b>	<b>Amount Applicable to School District</b>
<u>Overlapping:</u>			
Governmental Subdivisions			
Harris County	\$1,743,427,125	3.17%	\$ 55,266,640
Harris County Department of Education	20,185,000	3.17%	639,865
Port of Houston Authority	492,439,397	3.17%	15,610,329
San Jacinto Community College District	480,440,414	26.15%	125,635,168
Cities			
Houston, City of	3,423,995,000	2.50%	85,599,875
Pasadena, City of	153,735,000	58.84%	90,457,674
Pearland, City of	339,195,000	0.24%	814,068
South Houston, City of	3,995,000	100.00%	3,995,000
Special Districts			
Brazoria County MUD #28	54,290,000	21.86%	11,867,794
Clear Brook City MUD	64,870,000	42.98%	27,881,126
Clear Lake City Water Authority	117,675,000	1.32%	1,553,310
Harris-Brazoria Counties MUD No. 509	41,975,000	73.78%	30,969,155
Harris County Flood Control District	334,270,000	3.17%	10,596,359
Harris County Hospital District	86,050,000	3.17%	2,727,785
Harris County MUD #381	11,085,000	100.00%	11,085,000
Harris County MUD #382	11,160,000	99.44%	11,097,504
Harris County MUD #410	12,605,000	78.04%	9,836,942
Harris County Toll Road	-	3.17%	-
Kirkmont MUD	3,820,000	100.00%	3,820,000
Sagemeadow Utility District	13,830,000	100.00%	13,830,000
<b>Total Overlapping Debt</b>			<b>\$ 513,283,594</b>
<u>Direct:</u>			
Pasadena Independent School District	797,365,821	100.00%	\$ 797,365,821
<b>Total Direct and Overlapping Debt</b>			<b>\$ 1,310,649,415</b>
<b>Total Direct and Overlapping Debt % of A.V.</b>		<b>7.25%</b>	
<b>Total Direct and Overlapping Debt per Capita</b>		<b>\$5,616</b>	

Source: Municipal Advisory Council

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

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.





## 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>
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
2011	8.1%	244,213	50,928	60,898	3,101,413,344	5,956,692,078	97,814	52,218

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**
**PRINCIPAL EMPLOYERS**
*Current Year and Nine Years Prior (Unaudited)*
**Table 14**

Employer	2020			2011		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pasadena Independent School District	8,400	1	12.89%	5,800	1	8.50%
SGS Petroleum Service Corp	3,200	2	6.36%	1,150	8	1.69%
San Jacinto College	3,162	3	4.70%	-	-	-
Turner Industries	3,070	4	3.48%	-	-	-
The Boeing Company	2,500	5	2.15%	2,300	2	3.37%
University of Houston-Clear Lake	1,589	6	1.97%	-	-	-
Bayshore Medical Center	1,500	7	1.78%	-	-	-
Lyondell Chemical Co.	1,150	8	1.68%	1,800	3	2.64%
City of Pasadena	1,148	9	1.67%	1,082	10	1.59%
Mundy Company	569	10	0.90%	-	-	-
Bayer - Baytown	-		-	1,800	4	2.64%
Shell - Deer Park	-		-	1,750	5	2.57%
Mundy Company	-		-	1,500	6	2.20%
Exxon Mobil Refining - Baytown	-		-	1,350	7	1.98%
Silver Eagle Distributors, L.P.	-		-	1,100	9	1.61%
<b>Totals:</b>	<b>26,288</b>		<b>37.58%</b>	<b>19,632</b>		<b>28.79%</b>

Source: City of Pasadena website

\*PISD District Records





# 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>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>	<b>2011</b>
Professional Staff:										
Teachers	<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>	<u>3,500</u>
Support Staff:										
Counselors	104	106	104	102	100	96	91	91	114	108
Educational Diagnosticians	42	41	44	41	41	37	37	32	37	32
Librarians	64	72	72	71	69	64	63	65	64	58
School Nurses	69	72	72	69	68	66	65	63	66	60
Teacher Facilitators	39	178	178	138	133	129	124	124	113	106
Therapists	61	61	61	59	52	52	60	52	56	62
School Psychologists	34	49	49	44	46	47	39	40	34	31
Other Support Staff	<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>	<u>128</u>
Subtotal	<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>	<u>585</u>
Administrators:										
Admin/Instr Officers	64	64	64	63	64	59	52	56	53	58
Principals	66	67	67	67	67	62	62	62	61	60
Assistant Principals	138	132	138	131	132	125	125	116	119	118
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>14</u>	<u>14</u>	<u>15</u>	<u>14</u>	<u>13</u>	<u>14</u>
Subtotal	<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>	<u>251</u>
Total Professional Staff	4,693	5,022	4,991	4,882	4,782	4,589	4,463	4,297	4,247	4,336
Educational Aides	970	973	970	908	885	844	776	766	681	734
Auxiliary Staff	<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>	<u>2,107</u>
Total Personnel	<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>	<u>7,177</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>
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
2011	48,340	455,264,490	9,418	2.17%	493,701,255

