BUILD PEARLAND Proud

Annual Comprehensive Financial Report

For the Fiscal Year
Ended June 30, 2025







Pearland Independent School District
Pearland, Texas

PEARLAND INDEPENDENT SCHOOL DISTRICT

1928 N. Main Street
Pearland, TX 77581

Annual Comprehensive Financial Report
For the Fiscal Year Ended
June 30, 2025

Pearland Independent School District
Business Services


BUILD
PEARLAND
Proud

PEARLAND INDEPENDENT SCHOOL DISTRICT

Table of Contents

Page

Introductory Section

Letter of Transmittal 1-7
Certificate of Board 8
GFOA Certificate of Achievement for Excellence in Financial Reporting 9
ASBO Certificate of Excellence in Financial Reporting 10
Principal Officials & Advisors 11
Organizational Chart 12

Financial Section

Independent Auditor's Report 13-15
Management's Discussion and Analysis 17-27
Basic Financial Statements:
Government-wide Financial Statements:
A-1 Statement of Net Position 29
B-1 Statement of Activities 30-31
Fund Financial Statements:
C-1 Balance Sheet – Governmental Funds 32
C-1R Reconciliation of the Balance Sheet – Governmental Funds to the Statement of Net Position 33
C-2 Statement of Revenues, Expenditures, and Changes in Fund Balances – Governmental Funds 34
C-2R Reconciliation of Statement of Revenues, Expenditures, and Changes in Fund Balances of Governmental Funds to the Statement of Activities 35
D-1 Statement of Net Position – Proprietary Funds 36
D-2 Statement of Revenues, Expenses and Changes in Net Position – Proprietary Funds 37
D-3 Statement of Cash Flows – Proprietary Funds 38
E-1 Statement of Fiduciary Net Position – Fiduciary Funds 39
E-2 Statement of Changes in Fiduciary Net Position – Fiduciary Funds 40
Notes to the Financial Statements 41-76
Required Supplementary Information
G-1 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – General Fund 77
G-2 Schedule of Proportionate Share of the Net Pension Liability and Related Ratios 78-79
G-3 Schedule of District's Pension Contributions 80-81
G-4 Schedule of Proportionate Share of the Net OPEB Liability and Related Ratios 82-83
G-5 Schedule of OPEB Contributions 84-85
Notes to Required Supplementary Information 86-87

Page

Combining and Individual Fund Financial Statements and Schedules

Non-major Governmental Funds:

H-1 Combining Balance Sheet – Non-Major Governmental Funds 90-93
H-2 Combining Statement of Revenues, Expenditures and Changes in Fund Balances – Non-Major Governmental Funds 94-97

Required Texas Education Agency Schedules:

J-1 Schedule of Delinquent Taxes Receivable 98-99
J-2 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Food Service Fund 100
J-3 Schedule of Revenues, Expenditures, and Changes in Fund Balance – Budget and Actual – Debt Service Fund 101
J-4 Use of Funds Report – Select State Allotment Programs 102
L-1 Schedule of School FIRST Indicators 103

Table Page

Statistical Section (Unaudited)

Financial Trends:

1 Net Position by Component – Last Ten Fiscal Years 106-107
2 Changes in Net Positions –Last Ten Fiscal Years 108-111
3 Fund Balances – Governmental Funds – Last Ten Fiscal Years 112-113
4 Changes in Fund Balances – Governmental Funds – Last Ten Fiscal Years 114-115

Revenue Capacity:

5 Assessed Value and Actual Value of Taxable Property – Last Ten Fiscal Years 116-117
6 Property Tax Rates – Direct and Overlapping Governments (Per $100 of Assessed Valuation) – Last Ten Fiscal Years 118-119
7 Principal Taxpayers – Current Year and Nine Years Ago 120
8 Property Tax Levies and Collections – Last Ten Fiscal Years 121

Debt Capacity:

9 Outstanding Debt by Type – Last Ten Fiscal Years 122
10 Ratios of Net General Obligation Bonded Debt Outstanding – Last Ten Fiscal Years 123
11 Legal Debt Margin Information – Last Ten Fiscal Years 124-125
12 Computation of Estimated Direct and Overlapping Debt 126

Demographic and Economic Information:

13 Demographic and Economic Information – Last Ten Fiscal Years 127
14 Principal Employers – Current Year and Nine Years Ago 128

Operating Information:

15 Full-Time Equivalent District Employees by Type – Last Ten Fiscal Years 129
16 Operating Statistics – Last Ten Fiscal Years 130-131
17 Teacher Base Salaries – Last Ten Fiscal Years 132
18 School Building Information – Last Ten Fiscal Years 133-134

INTRODUCTORY SECTION



November 11, 2025

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

Dear Board of Trustees and Taxpayers:

We are pleased to submit to you the Annual Comprehensive Financial Report (ACFR) for the Pearland Independent School District (the "District") for the fiscal year ended June 30, 2025. The report was prepared by the District's Business Office. The basic financial statements have been audited by the independent accounting firm of Whitley Penn, whose report is included herein. The financial data appearing in this report has been prepared in accordance with generally accepted accounting principles and reporting standards as promulgated by the Governmental Accounting Standards Board ("GASB").

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

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

Reporting Entity

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

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

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

Services Provided

Through all the years of growth in Pearland, the District has consistently been the heart of the town. The first school, built in 1893, was a one-room wood structure with a wood-burning stove and 23 students taught by Miss Nannie Rogers. More than a century later, the District has 23 campuses, including 11 elementary schools serving grades Pre-K-4, four middle schools serving grades 5-6, four junior high schools serving grades 7-8, three high schools serving grades 9-12, and an alternative school of choice serving over 20,862 students. The ages and capacities of these facilities range from 12 to 73 years with an average age of 31.3 years and can be found in Table 18 of the Statistical Section.

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

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

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

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

Enrollment

Our enrollment for school year 2024-2025 as of Fall snapshot day was 20,862 students of which 7,206 students were enrolled at the high school level, 3,334 at the junior high school level, 3,092 at the middle school level, and 7,230 at the elementary level.

Approximately 36.8 percent of our students are classified as economically disadvantaged, 12.5 percent as emergent bilingual, 13.6 percent as Special Education, and 12.0 percent participate in Gifted and Talented courses.

District's Purpose

Mission Statement

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

Vision

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

District Beliefs

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

District Strategic Goals

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

Education Foundation

The Pearland ISD Education Foundation has provided support for educational programs for both the students and staff of Pearland ISD for the past 11 years. The organization provides funds for educational programs and activities that either have not been funded or have been under-funded by the normal operating budget. These funds are used to facilitate student achievement and skill development, to recognize and encourage staff excellence and to expand community involvement from individuals, businesses, and civic organizations.

Each year, the Foundation distributes innovative grant awards throughout the District to enhance student learning. Educators can apply for grant funding of up to $5,000 for teacher or classroom projects and up to $7,500 for campus and districtwide programs. During the 2024-2025 school year, the Foundation awarded $279,000 to support innovative learning. Since its inception in 2014, the Foundation has awarded a total of $1,093,000 in innovative grants. Additionally, the Foundation also launched a mini-grant program to provide additional support for classroom needs. The mini grants, totaling $30,000 for the 2024-2025 school year, were funded by community supporters. The Foundation does not meet the criteria for inclusion in the District's financial statements under the provisions of GASB Statement No. 39.

Economic Condition and Outlook

The District is located in a residential and agricultural area that includes the City of Pearland, Texas, with a reported 2020 population of 125,828, a commercial center located 15 miles south of downtown Houston at the intersection of State Highway 35 and Farm to Market Road 518 in the northeast corner of Brazoria County, with a small portion in Harris County. Pearland is one of the fastest growing cities in Texas, positioned on a growth curve that extends well into the 21st century. Also included within the District is the Town of Brookside Village with a reported 2020 population of 1,548.

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

From 2010 to 2020, according to U.S. Census population figures, Pearland was ranked as the eighth fastest growing city in the United States from 2010 to 2020 compared to other cities with a population of 100,000 or greater. From 2000 to 2010, according to U.S. Census population figures, Pearland's population grew by 142 percent to 91,252. This ranked Pearland as the 15th fastest growing city in the U.S. from 2000 to 2010 compared to other cities with a population of 10,000 or greater in 2000. Pearland has been the third largest and fastest growing city in the Houston MSA since 2000.

In the past ten years, more than 10,000 new single-family homes and 3,000 multi-family units have been constructed in the community. Median home values rose over 110 percent from $182,300 in 2010 to $382,217 in 2025. The average home sale price increased at a similar rate from $194,900 in 2010 to $405,000 in 2025.

Enrollment has decreased by 1.21 percent in the last five years. School year 2024-25 enrollment was a total of 20,862 students. The enrollment decline is attributed to various factors, including the COVID-19 pandemic, increase in homeschooling, an aging population, and higher than usual mobility due to a significant increase in home values prompting residents to sell their homes at a premium and affording newer residences outside the District boundaries.

District administration has been able to manage the tax rate to maintain a healthy fund balance by holding a voter-approval tax rate election in the prior fiscal year and adopting one-time disaster pennies, when available. In addition, administration has focused on maximizing interest earnings by strategic management of its investment portfolio during the Federal Reserve interest rate increases. The District's financial position has experienced surpluses over the past years with the fund balance remaining stable as an indicator of sound financial management.

Local Economy

The Brazoria County economy is largely based upon manufacturing and construction. Brazoria County was the first capital of the Republic of Texas, which proves the county's roots run rich with Texas history. Pearland's largest employers include school districts, energy services, manufacturing, and healthcare companies such as Dover Energy, Lonza, and Kelsey Seybold. Pearland is located close to the Texas Medical Center and its fifty medical institutions. Pearland's top taxpayer is VR St. Andrew LP, a property-owning company.

Financial Policies and Long-Term Financial Planning

The most recent bond election the District held was on May 4, 2024, for a $105 million bond. The 2024 bond election addresses infrastructure and technology needs that exceed the capacity of the operating budget. It was proposed and elected in two separate bond propositions, one to address infrastructure for $75 million, and the other for $30 million to address technology needs. The proceeds will be used to acquire, construct, renovate, and equip school facilities in the District including HVAC, electrical, plumbing, roofing, parking, painting, and security improvements. The technological needs facing the District include replacing student one-to-one devices, classroom technology, computer lab improvements, servers, storage, as well as networking and data center improvements. The District's bond capacity was such that this bond election did not raise the interest and sinking tax rate and projects are expected to be completed in the 2027-2028 school year.

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

Accounting System

Business Services Department is responsible for providing all District financial services including financial accounting and reporting, payroll and accounts payable disbursement functions, cash and investment management, debt management, budgeting, procurement, student comprehensive data, and special financial and policy analyses to

District management. The Chief Financial Officer, appointed by the Superintendent, has oversight responsibility for the department's operations.

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

The concept of reasonable assurance recognizes that the cost of a control should not exceed the benefits likely to be derived, and the evaluation of costs and benefits requires estimates and judgments by management. All internal control evaluations occur within this framework and are believed to adequately safeguard assets and provide reasonable assurance of proper recording of financial transactions. Accounting records for governmental fund types are maintained on a modified accrual basis with revenues recorded when services or goods are received, and the liabilities are incurred. Accounting records for trust funds are maintained on the accrual basis.

Budgetary Financial Control

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

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

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

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

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

Independent Audit

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

schedules are included in the following report. The auditor's report related specifically to the Federal Single Audit is included in a separate report.

Awards

School FIRST Superior Achievement

The School FIRST (Financial Accountability Rating System of Texas) program, a financial accountability system for Texas school districts was developed by the Texas Education Agency in response to Senate Bill 218 of the 77th Texas Legislature in 2001. The TEA has awarded the District an "A" rating for "Superior Achievement" for the year ended June 30, 2025. The rating is based upon an analysis of student and staff data reported for the 2023-2024 school year and budgetary and actual financial data for the fiscal year ended June 30, 2024.

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

GFOA Certificate of Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report (ACFR) for the fiscal year ended June 30, 2024. In order to be awarded a Certificate of Achievement, a government must publish an easily readable and efficiently organized ACFR. This report must satisfy both generally accepted accounting principles and applicable legal requirements.

A Certificate of Achievement is valid for a period of one year only. We believe that our ACFR continues to meet the Certificate of Achievement Program's requirements, and we are submitting it to the GFOA to determine its eligibility for another certificate.

ASBO Certificate of Excellence

The District received the Association of School Business Officials' (ASBO) Certificate of Excellence in Financial Reporting for the fiscal year ended June 30, 2024. This award certifies that the Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024, substantially conforms to the principles and standards of financial reporting as recommended and adopted by the ASBO. We believe that our current ACFR continues to meet the Certificate of Excellence Program's requirements, and we are submitting it to ASBO to determine its eligibility for another certificate.

Texas Comptroller's Office Transparency Stars for Local Governments

The Texas Comptroller of Public Accounts' Transparency Stars program recognizes local governments for going above and beyond in their transparency efforts. The program recognizes government entities that open their books not only in their traditional finances, but also in the areas of contracts and procurement, economic development, public pensions, and debt obligations. Local government recipients provide clear and meaningful financial information by posting financial documents, but also through summaries, visualizations, downloadable data, and relevant information.

Acknowledgments

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

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

Respectfully submitted,

Dr. Larry Berger
Superintendent

Thu Pham
Chief Financial Officer

Kara Knott
Director of Accounting

CERTIFICATE OF BOARD

Pearland Independent School District	Brazoria	020-908
Name of School District	County	Co.–Dist. Number

We, the undersigned, certify that the attached annual financial reports of the above-named school district were reviewed and (check one) ✓ approved _ disapproved for the year ended June 30, 2025, at a meeting of the board of trustees of such school district on the 11th day of November 2025.

Signature of Board Secretary

Signature of Board President

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Pearland Independent School District
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2024

Christopher P. Morrill

Executive Director/CEO

ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Pearland Independent School District

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2024.

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

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

James M. Rowan, CAE, SFO
CEO/Executive Director

PEARLAND INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS & ADVISORS

BOARD OF TRUSTEES

Crystal Carbone, President
Stay-at-Home Mother

Dr. Kristofer Schoeffler, Vice President
Owner of Pearland Animal Hospital

Nanette Weimer, Secretary
Retiree, Former Deputy Superintendent

Sean Murphy, Member
Senior Vice President of HomeTown Bank of Pearland

Toni Carter, Member
Stay-at-Home Mother

Daniel Stuckey, Member
Director of Sales and Marketing

Jim Johnson, Member
President and CEO of Pearland Chamber of Commerce

ADMINISTRATION

Dr. Larry Berger, Superintendent of Schools

Kelly Holt, Deputy Superintendent

Thu Pham, Chief Financial Officer

Jon-Paul Estes, Chief Technology Officer

Dr. Lisa Nixon, Assistant Superintendent of Educational Services

Dr. Charles Allen, Assistant Superintendent of Curriculum & Instruction

Dr. Sundie Dahlkamp, Assistant Superintendent of Talent and Engagement

Tanya Porter, General Counsel

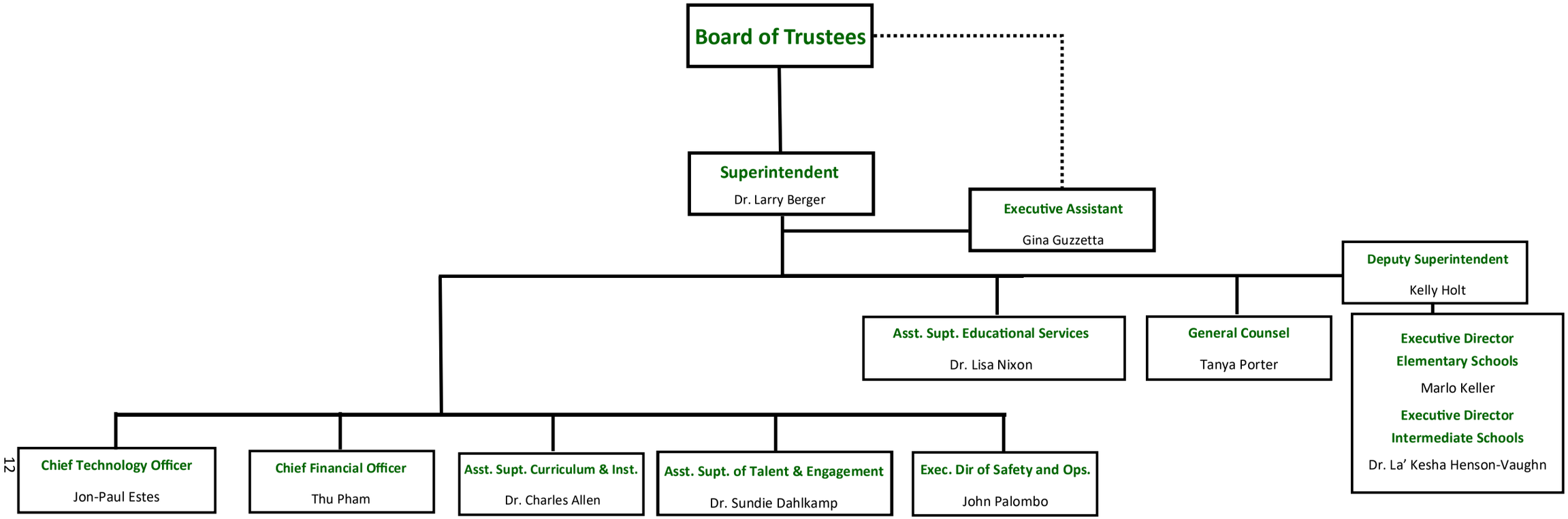
Dr. La'Kesha Henson-Vaughn, Executive Director of Intermediate Schools

Marlo Keller, Executive Director of Elementary Education

John Palombo, Executive Director of Safety & Operations

CONSULTANTS & ADVISORS

Whitley Penn, Independent Auditors
Winstead PC, Bond Counsel
BOK Financial Securities, Financial Advisor



BUILD PEARLAND Proud

PEARLAND INDEPENDENT SCHOOL DISTRICT

Organizational Chart

FINANCIAL INFORMATION



whitleypenn

Houston Office
3737 Buffalo Speedway
Suite 1600
Houston, Texas 77098
713.621.1515 Main

whitleypenn.com

INDEPENDENT AUDITOR'S REPORT

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

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund and the aggregate remaining fund information of Pearland Independent School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.

- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.

- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.

- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time

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

Required Supplementary Information

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

Supplementary Information

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

Other Information

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

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 11, 2025 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Whitley Penn LLP

Houston, Texas
November 11, 2025


BUILD
PEARLAND
Proud

PEARLAND INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025

As management of the Pearland Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with the District's financial statements, which follow this section.

Financial Highlights

- The assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources at the close of the most recent period by $ $94,200,995. Of this amount, the unrestricted net position is a deficit of $25,475,106.
- As of the close of the current fiscal year, the District's governmental funds reported combined ending fund balances of $165,875,263. Approximately 38.0 percent or $63,104,018 of this amount is available for spending at the government's discretion (unassigned fund balance).
- At the end of the current fiscal year, unassigned fund balance for the general fund was $63,104,018, or 30.3 percent of the total general fund expenditures.

Overview of the Financial Statements

This management discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves.

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

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

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

Both of the District's government-wide financial statements distinguish the functions of the District as being principally supported by taxes and intergovernmental revenues (*governmental activities)* from other functions that are considered *business-type activities* and are intended to recover all or a significant portion of their costs through user fees and charges. The government-wide financial statements can be found as noted in the table of contents.

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

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

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

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

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

The District maintains 20 governmental funds. Information is presented separately in the governmental fund balance sheet and in the governmental fund statement of revenues, expenditures, and changes in fund balances for the general fund, debt service fund, and the capital projects fund, each of which are considered to be major funds. Data from the other 17 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* on Exhibit H-1 and H-2 of this report.

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

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

Proprietary funds. *Proprietary funds* provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. *Enterprise funds* are used to report the same functions presented as *business-type activities* in the government-wide financial statements, where the District reports its football concession enterprise fund. *Internal service funds*, which are an accounting device used to accumulate and allocate costs internally among the various functions; the District uses the *internal service fund* to report activities for its self-funded workers' compensation insurance program.

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

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

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

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

Government-wide Financial Analysis

As noted earlier, net position may serve over time as a useful indicator of a government's financial position. In the case of the District, the assets and deferred outflows of resources of the District exceeded its liabilities and deferred inflows of resources by $ $94,200,995 as of June 30, 2025. The net position of the District increased by $41,500,368 from the prior fiscal year.

The District's Net Position

	Governmental Activities		Business Type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Current and other assets	$ 196,460,223	$ 142,216,927	$ 34,117	$ 184,163	$ 196,494,340	$ 142,401,090
Capital assets	459,313,997	453,935,771			459,313,997	453,935,771
Total assets	655,774,220	596,152,698	34,117	184,163	655,808,337	596,336,861
Deferred outflows of resources	35,665,648	39,184,053			35,665,648	39,184,053
Long-term liabilities	514,064,082	476,054,601			514,064,082	476,054,601
Other liabilities	34,193,244	30,470,880		150,155	34,193,244	30,621,035
Total liabilities	548,257,326	506,525,481		150,155	548,257,326	506,675,636
Deferred inflows of resources	49,015,664	59,515,547			49,015,664	59,515,547
Net Position:						
Net investment in capital assets	106,196,393	105,607,520			106,196,393	105,607,520
Restricted	13,479,708	18,635,328			13,479,708	18,635,328
Unrestricted	(25,509,223)	(54,947,125)	34,117	34,008	(25,475,106)	(54,913,117)
Total net position	$ 94,166,878	$ 69,295,723	$ 34,117	$ 34,008	$ 94,200,995	$ 69,329,731

Investment in capital assets (e.g., land, buildings and improvements, furniture and equipment, right-to-use lease equipment, subscription-based information technology arrangements, and construction in progress) less any related debt used to acquire those assets that is still outstanding is $106,196,393. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in its capital assets is reported net of related debt, it should be noted that the resources needed to repay this debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate these liabilities. Restricted net position represents resources that are subject to external restrictions on how they may be used amounted to $ 13,479,708. The remaining balance is a deficit of $25,475,106 which represents unrestricted net position. This deficit is not an indication that the District does not have significant resources available to meet financial obligations next year, but rather the result of having long-term commitments that are more than currently available resources. Total assets increased primarily due to bond-funded capital project activity, higher investment balances, and timing of state and local receivables. Total liabilities increased mainly as a result of new debt issuance and the recognition of long-term obligations, partially offset by scheduled debt payments and amortization of existing liabilities.

Governmental activities. The District's total governmental activities net position increased by $41,500,259. This increase primarily reflects strong operating results supported by state revenue growth and favorable expense performance, combined with continued investment in capital improvements. The total cost of all *governmental activities* this year was $253,216,761. The amount that our taxpayers paid for these activities through property taxes was $114,776,479 or 45.3 percent of total cost. The amount of costs that were paid by those who directly benefited from the programs was $11,001,577 or 4.3 percent. The costs that were paid by other governments and

organizations that subsidized certain programs with grants and contributions or by State equalization funding were $ 24,735,277 or 9.8 percent and $129,768,880 or 51.2 percent, respectively.