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>
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%
2011	10,213	2.53%	3,500	13.81	78.90%

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**  
**TEACHER BASE SALARIES**  
*Last Ten Fiscal Years*

*Table 17*

<b>Fiscal Year</b>	<b>District Average Salary (1)</b>	<b>Region IV Average Salary (2)</b>	<b>Statewide Average Salary (1)</b>
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
2011	49,694	50,616	48,638

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>2019-2020 Enrollment</b>	<b>% of Capacity Used</b>
<b><u>HIGH SCHOOL</u></b>								
Dobie	2003	17	3,500	24	600	4,100	2,910	71%
Dobie 9th	2018	2	1,100	-	-	1,100	962	87%
Dr. Lewis CTHS	2014	6	1,500	-	-	1,500	1,449	97%
Pasadena	2001	19	3,024	-	-	3,024	2,310	76%
Pasadena Memorial	2003	17	2,816	18	450	3,266	2,866	88%
Pasadena Memorial Early College	2017	3	280	-	-	280	250	89%
Sam Rayburn	2002	18	2,528	30	750	3,278	2,442	74%
Sam Raybrun Early College	2017	3	280	-	-	280	252	90%
South Houston	2001	19	2,450	27	675	3,125	1,987	64%
South Houston Early College	2017	3	280	-	-	280	246	88%
<b><u>INTERMEDIATE</u></b>								
Beverly Hills	2004	16	1,500	3	75	1,575	980	62%
Bondy	1993	27	1,144	1	25	1,169	964	82%
Jackson	2002	18	1,384	-	-	1,384	652	47%
Miller	1968	52	980	5	125	1,105	883	80%
Park View	1966	54	960	8	200	1,160	638	55%
Queens	2014	6	900	-	-	900	639	71%
San Jacinto	2008	12	850	-	-	850	669	79%
South Houston	1989	31	1,108	2	50	1,158	710	61%
Southmore	2008	12	850	-	-	850	710	84%
Thompson	1972	48	995	13	325	1,320	990	75%
<b><u>MIDDLE SCHOOLS</u></b>								
DeZavala	2002	18	850	6	132	982	738	75%
Keller	2014	6	850	1	44	894	710	79%
Kendrick	2015	5	850	-	-	850	787	93%
Lomax	2007	13	850	4	132	982	684	70%
Melillo	2008	12	850	9	132	982	673	69%
Milstead	2007	13	950	6	132	1,082	813	75%
Morris	2004	16	850	12	264	1,114	827	74%
Roberts	2015	5	850	-	-	850	617	73%
Schneider	2006	14	850	2	-	850	772	91%
Shaw	2008	12	850	2	44	894	772	86%
Sullivan	2015	5	850	-	-	850	649	76%
<b><u>ALTERNATIVE</u></b>								
College Readiness Ctr	2010	10	800	-	-	800	-	0%
Community School	2003	17	107	-	-	107	109	102%
Guidance Center	2005	15	200	-	-	200	-	0%
Summit	2004	16	175	-	-	175	182	104%
Tegeler	2013	7	520	8	120	640	412	64%

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>2019-2020 Enrollment</b>	<b>% of Capacity Used</b>
<b><u>ELEMENTARY</u></b>								
Atkinson	1969	51	607	8	176	783	478	61%
Bailey	1959	61	585	27	594	1,179	632	54%
Burnett	2002	18	585	23	506	1,091	471	43%
Laura Bush	2006	14	750	14	308	1,058	628	59%
Fisher	1963	57	637	13	286	923	667	72%
Frazier	2002	18	512	4	88	600	467	78%
Freeman	1960	60	585	5	110	695	533	77%
Gardens	2014	6	800	-	-	800	583	73%
Garfield	2002	18	694	14	308	1,002	640	64%
Genoa	2002	18	721	12	264	985	690	70%
Golden Acres	1998	22	635	6	132	767	396	52%
Hancock	2016	4	800	-	-	800	446	56%
Jensen	1998	22	669	9	198	867	601	69%
Jessup	1958	62	800	11	242	1,042	647	62%
Kruse	2009	11	825	3	66	891	497	56%
L.F. Smith	1959	61	825	-	-	825	671	81%
Matthys	1992	28	777	6	132	909	627	69%
McMasters	2001	19	430	6	132	562	441	78%
Meador	1963	57	627	8	176	803	569	71%
Moore	1980	40	700	-	-	700	418	60%
Morales	1992	28	644	2	44	688	488	71%
Parks	2001	19	687	-	-	687	459	67%
Pearl Hall	2007	13	800	4	88	888	641	72%
Pomeroy	1959	61	1,058	-	-	1,058	856	81%
Red Bluff	2001	19	752	9	198	950	505	53%
Richey	2008	12	815	2	44	859	639	74%
Smythe, Mae	1955	65	750	-	-	750	776	103%
South Belt	2009	11	780	-	-	780	656	84%
So. Houston	2013	7	800	-	-	800	559	70%
So. Shaver	1949	71	800	-	-	800	651	81%
Sparks	1993	27	649	2	44	693	397	57%
Stuchbery	1967	53	587	5	110	697	665	95%
Teague	1977	43	593	2	44	637	749	118%
Turner	1992	28	680	-	-	680	566	83%
Williams	1958	62	672	14	308	980	488	50%
Young	1980	40	660	12	264	924	617	67%