The table below outlines the changes in the District's net position:

Changes in the District's Net Position

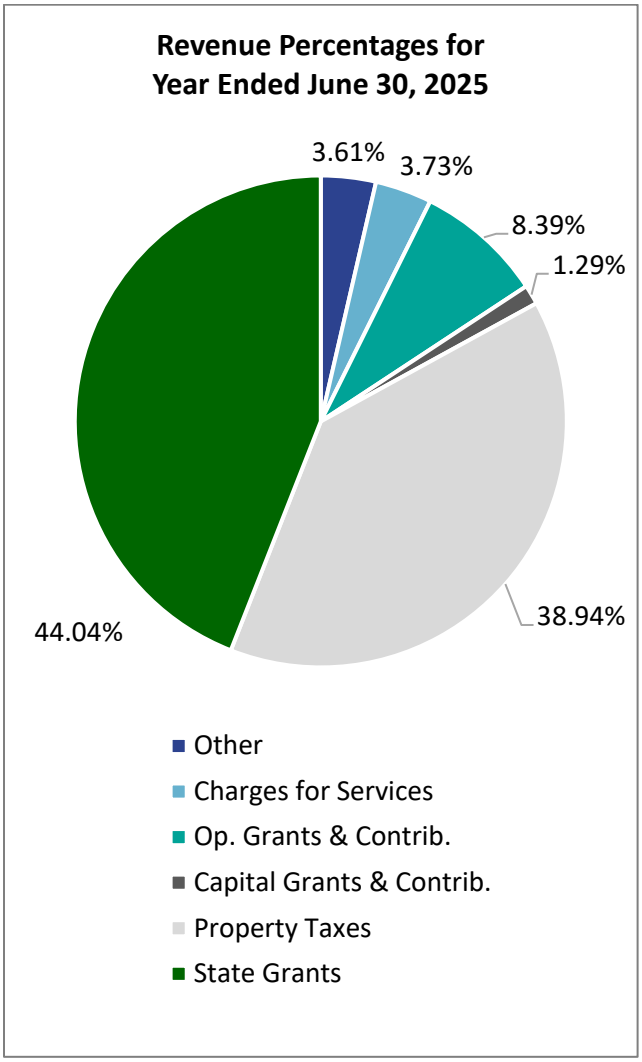
	Governmental Activities		Business Type Activities		Total	
	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024	June 30, 2025	June 30, 2024
Revenues:						
Program Revenues:						
Charges for services	$ 11,001,577	$ 10,858,440	$140,508	$ 125,686	$ 11,142,085	$ 10,984,126
Operating grants and contrib.	24,735,277	26,613,299			24,735,277	26,613,299
Capital grants and contrib.	3,788,620	725,294			3,788,620	725,294
General Revenues:						
Property taxes	114,776,479	130,416,320			114,776,479	130,416,320
State grants	129,768,880	127,867,727			129,768,880	127,867,727
Other	10,646,187	8,592,954	483	948	10,646,670	8,593,902
Total revenues	294,717,020	305,074,034	140,991	126,634	294,858,011	305,200,668
Expenses:						
Instruction	129,962,920	127,473,290			129,962,920	127,473,290
Instructional resources and media services	2,422,606	2,423,690			2,422,606	2,423,690
Curriculum and instructional staff development	6,080,918	6,103,541			6,080,918	6,103,541
Instructional leadership	2,675,325	2,425,770			2,675,325	2,425,770
School leadership	12,293,048	12,459,077			12,293,048	12,459,077
Guidance, counseling and evaluation services	10,021,819	10,005,487			10,021,819	10,005,487
Social work services	859,526	955,807			859,526	955,807
Health services	2,340,420	2,309,226			2,340,420	2,309,226
Student transportation	9,071,763	9,125,959			9,071,763	9,125,959
Food service	11,709,929	11,697,099			11,709,929	11,697,099
Cocurricular/extracurricular activities	11,805,388	11,973,219			11,805,388	11,973,219
General administration	4,727,871	5,091,225			4,727,871	5,091,225
Facilities maintenance and operations	26,290,455	25,803,246			26,290,455	25,803,246
Security and monitoring services	2,780,147	2,520,917			2,780,147	2,520,917
Data processing services	7,068,707	6,535,948			7,068,707	6,535,948
Community services	42,010	21,846			42,010	21,846
Debt service - Interest on long-term debt	10,898,724	15,671,438			10,898,724	15,671,438
Debt service - Bond issuance costs and fees	1,362,187	17,201,761			1,362,187	17,201,761
Payments to shared service arrangements		9,327				9,327
Payments to juvenile justice alternative education prog.	36,125	6,000			36,125	6,000
Other intergovernmental charges	766,873	690,228			766,873	690,228
Business type activities			140,882	142,626	140,882	142,626
Total expenses	253,216,761	270,504,101	140,882	142,626	253,357,643	270,646,727
Change in net position before transfers	41,500,259	34,569,933	109	(15,992)	41,500,368	34,553,941
Transfers		(50,000)		50,000		
Change in net position	41,500,259	34,519,933	109	34,008	41,500,368	34,553,941
Net position, beginning (2025 restated)	52,666,619	34,775,790	34,008	-	52,700,627	34,775,790
Net position, ending	$ 94,166,878	$ 69,295,723	$ 34,117	$ 34,008	$ 94,200,995	$ 69,329,731

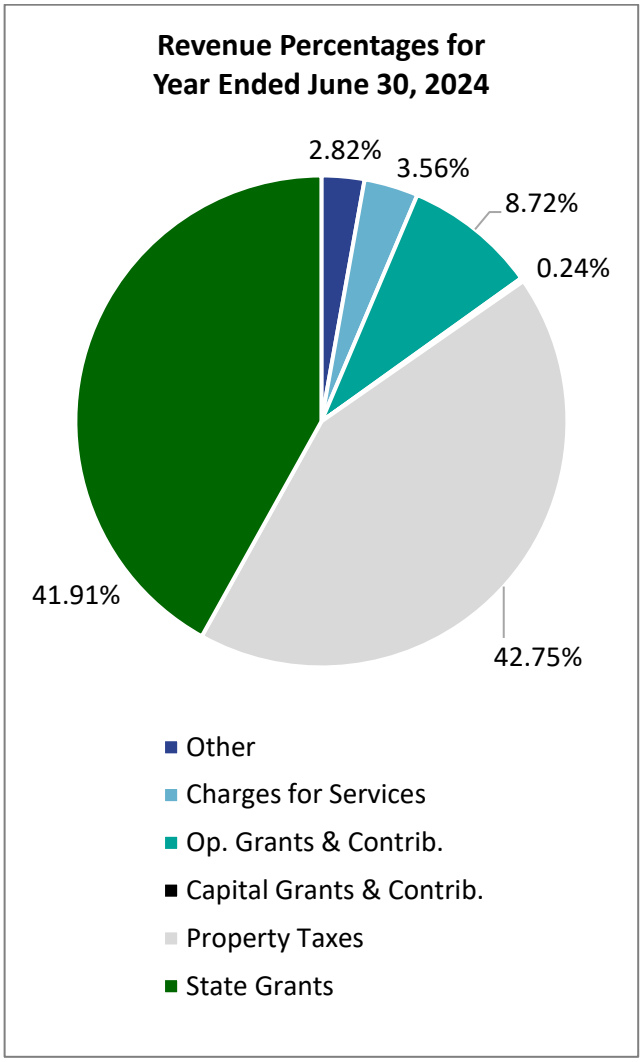
The Beginning net position for fiscal year 2025 was restated by $16.6 million to reflect (1) the adoption of GASB Statement No. 101, Compensated Absences, which resulted in a $14.9 million reduction of the Beginning Net Position for previously unrecorded leave liabilities, and (2) the correction of an error related to the overstatement of a deferred amount on bond refunding recorded in prior periods, which reduced beginning net position by $1.7

million. These adjustments are not the result of current year's operations and had no impact on fiscal year 2025 revenues or expenses.

Between fiscal years 2024 and 2025, the District experienced a shift in its revenue composition. Property tax collections decreased from 42.7 percent of total revenues in FY 2024 to 38.9 percent in FY 2025. This shift was primarily due to prior-year tax refund adjustments and the Brazoria County Appraisal District's settlement of over 200 commercial property lawsuits, which reduced taxable values and corresponding collections. Conversely, state funding made up $129,768,880 of the District's revenue or 44.0 percent in FY 2025 compared to $127,867,727 or 41.9 percent in FY 2024, reflecting additional Foundation School Program (FSP) and Average Daily Attendance (ADA) allotments that helped offset the decline in local property tax revenue. In FY 2024, the District received $725,294 or 0.2 percent of total revenues from capital grants and contributions, when compared to $3,788,620 or 1.29 percent in FY 2025. The increase is due to grant funded capital purchases the District made in FY 2025.

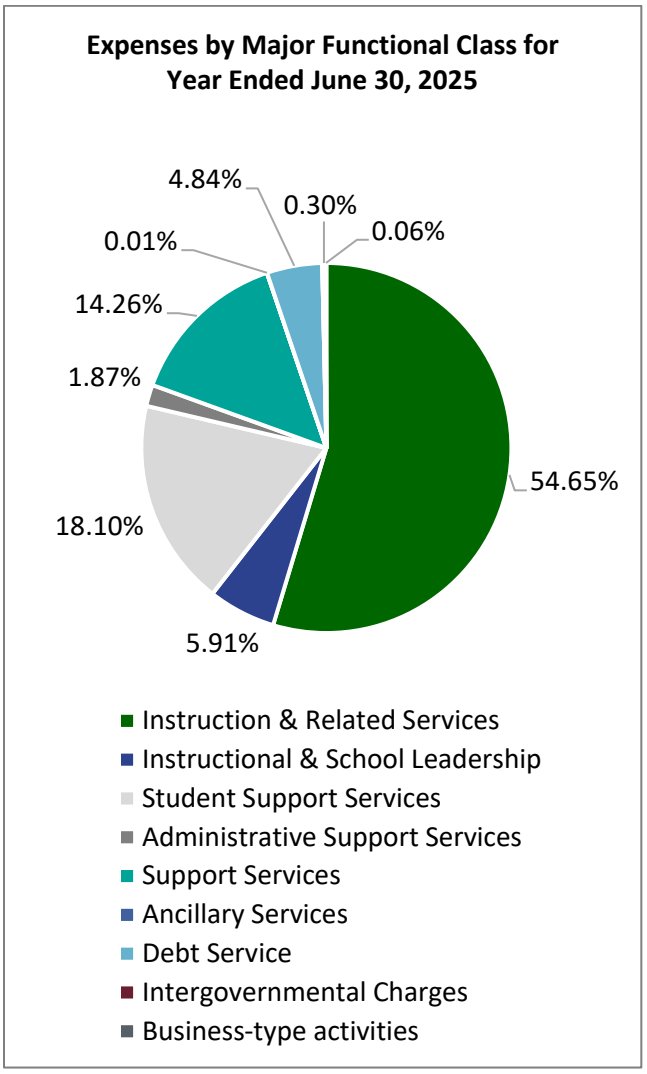
The charts below show the percentage of each revenue type:

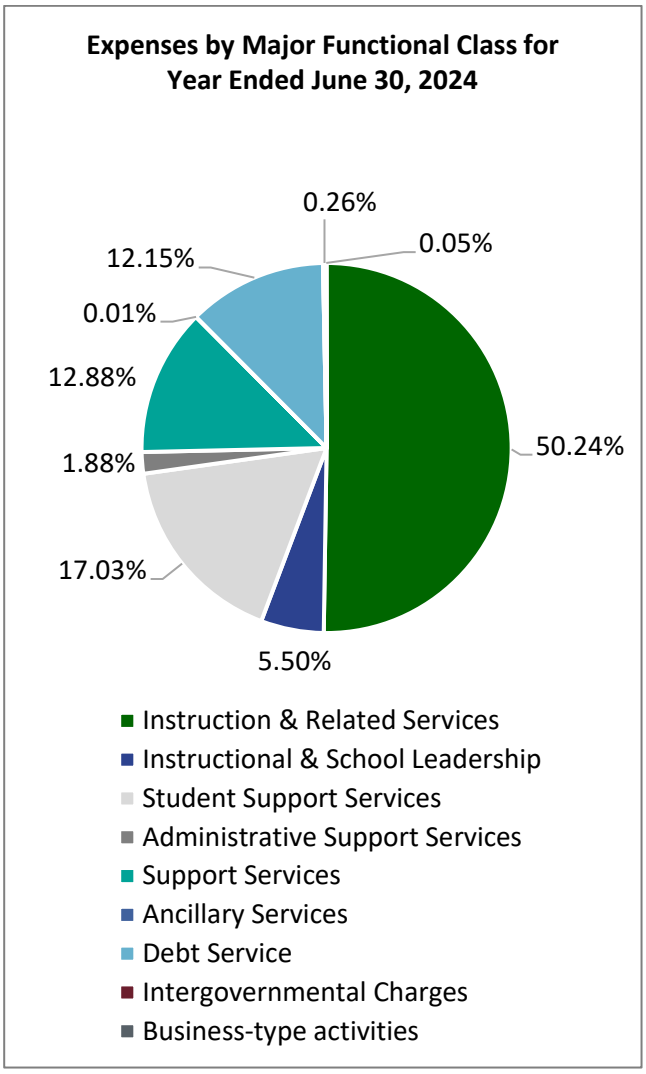




The District's total expenses in FY 2025 decreased by 6.4 percent or $17,289,084, from $270,676,727 in FY 2024 to $253,357,643 in FY 2025. While many functional expenses remained relatively consistent or increased slightly, in FY 2024, the District completed a bond refunding transaction reported under debt service. The District increased its expenses in various other functions, like instruction and instruction related services due to a 2 percent general pay increase for all staff and additional instructional-related staff positions in FY 2025. The District also increased its health insurance contribution by $37 per month in FY 2025, which contributed to other functional expense increases.

The charts below show the percentage of each expense type:





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

At the end of the current fiscal year, the District's governmental funds reported combined ending fund balances of $165,875,263 an increase of $51,351,817 from the prior year ending fund balance of $114,523,446. The increase in fund balance is primarily attributed to the capital projects funds where there was a net increase in fund balance of $44,824,749. This increase is due to the District selling the first issuance of the May 2024 bond funds of $55,000,000 in August of 2024. Approximately 38.0 percent or $63,104,018 of the ending fund balance constitutes *unassigned fund balance*. The remainder of fund balance is *nonspendable, restricted, committed, or assigned* to indicate that it is not available for new spending because it is already allocated (1) nonspendable for inventories $717,040, (2) nonspendable for prepaid items $2,986,922, (3) restricted for grant funds $4,667,748, (4) restricted for capital acquisitions and contractual obligations $39,114,484, (5) restricted for debt service $14,204,797, (6) committed for $21,150,815, and (7) assigned $19,929,439.

The general fund is the primary operating fund of the District. At the end of the current fiscal year, unassigned fund balance of the general fund was $63,104,018 while the total fund balance was $86,314,490. As a measure of the general fund's liquidity, it may be useful to compare both unassigned fund balance and total fund balance to the total fund expenditures. Unassigned fund balance represents 30.3 percent of the total general fund

expenditures, and total fund balance represents 41.4 percent of the same amount. The District's general fund balance increased by $10,946,750 during the current fiscal year. The increase in general fund balance can be partially attributed to the $6,207,542 transferred in capital project funds for the repayment of the student one-to-one devices purchased in the prior year. Additionally, the District saw salary and other cost savings that contributed to the surplus, including lower than expected supplies and miscellaneous costs.

The debt service fund has a total fund balance of $14,204,797, all of which is restricted for the payment of debt service. The ending fund balance in the debt service fund decreased by $3,166,231 from last year's fund balance of $17,371,028. This continued decline was a deliberate choice to maintain the Interest and Sinking (I&S) tax rate and reduce the fund balance to a suitable level.

The capital projects fund has a total fund balance of $56,412,320, of which $39,114,484 is considered restricted for capital acquisitions and contractual obligations and $16,929,439 is assigned to fund projects in the District's capital renewal plan. The net increase in fund balance during the period in the capital projects fund was $44,824,749 from last year's balance of $11,587,571. The District successfully passed two bond propositions in May 2024, one for infrastructure for $75 million and one for technology for $30 million. On August 20, 2024, the first issuance of these bond funds were issued at par with a principal amount of $52,040,000 and a net premium of $3,398,191. The additional increase in fund balance for the capital projects funds is due to the Districts commitment to transferring 50 percent of the general fund's annual budgetary surplus to the capital projects fund. The transfer made in 2024-2025 was $10,946,750. The District utilizes these funds to plan for and prioritize capital expenditures needs across the District.

***Proprietary funds*.** As mentioned earlier, the District's proprietary funds provide the same type of information found in the government-wide financial statements, but in more detail.

- *Internal service fund*. Unrestricted net position on June 30, 2025, was $449,254. The increase in net position was $14,775 from last year's balance of $434,479.
- *Enterprise fund*. Revenues were $140,508 for the fiscal year; their expenses were $140,882 and the $109 increase in net position is due to investment earnings.

General Fund Budgetary Highlights

Throughout the year, the District proposed and the Board approved multiple adjustments to budgeted revenues and appropriations. The key differences between the original and final amended General Fund budget are summarized below:

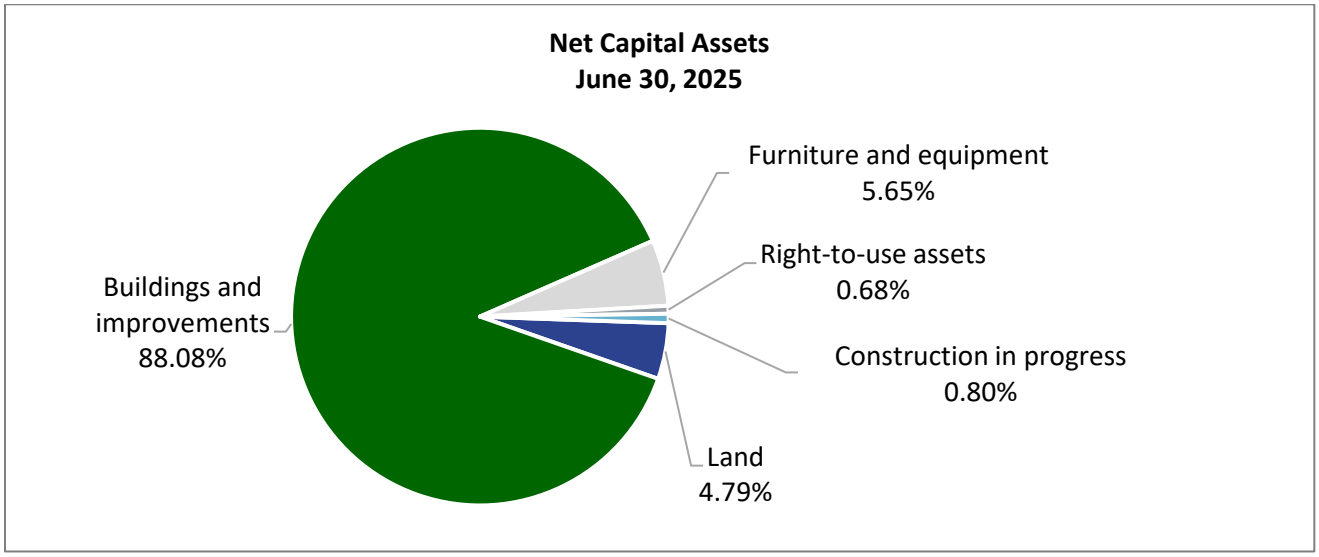
Revenues and Other Financing Sources:	
Increased revenue budget for additional state aid due to enrollment losses that were less than expected.	$ 9,766,628
Increased revenue budget for Medicare Part D and miscellaneous revenues.	242,713
Increased revenue budget for additional funding received resulting from the 2023 property value audit.	1,855,586
Increased revenue budget for state aid offset due to loss of tax collections resulting from the refund adjustments.	4,943,990
Decreased revenue due to loss of tax collection from refund adjustments and Brazoria County Appraisal District's settlement of over 200 lawsuits on commercial properties.	(5,759,046)
Decreased revenue budget for indirect costs resulting from economic uncertainty at the federal level and to reflect lower anticipated SHARS reimbursement due to the state's re-evaluation of program eligibility and reimbursement requirements.	(977,530)
Total revenues and other financing sources	$ 9,333,218
Appropriations and Other Financing Uses:	
Increased expenditure budget for additional personnel to support C&I, technology, multilingual, special programs, and other miscellaneous payroll costs.	$ 739,123
Increased expenditure budget for additional health insurance employer contribution by $37 per month.	710,000
Increased expenditure budget for disaster and repairs due to Hurricane Beryl.	200,000
Increased expenditure budget to address rising costs in contracts, supplies, and materials within the Maintenance & Operations and Transportation departments.	875,000
Increased expenditure budget to account for the 2011 SHARS repayment resulting from the state's loss of its federal audit appeal, which required repayment and recovery of prior overpayments.	328,401
Decreased expenditure budget due to lower-than-anticipated contingency needs.	(5,367,407)
Total appropriations and other financing uses	$ (2,514,483)

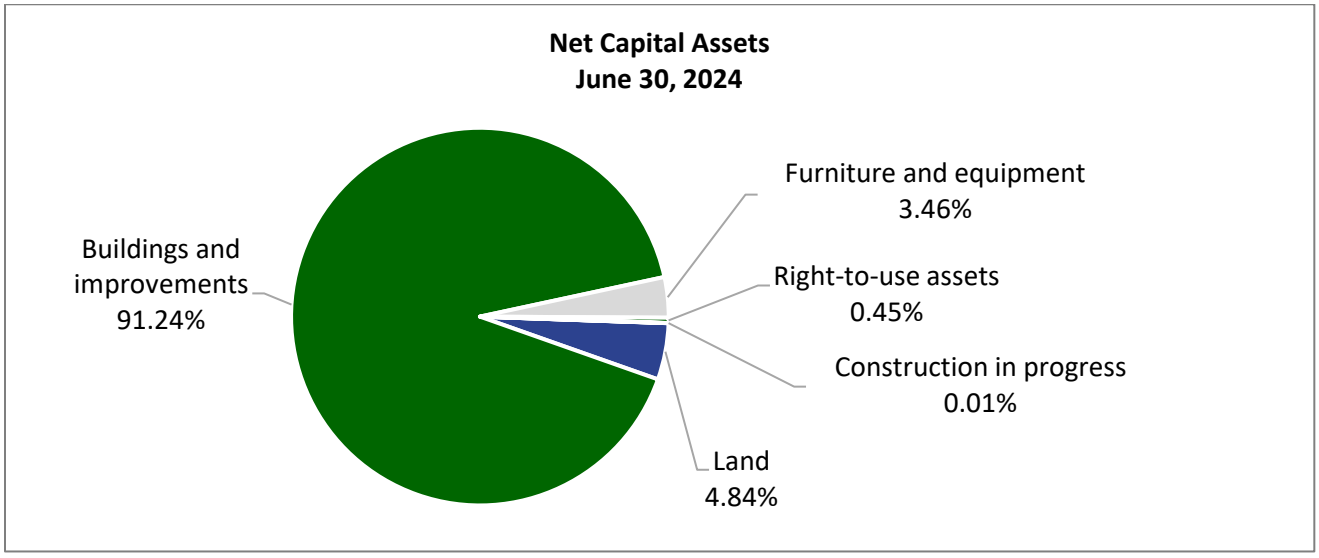
After the revenue and appropriation amendments noted above, actual revenues exceeded the final budget by $1.5 million, primarily due to higher state revenue collections. Actual expenditures were $4.3 million below the final budget, mainly in payroll, contracted services, and materials and supplies. At the close of fiscal year 2024–2025, the District's general fund assigned and unassigned fund balance of $66,104,018 represented approximately 108 days or 29.5 percent of the subsequent year's expenditure budget of $223,963,965. When including all fund balance categories such as nonspendable, the total fund balance of $86,314,490 equated to approximately 140 days or 38.5 percent of next year's expenditure budget.

Capital Assets. The District's investment in capital assets for its governmental activities as of June 30, 2025, amounts to $459,313,997 (net of accumulated depreciation/amortization). This investment in capital assets includes land, buildings and building improvements, furniture and equipment, right-to-use lease equipment, subscription-based information technology arrangements (SBITAs) and construction in progress (CIP). Additional information on the District's capital assets can be found in Note 5 of this report.

District's Capital Assets

	Governmental Activities	
	June 30, 2025	June 30, 2024
Land	$ 21,980,888	$ 21,980,888
Buildings and improvements, net	404,580,593	414,146,817
Furniture and equipment, net	25,962,643	15,703,130
Right-to-use assets, net	3,136,434	2,047,878
Construction in progress	3,653,439	57,058
Total	$ 459,313,997	$ 453,935,771





Long-term Liabilities. On June 30, 2025, the District had total long-term liabilities outstanding of $514 million, an increase of $38.0 million from the previous year.

On August 20, 2024, the District issued $52,040,000 of Unlimited Tax School Building Bonds, Series 2024, the first of three planned issuances authorized by voter-approved bond propositions in May 2024. The total bond program, authorized for $105,000,000, includes $75,000,000 for infrastructure improvements and $30,000,000 for technology upgrades. The bonds were issued at par with a principal amount of $52,040,000, a net premium of $3,398,191, issuance costs of $438,191, and interest rates ranging from 4.00 percent to 5.00 percent, maturing serially from 2025 through 2049.

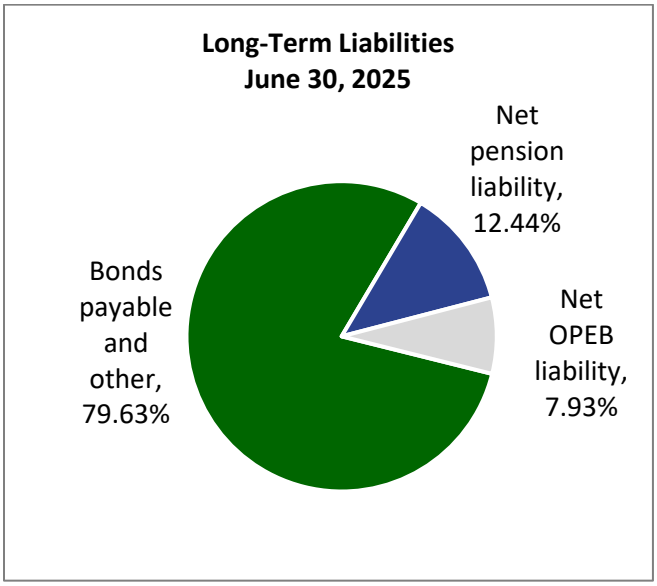
On June 30, 2025, the District had $50,000,000 in authorized but unissued bonds from the successful May 2024 bond propositions.