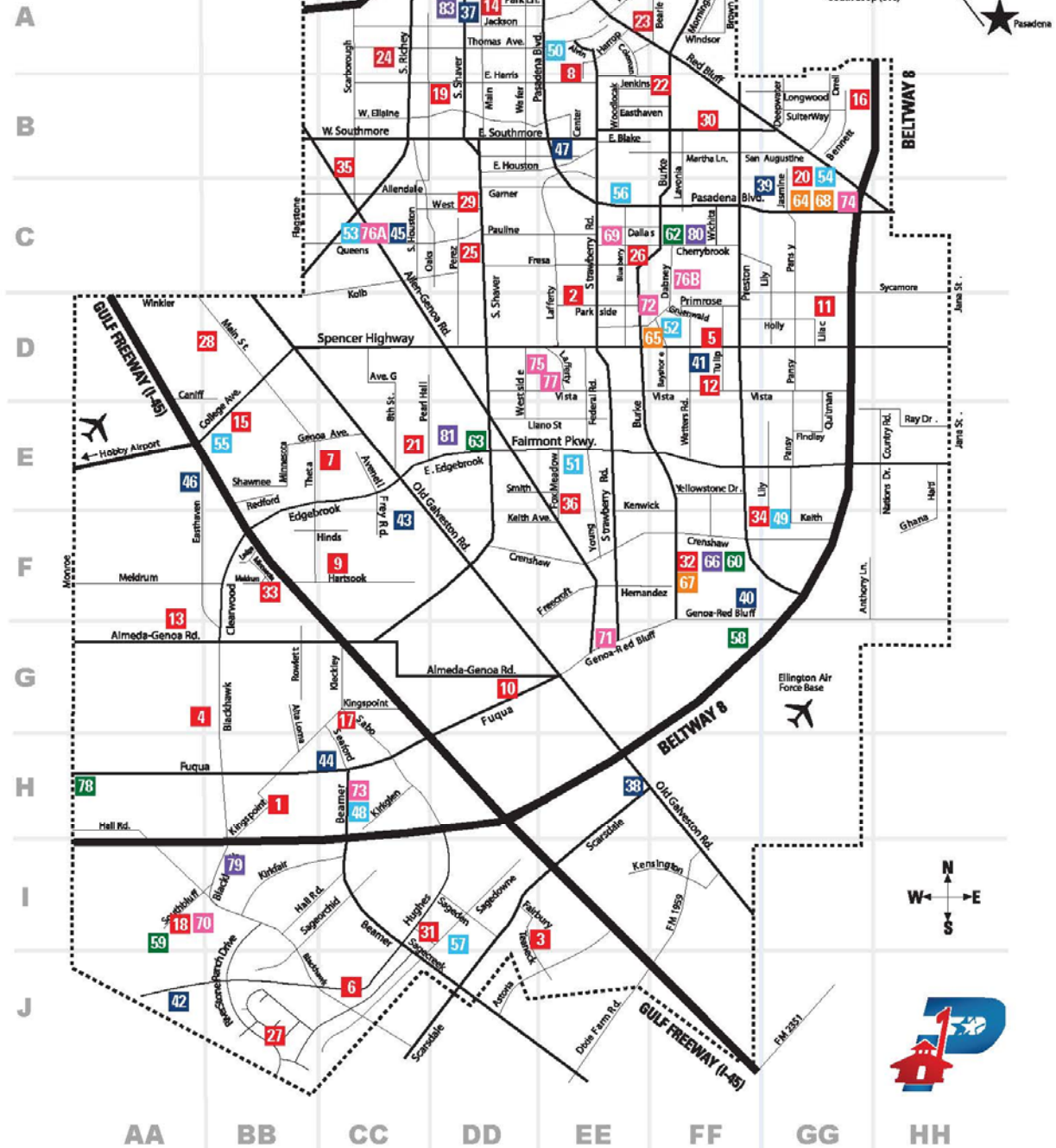
Source: District records

# PASADENA ISD DISTRICT MAP

## PASADENA INDEPENDENT SCHOOL DISTRICT

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B 5-3 | Update 7/15/19



## PASADENA INDEPENDENT SCHOOL DISTRICT

ELEMENTARY	1. <b>H-BB</b> Atkinson, 9602 Kingspoint Rd., Houston, TX. 77075..... 713-740-0520	HIGH SCHOOLS	58. <b>G-FF</b> Career & Technical, 1348 Genoa Red Bluff, Houston, TX 77034 .. 713-740-5320
	2. <b>D-EE</b> Bailey, 2707 Lafferty Rd., Pasadena, Tx. 77502..... 713-740-0528		59. <b>I-AA</b> J. Frank Dobie, 10220 Blackhawk Blvd., Houston, TX. 77089... 713-740-0370
	3. <b>J-EE</b> Burnett, 11825 Teaneck Dr., Houston, Tx. 77089..... 713-740-0536		60. <b>F-FF</b> Memorial, 4410 Crenshaw, Pasadena, Tx. 77504 ..... 713-740-0390
	4. <b>G-AA</b> Bush, 9100 Blackhawk Blvd., Houston, Tx. 77075..... 713-740-0928		61. <b>A-DD</b> Pasadena, 206 South Shaver, Pasadena, Tx. 77506 ..... 713-740-0310
	5. <b>D-FF</b> Fisher, 2920 Watters Rd., Pasadena, Tx. 77502 ..... 713-740-0552		62. <b>C-FF</b> Sam Rayburn, 2121 Cherrybrook Ln., Pasadena, Tx. 77502 713-740-0330
	6. <b>J-CC</b> Frazier, 10503 Hughes Rd., Houston, Tx. 77089 ..... 713-740-0560		63. <b>E-DD</b> South Houston, 3820 South Shaver, South Houston, Tx. 77587 713-740-0350
	7. <b>E-CC</b> Freeman, 2323 Theta St., Houston, Tx. 77034 ..... 713-740-0568	ALT	64. <b>C-GG</b> Community School, 1838A E.Sam Houston Pkwy. So., Pasadena, Tx. 77503 . 713-740-0298
	8. <b>A-EE</b> Gardens, 1107 East Harris, Pasadena, Tx. 77506 ..... 713-740-0576		65. <b>D-FF</b> Guidance Center, 3010 Bayshore Dr., Pasadena, Tx. 77502 ..... 713-740-0792
	9. <b>F-CC</b> Garfield, 10301 Hartsook St., Houston, Tx. 77034 ..... 713-740-0584		67. <b>F-HH</b> Tegeler Career Center, 4949 Burke Rd., Pasadena, Tx. 77504..... 713-740-0410
	10. <b>G-DD</b> Genoa, 12900 Almeda Genoa Rd., Houston, Tx. 77034 . 713-740-0592		68. <b>C-GG</b> The Summit, 1838 E.Sam Houston Pkwy. So., Pasadena, Tx. 77503..... 713-740-0290
	11. <b>D-GG</b> Golden Acres, 5232 Sycamore, Pasadena, Tx. 77503... 713-740-0600	ADMIN / COMMUNITY	69. <b>C-EE</b> Administration Building, 1515 Cherrybrook Ln., Pasadena, TX 77502
	12. <b>D-FF</b> Jensen, 3514 Tulip, Pasadena, Tx. 77504 ..... 713-740-0608		70. <b>I-AA</b> AG Complex 1 (Dobie), 10502 BlackHawk, Houston, TX 77089
	13. <b>G-AA</b> Jessup, 9301 Almeda Genoa Rd., Houston, Tx., 77075 . 713-740-0616		71. <b>G-EE</b> AG Complex 2, 525 Genoa Red Bluff, Houston, TX 77034