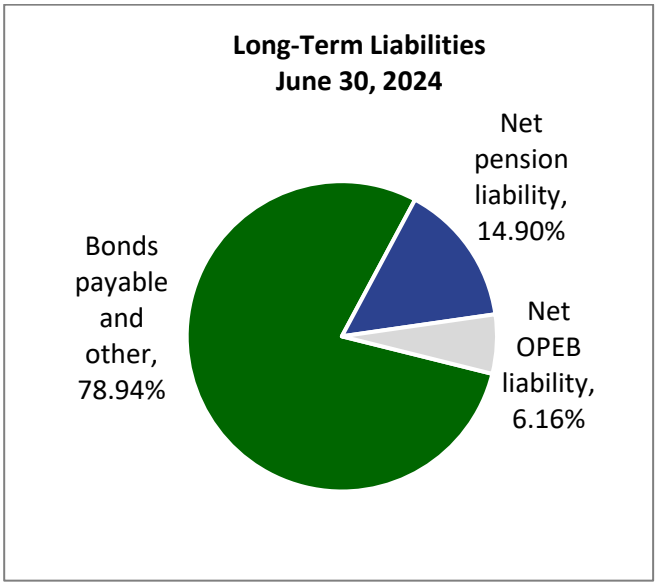
The District experienced a $7.0 million decrease in its proportional share of the TRS net pension liability and a $11.5 million increase in its proportional share of the TRS-Care post-employment benefit liability at year end.

Moody's Investors Service ("Moody's") and Fitch Ratings ("Fitch") have assigned the District's municipal bond ratings of "Aaa" and "AAA", respectively, based upon the guarantee by the Permanent School Fund of the State of Texas. Moody's and Fitch generally rate all bond issues guaranteed by the Permanent School Fund of the State of Texas "Aaa" and "AAA", respectively. The District's current underlying credit rating (without consideration of the Permanent School Fund Guarantee or other credit enhancement) is "Aa2" by Moody's and "AA+" by Fitch.

District's Long-Term Liabilities

	June 30, 2025	June 30, 2024
Bonds payable and other	$ 409,333,001	$ 375,782,452
Net pension liability	63,940,805	70,932,005
Net OPEB liability	40,790,276	29,340,144
Total long-term liabilities	$ 514,064,082	$ 476,054,601





Additional information on the District's long-term liabilities can be found in Note 6 in the Notes to the Financial Statements as noted in the table of contents.

Economic Factors and Next Year's Budgets and Rates

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

During the 89th Legislature in June 2025, House Bill 2 enacted several major changes in public education funding, including teacher and support staff compensation. The law provided an increased per student allotment, a new teacher retention allotment, a support staff retention allotment, updates to special education funding models, and numerous other changes. This bill mandated raises for teachers based on their years of experience, funded by the new teacher retention allotment, which the District addressed in its 2025-2026 expenditure budget. Additionally, Senate Bill 4 increased the homestead exemption from $100,000 to $140,000 of the appraised value of a home. School districts impacted by the property tax reductions would be eligible for additional state aid, as outlined in the bill.

The 2025-2026 fiscal year budget was adopted based on the following significant assumptions:

- The District adopted the budget assuming a tax rate of $1.1350 per $100 of assessed value for the 2025-2026 fiscal year: $0.7869 for maintenance and operations (M&O) and $0.3481 for interest and sinking (I&S).
- Estimated enrollment of 20,668 students, a decrease of roughly 200 from 2024-2025 snapshot enrollment data.
- Expected a refined average daily attendance of 95 percent.
- An increase of 3.28 percent in taxable property values with a total net taxable value of $11.9 billion.
- General fund revenues of $230 million, expenditures of $223 million, and other financing sources of $2.7 million for a total budget surplus of $3.3 million planned to be added to the general fund balance.
- An increase in salary for 0-2 years' experience teachers by 3 percent general pay increase (GPI), 3-4 years' experience teachers of $2,500, and 5 years or more experience teachers of $5,000. All other staff received a 3 percent GPI and other miscellaneous adjustments for substitute pay, stipends, and additional personnel totaling $2.1 million.

As of October 14, 2025, the District amended its 2025-2026 fiscal year budget to increase the general fund revenues by $2,525,423 and its expenditure budget by $499,543 to account for the following:

- Adjust for current year property tax collections for $669,453.
- Account for tax year 2022 property tax audit recovery in the amount of $4,500,000, which offsets a decrease to the Foundation School fund of $4,041,595.
- Increased the Available School funding for the District by $1,397,565.
- Additional budget for Brazoria County Tax Appraisal collection fees of $30,000
- Personnel changes included upgrading a special education director to executive director, inactivating a purchasing director position, adding a buyer position, the addition of one special education aide and one additional resource/inclusion teacher, the net total of which increased the budget by $114,302.
- Safety related expenditure increases including armed guard services, an increase to the hourly rate for safety resource officers, and an increase in the contract for safety resource officers with the City of Pearland, totaling $208,964.
- Additional funds for the high school's state marching band competition for $146,277.
- Other functional changes necessary for operations in districtwide budgets, with a net budget impact of $0.

The total amended budget for the general fund increased the estimated budget surplus from $3.3 million to $5.3 million.

Requests for Information

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


BUILD
PEARLAND
Proud

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT A-1

STATEMENT OF NET POSITION

JUNE 30, 2025

Data Control Codes		Governmental Activities	Business-Type Activities	Total
	Assets			
1110	Cash and cash equivalents	$ 148,310,476	$ 28,635	$ 148,339,111
1225	Property taxes receivables, net	2,494,409		2,494,409
1240	Due from other governments	39,829,026		39,829,026
1250	Accrued interest	1,328		1,328
1290	Other receivables, net	2,121,022		2,121,022
1300	Inventories	717,040	5,482	722,522
1410	Prepaid items	2,986,922		2,986,922
	Capital Assets:			
1510	Land	21,980,888		21,980,888
1520	Buildings and improvements, net	404,580,593		404,580,593
1530	Furniture and equipment, net	25,962,643		25,962,643
1550	Right-to-use assets, net	3,136,434		3,136,434
1580	Construction in progress	3,653,439		3,653,439
1000	Total assets	655,774,220	34,117	655,808,337
	Deferred Outflows Of Resources			
1700	Deferred outflows of resources	35,665,648		35,665,648
	Total deferred outflows of resources	35,665,648		35,665,648
	Liabilities			
2110	Accounts payable	5,304,850		5,304,850
2140	Interest payable	6,109,552		6,109,552
2150	Payroll deductions and withholdings	2,020,886		2,020,886
2160	Accrued wages payable	20,435,809		20,435,809
2180	Due to other governments			
2200	Accrued expenses	204,165		204,165
2300	Unearned revenue	117,982		117,982
	Non-current liabilities:			
2501	Due within one year	44,135,111		44,135,111
	Due in more than one year:			
2502	Bonds payable and other	365,197,890		365,197,890
2540	Net pension liability	63,940,805		63,940,805
2545	Net OPEB liability	40,790,276		40,790,276
2000	Total liabilities	548,257,326		548,257,326
	Deferred Inflows of Resources			
	Deferred inflows of resources	49,015,664		49,015,664
2600	Total deferred inflows of resources	49,015,664		49,015,664
	Net Position			
3200	Net investment in capital assets	106,196,393		106,196,393
	Restricted for:			
3820	Federal and state programs	4,775,967		4,775,967
3850	Debt service	8,702,345		8,702,345
3890	Other	1,396		1,396
3900	Unrestricted	(25,509,223)	34,117	(25,475,106)
3000	Total net position	$ 94,166,878	$ 34,117	$ 94,200,995

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

PEARLAND INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Function/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions	Program Revenues: Capital Grants and Contributions
	Governmental Activities				
0011	Instruction	$ 129,962,920	$ 700,278	$ 13,037,902	$ 2,232,290
0012	Instructional resources and media svcs.	2,422,606	396	124,290	
0013	Curriculum and staff development	6,080,918		939,400	
0021	Instructional leadership	2,675,325		382,732	
0023	School leadership	12,293,048		802,276	
0031	Guidance, counseling and eval. services	10,021,819		1,850,655	
0032	Social work services	859,526		51,942	
0033	Health services	2,340,420		458,146	
0034	Student transportation	9,071,763		459,236	
0035	Food services	11,709,929	4,645,655	4,852,985	1,074,839
0036	Cocurricular/extracurricular activities	11,805,388	5,655,248	250,175	386,139
0041	General administration	4,727,871		292,796	
0051	Facility maintenance and operations	26,290,455		811,962	95,352
0052	Security and monitoring services	2,780,147		132,063	
0053	Data processing services	7,068,707		245,572	
0061	Community services	42,010		43,145	
0072	Interest on long-term debt	10,898,724			
0073	Debt issuance costs and fees	1,362,187			
0095	Payments to juvenile justice alternative education program	36,125			
0099	Other intergovernmental charges	766,873			
TG	Total governmental activities	253,216,761	11,001,577	24,735,277	3,788,620
	Business-Type Activities				
01	Football concession	140,882	140,508		
TB	Total business-type activities	140,882	140,508		
TP	Total primary government	$ 253,357,643	$ 11,142,085	$ 24,735,277	$ 3,788,620

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

Data Control Codes	Function/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government Governmental Activities	Business-Type Activities	Total
	Governmental Activities			
0011	Instruction	$ (113,992,450)	$ -	$ (113,992,450)
0012	Instructional resources and media svcs.	(2,297,920)		(2,297,920)
0013	Curriculum and staff development	(5,141,518)		(5,141,518)
0021	Instructional leadership	(2,292,593)		(2,292,593)
0023	School leadership	(11,490,772)		(11,490,772)
0031	Guidance, counseling and eval. services	(8,171,164)		(8,171,164)
0032	Social work services	(807,584)		(807,584)
0033	Health services	(1,882,274)		(1,882,274)
0034	Student transportation	(8,612,527)		(8,612,527)
0035	Food services	(1,136,450)		(1,136,450)
0036	Cocurricular/extracurricular activities	(5,513,826)		(5,513,826)
0041	General administration	(4,435,075)		(4,435,075)
0051	Facility maintenance and operations	(25,383,141)		(25,383,141)
0052	Security and monitoring services	(2,648,084)		(2,648,084)
0053	Data processing services	(6,823,135)		(6,823,135)
0061	Community services	1,135		1,135
0072	Interest on long-term debt	(10,898,724)		(10,898,724)
0073	Debt issuance costs and fees	(1,362,187)		(1,362,187)
0095	Payments to juvenile justice alternative education program	(36,125)		(36,125)
0099	Other intergovernmental charges	(766,873)		(766,873)
TG	Total governmental activities	(213,691,287)		(213,691,287)
	Business-Type Activities			
01	Football concession		(374)	(374)
TB	Total business-type activities		(374)	(374)
TP	Total primary government	(213,691,287)	(374)	(213,691,661)
	General Revenues			
	General Revenues			
MT	Property taxes, levied for general purposes	79,580,534		79,580,534
DT	Property taxes, levied for debt service	35,195,945		35,195,945
SF	State aid - formula grants	129,768,880		129,768,880
GC	Grants and contributions not restricted to specific programs	690,779		690,779
IE	Investment earnings	7,022,420	483	7,022,903
MI	Miscellaneous	2,932,988		2,932,988
TR	Total general revenues	255,191,546	483	255,192,029
CN	Change in net position	41,500,259	109	41,500,368
	Net position - beginning (as previously presented)	69,295,723	34,008	69,329,731
PA	Restatement - (see Note 17)	(16,629,104)		(16,629,104)
NB	Net position - beginning (as restated)	52,666,619	34,008	52,700,627
NE	Net position - ending	$ 94,166,878	$ 34,117	$ 94,200,995

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT C-1

BALANCE SHEET - GOVERNMENTAL FUNDS

JUNE 30, 2025

Data Control Codes		General Fund	Debt Service Fund	Capital Projects Fund	Non-Major Other Governmental Funds	Total Governmental Funds
	Assets					
1110	Cash and cash equivalents	$ 71,293,261	$13,213,484	$ 51,932,829	$ 11,416,929	$ 147,856,503
1225	Property taxes receivables, net	1,750,605	743,804			2,494,409
1240	Due from other governments	38,011,708	4,261		1,813,057	39,829,026
1250	Accrued interest	950			378	1,328
1260	Due from other funds	6,629,709	533,968	10,946,750	309,604	18,420,031
1290	Other receivables	1,451,020	365,316		304,686	2,121,022
1300	Inventories	614,086			102,954	717,040
1410	Prepaid Items	2,596,386		368,397	22,139	2,986,922
1000A	Total assets	$ 122,347,725	$14,860,833	$ 63,247,976	$ 13,969,747	$ 214,426,281
	Liabilities					
2110	Accounts payable	$ 1,429,021		$ 3,311,675	$ 564,154	$ 5,304,850
2150	Payroll deductions and withholdings	2,020,886				2,020,886
2160	Accrued wages payable	19,256,814			1,178,995	20,435,809
2170	Due to other funds	11,688,211		3,523,981	3,207,839	18,420,031
2200	Accrued expenditures	198,108			6,057	204,165
2300	Unearned revenue		48,936		69,046	117,982
2000	Total liabilities	34,593,040	48,936	6,835,656	5,026,091	46,503,723
	Deferred Inflows of Resources					
2600	Deferred inflow of resources	1,440,195	607,100			2,047,295
	Total deferred inflows of resources	1,440,195	607,100			2,047,295
	Fund Balances					
	Nonspendable:					
3410	Inventories	614,086			102,954	717,040
3430	Prepaid items	2,596,386		368,397	22,139	2,986,922
	Restricted:					
3450	Grant funds				4,667,748	4,667,748
3470	Capital acquisition and obligations			39,114,484		39,114,484
3480	Debt service		14,204,797			14,204,797
3545	Committed - other	17,000,000			4,150,815	21,150,815
3590	Assigned - other	3,000,000		16,929,439		19,929,439
3600	Unassigned	63,104,018				63,104,018
3000	Total fund balances	86,314,490	14,204,797	56,412,320	8,943,656	165,875,263
4000	Total liabilities, deferred inflows of resources, and fund balances	$ 122,347,725	$14,860,833	$ 63,247,976	$ 13,969,747	$ 214,426,281

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT C-1R

RECONCILIATION OF THE BALANCE SHEET OF GOVERNMENTAL FUNDS
TO THE STATEMENT OF NET POSITION
JUNE 30, 2025

Amounts reported for governmental activities in the statement of net position (Exhibit A-1) are different because:		
Total fund balances - governmental funds balance sheet (Exhibit C-1)		$ 165,875,263
Capital assets, net of accumulated depreciation/amortization used in governmental activities are not financial resources and, therefore, are not reported in the funds.		
Capital assets	$ 703,158,345	
Accumulated depreciation/amortization	(243,844,348)	459,313,997
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions sub-sequent 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	14,461,791	
Deferred outflows - OPEB related	17,839,755	
Deferred inflows - pension related	(4,115,740)	
Deferred inflows - OPEB related	(42,224,237)	(14,038,431)
Property taxes receivable unavailable to pay for current period expenditures are deferred in the funds.		
Property taxes:		
Levied for general purposes	1,440,195	
Levied for debt service	607,100	2,047,295
The assets and liabilities of internal service funds are included in the statement of net position.		
Workers' compensation		449,254
Long-term liabilities that are not due and payable in the current period, and therefore, are not reported in the funds.		
General obligation bonds payable	(355,185,000)	
Accrued interest payable on long-term debt	(6,109,552)	
Compensated absences	(13,728,984)	
Lease liability	(1,522,778)	
SBITA liability	(1,278,746)	
Net pension liability	(63,940,805)	
Net OPEB liability	(40,790,276)	(482,556,141)
Governmental funds report the effect of premiums, discounts, and refundings and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Deferred gain on refunding	(2,675,687)	
Deferred loss on refunding	3,364,102	
Premium on general obligation bonds	(37,612,774)	(36,924,359)
Net position of governmental activities - statement of net position (A-1)		$ 94,166,878

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT C-2

STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES

GOVERNMENTAL FUNDS

FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes	Functions/Programs	General Fund	Debt Service Fund	Capital Projects Fund	Other Governmental Funds	Total Governmental Funds
	Revenues					
5700	Local and intermediate sources	$ 85,236,588	$ 35,832,496	$ 2,388,741	$ 10,700,294	$ 134,158,119
5800	State program revenues	135,483,325	6,135,423		2,956,691	144,575,439
5900	Federal program revenues	1,096,655			12,827,955	13,924,610
5020	Total revenues	221,816,568	41,967,919	2,388,741	26,484,940	292,658,168
	Expenditures					
	Current:					
0011	Instruction	117,607,986		2,059,050	7,649,175	127,316,211
0012	Instructional resources and media svcs.	2,112,012			468	2,112,480
0013	Curriculum and staff development	5,679,455			568,304	6,247,759
0021	Instructional leadership	2,444,942			231,868	2,676,810
0023	School leadership	12,717,491			87	12,717,578
0031	Guidance, counseling and evaluation svcs.	9,162,541			1,221,936	10,384,477
0032	Social work services	856,959			8,980	865,939
0033	Health services	2,385,672			33,299	2,418,971
0034	Student transportation	8,346,774		2,162,424	14,478	10,523,676
0035	Food services				12,019,123	12,019,123
0036	Extracurricular activities	5,224,293		94,323	5,265,586	10,584,202
0041	General administration	5,252,186			6,842	5,259,028
0051	Facilities maintenance and ops.	25,275,047		2,687,436	112,094	28,074,577
0052	Security and monitoring services	2,619,280		739,931	94,425	3,453,636
0053	Data processing services	6,757,080		4,866,061	13,656	11,636,797
0061	Community services				43,145	43,145
	Debt Service:					
0071	Debt service - principal	1,201,597	28,655,000			29,856,597
0072	Debt service - interest and fees	133,599	16,916,833			17,050,432
	Capital Outlay:					
0081	Facilities acquisition and construction			4,593,293	555,607	5,148,900
	Intergovernmental Charges:					
0095	Pymts. to juvenile justice alt. ed. progs.	36,125				36,125
0099	Other intergovernmental charges	766,365	508			766,873
6030	Total expenditures	208,579,404	45,572,341	17,202,518	27,839,073	299,193,336
1100	Excess (deficiency) of revenues over expenditures	13,237,164	(3,604,422)	(14,813,777)	(1,354,133)	(6,535,168)
	Other Financing Sources (Uses)					
7911	Issuance of debt - general obligation of bond			52,040,000		52,040,000
7912	Sale of real or personal property	172,816				172,816
7913	Issuance of debt - leases	456,886				456,886
7915	Transfers in	6,207,542		10,946,750	100,682	17,254,974
7916	Issuance of debt - premium or discount		438,191	2,960,000		3,398,191
7949	Issuance of debt - SBITAs	1,819,092				1,819,092
8911	Transfers out	(10,946,750)		(6,308,224)		(17,254,974)
7080	Total other financing sources (uses)	(2,290,414)	438,191	59,638,526	100,682	57,886,985
1200	Net change in fund balances	10,946,750	(3,166,231)	44,824,749	(1,253,451)	51,351,817
0100	Fund balances - beginning	75,367,740	17,371,028	11,587,571	10,197,107	114,523,446
3000	Fund balances - ending	$ 86,314,490	$ 14,204,797	$ 56,412,320	$ 8,943,656	$ 165,875,263

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT C-2R

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED JUNE 30, 2025

Amounts reported for governmental activities in the statement of activities (Exhibit B-1) are different because:		
Net change in fund balances - total governmental funds (Exhibit C-3)		$ 51,351,817
Governmental funds report capital outlay as expenditures. However, in the governmental activities statement of activities, the cost of those assets is allocated over their estimated as depreciation /amortization expense. This is the amount by which capital outlay was less than useful lives the depreciation/amortization expense in the current period.		
Capital outlay	$ 23,590,925	
Depreciation/amortization expense	(18,096,004)	5,494,921
The net effect of various miscellaneous transactions involving capital assets decrease net position.		
Gain on sale of assets		(116,695)
Property tax revenues in the governmental activities statement of activities do not provide current financial resources and are not reported as revenues in the funds. Deferred property tax revenues decreased for the general fund and debt service fund.		
Property taxes:		
Levied for general purposes	(288,684)	
Levied for debt service	(117,285)	(405,969)
Bond and other debt issuances provide current financial resources to governmental funds, but issuing debt increases long-term liabilities in the Statement of Net Position. Repayment of bonds and other debt principal is an expenditure in the governmental funds, but repayment reduces long-term liabilities in the Statement of Net Position. Also, governmental funds report the effect of premiums, discounts, and similar items when debt is first issued, whereas these amounts are deferred and amortized in the statement of activities.		
Leases paid	493,453	
Debt issuance - leases	(456,886)	
SBITAs paid	1,026,276	
Debt issuance - SBITAs	(1,819,092)	
Principal paid on bonds	28,655,000	
Debt issuance - premium	(3,398,191)	
Debt issuance - principal	(52,040,000)	(27,539,440)
Internal service funds are used by management to charge the costs of certain activities, such as insurance and concession to individual funds. The net revenue of the internal service funds is reported in the statement of activities (Exhibit D-2).		
Workers' compensation		14,775
Some expenses reported in the statement of activities do not require the use of current financial resources, and therefore, are not reported as expenditures in the governmental funds.		
Accrued interest on long-term debt	(439,143)	
Amortization of bond premiums and discounts	6,590,852	
Amortization of deferred gain on refunding	940,089	
Amortization of deferred loss on refunding	(1,100,679)	
Compensated absences	2,283,208	
Changes in pension liabilities	6,991,200	
Changes in OPEB liabilities	(11,450,132)	
Changes in pension related deferred outflows and inflows of resources	(9,115,576)	
Changes in OPEB related deferred outflows and inflows of resources	18,001,031	12,700,850
Change in net position of governmental activities (Exhibit B-1)		$ 41,500,259

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT D-1

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Enterprise Fund - Football Concession	Internal Service Fund - Workers' Compensation
Assets		
Current assets:		
Cash and cash equivalents	$ 28,635	$ 453,973
Inventories	5,482	
Total assets	$ 34,117	$ 453,973
Liabilities		
Current liabilities:		
Accrued expenses		4,719
Total liabilities		4,719
Net Position		
Unrestricted	34,117	449,254
Total net position	$ 34,117	$ 449,254

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT D-2

STATEMENT OF REVENUES, EXPENSES, AND CHANGES
IN NET POSITION - PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Enterprise Fund - Football Concession	Internal Service Fund - Workers' Compensation
Operating revenues		
Food sales	$ 140,508	$ -
Total operating revenues	140,508	
Operating expenses		
Payroll costs	16,317	
Contracted services		1,250
Materials and supplies	78,290	
Other operating costs	46,275	
Total operating expenses	140,882	1,250
Operating income (loss)	(374)	(1,250)
Nonoperating revenues		
Investment earnings	483	16,025
Total nonoperating revenues	483	16,025
Increase (decrease) in net position	109	14,775
Transfers in		
Increase (decrease) in net position	109	14,775
Net position - beginning	34,008	434,479
Net position - ending	$ 34,117	$ 449,254

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT D-3

STATEMENT OF CASH FLOW
PROPRIETARY FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

	Business-type Activities	Governmental Activities
	Enterprise Fund - Football Concession	Internal Service Fund - Workers' Compensation
Cash flows from operating activities:		
Receipts from customers	$ 140,508	$ -
Receipt for receivables		40,799
Claims paid	(1,883)	(1,250)
Payments to suppliers and service providers	(87,199)	
Payments to employees for salaries and benefits	(16,317)	
Payments to beneficiaries	(37,365)	
Payments for accrued expenses	(150,205)	(548)
Net cash provided by (used for) operating activities	(152,461)	39,001
Cash flows from investing activities:		
Interest on investments	483	16,026
Net cash provided by investing activities	483	16,026
Net increase (decrease) in cash and cash equivalents	(151,978)	55,027
Cash and cash equivalents - beginning (including investments)	180,613	398,946
Cash and cash equivalents - ending (including investments)	$ 28,635	$ 453,973
Reconciliation of operating income (loss) to net cash provided by (used for) operating activities:		
Operating income (loss)	$ (374)	$ (1,250)
Adjustments to reconcile operating Income (loss) to net cash provided by (used by) operating activities:		
Other receivables for insurance reimbursement of benefits paid	49	40,799
Increase (decrease) in inventories	(2,094)	
Increase (decrease) in accrued interest on investments	113	
Increase (decrease) in accrued expenses	(150,155)	(548)
Total adjustments	(152,087)	40,251
Net cash provided by (used for) operating activities	$ (152,461)	$ 39,001

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT E-1

STATEMENT OF FIDUCIARY NET POSITION

FIDUCIARY FUND

JUNE 30, 2025

	Custodial Fund
Assets	
Cash and cash equivalents	$ 1,057,622
Accrued interest	52
Other receivables, net	6,057
Total assets	1,063,731
Liabilities	
Accounts payables	70,718
Accrued expenses	245,354
Total liabilities	316,072
Net Position	
Restricted:	
Students and other activities	747,659
Total net position	$ 747,659

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

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT E-2

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

FIDUCIARY FUND

FOR THE YEAR ENDED JUNE 30, 2025

	Custodial Fund
Additions	
Contributions:	
Gifts and contributions	$ 289,628
Receipts from student activities	778,755
Total contributions	1,068,383
Investment earnings:	
Interests	20,747
Total investment earnings	20,747
Total additions	1,089,130
Deductions	
Scholarship awards	126,036
Payments for student activities	940,687
Total deductions	1,066,723
Net increase (decrease) in fiduciary net position	22,407
Net position - beginning	725,252
Net position - ending	$ 747,659

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

PEARLAND INDEPENDENT SCHOOL DISTRICT
NOTES TO THE FINANCIAL STATEMENTS
FOR THE YEAR ENDED JUNE 30, 2025

Note		Page
1.	Summary of Significant Accounting Policies	42
2.	Deposits, Investments and Derivatives	52
3.	Receivables, Uncollectible Accounts, Deferred Outflows and Inflows of Resources, and Unearned Revenues	55
4.	Interfund Receivables, Payables and Transfers	57
5.	Capital Assets	57
6.	Long-Term Debt	59
7.	Defined Benefit Pension Plans	60
8.	Defined Other Post-Employment Benefit Plans	66
9.	General Fund Federal Source Revenues	70
10.	Local and Intermediate Revenues	70
11.	Risk Management	71
12.	Self-Insured Workers' Compensation	71
13.	Litigation and Contingencies	72
14.	Joint Ventures-Shared Service Arrangements (SBITAs)	72
15	Lease Payable	73
16.	Subscription-Based Information Technology Agreements	74
17.	Restatement to Beginning Net Position	74
18.	Subsequent Events	75

NOTE 1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

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

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

Reporting Entity

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

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

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

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

Government-Wide and Fund Financial Statements

The government-wide financial statements (i.e., the statement of net position and the statement of activities in net position) report financial information on all of the nonfiduciary activities of the primary government. For the most part, the effect of interfund activity has been removed from these statements. The *governmental activities* are supported by tax revenues and intergovernmental revenues. The *business-type activities* rely, to a significant extent, on fees and charges for support.