	14. <b>A-DD</b> Kruse, 400 Park Lane, Pasadena, Tx. 77506 ..... 713-740-0624		72. <b>D-EE</b> Athletic Complex (Philips Fieldhouse, Shippey Aquatic Center, Stadium) 2906 Dabney, Pasadena, Texas 77502
	15. <b>E-BB</b> Matthys, 1500 Main St., South Houston, Tx. 77587 ..... 713-740-0632		73. <b>H-CC</b> Collaborative Learning Center, 11111 Beamer Rd., Houston, TX 77089
	16. <b>B-GG</b> McMasters, 1011 Bennett Dr., Pasadena, Tx. 77503 ..... 713-740-0640		74. <b>C-GG</b> Frank Braden Center-Orozco Professional Development Center 1814-1854 E. Sam Houston Parkway South, Pasadena, TX 77503
	17. <b>H-CC</b> Meador, 10701 Seaford Dr., Houston, Tx. 77089..... 713-740-0648		75. <b>D-DD</b> Maintenance & Warehouse, 3131-3135 Westside Dr., Pasadena, TX 77504
	18. <b>I-AA</b> Moore, 8880 Southbluff, Houston, Tx. 77089..... 713-740-0656		76A. <b>C-CC</b> Softball Complex 1112 Queens, Rd, Pasadena, TX 77502
	19. <b>B-DD</b> Morales, 305 W. Harris, Pasadena, Tx. 77506 ..... 713-740-0664		76B. <b>C-EE</b> Aux. Field/Baseball 2906 Dabney, Pasadena, TX 77502
	20. <b>B-GG</b> Parks, 3302 San Augustine, Pasadena, Tx. 77503 ..... 713-740-0680		77. <b>D-EE</b> Transportation & Operations, 3212-3214 Lafferty, Pasadena, TX 77504
	21. <b>E-CC</b> Pearl Hall, 1504 9th St., South Houston, Tx. 77587 ..... 713-740-0688	EARLY COLLEGE HIGH SCHOOLS	79. <b>I-BB</b> J. Frank Dobie Early College High School 10220 Blackhawk, Houston , TX 77089
	22. <b>B-FF</b> Pomeroy, 922 Burke Rd., Pasadena, Tx. 77506 ..... 713-740-0696		80. <b>C-FF</b> Sam Rayburn Early College High School 2121 Cherrybrook, Pasadena, TX 77502
	23. <b>A-EE</b> Red Bluff, 416 Bearle St., Pasadena, Tx. 77506..... 713-740-0704		81. <b>E-DD</b> South Houston Early College High School 1606 Ave. "N", South Houston, TX 77587
	24. <b>A-CC</b> Richey, 610 South Richey, Pasadena, Tx. 77506 ..... 713-740-0712		66. <b>F-FF</b> Pasadena Memorial Early College High School 4320 Crenshaw, Pasadena, TX 77504
	25. <b>C-DD</b> Smith, L.F. 2703 Perez, Pasadena, TX 77502..... 713-740-0720		83. <b>A-DD</b> Pasadena Early College High School 206 South Shaver, Pasadena, TX 77506
	26. <b>C-EE</b> Smythe, Mae, 2424 Burke Rd. Pasadena, TX 77502..... 713-740-0728		
	27. <b>J-BB</b> South Belt, 1801 Riverstone Ranch Dr., Houston Tx. 77089 713-740-5276		
	28. <b>D-BB</b> South Houston, 900 Main St., South Houston, Tx. 77587 713-740-0736		
	29. <b>C-DD</b> South Shaver, 200 West Ave., Pasadena, Tx. 77502 .... 713-740-0842		
	30. <b>B-FF</b> Sparks, 2503 E. Southmore, Pasadena, Tx. 77502 ..... 713-740-0744		
MIDDLE	31. <b>I-DD</b> Stuchbery, 11210 Hughes Rd., Houston, Tx. 77089 ..... 713-740-0752		
	32. <b>F-FF</b> Teague, 4200 Crenshaw, Pasadena, Tx. 77504..... 713-740-0760		
	33. <b>F-BB</b> Hancock, Thomas 9604 Minnesota, Houston, TX 77075 .. 713-740-5430		
	34. <b>E-GG</b> Turner, 4333 Lily, Pasadena, Tx. 77505 ..... 713-740-0768		
	35. <b>B-CC</b> Williams, 1522 Scarborough Ln., Pasadena, Tx. 77502 .. 713-740-0776		
	36. <b>E-EE</b> Young, 4221 Fox Meadow Ln., Pasadena, Tx. 77504 .... 713-740-0784		
	37. <b>A-DD</b> DeZavala, 101 E. Jackson, Pasadena, Tx. 77506 ..... 713-740-0544		
	38. <b>H-EE</b> Roberts, Fred 13402 Conklin Lane, Houston Tx. 77034.. 713-740-5390		
	39. <b>B-GG</b> Keller, 1711 Magnolia Dr., Pasadena, Tx. 77503..... 713-740-5284		
	40. <b>F-FF</b> Lomax, 1519 Genoa Red Bluff, Pasadena, Tx. 77504..... 713-740-5230		
INTERMEDIATE	41. <b>D-FF</b> Kendrick, Marshall 3001 Watters Rd., Pasadena Tx. 77504.. 713-740-5830		
	42. <b>J-AA</b> Melillo, 9220 Hughes Rd., Houston, Tx. 77089..... 713-740-5260		
	43. <b>F-CC</b> Milstead, 338 Gilpin, Houston, Tx. 77034 ..... 713-740-5238		
	44. <b>H-CC</b> Morris, 10415 Fuqua, Houston, Tx. 77089..... 713-740-0672		
	45. <b>C-CC</b> Sullivan, Nelda 1112 Queens Rd., Pasadena, Tx. 77502... 713-740-5420		
	46. <b>F-BB</b> Schneider, 8420 Easthaven, Houston, Tx. 77587 ..... 713-740-0920		
	47. <b>B-EE</b> Shaw, 1201 Houston Ave., Pasadena, Tx. 77502..... 713-740-5268		
	48. <b>H-CC</b> Beverly Hills, 11111 Beamer Rd., Houston, Tx. 77089 . 713-740-0420		
	49. <b>E-GG</b> Bondy, 5101 Keith Road, Pasadena, Tx. 77505 ..... 713-740-0430		
	50. <b>A-EE</b> Jackson, 1020 East Thomas, Pasadena, Tx. 77506 ..... 713-740-0440		
	51. <b>E-EE</b> Miller, 1002 Fairmont Pkwy., Pasadena, Tx. 77504 ..... 713-740-0450		
	52. <b>D-FF</b> Park View, 3003 Dabney, Pasadena, Tx. 77502 ..... 713-740-0460		
	53. <b>C-CC</b> Queens, 1452 Queens Rd., Houston, Tx. 77017..... 713-740-0470		
	54. <b>C-GG</b> San Jacinto, 3600 Red Bluff Rd., Pasadena, Tx. 77503 713-740-0480		
	55. <b>E-BB</b> South Houston, 900 College Ave., South Houston, Tx. 77587 .... 713-740-0490		
	56. <b>C-EE</b> Southmore, 2000 Patricia Ln., Pasadena, Tx. 77502..... 713-740-0500		
	57. <b>J-DD</b> Thompson, 11309 Sagedowne Ln., Houston, Tx. 77089 713-740-0510		