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

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

Separate financial statements are provided for governmental funds, proprietary funds, and fiduciary funds, even though the latter are excluded from the government-wide financial statements. Major individual governmental funds are reported in separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting, and Financial Statement Presentation

The government-wide financial statements (the statement of net position and the statement of activities) are prepared using the economic resources measurement focus and the accrual basis of accounting and the information about the District as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of the timing of related cash flows. Property taxes are recognized as revenues in the year for which they are levied. Grants and similar items are recognized as revenues as soon as all eligibility requirements imposed by the provider have been met.

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

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

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

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

The proprietary fund types and the fiduciary fund types are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period

in which they are incurred and become measurable. With this measurement focus, all assets and all liabilities associated with the operation of these funds are included on the Statement of Net Position. The net position is segregated into restricted net position and unrestricted net position. When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first and the unrestricted resources as needed.

The District reports the following major governmental funds:

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

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

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

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

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

The District reports the following proprietary funds:

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

The ***enterprise fund*** accounts for the District's football concession stand operations. The revenues of this fund are received from the charge for service, and the expenses are comprised of food costs, payroll, and payment to student groups. The general fund is contingently liable for liabilities of this fund.

The District reports the following fiduciary fund:

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

Cash and Investments

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

In accordance with GASB Statement No. 31, *Accounting and Financial Reporting for Certain Investments and External Investment Pools*, investments are reported at fair value. Fair values are based on published market rates.

Current investments have an original maturity of greater than three months but less than one year at the time of purchase. Non-current investments have an original maturity of greater than one year at the time of purchase.

Interfund Receivables and Payables

Activity between funds that are representative of lending/borrowing arrangements outstanding at the end of the fiscal year are referred to as either "due to/from other funds" (i.e., the current portion of interfund loans) or "advances to/from other funds" (i.e., the non-current portion of interfund loans). All outstanding balances between funds are reported as "due to/from other funds". The District had no advances between funds. See Note 4 for additional discussion of interfund receivables and payables.

Property Taxes

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

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

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

The assessed value of the property tax roll on August 1, 2024, upon which the levy for the 2024-25 fiscal year was based, was $10,655,503,748. Taxes are delinquent if not paid by June 30. Delinquent taxes are subject to both penalty and interest charges plus 15 percent delinquent collection fees for attorney costs.

The tax rates assessed for the year ended June 30, 2025, to finance general fund operations and the payment of principal and interest on general obligation long-term debt were $0.7869 and $0.3481 per $100 valuation, respectively, for a total of $1.1350 per $100 valuation.

Current tax collections for the year ended June 30, 2025, were 98.73 percent of the year end adjusted tax levy. Delinquent taxes are prorated between maintenance and debt service based on rates adopted for the year of the levy. Allowances for uncollectible taxes within the general and debt service funds are based on historical experience in collecting taxes. Uncollectible personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2025, property taxes receivable, net of estimated uncollectible taxes, totaled $1,750,605 and $743,804 for the general and debt service funds, respectively.

Inventories

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

Capital Assets and Depreciation/Amortization

Capital assets, which include land, buildings, and improvements, furniture, and equipment, and right-to-use capital assets are reported in the applicable governmental activities' and business type activities column in the government-wide financial statements. Capital assets are defined by the government as assets with an initial, individual cost of more than $5,000 and an estimated useful life in excess of one year or an aggregate purchase of like items over the District established threshold, which is $200,000. The District has established a lease and SBITA recognition threshold of $200,000 each. Such assets are recorded at historical or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value at the date of donation. The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed.

Land and construction in progress are not depreciated. Right-to-use lease assets and right-to use SBITA assets are amortized over the life of the associated contract. The other tangible and intangible buildings and building improvements, furniture, and equipment of the District are depreciated using the straight-line method over the following estimated useful lives:

Assets	Years
Buildings and improvements	5-50
Furniture and equipment	5-10

Leases

The District is a lessee for a non-cancellable lease of equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District established a lease recognition threshold of $200,000. At the commencement of a lease, the District initially measures the lease liability at the present value of payments expected to be made during the lease term. Subsequently, the lease liability is reduced by the principal portion of lease payments made. The lease asset is initially measured as the initial amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

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

Subscription-Based Information Technology Arrangements

The District is under contracts for SBITA for various financial and educational software. The agreements/contracts are noncancellable, and the District recognizes a SBITA liability and an intangible right-to-use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of $200,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the initial amount of the SBITA liability, adjusted for payments made at or before the SBITA commencement date, plus certain initial direct costs. Subsequently, the SBITA asset is amortized on a straight-line basis over its useful life. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

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

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

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

Deferred Outflows and Inflows of Resources

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

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

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 future periods and so will not be recognized as an inflow of resources (revenue) until that time. The District has three items that qualify for reporting in this category. Unavailable revenue is reported only in the governmental funds balance

sheet. The governmental funds report unavailable revenues from property taxes. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the reports deferred amounts related to leases and deferred amounts related to pension and OPEB.

Compensated Absences

The District provides eligible employees with various forms of paid leave, including vacation, local, state, non-duty, and other compensated absences, in accordance with Board policy and state law. Employees earn these benefits based on length of service and employment classification.

In accordance with GASB Statement No. 101, Compensated Absences, the District recognizes a liability for compensated absences when the leave is attributable to services already rendered, the rights to the benefits accumulate, and payment of the benefits is probable. The liability is measured using the pay rate in effect at the financial reporting date and includes salary-related payments directly and incrementally associated with payments made for compensated absences. Compensated absences that are contingent on a specific event that is outside the control of the District and its employees (such as illness or termination) are recognized in the period in which the event occurs.

In the governmental funds, compensated absences are reported only to the extent they have matured, such as when employees retire or terminate employment. The remaining liability for compensated absences is reported in the government-wide statement of net position as a long-term liability.

The District provides vacation leave that may be carried over to the following fiscal year but must be used by October 31. Any unused vacation leave after that date is forfeited. Accordingly, a liability has been recorded to the extent that the District estimates vacation leave will be used by October 31 of the subsequent fiscal year.

The District provides non-duty leave to exempt (salaried) personnel, allowing up to 10 days annually in accordance with the employee's work calendar and contract. Non-duty leave may be carried over to the following fiscal year but must be used by August 31. Any unused non-duty leave after that date is forfeited. Accordingly, a liability has been recorded to the extent that the District estimates non-duty leave will be used by August 31 of the subsequent fiscal year.

The District provides local leave that may be carried forward to subsequent years. Upon retirement through the Teacher Retirement System of Texas, employees are eligible to receive a lump-sum payment for unused local leave up to a maximum of 100 days determined by formula (number of unused local leave days × final year contract salary) ÷ (twice the number of contract days) × (years of service in the District ÷ 20). If the calculated amount is less than $100, no payment is made.

The State of Texas provides state leave that accumulates without limit and carries forward through retirement. Unused state leave, however, is not paid out upon retirement or separation from service.

Long-Term Obligations

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

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

proceeds received, are reported as debt service expenditures. Net pension and OPEB costs are reported, based upon required contributions for the current period, are reported within functional categories as expenditures.

Pensions

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

Other Post-Employment Benefits

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

Budgetary Data

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

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

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

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

The official budget was prepared for adoption for the general fund, food service fund and debt service fund prior to June 30, 2025. The budget is prepared by fund, function, object, and organization. The budget is controlled at the organizational level by the appropriate department head or campus principal within Board allocations. Therefore, organizations may transfer appropriations as necessary without the approval of the board unless the intent is to cross fund, function or increase the overall budget allocations. Control of appropriations by the Board of Trustees is maintained within fund groups at the function code level and revenue object code level.

The Budget is formally adopted by the Board of Trustees at a duly advertised public meeting in accordance with law prior to the expenditure of funds. The approved budget is filed with the Texas Education Agency (TEA) through the Public Education Information Management System. Should any change in the approved budget be required, budget amendment requests are presented to the Board of Trustees for consideration. Amendments are made before the fact and once approved are reflected in the official minutes. During the year, the budget was properly amended in accordance with the above procedures.

Encumbrance Accounting

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

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

On June 30, 2025, encumbrances expected to be honored upon performance by vendors in the next year were as follows:

Fund	Amount
General Fund	$ 1,879,493
Capital Projects Fund	10,413,507
Other Governmental Funds	1,156,653
Total	$ 13,449,653

Fund Balances

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

The District has implemented GASB Statement No. 54, "Fund Balance, Reporting and Governmental Fund Type Definitions". This Statement provides more clearly defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent. The following classifications describe the relative strength of spending constraints:

- Non-spendable Fund Balance - Includes amounts that cannot be spent because they are either not in spendable form, or, for legal or contractual reasons, must be kept intact. This classification includes inventories, prepaid amounts, assets held for sale, and long-term receivables. As such, $614,086 for inventory and $2,596,386 for prepaid items in the general fund; $102,954 for inventories and $5,265 for prepaid items in the food service fund; $368,397 for prepaid items in the capital projects fund; $15,478 for prepaid items in the campus activity funds; and $1,396 for prepaid items in a locally funded special revenue fund have been classified as non-spendable fund balances.

- Restricted Fund Balance - Constraints placed on the use of these resources are either externally imposed by creditors (such as through debt covenants), grantors, contributors, or other governments; or are imposed by law (through constitutional provisions of enabling legislation). As such, the fund balances of $14,204,797 in the debt service fund, $39,114,484 in the capital projects fund, and $4,667,748 in the food service fund have been classified as restricted.
- Committed Fund Balance - Amounts that can only be used for specific purposes, which must be approved by formal action of the Board of Trustees. The District has a committed fund balance of $17,000,000 in the general fund, of which $3,000,000 is for future damage from a named storm, $4,000,000 is for major maintenance and repairs, and $10,000,000 is for economic stabilization. In addition, the District also committed $4,150,815 in the campus activity funds.
- Assigned Fund Balance - Amounts the District intends to use for a specific purpose. The Board of Trustees delegates the Superintendent or Chief Financial Officer the authority to assign fund balance. The general fund has $3,000,000 in assigned fund balance for covering insurance deductibles for future damage from a named storm, and the $16,929,439 in the capital projects fund is earmarked to fund projects identified in the Districts' capital renewal plan.
- Unassigned Fund Balance - This is the residual classification of the General Fund. Only the General Fund reports a positive unassigned fund balance. Other governmental funds might report a negative balance in this classification, as the result of overspending for specific purposes for which an amount had been restricted, committed, or assigned. The general operating fund has $63,104,018 of unassigned fund balance.

Data Control Codes

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

Use of Estimates

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

New Pronouncements

The following GASB pronouncements and implementation guide were effective during fiscal year 2025.

GASB Statement No. 101, *Compensated Absences*, was issued in June 2022. The objective of the Statement is to better meet the information needs of financials statement users by updating the recognition and measurement guidance for compensated absences. This Statement requires that liabilities for compensated absences be recognized for leave that has not been used and leave that has been used but has not yet been paid. It also requires a liability to be recognized for certain types of compensated absences. This Statement is effective for fiscal years beginning after December 15, 2023, and all periods thereafter. The requirements of this statement were implemented in fiscal year 2025 and decreased the beginning net position for the fiscal year by $14,885,717. See Note 17 - Restatement to Beginning Net Position, for the impact of the implementation.

GASB issued Statement No. 102, *Certain Risk Disclosures*, in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. The requirements of this statement are implemented in fiscal year 2025. See Note 11 - Risk Management, for more information.

NOTE 2. DEPOSITS, INVESTMENTS AND DERIVATIVES

The District classifies deposits and investments for financial statement purposes as cash and cash equivalents, current investments, and non-current investments based upon both liquidity (demand deposits) and maturity date (deposits and investments) of the asset at the date of purchase. For this purpose an investment is considered a cash equivalent if when purchased it has a maturity of three months or less. Investments are classified as either current investments or non-current investments. Current investments have maturities of one year or less and non-current investments are those that have a maturity of a year or more. See Note 1 for additional Governmental Accounting Standards Board Statement No. 31 disclosures.

Cash and cash equivalents as reported on the statement of net position on June 30, 2025, are as follows:

	Governmental Funds	Proprietary Funds	Fiduciary Funds	Total
Cash (petty cash accounts)	$ 17,108	$ -	$ -	$ 17,108
Financial institution deposits:				
Demand deposits	5,529,809	125,580	381,980	6,037,369
Local government investment pools:				
TexPool	25,524,002	357,027		25,881,029
TexPool Prime	43,064,852		675,642	43,740,494
Texas CLASS	25,508,679			25,508,679
Texas CLASS Government	16,720,767			16,720,767
Texas DAILY	31,491,287			31,491,287
Total	$ 147,856,504	$ 482,607	$1,057,622	$ 149,396,733

Deposits

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

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

On June 30, 2025, in addition to petty cash of $17,108, the carrying amount of the District's cash, savings, and time deposits was $6,037,369. The financial institutions balances were $6,881,746 on June 30, 2025. Bank balances of $750,000 were covered by federal depository insurance, and $6,131,746 was covered by collateral pledged in the District's name. The collateral was held in safekeeping departments of unrelated banks, which act as the pledging bank's agent.

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

Depository:

a) Name of bank: Wells Fargo Bank, Pearland, Texas.
b) Amount of bond and/or security pledged as of the date of the highest combined balance on deposit was $47,452,181.
c) Largest cash, savings and time deposit combined account balance amounted to $13,627,333 and occurred on April 1, 2025.
d) Total amount of FDIC coverage at the time of the largest combined balance was $750,000.

Investments

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

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

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

The District is authorized to invest in the following investment instruments provided that they meet the guidelines of the investment policy:

1. Obligations of, or guaranteed by, governmental entities as permitted by Government Code 2256.009;
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010;
3. Fully collateralized repurchase agreements permitted by Government Code 2256.011;
4. Banker's acceptances as permitted by Government Code 2256.012;
5. Commercial paper as permitted by Government Code 2256.013;
6. No-load money market mutual funds and no-load mutual funds as permitted by Government Code 2256.014;
7. A guaranteed investment contract as an investment vehicle for bond proceeds, provided it meets the criteria and eligibility requirements established by Government Code 2256.015; and
8. Public funds investment pools as permitted by Government Code 2256.016.

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

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

Texas DAILY is a local government investment pool that was established in conformity with the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code and the Public Funds Investment Act, Chapter 2256 of the Code. Texas DAILY is a 2(a)7 like fund, meaning that it is structured similar to a money market mutual fund.

Such funds allow shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of $1.00, although this cannot be fully guaranteed. Texas DAILY is rated AAAmf from Fitch, and must maintain a dollar weighted average maturity not to exceed 60 days, which is the limit.

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

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

The following table includes the portfolio balances of all investment types of the District on June 30, 2025:

Local Government Investment Pools	Fair Value	Weighted Average Maturity (in Days)
Texpool:		
TexPool	$ 25,881,029	38
TexPool Prime	43,740,494	42
Texas CLASS:		
Texas CLASS	25,508,679	37
Texas CLASS Government	16,720,767	18
Texas Range:		
Texas DAILY	31,491,287	43
Total local government investment pools	$ 143,342,256	38

Credit Risk - As of June 30, 2025, the local government investment pool (which represents 100 percent of the unrestricted portfolio) are rated AAAm by Standard and Poor's and AAAmmf by Fitch.

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

Fair Value - The District categorizes its fair value measurements within the fair value hierarchy established by GASB No. 72. The hierarchy is based on the valuation inputs used to measure the fair value of the asset. Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. As of June 30, 2025, the District had no assets or liabilities within the fair value hierarchy established by GASB No. 72.

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

Receivables and Allowances

Receivables as of June 30, 2025, for the government's individual major funds and nonmajor, internal service, enterprise funds, and fiduciary funds in the aggregate, including the applicable allowances for uncollectible accounts, are as follows:

	General Fund	Debt Service	Other Governmental Funds	Fiduciary Funds	Total
Receivables:					
Property taxes	$ 2,585,263	$1,057,733	$ -	$ -	$ 3,642,996
Other governments	38,011,708	4,261	1,813,057		39,829,026
Accrued interest	950		378	52	1,380
Other receivables	1,451,020	365,316	304,686	6,057	2,127,079
Gross receivables	42,048,941	1,427,310	2,118,121	6,109	45,600,481
Allowance for uncollectible	(834,658)	(313,929)			(1,148,587)
Net receivables	$ 41,214,283	$1,113,381	$ 2,118,121	$ 6,109	$44,451,894

Receivables from Other Governments

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

Amounts due from federal, state, and local governments as of June 30, 2025:

Fund	State Entitlements	Federal Grants	Total
Major governmental funds:			
General fund	$ 37,094,601	$ 917,107	$ 38,011,708
Debt service fund	4,261		4,261
Other governmental funds		1,813,057	1,813,057
Total	$ 37,098,862	$ 2,730,164	$ 39,829,026

Deferred Outflows and Inflows of Resources/Unearned Revenue

Governmental Funds

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

As of June 30, 2025, the various components of deferred inflows of resources and unearned revenue reported in the governmental funds were as follows:

	Deferred Inflows of Resources	Unearned Revenue
Delinquent Property Taxes Receivable:		
General Fund	$ (1,440,195)	$ -
Debt Service Fund	(607,100)	
Advance Funding:		
Federal grants		51,092
State entitlements		48,936
State grants		8,266
Local grants		9,688
Total deferred/unearned revenue from governmental funds	$ (2,047,295)	$ 117,982

Governmental Activities

Governmental activities defer the recognition of pension and OPEB expense for contributions made subsequent to the measurement date to the current year-end of June 30, 2025 and report these as deferred outflows of resources. Governmental activities also defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a deferred inflow of resources. Further, for governmental activities, like governmental funds, defer revenue recognition in connection with resources that have been received, but not yet earned and report these amounts as a liability (unearned revenue).

As of June 30, 2025, the various components of deferred inflows and outflows of resources and unearned revenue reported in the governmental activities were as follows:

	Deferred Outflows of Resources	Deferred Inflows of Resources	Unearned Revenue
TRS pension deferred outflows and inflows	$ 9,169,479	$ (4,115,740)	$ -
TRS pension contributions subsequent to the measurement date	5,292,312		
TRS-Care OPEB deferred outflows and inflows	16,796,139	(42,224,237)	
TRS-Care OPEB contributions subsequent to the measurement date	1,043,616		
Bond refunding costs, net of amortization	3,364,102	(2,675,687)	
Advance Funding:			
Federal grants			51,092
State entitlements			48,936
State grants			8,266
Local grants			9,688
Total	$ 35,665,648	$ (49,015,664)	$ 117,982

NOTE 4. INTERFUND RECEIVABLES, PAYABLES AND TRANSFERS

Interfund Receivables and Payables

Interfund balances on June 30, 2025, consisted of the following:

Receiving Fund	Payable Fund	June 30, 2025
Capital Projects Fund	General Fund	$ 10,946,750
General Fund	Capital Projects Fund	3,423,299
General Fund	Other Governmental Funds	3,206,410
Debt Service Fund	General Fund	533,968
Other Governmental Funds	General Fund	207,493
Other Governmental Funds	Capital Projects Fund	100,682
Other Governmental Funds	Other Governmental Funds	1,429
		$ 18,420,031

Interfund Transfers

As of the year ended June 30, 2025, the General Fund transferred $10,946,750 or 50 percent of its surplus from the fiscal year ended to the Capital Projects Fund for the District's future capital project's needs. In addition, a transfer from the Capital Projects Fund to an Other Governmental Fund was made to help fund the new football stadium scoreboard project, completed during the fiscal year and the capital projects bond fund repaid General Fund for the student one-to-one devices in the amount of $6,207,542.

Transferring Fund	Receiving Fund	Amount
General Fund	Capital Projects Fund	$ 10,946,750
Capital Projects Fund	General Fund	6,207,542
Capital Projects Fund	Other Governmental Funds	100,682

NOTE 5. CAPITAL ASSETS

Changes in Capital Assets and Accumulated Depreciation

The following provides a summary of changes in capital assets and accumulated depreciation for the year ended June 30, 2025:

	Balance July 1, 2024	Additions	Retirements /Transfers	Balance June 30, 2025
Capital assets not being depreciated/amortized:				
Land	$ 21,980,888	$ -	$ -	$ 21,980,888
Construction in progress	57,058	7,040,438	(3,444,057)	3,653,439
Total capital assets not being depreciated/amortized	22,037,946	7,040,438	(3,444,057)	25,634,327
Capital assets being depreciated/amortized:				
Buildings and improvements	609,996,315		3,444,057	613,440,372
Furniture and equipment	45,895,678	14,274,509	(882,499)	59,287,688
Right-to-use lease equipment	1,970,306	456,886		2,427,192
Right-to-use SBITA	1,220,401	1,819,092	(670,727)	2,368,766
Total capital assets being depreciated/amortized	659,082,700	16,550,487	1,890,831	677,524,018
Accumulated depreciation/amortization:				
Buildings and improvements	(195,849,498)	(13,010,281)		(208,859,779)
Furniture and equipment	(30,192,548)	(3,994,119)	861,622	(33,325,045)
Right-to-use lease equipment	(421,172)	(505,839)		(927,011)
Right-to-use SBITA	(721,657)	(585,765)	574,909	(732,513)
Total accumulated depreciation/amortization	(227,184,875)	(18,096,004)	1,436,531	(243,844,348)
Governmental activities capital assets, net	$453,935,771	$5,494,921	$ (116,695)	$459,313,997

In 2025, the District evaluated and capitalized certain assets that are significant in aggregate, even if the individual assets are below the capitalization threshold. The purchase of student devices for $2,000,250, districtwide projector upgrades of $2,327,390, replacement teacher computers for $1,867,900, band uniforms for $332,535, replacement radios districtwide for $709,568, and the purchase of certain instructional materials for $2,213,594 were all identified to be capitalized as aggregate bulk purchases that met the District's threshold of $200,000. In addition, the District's business type activities have no reported capital assets and/or accumulated depreciation for the year ended June 30, 2025.

Depreciation/ Amortization Expense

In accordance with requirements of GASB Statement No. 34, *Basic Financial Statements - and Management's Discussion and Analysis - For State and Local Governments,* depreciation/amortization expense of the governmental activities was charged to the functions as follows:

Function/Program	Amount
Instruction	$ 11,475,599
Instructional resources and media services	375,343
Curriculum and staff development	7,401
Instructional leadership	87,015
School leadership	16,732
Guidance, counseling, and evaluation services	17,081
Social work services	15,712
Health services	17,101
Student transportation	893,864
Food service	979,885
Extracurricular activities	1,834,848
General administration	106,112
Facilities maintenance and operations	1,035,189
Security and monitoring services	55,584
Data processing services	1,178,538
Total governmental activities	$ 18,096,004

Construction Commitments

As of June 30, 2025, no further financing was required on the construction commitments. Construction commitments are as follows:

	Authorized Contracts	Construction in Progress	Remaining Commitments
Berry Miller Chiller Build	$ 140,848	$ 105,636	$ 35,212
Berry Miller Gym Floors	439,500	287,500	152,000
Carleston Driveway Lighting	60,000	6,921	53,079
Carleston Sump & Drainage	110,000	87,800	22,200
CJ Harris Building Controls	320,000	234,585	85,415
Dawson Elevator Updates	86,479	43,240	43,239
East Re-Roof	2,218,232	1,081,538	1,136,694
Jamison Re-Roof	1,911,202	820,854	1,090,348
PHS Rig Elevator Update	91,932	45,966	45,966
Rustic Oak Building Controls	320,000	243,025	76,975
Sablatura Building Controls	580,000	366,200	213,800
Searcy Elevator Update	86,427	43,214	43,213
Silverlake Building Controls	320,000	233,770	86,230
Transportation Restrooms	106,381	53,190	53,191
Total governmental activities	$ 6,791,001	$ 3,653,439	$ 3,137,562

NOTE 6. LONG-TERM DEBT

General Obligation Bonds

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

The following is a summary of the District's general obligation bonded debt as of June 30, 2025:

Date of Issue	Original Issue	Final Maturity	Date Callable	% Rates	Outstanding Balance
2014	$ 30,540,000	2029	2024	2.000 - 5.000	$ 2,615,000
2014B	28,655,000	2039	2024	2.000 - 5.000	2,150,000
2016	41,335,000	2032	2026	5.000 - 5.250	34,000,000
2016A	42,200,000	2032	2026	2.000 - 5.000	17,950,000
2017	105,510,000	2042	2026	3.000 - 5.000	87,045,000
2019	75,155,000	2042	2029	3.000 - 5.000	75,155,000
2019A	18,305,000	2042	2029	3.000 - 5.000	16,730,000
2020	78,675,000	2029	N/A	5.000	50,945,000
2022	11,700,000	2029	N/A	5.000	11,700,000
2023	19,595,000	2038	2033	5.000	13,195,000
2024	52,040,000	2049	2034	4.000 - 5.000	43,700,000
Total	$ 503,710,000				$ 355,185,000

Principal and interest on general obligation bonds payable on June 30, 2025, are summarized as follows:

	Principal	Interest	Requirement
2026	$ 27,495,000	$ 16,382,650	$ 43,877,650
2027	28,940,000	15,017,300	43,957,300
2028	32,110,000	13,606,300	45,716,300
2029	33,420,000	12,037,400	45,457,400
2030	27,195,000	10,379,700	37,574,700
2031-2035	97,235,000	35,328,300	132,563,300
2036-2040	75,965,000	18,602,500	94,567,500
2041-2045	30,250,000	2,859,450	33,109,450
2046-2049	2,575,000	262,800	2,837,800
Total	$ 355,185,000	$ 124,476,400	$ 479,661,400

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

There are limitations and restrictions contained in the general obligation bond indentures. The District is in compliance with all significant limitations and restrictions on June 30, 2025.