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# FEDERAL AWARDS





**INDEPENDENT AUDITORS' 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, 2020, 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 26, 2021.

**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 26, 2021



**INDEPENDENT AUDITORS REPORT ON COMPLIANCE FOR EACH MAJOR FEDERAL PROGRAM AND 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, 2020. 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, 2020.

### **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 26, 2021

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**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:

**Name of Federal Program or Cluster:**

**CFDA Numbers:**

**U.S. Department of Education**

Special Education Cluster	84.027A, 84.173A
Title IV, Part A, Subpart 1	84.424A
ESSER Grant (COVID-19)	84.425D

Dollar threshold used to distinguish between Type A and Type B Federal Programs	\$2,319,024
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, 2020***

**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, 2020**

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

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA Number	(2A) Pass-Through Entity Identifying Number	(3) Federal Expenditures
<b>U. S. Department of Education</b>				
<b>Direct Award</b>				
289	<i>Fund for the Improvement of Education - Foundation for Academic Success</i>	84.184G	SI84G140243	\$ 104,127
289	<i>COPS School Violence Prevention Program</i>	84.184S	2019SVWX0001	217,866
	<i>Total CFDA # 84.184</i>			<u>321,993</u>
<b>Passed Through State Department of Education:</b>				
206	<i>Texas Support for Homeless Education Program</i>	84.196A	214600057110057	144,451
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	21610101101917	1,250,097
211	<i>ESEA Title I, Part A - Improving Basic Programs</i>	84.010A	20610101101917	16,743,899
211	<i>Title I - School Improvement Grant</i>	84.010A	20610141101917	172,772
	<i>Total CFDA # 84.010</i>			<u>18,166,768</u>
212	<i>Title I, Part C - Migrant Education Program</i>	84.011A	21615001101917	13,032
212	<i>Title I, Part C - Migrant Education Program</i>	84.011A	20615001101917	225,423
212	<i>Title I, Part C - Migrant Education Program</i>	84.011A	19615001101917	1,317
	<i>Total CFDA # 84.011</i>			<u>239,772</u>
224	<i>IDEA - Part B, Formula</i>	84.027A	216600011019176000	618,996
224	<i>IDEA - Part B, Formula</i>	84.027A	206600011019176000	8,201,754
224	<i>IDEA - Part B, Formula</i>	84.027A	196600011019176000	16,648
224	<i>IDEA - Part B, Formula</i>	84.027A	186600011019176000	108,182
225	<i>IDEA - Part B, Preschool</i>	84.173A	216610011019176000	4,873
225	<i>IDEA - Part B, Preschool</i>	84.173A	206610011019176000	105,616
225	<i>IDEA - Part B, Preschool</i>	84.173A	186610011019176000	9,087
226	<i>IDEA - Part B High Cost</i>	84.027A	66002006	546,075
226	<i>IDEA - Part B High Cost</i>	84.027A	66001906	18
<b>Passed Through Region 4 Education Service Center:</b>				
315	<i>DEAF</i>	84.027A	3159-93-878	1,872
315	<i>DEAF</i>	84.027A	3159-93-878	49,918
	<b>Total Special Education Cluster (CFDA # 84.027, 84.173)</b>			<u>9,663,039</u>
<b>Passed Through State Department of Education (continued)</b>				
244	<i>Career and Technical - Basic Grant</i>	84.048A	21420006101917	30,432
244	<i>Career and Technical - Basic Grant</i>	84.048A	20420006101917	707,031
244	<i>2019-2020 Perkins Reserve</i>	84.048A	204200287110066	23,334
	<i>Total CFDA 84.048</i>			<u>760,797</u>
255	<i>ESEA Title II, Part A - Teacher and Principal Training and Recruiting</i>	84.367A	21694501101917	135,213
255	<i>ESEA Title II, Part A - Supporting Effective Instruction</i>	84.367A	20694501101917	1,696,229
	<i>Total CFDA 84.367</i>			<u>1,831,442</u>
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	21671001101917	89,555
263	<i>Title III, Part A - English Language Acquisition and Language Enhancement</i>	84.365A	20671001101917	1,341,721
	<i>Total CFDA 84.365</i>			<u>1,431,276</u>
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	216950247110019	85,053
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	206950247110019	1,631,242
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	196950247110020	4,636
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	216950267110035	66,177
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	206950267110035	1,379,944
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	196950267110035	2,237
	<i>Total CFDA 84.287</i>			<u>3,169,289</u>
266	<i>ESSER Grant (COVID-19)</i>	84.425D	20521001101917	14,512,108