Changes in Long-Term Liabilities

On August 20, 2024, the District issued $52,040,000 of Unlimited Tax School Building Bonds, Series 2024, the first of three planned issuances authorized by voter-approved bond propositions in May 2024. The total bond program,

authorized for $105,000,000, includes $75,000,000 for infrastructure improvements and $30,000,000 for technology upgrades. The Bonds are direct obligations of the District, secured by its full faith, credit, and taxing power.

Proceeds from the sale of the bonds will be used to (i) acquire, construct, renovate, and equip District school facilities, including improvements to HVAC, electrical, plumbing, roofing, parking, and security; (ii) design, acquire, renovate, expand, and upgrade technology devices and instructional technology; and (iii) pay the costs of issuance.

The bonds were issued at par with a principal amount of $52,040,000, a net premium of $3,398,191, issuance costs of $438,191, and interest rates ranging from 4.00 percent to 5.00 percent, maturing serially from 2025 through 2049, with interest payable semiannually on February 15 and August 15. As of June 30, 2025, $50,000,000 of bonds remained authorized but unissued. No capitalized interest was required.

In addition, the District implemented GASB 101, which required restating the beginning balance of the compensated absences liability in the government-wide financial statements. As a result, the District's beginning net position was reduced by $14,885,717 to recognize previously unrecorded long-term obligations. See Note 17 – Restatement of Beginning Net Position.

Long-term liability activity for the governmental activities for the year ended June 30, 2025, was as follows:

	Balance July 1, 2024	Additions	Deletions	Balance June 30, 2025	Due Within One Year
Bonds Payable:					
General obligation bonds	$ 331,800,000	$ 52,040,000	$ 28,655,000	$ 355,185,000	$ 27,495,000
Premium on general obligation bonds	40,805,435	3,398,191	6,590,852	37,612,774	4,691,138
Leases	1,559,345	456,886	493,453	1,522,778	469,031
SBITAs	485,930	1,819,092	1,026,276	1,278,746	578,794
Compensated absences (as restated) [1]	16,012,192		2,283,208	13,728,984	10,896,429
Workers' compensation claims	5,267	1,250	1,798	4,719	4,719
Total	$ 390,668,169	$ 57,715,419	$ 39,050,587	$ 409,333,001	$ 44,135,111

[1] The change in compensated absences above is a net change for the year.

NOTE 7. DEFINED BENEFIT PENSION PLANS

Plan Description

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

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

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the internet at https://www.trs.texas.gov/learning-resources/publications; by writing to TRS at attention Finance Division, P.O. Box 149676, Austin, TX, 78714-0185, or by calling (800) 223-8778.

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 under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time $7,500 stipend to eligible annuitants who are 75 years of age and older.
- A one-time $2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment

A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election, and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013.
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

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

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6 percent of the member's annual compensation and a state contribution rate of not less than 6 percent and not more than 10 percent 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 2019 through 2025.

	Contribution rates measurement year	
	September 1, 2024 to June 30, 2025	July 1, 2024 to August 31, 2024
Member	8.25%	8.25%
Non-employer contributing entity (state)	8.25%	8.25%
Employers	8.25%	8.25%
Employer (district)	$ 5,770,944	
Federal/private funding (district)	445,715	
Employee (member)	12,872,892	
NECE On-behalf contributions (state)	8,961,387	

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 and universities, medical schools and other entities, including TRS. In each respective role, the State contributes to the plan in accordance with state statutes and the General Appropriations Act (GAA).

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

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any 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 percent of the state contribution rate for certain instructional or administrative employees; and 100 percent of the state contribution rate for all other employees.

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

- All public schools, charter schools, and regional educational service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Actuarial Assumptions

The total pension liability in the August 31, 2023, actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Asset Valuation Method	Fair Value
Single Discount Rate	7.00%
Long-term Expected Rate	7.00%
Municipal Bond Rate as of August 2024	3.87% - The source for the rate is the Bond Buyers 20 Index which represents the estimated yield of a portfolio of 20 general obligation bonds maturing in 20 years based on a survey of municipal bond traders.
Last year ending August 31 in Projection Period (100 Years)	2123
Inflation	2.30%
Salary Increases	2.95% to 8.95% including inflation
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, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate

A single discount rate of 7.00 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 7.00 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 9.54 percent of payroll in fiscal year 2025 and thereafter. 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 7.00 percent. 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 weighing the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2024, are summarized below:

Asset Class	Target Allocation[2] %	Long-term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity:			
USA	18.0 %	4.4 %	1.0 %
Non-U.S. Developed	13.0	4.2	0.8
Emerging Markets	9.0	5.2	0.7
Private Equity	14.0	6.7	1.2
Stable Value:			
Government Bonds	16.0	1.9	0.4
Stable Value Hedge Funds	5.0	3.0	0.2
Absolute Return[1]	0.0	4.0	0.0
Real Return:			
Real Estate	15.0	6.6	1.2
Energy, Natural Resources, and Infrastructure	6.0	5.6	0.4
Commodities	0.0	2.5	0.0
Risk Parity	8.0	4.0	0.4
Asset Allocation Leverage			
Cash	2.0	1.0	0.0
Asset Allocation Leverage	(6.0)	1.3	(0.1)
Inflation Expectation			2.4
Volatility Drag[4]			(0.7)
Expected Return	100.0 %		7.9 %

[1] Absolute Return includes Credit Sensitive Investments.
[2] Target allocations are based on the FY 2024 policy model.
[3] Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).
[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of net pension liability of the plan if the discount rate used was one percent point lower than and one percent point higher than the discount rate that was used (7.00 percent) in measuring the net pension liability.

	Discount Rate		
	1% Decrease (6.00%)	Current Rate (7.00%)	1% Increase (8.00%)
District's proportionate share of the net pension liability	$102,129,668	$63,940,805	$32,298,618

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

On June 30, 2025, the District reported a liability of $63,940,805 for its proportionate share of the TRS net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportionate share of the collective net pension liability	$ 63,940,805
State's proportionate share that is associated with the District	89,839,480
Total	$ 153,780,285

The net pension liability was measured as of August 31, 2023, and rolled forward to August 31, 2024, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2023, through August 31, 2024.

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.1046765458% which was an increase of 0.0014131273% from its proportion measured as of August 31, 2023.

Changes in Assumptions and Benefits Since the prior Actuarial Valuation

The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the net pension liability of TRS.

The amount of pension expense recognized by the District in the reporting period was $8,351,753.

For the year ended June 30, 2025, the District recognized pension expense and revenue of $10,737,319 for support provided by the State.

On June 30, 2025, the District reported its proportionate share of TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 3,524,330	$ (499,219)
Changes in actuarial assumptions	3,301,401	(442,605)
Difference between projected and actual investment earnings	388,674	
Changes in proportion and differences between District contributions and proportionate share of contributions	1,955,074	(3,173,916)
Contributions paid to TRS subsequent to the measurement date of the net pension liability	5,292,312	
Total	$ 14,461,791	$ (4,115,740)

The District recognized $5,292,312 as deferred outflows of resources related to pensions resulting from the District's contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the measurement year ended August 31, 2025. The other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Pension Expense	Balance of Deferred Outflows (Inflows)
2026	$ (282,691)	$ 5,336,430
2027	6,642,264	(1,305,834)
2028	301,271	(1,607,105)
2029	(1,906,741)	299,636
2030	299,636	
	$ 5,053,739	

NOTE 8. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

Plan Description

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

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

OPEB Plan Fiduciary Net Position

Detail information about TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. The report may be obtained on the internet at https://www.trs.texas.gov/learningresources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Benefits Provided

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

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

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

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

Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25 percent of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65 percent of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25 percent or not more than 0.75 percent of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75 percent of each active employee's pay for fiscal year 2024.

The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution rates measurement year	
	September 1, 2024 to June 30, 2025	July 1, 2024 to August 31, 2024
Member	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%
Employer (district)	$ 1,171,664	
Federal/private funding (district)	68,472	
Employee (member)	1,014,247	
NECE On-behalf contributions (state)	2,888,482	

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether 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.

Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in August 31, 2023, TRS pension actuarial valuation that was rolled forward to August 31, 2024:

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

The active mortality rates were based on PUB (2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry-Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
Aging Factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs-From Birth to Death."
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Projected Salary Increases	2.95% to 8.95% including inflation
Healthcare Trend Rates	The initial medical trend rates were 6.75 percent for non-Medicare retirees. For Medicare retirees, trend rates are higher in the first two years due to anticipated growth but thereafter match those of non-Medicare retirees. The initial prescription drug trend rate was 7.25 percent for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25 percent over a period of 11 years.
Election Rates	Normal Retirement: 62 percent participation prior to age 65 and 25 percent participation after age 65. Pre-65 retirees: 30 percent of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad hoc post-employment benefit changes	None

Discount Rate

A single discount rate of 3.87 percent was used to measure the total OPEB liability. There was an increase of 0.26 percent in the discount rate since the previous year.

Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate.

The source of the municipal bond rate is the Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if the discount rate used was one percent point lower than and one percent point higher than the discount rate that was used (3.87 percent) in measuring the net OPEB liability.

	Discount Rate		
	1% Decrease (2.87%)	Current Rate (3.87%)	1% Increase (4.87%)
District's proportionate share of the net OPEB liability	$48,460,755	$40,790,276	$34,592,415

Healthcare Trend Rate Sensitivity Analysis

The following schedule shows the impact of the net OPEB liability if a healthcare trend rate that is one percent less than and one percent greater than the health trend rates assumed.

	Healthcare cost trend rate		
	1% Decrease	Current Rate	1% Increase
District's proportionate share of the net OPEB liability	$33,217,624	$40,790,276	$50,658,197

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

On June 30, 2025, the District reported a liability of $40,790,276 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	$ 40,790,276
State's proportionate share that is associated with the District	51,109,663
Total	$ 91,899,939

The net OPEB liability was measured as of August 31, 2023, and rolled forward to August 31, 2024, 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, 2023, through August 31, 2024.

On August 31, 2024, the employer's proportion of the collective net OPEB liability was 0.1343928081% which was an increase of 0.0018616876% from its proportion measured as of August 31, 2023.

Changes Since the Prior Actual 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 single discount rate changed from 4.13 percent as of August 31, 2023, to 3.87 percent, as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

The amount of OPEB expense recognized by the District in the reporting period was a negative $5,309,197.

For the year ended June 30, 2025, the District recognized a negative on-behalf OPEB expense and revenue of $6,643,313 for support provided by the State.

On June 30, 2025, the District reported its proportionate share of TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred outflows of resources	Deferred inflows of resources
Differences between expected and actual economic experience	$ 7,818,127	$ (20,356,559)
Changes in actuarial assumptions	5,220,674	(13,309,395)
Difference between projected and actual investment earnings		(114,226)
Changes in proportion and difference between employers' contributions and proportionate share of contributions	3,757,338	(8,444,057)
Contributions paid to TRS subsequent to the measurement date of the net OPEB liability	1,043,616	
Total	$ 17,839,755	$ (42,224,237)

The District recognized $1,043,616 reported as deferred outflows of resources related to OPEB resulting from the District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the measurement year ended August 31, 2025.

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

Fiscal Year	OPEB expense amount	Balance of deferred outflows (inflows)
2026	$ (6,370,921)	$ (19,057,178)
2027	(4,523,493)	(14,533,685)
2028	(5,526,943)	(9,006,742)
2029	(4,745,586)	(4,261,156)
2030	(2,644,670)	(1,616,486)
Thereafter	(1,616,486)	
	$ (25,428,099)	

NOTE 9. GENERAL FUND FEDERAL SOURCE REVENUES

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

Program or source	ALN #	Total
Direct costs:		
School Health and Related Services (SHARS)		$ 270,861
E-rate		132,747
JROTC		135,015
Total direct costs		538,623
Indirect costs:		
School Breakfast Program	10.553	52,657
National School Lunch Program	10.555	202,332
ESSA, Title I, Part A, Improving Basic Programs	84.010A	84,422
IDEA, Part B, Formula	84.027A	165,715
IDEA, Part B, Preschool	84.173A	2,443
Perkins V: Strengthening CTE For 21st Century	84.048A	6,751
ESSA, Title II, Part A, Supporting Effective Instruction	84.367A	19,047
ESSA, Title III, Part A, Language Education Program	84.365A	17,155
ESSA, Title VI, Part A, Subpart 1, Improving Academic Achievement	84.424A	7,510
Total indirect costs		558,032
Total direct and indirect costs		$ 1,096,655

NOTE 10. LOCAL AND INTERMEDIATE REVENUES

During the year ended June 30, 2025, local and intermediate revenues for governmental funds consisted of the following:

	Major Funds				
	General Fund	Debt Service Fund	Capital Projects Funds	Other Governmental Funds	Total
Property Taxes	$ 79,869,218	$ 35,313,230	$ -	$ -	$ 115,182,448
Food sales				4,645,655	4,645,655
Investment income	3,753,994	519,266	2,388,741	344,394	7,006,395
Other tuition and fees	816,553			26,561	843,114
Co-curricular income	493,182			5,430,230	5,923,412
Rent	235,513				235,513
Other	68,128			253,454	321,582
Total	$ 85,236,588	$ 35,832,496	$2,388,741	$ 10,700,294	$ 134,158,119

NOTE 11. RISK MANAGEMENT

The District is exposed to various risks of loss related to torts theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters.

Located near the Texas Gulf Coast, the land located in this area is susceptible to, and land in the District has experienced on several occasions in the last five years, high winds, heavy rain and flooding caused by hurricanes, tropical storms and other tropical disturbances. If a future weather event significantly damaged all or part of the properties comprising the tax base within the District, the assessed value of property within the District could be substantially reduced, which could result in a decrease in tax revenues and/or necessitate an increase in the District's tax rate. Further, Texas law allows school districts to increase property tax rates without voter approval upon the occurrence of certain natural disasters such as floods upon a gubernatorial or presidential declaration of disaster. There can be no assurance that a casualty loss to taxable property within the District will be covered by insurance (or that property owners will even carry flood or other casualty insurance). That any insurance company will fulfill its obligation to provide insurance proceeds, or that insurance proceeds will be used to rebuild or repair any damaged improvements within the District. Even if insurance proceeds are available and improvements are rebuilt, there could be a lengthy period in which assessed values within the District could be adversely affected.

The greater Houston area has been affected by adverse conditions in the oil and gas industry, and adverse conditions in the oil and gas industry and spillover effects into other industries could adversely impact the businesses of ad valorem property taxpayers and the property values in the District, resulting in a reduction in property tax revenue. A reduction in property tax values may require an increase in the ad valorem tax rate required. Reductions in oil and gas revenues may also have an adverse effect on State revenues available during the next biennium, which may impact how the State funds education.

The District utilizes technology in conducting its operations. As a user of technology, the District potentially faces cybersecurity threats (e.g. hacking, phishing, viruses, malware and ransomware) on its technology systems. Accordingly, the District may be a target of a cyber-attack on its technology systems that could result in adverse consequences for the District. The District employs a multi-layered approach to combating cybersecurity threats. While the District deploys layered technologies and requires employees to receive cybersecurity training, as required by State law, among other efforts, cybersecurity breaches could cause material disruptions to the District's finances or operations. The costs of remedying such breaches or protecting against future cyber-attacks could be substantial and there is no assurance that these costs will be covered by insurance. Further, cybersecurity breaches could expose the District to litigation and other legal risks, which could cause the District to incur other costs related to such legal claims or proceedings.

During the year ended June 30, 2025, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years.

NOTE 12. SELF-INSURED WORKERS' COMPENSATION

Beginning September 1, 1991, the District established its self-funding Workers' Compensation program. The accrued liability for the Workers' Compensation self-insurance program is projected to be $4,719 as of June 30, 2025. The District claim history does not allow for a credible projection of loss adjustment expenses (LAE), data from other self-insured and insurance entities suggests costs for these items may be in the neighborhood of 5 percent of the liability for losses. Since September 1, 2012, the District chose to switch to a fully insured workers' compensation program, currently with TASB Risk Management Fund. The above liability is from claims before July 1, 2014, from the self-insured program which have not been closed out as of June 30, 2025.

This liability reported in the fund on June 30, 2025, is based on the requirements of Governmental Accounting Standards Board Statement No. 10, which requires that liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred as of the date of the financial statements, and the amount of loss can be reasonably estimated. Because actual claim liabilities

depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the liability does not result necessarily in an exact amount.

Changes in the workers' compensation claim liability amounts in fiscal years 2023-2024 and 2024-2025 are represented below:

	Workers' compensation	
	2025	2024
Beginning liability	$ 5,267	$ 6,108
Current period claims and changes in estimates	1,250	5,194
Payments for claims	(1,798)	(6,035)
Ending liability	$ 4,719	$ 5,267

NOTE 13. LITIGATION AND CONTINGENCIES

The District participates in numerous state and Federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustment by the grantor agencies; therefore, to the extent that the District has not complied with the rules and regulations governing the grants, if any, refunds of any money received may be required and the collecting ability of any related receivable on June 30, 2025, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying combined financial statements for such contingencies.

In addition, the District may be a defendant in various legal proceedings relating to its operations as a school district. In the best judgement of the District's administration, the outcome of any present legal proceedings will not have any material adverse effect on these financial statements.

NOTE 14. JOINT VENTURES-SHARED SERVICE ARRANGEMENTS

The District participates in a shared services arrangement for Brazoria County Juvenile Justice Alternative Education Program with six other school districts. Although a percentage of the activity of the shared services arrangement is attributable to the District's participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Brazoria County, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. The expenditures attributed to the District's participation in this shared services arrangement for the fiscal year ended were $36,125 and were coded to function 95 Payments to Juvenile Justice Alternative Education Programs and object 6223 Student Tuition Other than Public Schools.

The District also participates in a shared services arrangement for the Therapeutic Education Center with three other school districts. Although a percentage of the activity of the shared services arrangement is attributable to the District's participation, the District does not account for revenues or expenditures in this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in capital assets purchased by the fiscal agent, Friendswood ISD, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal exigencies that would give rise to a future additional benefit or burden to the District. The fiscal agent manager is responsible for all financial activities of the shared services arrangement. The expenditures attributed to the District's participation in this shared services arrangement for the fiscal year ended were $231,351 and were coded to objects 6222 Student Tuition – Public Schools, using function 11 Instruction.

The District has a partnership agreement with Communities in Schools (CIS) of Brazoria County. The intent of both parties is to bring the resources of CIS after school Centers on Education (CIS-ACE) to facilitate the academic achievement and personal success of students by providing the full range of CIS-ACE services to those students and their families by creating seven CIS traditional program sites (at Carleston Elementary, Cockrell Elementary, Jamison Middle, Lawhon Elementary, Pearland Junior High South, Pearland Junior High West, and Sablatura Middle School) at a cost of $20,500 per site; two Cycle 11 21st Century ACE programs at Magnolia Elementary and Carleston Elementary schools at a cost of $18,000 per site; and one Crisis Intervention program at PACE Center at a cost of $25,000. The expenditures attributable to the District's participation totaled $204,500 and were coded to 6299 Miscellaneous Contract Services in function 31 Guidance, Counseling, and Evaluation Services and 32 Social Work Services.

NOTE 15. LEASE PAYABLE

The District has entered into agreements to lease copiers, a natatorium, dark fiber, and the fire and alarm electronic security system. The leases qualify as other than short-term leases as defined by Government Accounting Standards Board (GASB) Statement No. 87 ("GASB 87"). Therefore, the District has recorded right-to-use lease assets and the lease liability at an amount equal to the initial measurement of the related lease liability. The right-to-use assets are amortized on a straight-line basis over the life of the related lease.

The following is a summary of the District's leases as of June 30, 2025:

Vendor Name	Payment	Payment Term	Length (months)	Effective Date	Ending Date	Discount Rate
Xerox (Copiers 003)	$ 2,897	Monthly	60	11/1/2020	10/30/2025	0.33%
Xerox (Copiers 014)	6,465	Monthly	60	11/1/2022	10/31/2027	0.33%
Sharp (Copiers 923)	8,813	Monthly	60	4/1/2024	3/31/2029	0.71%
COP Natatorium	122,000	Annual	36	7/1/2023	6/30/2026	8.50%
ESS (Fire & Alarm 102)	14,609	Monthly	60	2/13/2024	2/12/2029	0.71%
PS Lightwave (Dark Fiber)	114,297	Annual	60	7/1/2024	6/30/2029	8.50%

Commitment under right-to-use lease agreements for copier equipment, student technology devices, natatorium usage and the fire and alarm electronic security system provide for minimum future lease payments as of June 30, 2025, as follows:

Fiscal Year	Principal	Interest	Total
2026	$ 469,031	$ 113,519	$ 582,550
2027	398,736	74,845	473,581
2028	377,756	44,227	421,983
2029	277,255	14,507	291,762
	$ 1,522,778	$ 247,098	$ 1,769,876

The initial lease liability recorded in the fiscal year ended June 30, 2025 was $456,886. The accumulated amortization for the fiscal year was $927,011. The total lease expenditures for the year ended June 30, 2025 were $612,027. All amounts paid were previously included in the measurement of the lease liability; there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any lease term and no impairment losses related to lease assets.

NOTE 16. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS

The District has entered into agreements for software that qualify as subscription-based information technology arrangements as defined by Government Accounting Standards Board (GASB) Statement No. 96 ("GASB 96").

The following is a summary of the District's SBITA's as of June 30, 2025:

SBITA	Payment	Payment term	Length (months)	Effective date	Ending date	Discount rate
Microsoft	$ 199,508	Annual	36	10/31/2024	10/30/2027	8.50%
Edgenuity	99,200	Annual	36	7/1/2023	6/30/2026	8.00%
FinalSite	64,413	Annual	60	7/1/2023	6/30/2028	8.00%
Carahsoft	150,000	Annual	36	7/5/2024	7/4/2027	8.50%
TimeClock Plus	51,401	Annual	60	7/1/2024	6/30/2029	8.50%
Genetec	53,386	Annual	60	8/1/2024	7/30/2029	8.50%

Under this statement the District is required to recognize SBITA liability and an intangible right-to-use asset at an amount equal to the initial measurement of the related SBITA liability. The initial SBITA liability recorded in the fiscal year ended June 30, 2025, was $1,819,092. The accumulated amortization for the fiscal year was $732,513. There are no commitments under SBITAs before the commencement of the subscription terms.

The future principal and interest SBITA payments as of June 30, 2025, were as follows:

Fiscal year	Principal	Interest	Total
2026	$ 578,794	$ 92,170	$ 670,964
2027	537,092	64,272	601,364
2028	110,045	20,511	130,556
2029	52,815	3,358	56,173
	$ 1,278,746	$ 180,311	$ 1,459,057

NOTE 17. RESTATEMENT OF BEGINNING NET POSITION

The District restated beginning net position to reflect the implementation of a new accounting standard and the correction of a prior period error related to the overstatement of a deferred amount on bond refunding.

Change in Accounting Principle

In fiscal year 2025, the District adopted GASB Statement No. 101, *Compensated Absences*, which establishes updated guidance for the recognition and measurement of leave liabilities. As a result of implementation, previously unrecorded compensated absences liabilities were recognized, reducing beginning net position by $14.9 million.

Prior Period Adjustment

The District corrected an error related to the overstatement of a deferred amount on bond refunding recorded in prior period. The correction resulted in a $1.7 million reduction to beginning net position.

The combined effect of these adjustments decreased beginning net position by $16.6 million.

	Governmental activities
	Beginning net position
Net position – beginning (as previously presented)	$ 69,295,723
Restatements – GASB 101	(14,885,717)
Prior period adjustment – correction of error	(1,743,387)
Net position – beginning (as restated)	$ 52,666,619

NOTE 18. SUBSEQUENT EVENTS

In May 2024, the District issued two successful bond propositions, one for infrastructure at $75 million and one for technology at $30,000,000, for a total of $105,000,000. The $105,000,000 million bonds will be issued in three bond issuances. The second issuance of the three, the series 2025 Unlimited Tax School Building Bonds for $25,000,000, was sold on October 16, 2025. After this bond issuance, the District will have $25,000,000 bond funds remaining that are authorized, but unissued.

Concurrently, on October 16, 2025, the District issued the series 2025 Unlimited School Refunding Bonds. The proceeds from this sale were used to retire the Series 2016 Unlimited Tax Refunding Bonds for $34,000,000 and the Series 2016A Unlimited Tax Refunding Bonds for $17,950,000. It was also used to partially retire the Series 2017 Unlimited Tax Building Bonds for $81,660,000. The bonds were issued with an estimated premium of $14,205,874 and estimated issuance costs of $887,674. The refunding reduced the District's future debt service payments of $175,170,025 and resulted in an economic gain of $13,212,585 (the difference between the present value of the debt service payments on the old debt and the new debt). The net proceeds of the refunding bonds were placed in an irrevocable trust with the paying agent to be utilized for the redemption of the refunded bonds on the redemption date of February 15, 2026.


BUILD
PEARLAND
Proud

REQUIRED SUPPLEMENTARY INFORMATION



PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT G-1

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE
BUDGET AND ACTUAL - GENERAL FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues				
5700	Local and intermediate sources	$ 89,601,992	$ 84,641,738	$ 85,236,588	$ 594,850
5800	State program revenues	118,395,077	134,638,264	135,483,325	845,061
5900	Federal program revenues	2,012,336	1,034,806	1,096,655	61,849
5020	Total revenues	210,009,405	220,314,808	221,816,568	1,501,760
	Expenditures				
	Current:				
0011	Instruction	122,954,855	118,357,781	117,607,986	749,795
0012	Instructional resources and media svcs.	2,081,901	2,146,768	2,112,012	34,756
0013	Curriculum and staff development	5,776,595	5,999,091	5,679,455	319,636
0021	Instructional leadership	2,451,236	2,541,300	2,444,942	96,358
0023	School leadership	12,677,562	12,717,491	12,717,491	
0031	Guidance, counseling and evaluation svcs.	9,005,419	9,514,134	9,162,541	351,593
0032	Social work services	922,610	947,449	856,959	90,490
0033	Health services	2,353,805	2,524,957	2,385,672	139,285
0034	Student (pupil) transportation	8,177,078	8,975,374	8,346,774	628,600
0036	Cocurricular/extracurricular activities	4,969,260	5,351,408	5,224,293	127,115
0041	General administration	5,973,115	5,545,009	5,252,186	292,823
0051	Facility maintenance and operations	25,067,679	25,678,559	25,275,047	403,512
0052	Security and monitoring services	2,679,063	2,735,206	2,619,280	115,926
0053	Data processing services	7,672,931	7,363,716	6,757,080	606,636
0061	Community services	7,414			
	Debt service:				
0071	Principal on long-term debt	1,647,401	1,513,802	1,201,597	312,205
0072	Interest on long-term debt		133,599	133,599	
0095	Pymts. to Juvenile Justice Alt. Ed. Prog.	80,000	50,000	36,125	13,875
0099	Other intergovernmental charges	737,128	772,128	766,365	5,763
6030	Total expenditures	215,235,052	212,867,772	208,579,404	4,288,368
1100	Excess (deficiency) of revenues over expenditures	(5,225,647)	7,447,036	13,237,164	5,790,128
	Other Financing Sources (Uses)				
7912	Sale of real or personal property		172,816	172,816	
7913	Issuance of debt - leases	2,072,631	488,687	456,886	(31,801)
7915	Transfers in	6,207,542	6,207,542	6,207,542	
7949	Issuance of debt - SBITAs	550,000	1,768,097	1,819,092	50,995
8911	Transfers out		(8,042,089)	(10,946,750)	(2,904,661)
	Total other financing sources (uses)	8,830,173	595,053	(2,290,414)	(2,885,467)
1200	Net change in fund balance	3,604,526	8,042,089	10,946,750	2,904,661
0100	Fund balance - beginning	75,367,740	75,367,740	75,367,740	
3000	Fund balance - ending	$ 78,972,266	$ 83,409,829	$ 86,314,490	$ 2,904,661

PEARLAND INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET PENSION LIABILITY AND RELATED RATIOS -
COST SHARING EMPLOYER PLAN
FOR THE LAST TEN MEASUREMENT YEARS ENDED AUGUST 31,

	2015	2016	2017	2018
District's proportion of the net pension liability	0.1064410%	0.1126804%	0.1133576%	0.1132894%
District's proportionate share of the net pension liability	$ 37,625,477	$ 42,580,241	$ 36,245,657	$ 62,357,231
State's proportionate share of the net pension liability associated with the District	70,122,200	73,093,014	62,366,406	105,316,625
Total	$ 107,747,677	$ 115,673,255	$ 98,612,063	$ 167,673,856
District's covered payroll (for measurement year)	$ 111,507,045	$ 113,654,057	$ 126,681,823	$ 130,171,373
District's proportionate share of the net pension liability as a percentage of it's covered payroll	33.74%	37.46%	28.61%	47.90%
Plan fiduciary net position as a percentage of the total pension liability	78.43%	78.00%	82.17%	73.74%
Plan's net pension liability as a percentage of covered payroll	91.94%	92.75%	75.93%	126.11%

The notes to required supplementary information are an integral part of this statement.

2019	2020	2021	2022	2023	2024
0.1115610%	0.1042690%	0.1121464%	0.1106167%	0.1032634%	0.1046765%
$ 57,992,918	$ 55,844,370	$ 28,559,723	$ 65,670,293	$ 70,932,005	$ 63,940,805
98,154,117	98,580,573	46,805,195	99,954,425	107,808,390	89,839,480
$ 156,147,035	$ 154,424,943	$ 75,364,918	$ 165,624,718	$ 178,740,395	$ 153,780,285
$ 134,140,118	$ 137,470,077	$ 144,516,019	$ 145,374,177	$ 144,760,611	$ 148,860,634
43.23%	40.62%	19.76%	45.17%	49.00%	42.95%
75.24%	75.54%	88.79%	75.65%	73.15%	77.51%
114.93%	110.36%	51.08%	112.72%	122.32%	102.39%

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S PENSION CONTRIBUTIONS
TEACHER RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS ENDED JUNE 30,

	2016	2017	2018	2019
Contractually required contributions	$ 3,151,764	$ 3,662,404	$ 3,859,394	$ 3,943,079
Contributions in relation to the contractually required contributions	3,151,764	3,662,404	3,859,394	3,943,079
Contribution deficiency (excess)	$ -	$ -	$ -	$ -
District's covered payroll	$ 111,507,045	$ 125,800,864	$ 129,610,826	$ 133,520,841
Contributions as a percentage of covered payroll	2.83%	2.91%	2.98%	2.95%

The notes to required supplementary information are an integral part of this statement.

2020	2021	2022	2023	2024	2025
$ 4,182,913	$ 4,714,732	$ 5,136,805	$ 5,281,816	$ 5,818,052	$ 6,216,659
4,182,913	4,714,732	5,136,805	5,281,816	5,818,052	6,216,659
$ -	$ -	$ -	$ -	$ -	$ -
$ 136,980,416	$ 143,038,521	$ 145,790,150	$ 144,728,998	$ 148,225,499	$ 156,038,644
3.05%	3.30%	3.52%	3.65%	3.93%	3.98%

PEARLAND INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF PROPORTIONATE SHARE OF THE NET OPEB LIABILITY AND RELATED RATIOS -
COST SHARING EMPLOYER PLAN

FOR THE LAST EIGHT MEASUREMENT YEARS ENDED AUGUST 31,[1]

	2017	2018	2019
District's proportion of the net OPEB liability	0.1423825%	0.1489414%	0.1493654%
District's proportionate share of the net OPEB	$ 61,916,791	$ 74,367,821	$ 70,636,735
State's proportionate share of the net OPEB liability associated with the District	102,878,600	115,097,505	93,860,421
Total	$ 164,795,391	$ 189,465,326	$ 164,497,156
District's covered payroll (for measurement year)	$ 126,681,823	$ 126,681,823	$ 126,681,823
District's proportionate share of the net OPEB liability as a percentage of it's covered payroll	48.88%	58.70%	55.76%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.57%	2.66%
Plan's net OPEB liability as a percentage of covered payroll	132.55%	146.64%	135.21%

[1] Ten years of data should be presented with this schedule but data is unavailable prior to 2017.
Net OPEB liability and related ratios will be presented prospectively as data becomes available.
The notes to required supplementary information are an integral part of this statement.

2020	2021	2022	2023	2024
0.1416441%	0.1471873%	0.1438487%	0.1325311%	0.1343928%
$ 53,845,313	$ 56,776,714	$ 34,443,137	$ 29,340,144	$ 40,790,276
72,355,193	76,068,144	42,015,216	35,403,393	51,109,663
$ 126,200,506	$ 132,844,858	$ 76,458,353	$ 64,743,537	$ 91,899,939
$ 137,470,077	$ 144,516,019	$ 145,374,177	$ 144,760,611	$ 148,860,634
39.17%	39.29%	23.69%	20.27%	27.40%
4.99%	6.18%	11.52%	14.94%	13.70%
101.46%	100.13%	59.10%	51.86%	67.98%

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF OPEB CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST EIGHT FISCAL YEARS ENDED JUNE 30,[1]

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

[1] This schedule is presented to illustrate the requirements to show information for 10 years. However, until a full 10-year trend is compiled, the District will present information for those years for which information is available.
The notes to required supplementary information are an integral part of this statement.

2021	2022	2023	2024	2025
$ 1,137,374	$ 1,184,889	$ 1,150,780	$ 1,214,358	$ 1,240,136
1,137,374	1,184,889	1,150,780	1,214,358	1,240,136
$ -	$ -	$ -	$ -	$ -
$ 143,038,521	$ 145,790,150	$ 144,728,998	$ 148,225,499	$ 156,038,644
0.80%	0.81%	0.80%	0.82%	0.79%

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER RETIREMENT SYSTEM – PENSION RELATED
YEAR ENDED JUNE 30, 2025

Changes of Assumptions

2022: Demographic and economic assumptions were updated based on experience study performed for TRS for the period ending August 31, 2021. The primary change was the lowering of the discount rate from 7.25% to 7.00%.

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

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

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

Change 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 it's proportional share of contributions, the District recognized a corresponding increase in its share of the net pension liability.

NOTES TO REQUIRED SUPPLEMENTARY INFORMATION
TEACHER RETIREMENT SYSTEM – OPEB RELATED
YEAR ENDED JUNE 30, 2025

Changes of Assumptions

2024: The discount rate changed from 4.13% as of August 31, 2023, to 3.87% as of August 31, 2024, because the tables used to model the impact of aging on the underlying claims were revised.

2023: The discount rate changed from 3.91% as of August 31, 2022, to 4.13% as of August 31, 2023, accompanied by revised demographic and economic assumptions based on the TRS experience study.

2022: The discount rate changed from 1.95% as of August 31, 2021, to 3.91% as of August 31, 2022, lowered the participation rates, and updated the healthcare trend rate assumption.

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

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

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

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

Change in Benefit Terms

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

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

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventative 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.


BUILD
PEARLAND
Proud

OTHER SUPPLEMENTARY INFORMATION



OTHER GOVERNMENTAL FUNDS

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

Grants included in special revenue funds are activity funds, food service, and other federal, state and locally funded programs. They are used to account for transactions of school sponsor activities benefiting students and staff, food service operations, to provide opportunities for children to acquire the knowledge and skills to meet the state performance standards, operate education programs for children with disabilities, develop new and/or improved career technical education, support effective instruction, support critical disaster recovery initiatives, and other educational goals not specified above.

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		ESSA, Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool	IDEA Part B High Cost Fund
	Assets				
1110	Cash	$ -	$ -	$ -	$ -
1240	Due from governmental agencies	404,399	419,418	12,675	275,186
1250	Accrued Interest				
1260	Interfund receivables		149,864		
1290	Other receivables				
1310	Inventories, at cost				
1410	Prepaid items				
1000	Total assets	$ 404,399	$ 569,282	$ 12,675	$ 275,186
	Liabilities				
2110	Accounts payable		236,085		
2160	Accrued salaries and expenditures	229,150	333,197	7,832	
2170	Interfund payables	175,249		4,843	275,186
2200	Accrued expenditures				
2300	Unearned revenue				
2000	Total liabilities	404,399	569,282	12,675	275,186
	Fund Balance				
	Non-spendable:				
3410	Inventories				
3430	Prepaid items				
	Restricted:				
3450	Food service				
3545	Committed - other				
3000	Total fund balances				
4000	Total liabilities and fund balances	$ 404,399	$ 569,282	$ 12,675	$ 275,186

Food Service Fund	Perkins V Strengthening CTE for 21st Century	ESSA, Title II Part A Supporting Effective Instruction	ESSA, Title III Part A Language Education Program	ESSA, Title IV Part A Improving Academic Achievement
$ 5,833,608	$ -	$ -	$ -	$ -
497,431	16,257	86,456	76,164	10,938
231				
1,429				
882				
102,954				
5,265				
$ 6,441,800	$ 16,257	$ 86,456	$ 76,164	$ 10,938
171,209	3,556	1,071		106
485,526		13,066	46,003	
1,009,098	12,701	71,288	30,161	10,832
		1,031		
1,665,833	16,257	86,456	76,164	10,938
102,954				
5,265				
4,667,748				
4,775,967				
$ 6,441,800	$ 16,257	$ 86,456	$ 76,164	$ 10,938

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING BALANCE SHEET
NON-MAJOR GOVERNMENTAL FUNDS
JUNE 30, 2025

Data Control Codes		Medicaid Administrative Claiming Program	Federally Funded Special Revenue Funds	State Supplemental Visually Impaired (SSVI)	Advanced Placement Incentives
	Assets				
1110	Cash	$ -	$ -	$ -	$ -
1240	Due from governmental agencies	14,133			
1250	Accrued Interest				
1260	Interfund receivables		50,127		7,502
1290	Other receivables				
1310	Inventories, at cost				
1410	Prepaid items				
1000	Total assets	$ 14,133	$ 50,127	$ -	$ 7,502
	Liabilities				
2110	Accounts payable		66		
2160	Accrued salaries and expenditures				
2170	Interfund payables	14,133			
2200	Accrued expenditures				
2300	Unearned revenue		50,061		7,502
2000	Total liabilities	14,133	50,127		7,502
	Fund Balance				
	Non-spendable:				
3410	Inventories				
3430	Prepaid items				
	Restricted:				
3450	Food service				
3545	Committed - other				
3000	Total fund balances				
4000	Total liabilities and fund balances	$ 14,133	$ 50,127	$ -	$ 7,502

State Instructional Materials	State Funded Special Revenue Fund	Campus Activity Fund	Locally Funded Special Revenue Funds	Total Non-Major Governmental Funds
$ -	$ -	$ 5,583,321	$ -	$ 11,416,929
				1,813,057
		147		378
			100,682	309,604
69,032		250	234,522	304,686
				102,954
		15,478	1,396	22,139
$ 69,032	$ -	$ 5,599,196	$ 336,600	$ 13,969,747
		143,787	8,274	564,154
		64,221		1,178,995
68,268		1,218,838	317,242	3,207,839
		6,057		6,057
764			9,688	69,046
69,032		1,432,903	335,204	5,026,091
				102,954
		15,478	1,396	22,139
				4,667,748
		4,150,815		4,150,815
		4,166,293	1,396	8,943,656
$ 69,032	$ -	$ 5,599,196	$ 336,600	$ 13,969,747

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		ESSA, Title I Part A Improving Basic Programs	IDEA Part B Formula	IDEA Part B Preschool
	Revenues			
5700	Local and intermediate sources	$ -	$ -	$ -
5800	State program revenues			
5900	Federal program revenues	1,797,743	3,683,904	52,032
5020	Total revenues	1,797,743	3,683,904	52,032
	Expenditures			
	Current:			
0011	Instruction	1,700,329	2,276,370	52,032
0012	Instructional resources and media services			
0013	Curriculum and staff development	53,131	3,000	
0021	Instructional leadership	200	191,548	
0023	School leadership			
0031	Guidance, counseling and evaluation services	1,150	1,212,986	
0032	Social work services	8,923		
0033	Health services			
0034	Student (pupil) transportation	14,478		
0035	Food Service			
0036	Cocurricular/extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services	19,532		
	Capital Outlay:			
0081	Facilities acquisition and construction			
6030	Total expenditures	1,797,743	3,683,904	52,032
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7915	Transfers in			
7080	Total other financing sources (uses)			
1200	Net change in fund balance			
0100	Fund balance - beginning			
3000	Fund balance - ending	$ -	$ -	$ -

IDEA Part B High Cost Fund	Food Service Fund	Perkins V Strengthening CTE for 21st Century	ESSA, Title II Part A Supporting Effective Instruction	ESSA, Title III Part A Language Education Program	ESSA, Title IV Part A Improving Academic Achievement
$ -	$ 4,920,128	$ -	$ -	$ -	$ -
	59,619				
275,186	5,859,944	162,460	405,607	365,301	159,928
275,186	10,839,691	162,460	405,607	365,301	159,928
275,186		145,718	104,943	204,347	41,866
			266,540	139,590	104,033
			34,037		6,083
			87		
					57
					5,640
	12,019,123				
		16,742			
				21,364	2,249
275,186	12,019,123	162,460	405,607	365,301	159,928
	(1,179,432)				
	(1,179,432)				
	5,955,399				
$ -	$ 4,775,967	$ -	$ -	$ -	$ -

PEARLAND INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES
NON-MAJOR GOVERNMENTAL FUNDS
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Medicaid Administrative Claiming Program	Federally Funded Special Revenue Funds	State Supplemental Visually Impaired (SSVI)
	Revenues			
5700	Local and intermediate sources	$ -	$ -	$ -
5800	State program revenues			10,000
5900	Federal program revenues	27,659	21,313	
5020	Total revenues	27,659	21,313	10,000
	Expenditures			
	Current:			
0011	Instruction		13,513	10,000
0012	Instructional resources and media services			
0013	Curriculum and staff development			
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services		7,800	
0032	Social work services			
0033	Health services	27,659		
0034	Student (pupil) transportation			
0035	Food Service			
0036	Cocurricular/extracurricular activities			
0041	General administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0053	Data processing services			
0061	Community services			
	Capital Outlay:			
0081	Facilities acquisition and construction			
6030	Total expenditures	27,659	21,313	10,000
1100	Excess (deficiency) of revenues over expenditures			
	Other Financing Sources (Uses)			
7915	Transfers in			
7080	Total other financing sources (uses)			
1200	Net change in fund balance			
0100	Fund balance - beginning			
3000	Fund balance - ending	$ -	$ -	$ -

Advanced Placement Incentives	State Instructional Materials	State Funded Special Revenue Fund	Campus Activity Fund	Locally Funded Special Revenue Funds	Total Non-Major Governmental Funds
$ -	$ -	$ -	$ 5,508,813	$ 271,353	$ 10,700,294
	2,720,575	166,497			2,956,691
			16,878		12,827,955
-	2,720,575	166,497	5,525,691	271,353	26,484,940
	2,720,575		64,277	40,019	7,649,175
		72	396		468
				2,010	568,304
					231,868
					87
					1,221,936
					8,980
					33,299
					14,478
					12,019,123
			5,258,156	7,430	5,265,586
				6,842	6,842
		72,000	23,352		112,094
		94,425			94,425
				13,656	13,656
					43,145
				555,607	555,607
	2,720,575	166,497	5,346,181	625,564	27,839,073
			179,510	(354,211)	(1,354,133)
				100,682	100,682
				100,682	100,682
			179,510	(253,529)	(1,253,451)
			3,986,783	254,925	10,197,107
$ -	$ -	$ -	$ 4,166,293	$ 1,396	$ 8,943,656

PEARLAND INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FISCAL YEAR ENDED JUNE 30, 2025

Period Ended	Tax Rates			Current Year Net Assessed Value [1]		Beginning Balance July 1, 2024
	Maintenance	Debt Service	Total			
2016 and Prior	Various	Various	Various	Various		$ 676,421
2017	$ 1.0400	$ 0.3756	$ 1.4156	$ 6,751,076,681		134,844
2018	1.0400	0.3756	1.4156	7,361,661,103		136,823
2019	1.0600	0.3556	1.4156	7,775,608,498		147,636
2020	0.9700	0.4256	1.3956	8,048,492,813		175,818
2021	0.8929	0.4256	1.3185	8,501,502,251		209,272
2022	0.9196	0.3956	1.3152	8,716,021,138		265,206
2023	0.9546	0.3481	1.3027	9,317,189,071		461,367
2024	0.7892	0.3481	1.1373	10,076,400,848		1,673,500
2025	0.7869	0.3481	1.1350	10,655,503,748		-
					Total	$ 3,880,887

[1] Net Assessed Value as of Brazoria CAD Certified Values.

Current Year's Total Levy	Maintenance and Operations Collections	Debt Service Collections	Entire Year's Adjustments	Ending Balance June 30, 2025	Total Taxes Refunded Section Under 26.1115(c)
	$ 36,961	$ 11,841	$ (75,127)	$ 552,492	
	3,817	1,378	-	129,649	
	6,551	2,366	-	127,906	
	4,729	1,586	-	141,321	
	17,374	7,623	3,654	154,475	
	22,085	10,527	1,787	178,447	
	37,353	16,069	(11,106)	200,678	
	(137,078)	(49,986)	(332,932)	315,499	
	(596,115)	(262,934)	(2,165,076)	367,473	
$ 116,592,451	79,811,350	35,306,045	-	1,475,056	
$ 116,592,451	$ 79,207,027	$ 35,044,515	$ (2,578,800)	$ 3,642,996	$ 42,282

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT J-2

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - FOOD SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues				
5700	Local and intermediate sources	$ 4,852,492	$ 4,928,452	$ 4,920,128	$ (8,324)
5800	State program revenues	49,000	46,436	59,619	13,183
5900	Federal program revenues	6,040,000	5,870,674	5,859,944	(10,730)
5020	Total revenues	10,941,492	10,845,562	10,839,691	(5,871)
	Expenditures				
	Current:				
0035	Food service	12,639,156	12,254,233	12,019,123	235,110
0071	Debt service - principal	1,426			
6030	Total expenditures	12,640,582	12,254,233	12,019,123	235,110
1100	Excess (deficiency) of revenues over expenditures	(1,699,090)	(1,408,671)	(1,179,432)	229,239
1200	Net change in fund balance	(1,699,090)	(1,408,671)	(1,179,432)	229,239
0100	Fund balance - beginning	5,955,399	5,955,399	5,955,399	
3000	Fund balance - ending	$ 4,256,309	$ 4,546,728	$ 4,775,967	$ 229,239

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT J-3

SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGE IN FUND BALANCE
BUDGET AND ACTUAL - DEBT SERVICE FUND
FOR THE YEAR ENDED JUNE 30, 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual	Variance with Final Budget
	Revenues				
5700	Local and intermediate sources	$ 37,060,298	$ 35,434,585	$ 35,832,496	$ 397,911
5800	State program revenues	6,089,569	6,127,234	6,135,423	8,189
5020	Total revenues	43,149,867	41,561,819	41,967,919	406,100
	Expenditures				
	Debt service:				
0041	General administration		5,838		5,838
0071	Debt service - principal	31,059,392	28,655,000	28,655,000	
0072	Debt service - interest and fees	15,741,906	16,917,491	16,916,833	658
0099	Other intergovernmental charges		800	508	292
6030	Total expenditures	46,801,298	45,579,129	45,572,341	6,788
1100	Excess (deficiency) of revenues over expenditures	(3,651,431)	(4,017,310)	(3,604,422)	412,888
	Other Financing Sources (Uses)				
7916	Premium or discount on issuance of bonds	515,256	438,191	438,191	
7080	Total Other Financing Sources (Uses)	515,256	438,191	438,191	
1200	Net change in fund balance	(3,136,175)	(3,579,119)	(3,166,231)	412,888
0100	Fund balance - beginning	17,371,028	17,371,028	17,371,028	
3000	Fund balance - ending	$ 14,234,853	$ 13,791,909	$ 14,204,797	$ 412,888

Data Control Codes		1 Responses
	SECTION A: COMPENSATORY EDUCATION PROGRAMS	
	Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.104.	
AP1	Did your district expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education program?	Yes
AP3	Total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 11,117,826
AP4	Actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 5,306,134
	SECTION B: BILINGUAL EDUCATION PROGRAMS	
	Districts are required to spend at least 55% of bilingual education state allotment funds on direct program costs. Statutory Authority: Texas Education Code, §48.105.	
AP5	Did your district expend any bilingual education program state allotment funds during the district's fiscal year?	Yes
AP6	Does the district have written policies and procedures for its bilingual education program?	Yes
AP7	Total state allotment funds received for bilingual education programs during the district's fiscal year.	$ 1,791,768
AP8	Actual direct program expenditures for bilingual education programs during the district's fiscal year. (PIC 25)	$ 1,190,706

PEARLAND INDEPENDENT SCHOOL DISTRICT EXHIBIT L-1

SCHEDULE OF SCHOOL FIRST INDICATORS

FOR THE FISCAL YEAR ENDED JUNE 30, 2025

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


BUILD
PEARLAND
Proud

STATISTICAL SECTION



STATISTICAL SECTION

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

Financial Trends Information (Tables 1-4)

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

Revenue Capacity Information (Tables 5-8)

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

Debt Capacity Information (Tables 9-12)

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

Demographic and Economic Information (Tables 13-14)

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

Operating Information (Tables 15-18)

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

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

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

	2016 [1]	2017	2018 [2]	2019
Governmental activities:				
Net investment in capital assets	$ 23,401,439	$ 31,924,248	$ 47,413,133	$ 60,683,806
Restricted	30,576,858	32,597,373	22,408,288	23,352,669
Unrestricted	17,128,959	12,140,158	(79,423,632)	(86,794,259)
Total governmental activities	71,107,256	76,661,779	(9,602,211)	(2,757,784)
Business-type activities:				
Unrestricted				
Total business-type activities net position				
Primary government:				
Net investment in capital assets	23,401,439	31,924,248	47,413,133	60,683,806
Restricted	30,576,858	32,597,373	22,408,288	23,352,669
Unrestricted	17,128,959	12,140,158	(79,423,632)	(86,794,259)
Total primary government net position	$ 71,107,256	$ 76,661,779	$ (9,602,211)	$ (2,757,784)

[1] Restated 2016 – prior period adjustment in Agency Funds.