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

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

Fund Code	(1) Federal Grantor/ Pass-Through Grantor/ Program Title	(2) Federal CFDA 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>				
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	19680101101917	557,959
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	20680101101917	771,037
289	<i>Title IV, Part A, Subpart 1</i>	84.424A	21680101101917	29,965
	<i>Total CFDA 84.424</i>			<u>1,358,961</u>
289	<i>Summer School LEP</i>	84.369A	69551902	32,883
289	<i>Texas Hurricane Homeless Youth</i>	84.938B	19513701101917	920,851
<b>Passed Through Harris County Department of Education</b>				
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	748001215	5,179
265	<i>Title IV, Part B 21st Century Community Learning Centers</i>	84.287C	748001215	110,010
	<i>Total CFDA 84.287</i>			<u>115,189</u>
<b>Total U. S. Department of Education</b>				<u>52,668,819</u>
<b>U. S. Department of Agriculture</b>				
<b>Passed Through the Texas Department of Agriculture:</b>				
Non cash assistance (commodities):				
240	<i>National School Lunch Program - USDA Commodities</i>	10.555	00527	2,861,806
Cash assistance :				
242	<i>Summer Feeding</i>	10.559	00527	409,564
<b>Passed Through State Department of Education:</b>				
Cash assistance:				
240	<i>School Breakfast Program</i>	10.553	71402001	4,681,822
240	<i>School Breakfast Program (COVID-19)</i>	10.553	52402001	187,032
240	<i>National School Lunch Program</i>	10.555	71302001	13,854,847
240	<i>National School Lunch Program (COVID-19)</i>	10.555	52302001	251,532
<b>Total Child Nutrition Cluster (CFDA #10.553, 10.555, 10.559)</b>				<u>22,246,603</u>
<b>Passed Through the Texas Department of Agriculture:</b>				
240	<i>Child and Adult Care Food Program (CACFP)</i>	10.558	00527	1,028,095
<b>Total U. S. Department of Agriculture</b>				<u>23,274,698</u>
<b>U. S. Department of Health and Human Services</b>				
<b>Passed through Harris County Department of Education</b>				
498	<i>CASE</i>	93.596	N/A	29,563
<b>Passed through Texas Health and Human Services Commission</b>				
199	<i>Medicaid Administrative Claiming (MAC)</i>	93.778	529-07-0157-00079	550,296
<b>Total U. S. Department of Health and Human Services</b>				<u>579,859</u>
<b>U.S. Department of Homeland Security</b>				
<b>Passed through the Texas Department of Public Safety Division of Emergency Management:</b>				
287	<i>Disaster Grants - Public Assistance</i>	97.036	N/A	444,543
<b>Total U.S. Department of Homeland Security</b>				<u>444,543</u>
<b>U.S. Department of Defense</b>				
<b>Direct:</b>				
199	<i>Reserve Officers' Training Corp. (ROTC)</i>	12.000	N/A	332,890
<b>Total U.S. Department of Homeland Security</b>				<u>332,890</u>
<b>Total Expenditures of Federal Awards</b>				<u>\$ 77,300,809</u>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**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, 2020. 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>	<b>\$ 77,300,809</b>
General Fund - Federal Revenue Excluded:	
School Health and Related Services (SHARS)	9,144,578
Interest Subsidy on Qualified School Construction Bond	558,886
E-Rate Schools and Libraries Universal Service Support Mechanism	665,504
<b>Total Expenditures of Federal Awards per Exhibit C-3</b>	<b><u>\$ 87,669,777</u></b>

**PASADENA INDEPENDENT SCHOOL DISTRICT**  
**NOTES TO SCHEDULE OF EXPENDITURES OF FEDERAL AWARDS**  
**FOR THE YEAR ENDED AUGUST 31, 2020**

**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, 2020, are as follows:

<b>Program Source</b>	<b>CFDA Number</b>	<b>Amount</b>
SHARS	N/A	\$ 9,144,578
Interest Subsidy on Qualified School Construction Bond	N/A	558,886
Medicaid Administrative Claiming Program	93.778	550,296
ROTC	12.000	332,890
E-Rate Schools and Libraries Universal Service Support Mechanism	N/A	665,504
Indirect Costs:		
Fund for the Improvement of Education - Foundation for Academic Success	84.184G	15,888
Career and Technical - Basic Grant	84.048A	25,226
ESEA Title I, Part A - Improving Basic Programs	84.010A	586,306
ESEA Title II, Part A - Supporting Effective Instruction	84.367A	59,613
ESSER Grant	84.425D	572,112
Fund for the Improvement of Education - Foundation for Academic Success	84.184G	15,888
IDEA - Part B, Formula	84.027A	322,179
IDEA - Part B, Preschool	84.173A	5,745
National School Lunch Program	10.555	1,866,740
Texas Hurricane Homeless Youth	84.938B	33,524
Texas Support for Homeless Education Program	84.196A	5,063
Title I - School Improvement Grant	84.010A	6,041
Title I, Part C - Migrant Education Program	84.011A	9,262
Title III, Part A - English Language Acquisition and Language Enhancement	84.365A	47,197
Title IV, Part A, Subpart 1	84.424A	29,776
Title IV, Part B 21st Century Community Learning Centers	84.287C	116,389
<b>Total</b>		<b>\$ 14,969,103</b>



# **PASADENA INDEPENDENT SCHOOL DISTRICT**

## ***SUMMARY SCHEDULE OF PRIOR AUDIT FINDINGS***

***For the Year Ended August 31, 2020***

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, 2020 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, 2020***

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, 2020 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.

## DO NOT PRINT IN REPORT

### Schedule L-1 – Required Responses to Selected School FIRST Indicators

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

NOTE: This schedule is to be included as part of the annual financial audit report (AFR) submission on the required due date and published as a part of the school district's AFR. This schedule should be submitted in the data feed file and submitted as an Adobe Acrobat portable document file (pdf).