[2] The District implemented GASB Statement No. 75 in 2018. The effects of this statement were not applied to previous years.

[3] The District implemented GASB Statement No. 87 in 2022. The effects of this statement were not applied to previous years.

[4] The District evaluated the net position restricted for capital projects and restricted for campus activities in 2022. The net position for capital projects and for campus activity are unrestricted rather than restricted.

[5] The District implemented GASB Statement No. 96 in 2023. The effects of this statement were not applied to previous years.

[6] The District implemented GASB amended guidance for capital assets under the capitalization threshold in 2024. The effects on this statement were not applied to previous years.

[7] The District absorbed football stadium concession stand operations in 2024.

[8] The District implemented GASB Statement No. 101 in 2025. The effects of this statement were not applied to previous years.

[9] The District restated the Beginning Net Position in 2025. The effects of this statement were not applied to previous years.

2020	2021	2022 [3,4]	2023 [5]	2024 [6,7]	2025 [8,9]
$ 58,123,658	$ 48,991,188	$ 60,836,118	$ 76,824,276	$ 105,607,520	$ 106,196,393
32,299,308	35,304,965	19,324,476	19,507,855	18,635,328	13,479,708
(93,535,389)	(87,659,401)	(65,854,421)	(61,556,341)	(54,947,125)	(25,509,223)
(3,112,423)	(3,363,248)	14,306,173	34,775,790	69,295,723	94,166,878
				34,008	34,117
				34,008	34,117
58,123,658	48,991,188	60,836,118	76,824,276	105,607,520	106,196,393
32,299,308	35,304,965	19,324,476	19,507,855	18,635,328	13,479,708
(93,535,389)	(87,659,401)	(65,854,421)	(61,556,341)	(54,913,117)	(25,475,106)
$ (3,112,423)	$ (3,363,248)	$ 14,306,173	$ 34,775,790	$ 69,329,731	$ 94,200,995

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

	2016	2017	2018	2019
Expenses:				
Governmental activities:				
Instruction	$ 108,018,146	$ 111,410,232	$ 101,971,641	$ 121,399,219
Instructional resources and media services	1,892,690	2,023,569	1,874,480	2,093,071
Curriculum and staff development	4,798,357	5,032,868	4,396,887	5,764,129
Instructional leadership	2,117,324	2,364,184	2,188,457	2,751,236
School leadership	10,145,554	10,889,063	9,884,886	12,175,638
Guidance, counseling, and evaluation services	6,212,844	6,549,827	5,689,193	7,846,560
Social work services	528,261	564,122	594,806	766,826
Health services	1,452,554	1,470,916	1,322,930	1,807,969
Student transportation	6,920,831	7,166,128	6,707,250	7,868,200
Food service	9,640,501	9,628,376	9,539,071	9,774,564
Cocurricular/extracurricular activities	5,297,839	5,352,392	10,135,800	10,060,042
General administration	4,148,299	4,461,643	4,198,607	4,957,664
Facilities maintenance and operations	20,729,037	20,600,321	19,310,843	20,921,398
Security and monitoring services	1,907,967	1,837,076	1,956,123	1,797,862
Data processing services	4,267,205	5,418,925	5,141,820	6,183,838
Community services	9,337	17,607	17,057	19,340
Debt service	12,306,612	11,537,729	16,161,698	16,577,071
Payments to shared service arrangements	11,379			
Payments to juvenile justice alt. ed. program	20,000	17,600	44,800	83,400
Other intergovernmental charges	597,519	627,315	650,378	655,335
Total governmental activities expenses	201,022,256	206,969,893	201,786,727	233,503,362
Business-type activities:				
Football Concession				
Total businesss-type activities expenses				
Total primary government expenses	$ 201,022,256	$ 206,969,893	$ 201,786,727	$ 233,503,362
Program Revenues:				
Governmental activities:				
Charges for services:				
Instructional	$ 271,748	$ 346,793	$ 365,685	$ 398,919
Food Service	5,069,315	4,973,390	4,235,483	4,869,544
Cocurricular/extracurricular activities	396,299	436,099	5,349,495	5,126,895
General administration	721	507	545	31,242
Other activities	18,776	19,711	15,065	1,033
Operating grants and contributions	23,923,153	21,001,150	21,912,229	25,746,922
Capital grants and contributions	72,335	111,512	194,827	191,116
Total governmental activities program revenues	29,752,347	26,889,162	32,073,329	36,365,671
Business-type activities:				
Charges for services				
Total businesss-type activities program revenues				
Total primary government program revenues	29,752,347	26,889,162	32,073,329	36,365,671
Net (expenses)/Revenues:				
Total governmental activities net expense	(171,269,909)	(180,080,731)	(169,713,398)	(197,137,691)
Total business type activities net expense				
Total primary government net expense	$ (171,269,909)	$ (180,080,731)	$ (169,713,398)	$ (197,137,691)

2020	2021	2022	2023	2024	2025
$ 126,833,821	$ 130,143,737	$ 120,012,554	$ 125,065,807	$ 127,473,290	$ 129,962,920
2,217,336	2,217,516	2,275,334	2,299,017	2,423,690	2,422,606
5,943,688	5,768,622	5,770,921	5,815,811	6,103,541	6,080,918
2,925,918	3,307,322	3,285,081	2,927,719	2,425,770	2,675,325
12,681,811	12,630,949	12,339,188	12,233,423	12,459,077	12,293,048
8,599,077	8,662,901	8,249,543	8,741,114	10,005,487	10,021,819
802,305	828,742	805,894	932,719	955,807	859,526
1,965,143	2,393,940	3,027,045	2,310,786	2,309,226	2,340,420
7,193,612	7,730,530	7,751,236	8,372,230	9,125,959	9,071,763
9,264,759	8,487,067	10,749,196	10,998,633	11,697,099	11,709,929
9,820,049	8,739,562	9,832,879	11,153,208	11,973,219	11,805,388
5,034,601	5,300,054	5,520,929	5,445,444	5,091,225	4,727,871
21,169,918	22,206,616	22,622,219	23,090,618	25,803,246	26,290,455
2,523,273	2,090,426	1,930,824	2,132,683	2,520,917	2,780,147
6,070,429	17,336,261	5,362,387	6,616,136	6,535,948	7,068,707
15,821	27,802	28,783	20,027	21,846	42,010
17,543,127	15,164,922	17,754,097	17,589,531	32,873,199	12,260,911
				9,327	
43,100	7,500	15,200		6,000	36,125
652,926	643,302	655,182	645,956	690,228	766,873
241,300,714	253,687,771	237,988,492	246,390,862	270,504,101	253,216,761
				142,626	140,882
				142,626	140,882
$ 241,300,714	$ 253,687,771	$ 237,988,492	$ 246,390,862	$ 270,646,727	$ 253,357,643
$ 324,802	$ 346,969	$ 582,390	$ 688,227	$ 728,834	$ 700,674
3,769,233	892,496	1,675,413	4,779,069	4,765,625	4,645,655
4,349,030	2,661,171	4,456,166	4,916,156	5,362,793	5,655,248
54,720	26,576	45,286	41,143	1,188	
517			16,094		
25,783,688	40,219,103	35,948,992	29,238,374	26,613,299	24,735,277
462,194	809,601	53,812	414,257	725,294	3,788,620
34,744,184	44,955,916	42,762,059	40,093,320	38,197,033	39,525,474
				125,686	140,508
				125,686	140,508
34,744,184	44,955,916	42,762,059	40,093,320	38,322,719	39,665,982
(206,556,530)	(208,731,855)	(195,226,433)	(206,297,542)	(232,307,068)	(213,691,287)
				(16,940)	(374)
$ (206,556,530)	$ (208,731,855)	$ (195,226,433)	$ (206,297,542)	$ (232,324,008)	$ (213,691,661)

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

	2016	2017	2018	2019
General revenues and other changes in net position:				
Governmental activities:				
Property taxes - levied for general purposes	$ 65,527,661	$ 72,912,075	$ 78,244,130	$ 81,104,706
Property taxes - levied for debt service	23,638,974	26,318,697	28,235,132	27,172,041
State aid - formula grants	85,600,906	84,989,975	82,102,901	91,129,765
Other grants/contributions not restricted to specific programs	143,358		121,350	543,154
Investment earnings	171,783	144,820	2,261,747	3,249,250
Miscellaneous	790,255	359,826	1,003,357	783,202
Transfers				
Special item/gain on sale	1,156,502	909,861	51,509	
Total governmental activities general revenues, transfers, and special items	177,029,439	185,635,254	192,020,126	203,982,118
Business-type activities:				
Investment earnings				
Transfers				
Total businesss-type activities				
Total primary government general revenues and transfers	$ 177,029,439	$ 185,635,254	$ 192,020,126	$ 203,982,118
Change in net position:				
Governmental activities	$ 5,759,530	$ 5,554,523	$ 22,306,728	$ 6,844,427
Business-type activities				
Total change in net position	$ 5,759,530	$ 5,554,523	$ 22,306,728	$ 6,844,427

2020	2021	2022	2023	2024	2025
$ 77,798,829	$ 77,761,672	$ 83,307,917	$ 93,074,829	$ 76,031,262	$ 79,580,534
34,091,048	36,946,245	35,785,443	33,887,259	54,385,058	35,195,945
90,951,732	91,190,682	91,863,892	93,058,283	127,867,727	129,768,880
492,919	1,726,998	1,244,176	1,373,165	771,202	690,779
2,311,372	169,135	242,344	4,065,700	5,231,833	7,022,420
506,130	567,033	452,082	1,202,863	2,589,919	2,932,988
				(50,000)	
49,861	119,265				
206,201,891	208,481,030	212,895,854	226,662,099	266,827,001	255,191,546
				948	483
				50,000	
				50,948	483
$ 206,201,891	$ 208,481,030	$ 212,895,854	$ 226,662,099	$ 266,877,949	$ 255,192,029
$ (354,639)	$ (250,825)	$ 17,669,421	$ 20,364,557	$ 34,519,933	$ 41,500,259
				34,008	109
$ (354,639)	$ (250,825)	$ 17,669,421	$ 20,364,557	$ 34,553,941	$ 41,500,368

PEARLAND INDEPENDENT SCHOOL DISTRICT

FUND BALANCES – GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)

	2016	2017	2018	2019
General Fund:				
Nonspendable	$ 1,325,206	$ 1,542,508	$ 1,346,834	$ 1,584,198
Committed	7,500,000	7,500,000	7,500,000	7,500,000
Assigned	13,010,000	13,010,000	13,010,000	13,010,000
Unassigned	27,778,841	28,684,274	30,212,343	36,540,581
Total general fund	$ 49,614,047	$ 50,736,782	$ 52,069,177	$ 58,634,779
All Other Governmental Funds:				
Nonspendable	$ 80,175	$ 62,004	$ 70,833	$ 70,833
Restricted	30,926,787	24,672,554	97,232,458	71,001,809
Committed				
Assigned				10,000,000
Total all other governmental funds	$ 31,006,962	$ 24,734,558	$ 97,303,291	$ 81,072,642

[1] The District evaluated the fund balance for the campus activity fund in 2022. The fund balance for the campus activity fund is committed rather than restricted.

Source: District Financial Statements

2020	2021	2022 [1]	2023	2024	2025
$ 1,573,000	$ 2,425,407	$ 2,741,553	$ 3,317,068	$ 3,319,815	$ 3,210,472
17,000,000	17,000,000	17,000,000	17,000,000	17,000,000	17,000,000
12,076,000	13,564,241	13,564,241	2,000,000	3,000,000	3,000,000
31,659,136	34,038,911	35,037,914	47,838,943	52,047,925	63,104,018
$ 62,308,136	$ 67,028,559	$ 68,343,708	$ 70,156,011	$ 75,367,740	$ 86,314,490
$ 198,731	$ 113,300	$ 121,188	$ 137,804	$ 453,019	$ 493,490
45,919,202	36,272,079	28,735,467	26,733,315	23,984,961	57,987,029
		3,954,957	3,929,085	3,962,126	4,150,815
13,053,145	11,652,247	9,986,189	12,586,176	10,755,600	16,929,439
$ 59,171,078	$ 48,037,626	$ 42,797,801	$ 43,386,380	$ 39,155,706	$ 79,560,773

PEARLAND INDEPENDENT SCHOOL DISTRICT

CHANGES IN FUND BALANCES – GOVERNMENTAL FUNDS - LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING - UNAUDITED)

	2016	2017	2018	2019
Revenues:				
Local and intermediate revenues	$ 95,840,980	$ 106,286,528	$ 119,717,684	$ 122,911,541
State program revenues	99,372,913	95,054,025	91,753,852	101,766,476
Federal program revenues	10,219,097	10,991,818	12,409,786	15,626,996
Total revenues	205,432,990	212,332,371	223,881,322	240,305,013
Expenditures:				
Current:				
Instruction	100,013,539	102,346,015	108,279,374	111,168,060
Instructional resources and media services	1,592,494	1,714,063	1,805,416	1,764,152
Curriculum and staff development	4,715,540	4,896,907	5,032,642	5,545,612
Instructional leadership	1,997,282	2,222,639	2,444,464	2,563,931
School leadership	9,942,149	10,569,398	11,317,318	11,650,171
Guidance, counseling, and evaluation services	6,101,343	6,360,812	6,534,444	7,528,441
Social work services	503,485	537,927	647,112	727,991
Health services	1,417,082	1,421,014	1,499,353	1,717,823
Student transportation	6,497,794	6,813,120	7,142,491	6,747,608
Food service	8,829,449	8,894,463	9,554,503	9,074,753
Cocurricular/Extracurricular activities	3,948,679	4,018,146	9,275,938	8,672,950
General administration	3,977,831	4,265,087	4,609,335	4,575,629
Facilities maintenance and operations	21,045,183	20,324,077	22,840,181	20,557,107
Security and monitoring services	1,809,034	1,824,948	1,970,223	1,782,996
Data processing services	3,782,607	6,074,903	6,034,405	5,710,355
Community services	9,337	17,607	17,057	19,340
Debt Service:				
Principal	11,485,000	14,190,000	12,945,000	13,530,000
Interest and fees	14,121,996	12,753,433	16,367,370	17,523,575
Capital Outlay:				
Facilities acquisition and construction	19,332,936	12,854,188	41,905,501	100,641,232
Intergovernmental:				
Payments to shared services arrangement	11,379			
Payments to juvenile justice alt. ed. program	20,000	17,600	44,800	44,800
Other intergovernmental charges	597,519	627,315	650,378	650,378
Total Expenditures	221,751,658	222,743,662	270,917,305	332,196,904
Excess (deficiency) of revenues over expenditures	(16,318,668)	(10,411,291)	(47,035,983)	(91,891,891)
Other financing sources (ises):				
Issuance of debt - general obligation bonds	41,335,000	42,200,000	105,510,000	75,155,000
Sale of real or personal property	10,480	14,961	4,369	40,676
Sale of land	2,625,612			
Issuances of debt - leases				
Issuances of debt - SBITAs				
Transfers in	25,826	2,000,000	1,001,385	12,694,253
Insurance recoveries			51,509	
Issuance of debt - premium or discount	9,921,717	3,748,706	17,707,052	7,074,725
Transfers out	(154,882)	(2,000,000)	(1,001,385)	(12,694,253)
Payment to refunded bond escrow agent	(51,051,646)	(46,047,466)		
Total other financing sources (uses)	2,712,107	(83,799)	123,272,930	82,270,401
Net change in fund balance before special item:	(13,606,561)	(10,495,090)	76,236,947	(9,621,490)
Special item				
Net change in fund balance	$ (13,606,561)	$ (10,495,090)	$ 76,236,947	$ (9,621,490)
Debt service (principal and interest) as a Percent of non-capital expenditures	12.7%	12.8%	13.1%	13.5%

2020	2021	2022	2023	2024	2025
$ 123,201,216	$ 118,972,017	$ 126,127,161	$ 142,463,328	$ 126,537,246	$ 134,158,119
103,819,529	103,866,933	103,471,499	104,712,771	140,021,387	144,575,439
13,858,967	29,959,161	25,581,728	19,176,655	15,635,136	13,924,610
240,879,712	252,798,111	255,180,388	266,352,754	282,193,769	292,658,168
114,813,730	120,179,874	114,233,176	115,555,214	125,721,200	127,316,211
1,837,890	1,849,980	1,946,894	1,966,688	2,063,425	2,112,480
5,622,292	5,681,914	5,875,123	5,950,797	6,139,950	6,247,759
2,661,862	3,175,810	3,410,441	2,888,243	2,364,068	2,676,810
11,952,893	12,422,741	12,628,269	12,511,806	12,570,735	12,717,578
8,117,834	8,516,549	8,464,735	8,889,595	10,112,609	10,384,477
753,643	803,408	811,641	930,200	948,249	865,939
1,858,239	2,348,589	3,074,474	2,340,826	2,335,625	2,418,971
6,125,534	7,557,484	7,730,470	8,227,604	9,998,435	10,523,676
8,612,588	7,571,445	10,078,841	10,462,727	11,043,354	12,019,123
8,532,132	7,126,531	8,195,301	9,715,570	9,923,060	10,584,202
4,674,169	5,001,993	5,430,334	5,343,799	5,020,292	5,259,028
23,304,120	22,090,796	22,794,170	23,622,110	26,917,928	28,074,577
2,498,696	2,069,533	1,838,498	1,976,363	2,507,691	3,453,636
5,248,698	6,135,767	4,513,047	5,396,668	6,240,512	11,636,797
15,821	27,705	28,955	20,140	21,846	43,145
14,280,000	16,940,000	24,500,986	22,988,092	29,459,243	29,856,597
19,989,889	19,433,612	19,396,775	18,053,719	17,070,584	17,050,432
38,136,657	9,300,630	4,860,787	3,501,426	2,292,365	5,148,900
				9,327	
43,100	7,500	15,200		6,000	36,125
652,926	643,303	655,182	645,956	690,228	766,873
279,732,713	258,885,164	260,483,299	260,987,543	283,456,726	299,193,336
(38,853,001)	(6,087,053)	(5,302,911)	5,365,211	(1,262,957)	(6,535,168)
18,305,000	78,675,000		11,700,000	19,595,000	52,040,000
16,920	1,500	59,685	19,740	72,488	54,921
382,941					117,895
			351,363	1,461,493	456,886
				549,674	1,819,092
4,985,005	6,973,441	1,408,743	5,500,000	2,804,925	17,254,974
1,919,933	17,675,251		1,267,227	1,251,302	3,398,191
(4,985,005)	(6,973,441)	(1,408,743)	(5,500,000)	(2,854,925)	(17,254,974)
	(96,796,992)		(12,802,659)	(20,635,945)	
20,624,794	(445,241)	59,685	535,671	2,244,012	57,886,985
(18,228,207)	(6,532,294)	(5,243,226)	5,900,882	981,055	51,351,817
	(119,265)		3,500,000		
$ (18,228,207)	$ (6,413,029)	$ (5,243,226)	$ 2,400,882	$ 981,055	$ 51,351,817
14.4%	14.4%	17.9%	16.1%	17.3%	17.0%

PEARLAND INDEPENDENT SCHOOL DISTRICT

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY

LAST TEN FISCAL YEARS (UNAUDITED)

	Actual Value					
Fiscal Year	Residential	Commercial Industrial and Multi-Family	Acreage	Vacant Lots and Tracts	Utilities	Other
2016	$ 5,321,992,392	$ 1,334,242,825	$ 108,350,862	$ 66,684,347	$ 60,032,490	$ 595,093,748
2017	6,036,550,378	1,435,484,716	136,431,796	77,775,860	73,020,770	641,416,649
2018	6,424,323,025	1,512,698,674	139,444,658	78,359,815	97,390,970	685,401,853
2019	6,640,490,559	1,689,682,193	139,866,994	81,184,509	100,322,780	685,191,509
2020	6,852,563,878	1,781,315,768	138,375,032	80,959,891	126,775,340	722,923,104
2021	7,228,076,982	1,942,924,252	129,830,503	87,604,366	138,884,040	750,120,565
2022	7,805,633,254	1,567,281,910	142,638,873	89,900,003	161,426,490	769,654,527
2023	8,936,209,914	1,731,896,987	140,295,478	101,490,118	170,225,300	789,914,471
2024	11,256,046,743	2,271,641,850	147,675,328	123,619,887	190,697,660	945,126,186
2025	11,417,782,392	2,339,970,894	163,695,765	109,139,127	196,380,060	975,580,091

[1] Tax rates are per $100 of assessed value.

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

Total Actual Value	Less: Exemptions	Total Taxable Assessed Value	Total Direct Rate [1]
$ 7,486,396,664	$ 1,440,398,196	$ 6,045,998,468	$ 1.416
8,400,680,169	1,649,603,488	6,751,076,681	1.416
8,937,618,995	1,575,957,892	7,361,661,103	1.416
9,336,738,544	1,561,130,046	7,775,608,498	1.416
9,702,913,013	1,654,420,200	8,048,492,813	1.396
10,277,440,708	1,775,938,457	8,501,502,251	1.319
10,536,535,057	1,820,513,919	8,716,021,138	1.315
11,870,032,268	2,552,843,197	9,317,189,071	1.303
14,934,807,654	4,858,406,806	10,076,400,848	1.137
15,202,548,329	4,547,044,581	10,655,503,748	1.135

PEARLAND INDEPENDENT SCHOOL DISTRICT

PROPERTY TAX RATES - DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUATION)
LAST TEN FISCAL YEARS (UNAUDITED)

	2016	2017	2018	2019
Brazoria County	$ 0.4860	$ 0.4400	$ 0.4400	$ 0.4280
Brazoria County MUD No. 2	0.4400	0.4000	0.4000	0.4000
Brazoria County MUD No. 3	0.6200	0.5900	0.5900	0.5900
Brazoria County MUD No. 6	0.6000	0.6000	0.6000	0.6000
Brazoria County MUD No. 16	0.9400	0.9400	0.9400	0.8900
Brazoria County MUD No. 17	0.4600	0.4100	0.3800	0.3800
Brazoria County MUD No. 18	0.3900	0.3500	0.3100	0.3100
Brazoria County MUD No. 19	0.4500	0.4000	0.3800	0.3600
Brazoria County MUD No. 23	0.5400	0.4800	0.4700	0.4600
Brazoria County MUD No. 28	0.8200	0.8200	0.8200	0.8200
Harris County	0.4190	0.4166	0.4180	0.4186
Harris County Department of Education	0.0050	0.0050	0.0052	0.0052
Harris County Flood Control District	0.0270	0.0283	0.0283	0.0288
Harris County Hospital District	0.1700	0.1720	0.1711	0.1711
Harris-Brazoria Counties MUD No. 509	0.8500	0.8500	0.8500	0.8500
City of Pearland	0.7050	0.6810	0.6851	0.7090
Port of Houston Authority	0.0130	0.0130	0.0128	0.0120
Pearland ISD direct rates:				
Maintenance & operations	$ 1.0400	$ 1.0400	$ 1.0400	$ 1.0600
Debt service	0.3756	0.3756	0.3756	0.3556
Total District direct rates	$ 1.4156	$ 1.4156	$ 1.4156	$ 1.4156

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

2020	2021	2022	2023	2024	2025
$ 0.4152	$ 0.3920	$ 0.3365	$ 0.3411	$ 0.3860	$ 0.3035
0.4000	0.4000	0.4000	0.3940	0.3860	0.3840
0.5900	0.3500	0.3500	0.3440	0.3370	0.3350
0.6000	0.5500	0.5000	0.4500	0.4000	0.3300
0.8500	0.8300	0.8000	0.7500	0.7000	0.6500
0.3600	0.3400	0.3300	0.3000	0.2400	0.2000
0.2900	0.2700	0.2500	0.2250	0.2000	0.1900
0.3500	0.3100	0.2900	0.2700	0.2200	0.2000
0.4600	0.4600	0.4400	0.4400	0.4000	0.3900
0.8200	0.8200	0.8200	0.7600	0.5800	0.5600
0.4190	0.3920	0.3769	0.3437	0.3501	0.3853
0.0050	0.0050	0.0050	0.0049	0.0048	0.0048
0.0290	0.0310	0.0335	0.0306	0.0311	0.0490
0.1790	0.1730	0.1622	0.1483	0.1434	0.1635
0.8500	0.8500	0.8500	0.8500	0.8500	0.8500
0.7410	0.7200	0.7014	0.6238	0.6554	0.6350
0.0110	0.0100	0.0087	0.0079	0.0079	0.0062
$ 0.9700	$ 0.8929	$ 0.9196	$ 0.9546	$ 0.7892	$ 0.7869
0.4256	0.4256	0.3956	0.3481	0.3481	0.3481
$ 1.3956	$ 1.3185	$ 1.3152	$ 1.3027	$ 1.1373	$ 1.1350

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 7

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

		Fiscal Year Ended June 30, 2025			Fiscal Year Ended June 30, 2015		
Taxpayer	Type of Property	Taxable Assessed Valuation [1]	Rank	Percentage of Total Assessed Valuation [2]	Taxable Assessed Valuation [1]	Rank	Percentage of Total Assessed Valuation [3]
VR St Andrew, Limited Ptrn	Apartments	$ 76,232,750	1	0.72%	$ 29,000,000	3	0.48%
Centerpoint Energy, Inc.	Apartments	55,237,990	2	0.52%			
Pearland Dunhill 1, LLC	Electric Utility/ Power Plant	50,538,117	3	0.47%			
Wal-Mart Real Estate Business Trust	Commercial/ Retail Store	49,100,000	4	0.46%	33,747,500	2	0.56%
Westlake Residential Apartments, LLC	Apartments	45,000,000	5	0.42%	14,346,030	10	0.24%
Kings Terrace Tranquility Lake, LLC & Maxus Operating, LP	Commerical/ Strip Mall/Plaza	43,000,000	6	0.40%			
2900 Pearland Houston, LLC	Apartments	41,000,250	7	0.38%			
WRPV XIII Summerwind Pearland, LLC	Apartments	40,606,680	8	0.38%			
Multalloy, Inc.	Apartments	40,577,622	9	0.38%			
Lake Park Pearland, Ltd.	Industrial	38,805,900	10	0.36%			
Weatherford U.S., Inc.	Industrial				80,121,550	1	1.33%
Wal-Mart Stores, Inc.	Retail Store				27,119,850	4	0.45%
Forum US, Inc.	Energy				24,886,665	5	0.41%
Southwind Pearland Investors, LLC	Apartments				22,000,000	6	
USA Tranquility Lake	Apartments				16,034,070	7	0.27%
Whispering Winds Apartments, LLC	Apartments				15,889,520	8	0.26%
TPRF III/SR Pearland, LP	Apartments				15,814,180	9	0.26%
Total of Top 10 Taxpayers		$ 480,099,309		4.49%	$ 278,959,365		4.26%

[1] Taxable assessed value equals appraised value after exemption.

[2] Total Assessed Valuation: $10,655,503,748

[3] Total Assessed Valuation: $ 6,045,998,468

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

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 8

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year June 30,	Net Tax Levy for the Fiscal year	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percentage of Total Tax Collections
2016	$ 88,576,876	$ 87,364,047	98.63%	$ 1,140,948	$ 88,504,995	99.92%
2017	98,968,277	97,550,381	98.57%	1,343,839	98,894,220	99.93%
2018	105,893,344	104,494,272	98.68%	1,302,237	105,796,509	99.91%
2019	105,921,921	104,610,322	98.76%	1,146,148	105,756,470	99.84%
2020	111,311,371	109,895,091	98.73%	1,121,814	111,016,905	99.74%
2021	113,625,074	112,272,579	98.81%	1,075,852	113,348,431	99.76%
2022	118,140,994	116,574,974	98.67%	1,152,296	117,727,270	99.65%
2023	126,580,052	124,841,407	98.63%	611,830	125,453,237	99.11%
2024	109,608,392	108,195,341	98.71%	(859,049)	107,336,292	97.93%
2025	116,592,451	115,117,395	98.73%		115,117,395	98.73%

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 9

OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	General Obligation Bonds	Leases	SBITAs	Total Outstanding Debt	Ratio of Debt to Assessed Value [1]	Debt per ADA [2]	Debt per Capita [3]	Percentage of Personal Income [3]
2016	$323,447,812	$ -	$ -	$323,447,812	5.35%	$16,012	$ 2,762	6.97%
2017	307,271,914			307,271,914	4.55%	14,918	2,529	7.14%
2018	414,460,410			414,460,410	5.63%	20,066	3,310	8.07%
2019	479,919,835			479,919,835	6.17%	23,276	3,860	10.65%
2020	482,354,449			482,354,449	5.99%	23,541	3,670	8.02%
2021	456,805,036			456,805,036	5.24%	22,534	3,630	7.59%
2022	430,300,038			430,300,038	4.94%	21,702	3,565	8.29%
2023	405,742,838	2,999,446	287,357	409,029,641	4.39%	21,987	3,216	7.35%
2024	372,605,435	1,559,345	485,930	374,650,710	3.72%	18,886	3,441	7.31%
2025	392,797,774	1,522,778	1,278,746	395,599,298	3.71%	20,128	3,679	7.61%

[1] See Table 5 for total taxable assessed value data.

[2] See Table 16 for Average Daily Attendance (ADA).

[3] See Table 13 for population and income information.

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 10

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

Fiscal Year Ended June 30,	General Obligation Bonds [1]	Less Restricted for Retirement of Bonded Debt [2]	Net Bonded Debt	Ratio of Debt to Assessed Value [3]	Debt per ADA [4]
2016	$ 323,447,812	$ 16,847,686	$ 306,600,126	5.07%	$ 15,178
2017	307,271,914	19,153,034	288,118,880	4.27%	13,988
2018	414,460,410	16,462,537	397,997,873	5.41%	19,269
2019	479,919,835	16,675,925	463,243,910	5.96%	22,467
2020	482,354,449	17,940,148	464,414,301	5.77%	22,665
2021	456,805,036	19,090,587	437,714,449	5.02%	21,592
2022	430,300,038	14,990,210	415,309,828	4.76%	20,946
2023	405,742,838	13,906,230	391,836,608	4.24%	19,762
2024	372,605,435	12,425,004	360,180,431	3.57%	18,160
2025	392,797,774	8,702,345	384,095,429	3.60%	19,543

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

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

[3] See Table 5 for assessed value data.

[4] See Table 16 for Average Daily Attendance (ADA).

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

	2016	2017	2018	2019
Debt Limit [1]	$ 604,599,847	$ 675,107,668	$ 736,166,110	$ 777,560,850
Less: Total Net Debt Applicable to Limit	306,600,126	288,118,880	392,110,267	456,236,746
Legal Debt Margin	$ 297,999,721	$ 386,988,788	$ 344,055,843	$ 321,324,104
Total Net Debt Applicable to the Limit as a Percentage of Debt limit:	50.71%	42.68%	53.26%	58.68%

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

[2] See Table 5 for taxable assessed value data.

[3] See restricted for debt service at the fund level.

2020	2021	2022	2023	2024	2025
$ 804,849,281	$ 850,150,225	$ 871,602,114	$ 931,718,907	$ 1,007,640,085	$ 1,065,550,375
457,518,325	431,281,482	409,262,446	385,839,571	355,234,407	378,592,977
$ 347,330,956	$ 418,868,743	$ 462,339,668	$ 545,879,336	$ 652,405,678	$ 686,957,398
56.85%	50.73%	46.96%	41.41%	35.25%	35.53%

Assessed Value [2]	$ 10,655,503,748	
Debt Limit Percentage of Assessed Value	10.00%	
Debt Limitation [1]		$ 1,065,550,375
Debt Applicable to Debt Limitation:		
Total Bonded Debt	$ 392,797,774	
Less: Amount set aside for repayment of bonds [3]	14,204,797	
Total Amount of Debt Applicable to Debt Limitation		378,592,977
Legal Debt Margin		$ 686,957,398

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 12

COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT
AS OF JUNE 30, 2025 (UNAUDITED)

Taxing Jurisdiction	Gross Tax Debt	Percent Overlapping [1]	Amount Overlapping
Alvin CCD	$ 17,050,000	0.07%	$ 11,935
Brazoria Co	226,118,313	17.97%	40,633,461
Brazoria Co MUD # 6	4,740,000	84.46%	4,003,404
Brazoria Co MUD # 17	13,065,000	100.00%	13,065,000
Brazoria Co MUD # 18	13,210,000	52.45%	6,928,645
Brazoria Co MUD # 19	15,305,000	100.00%	15,305,000
Brazoria Co MUD # 23	11,005,000	99.40%	10,938,970
Brazoria Co MUD # 28	51,425,000	82.47%	42,410,197
Harris Co	2,424,019,039	0.04%	969,608
Harris Co Dept of Ed	28,960,000	0.04%	11,584
Harris Co Flood Control Dist	968,445,000	0.04%	387,378
Harris Co Hosp Dist	867,820,000	0.04%	347,128
Harris-Brazoria MUD 509	62,765,000	31.13%	19,538,744
Manvel, City of	96,420,000	0.38%	366,396
Pearland, City of	539,690,000	58.17%	313,937,673
Pt of Houston Auth	406,509,397	0.04%	162,604
San Jacinto CCD	505,569,308	0.05%	252,785
Sedona Lakes MUD # 1	32,745,000	5.25%	1,719,112
Total Overlapping Debt	$ 6,284,861,057		470,989,624
Pearland ISD			395,599,298
Total Direct and Overlapping Debt			$ 866,588,922

[1] The percentage of overlapping debt is estimated using taxable assessed property values. Percentages were estimated by determining the portion of the overlapping taxing authority's taxable assessed value that is within the District's boundaries and dividing it by the overlapping taxing authority's total taxable assessed value.

Source: Municipal Advisory Council of Texas

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 13

DEMOGRAPHIC AND ECONOMIC INFORMATION

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Population [1]	Total Personal Income	Per Capita Personal Income [2]	Unemployment Rate [3]
2016	102,929	$ 4,637,394,000	$ 39,602	3.8%
2017	104,948	4,305,839,000	35,439	4.3%
2018	105,276	5,134,370,000	41,010	3.5%
2019	105,059	4,505,393,040	36,240	2.8%
2020	112,773	6,015,060,480	42,021	5.6%
2021	111,576	6,015,060,480	42,021	4.6%
2022	109,130	5,191,290,328	43,012	3.7%
2023	109,166	5,562,924,480	43,744	4.5%
2024	108,859	5,124,755,143	47,077	3.7%
2025	107,521	5,195,952,325	48,325	3.9%

[1] Population is for the entire City of Pearland.

[2] US Census Bureau and calculated data based on average per capita increase for 2025.

[3] Bureau of Labor Statistics

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 14

PRINCIPAL EMPLOYERS [1]

CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)

	2025 [2,3]			2016 [3]		
	Employees	Rank	Percentage of Total Employment	Employees	Rank	Percentage of Total Employment
Pearland ISD	2,700	1	4.09%	2,660	1	4.66%
Kelsey Seybold	1,079	2	1.64%	873	2	1.53%
Lonza	1,000	3	1.52%			
City of Pearland	803	4	1.22%	781	3	1.37%
Alvin ISD	753	5	1.14%	450	4	0.79%
Memorial Hermann	540	6	0.82%	370	5	0.65%
HCA (Pearland Medical Center)	450	7	0.68%			
Dover Energy	304	8	0.46%	205	9	0.36%
Kemlon	240	9	0.36%	300	7	0.53%
Third Coast	225	10	0.34%			
Merit Medical				330	6	0.58%
Pearland Medical Center				300	8	0.53%
TurboCare				180	10	0.32%
Total	8,094		12.27%	6,449		11.32%

Labor force participation:

2025:	65,939
2016:	57,045

[1] Employment data is for City of Pearland; retail establishments have not been surveyed since 2013.

[2] Employment data is for 2024; data for 2025 was not available at the time of this report.

[3] Source: City of Pearland ACFR.

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 15

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY TYPE

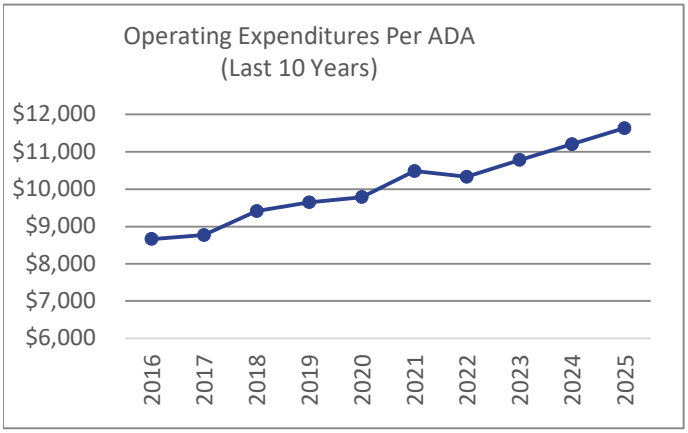
LAST TEN FISCAL YEARS (UNAUDITED)

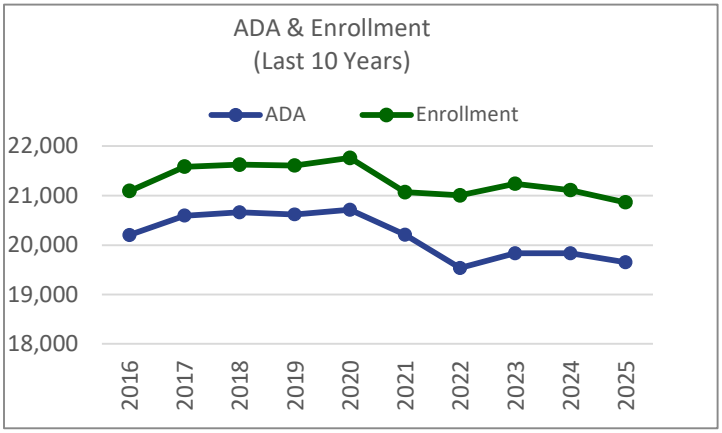
	FISCAL YEAR									
	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Total Teaching Staff:	1,306	1,343	1,323	1,307	1,299	1,318	1,301	1,283	1,286	1,285
Professional Support:										
Athletic Trainer	6	6	7	9	9	9	9	9	7	6
Counselor	42	39	43	53	52	54	53	53	53	53
Educational Diagnostician	3	3	3	6	9	8	7	7	9	10
Librarian	15	15	16	19	20	19	19	19	20	21
LSSP/Psychologist	23	21	22	21	17	19	16	15	14	12
Other Campus Professional	8	9	13	15	11	15	14	14	14	18
Other Non-Instructional	118	98	98	110	121	118	122	128	129	119
School Nurse	14	14	13	17	19	21	25	26	25	26
Speech Therapist/Speech-Language Pathologist	15	14	16	18	19	21	21	20	20	21
Truant Officer	2		3	5	5	5	5	5	5	4
Total Professional Staff	246	219	234	273	282	289	291	296	296	290
Administrative Staff:										
Assistant Principal	33	30	43	49	49	49	50	46	48	48
Asst/Assoc/Deputy Superintendent	5	7	7	6	6	7	6	3	2	2
Athletic Director			1	1	1	1	1	1	1	1
Business Manager	1	2	1	1	1	1	1	1	1	1
Director of Personnel/HR	1	1	1	1	1	1	2	2	2	2
Instructional Program/ Executive Director	6	10	7	8	7	8	9	11	11	15
Principal	23	22	21	23	23	23	23	23	23	23
Registrar	3	3	3	3	3	3	3	3	3	3
Superintendent	1	1	1	1	1	1	1	1	1	1
Total Administrative Staff	73	76	85	93	92	94	96	91	92	96
Total Professional Staff	1,625	1,638	1,642	1,673	1,673	1,701	1,688	1,670	1,674	1,671
Total Educational Aide	171	167	163	168	191	190	197	180	188	198
Total Auxiliary Staff	698	711	694	714	715	691	686	679	693	708
Total Personnel	2,494	2,516	2,499	2,555	2,579	2,582	2,571	2,529	2,555	2,577

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

PEARLAND INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	Average Daily Attendance [1]	Operating Expenditures [2]	Cost Per ADA	Percent Change	Government Wide Expenses
2016	20,200	$ 174,947,434	$ 8,661	2.78%	$ 201,022,256
2017	20,596	180,641,978	8,771	1.27%	206,969,893
2018	20,661	194,487,376	9,413	7.32%	201,786,727
2019	20,618	198,994,401	9,651	2.53%	233,503,362
2020	20,713	202,742,623	9,788	1.42%	241,300,714
2021	20,204	211,867,817	10,486	7.13%	253,687,771
2022	19,534	201,831,563	10,332	-1.47%	237,988,493
2023	19,834	213,807,453	10,780	4.34%	246,390,862
2024	19,832	222,217,089	11,205	3.94%	270,646,727
2025	19,654	228,695,383	11,636	3.85%	253,357,643





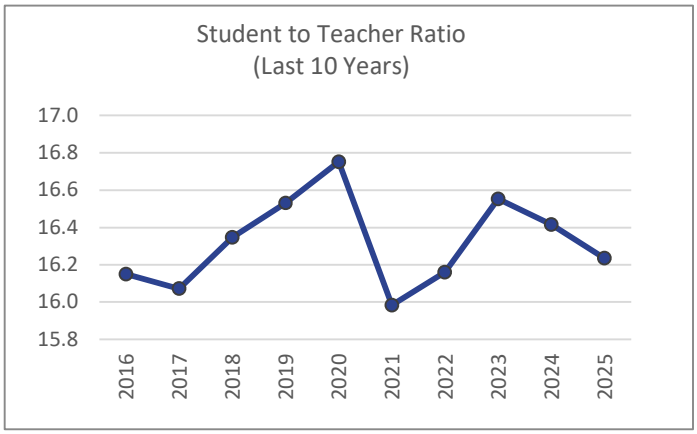
[1] The drop in Average Daily Attendance (ADA) is due to the COVID-19 pandemic, which resulted in the District closing for two weeks and transitioning to remote instruction in the latter part of school year 2019-2020, and a hybrid method of instruction (remote and in-person) during school year 2020-2021.

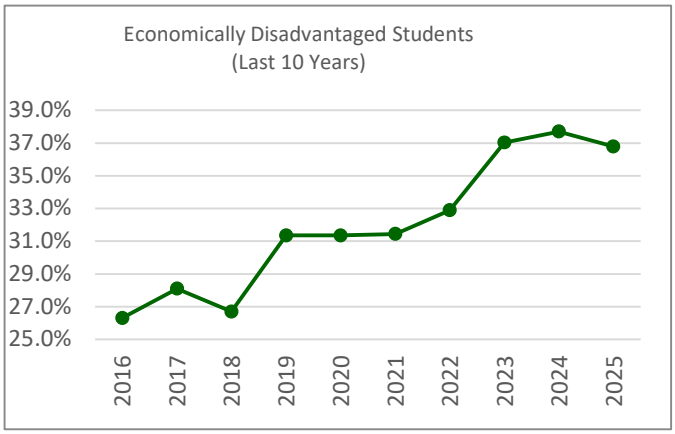
[2] Operating expenditures are total governmental fund expenditures, less debt service and capital outlays.

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

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

Cost Per ADA	Percent Change	Teaching Staff	Enrollment [3]	Student to Teacher Ratio	Percentage of Students Economically Disadvantaged
$ 9,952	4.53%	1,306	21,093	16.15	26.32%
10,049	0.98%	1,343	21,585	16.07	28.10%
9,767	-2.81%	1,323	21,628	16.35	26.71%
11,325	15.96%	1,307	21,606	16.53	31.36%
11,650	2.87%	1,299	21,760	16.75	31.35%
12,556	7.78%	1,318	21,067	15.98	31.44%
12,183	-2.97%	1,300	21,007	16.16	32.89%
12,423	1.96%	1,283	21,237	16.55	37.04%
13,647	9.86%	1,286	21,111	16.42	37.70%
12,891	-5.54%	1,285	20,862	16.24	36.80%



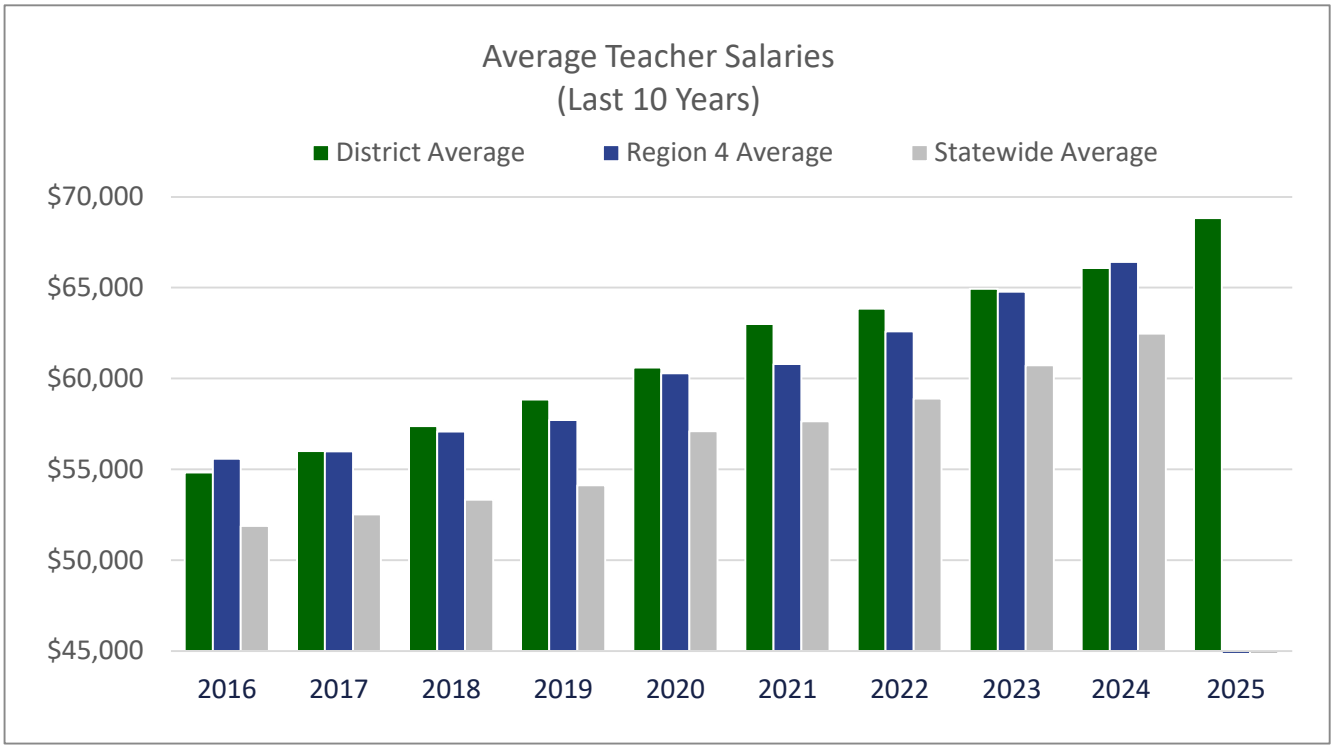


PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 17

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS (UNAUDITED)

Fiscal Year Ended June 30,	District Minimum Salary [1]	District Maximum Salary [1]	District Average Salary [2]	Region 4 Average Salary [3]	Statewide Average Salary [3]
2016	$ 51,200	$ 70,000	$ 54,833	$ 55,580	$ 51,891
2017	52,000	70,000	55,999	55,992	52,525
2018	53,000	68,020	57,380	57,076	53,334
2019	54,500	71,500	58,841	57,707	54,122
2020	56,000	72,000	60,609	60,292	57,091
2021	58,100	74,000	63,005	60,798	57,641
2022	59,000	75,000	63,849	62,590	58,887
2023	59,600	75,000	64,944	64,771	60,717
2024	60,500	75,000	66,084	66,417	62,474
2025	62,700	80,000	68,836	[4]	[4]



[1] District records, based on new teacher entry salary schedule.

[2] Texas Education Agency (TEA), Staff FTE Counts and Salary Reports.

[3] Texas Education Agency (TEA), Texas Performance Reporting System (TPRS).

[4] Region 4 Average Salary and Statewide Average Salary data will be released in December 2025.

PEARLAND INDEPENDENT SCHOOL DISTRICT TABLE 18
SCHOOL BUILDING INFORMATION PAGE 1 OF 2
LAST TEN FISCAL YEARS (UNAUDITED)

School Name	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
High Schools:										
Pearland (1991) [1]										
Square Feet	623,380	623,380	683,768	683,768	683,786	683,786	683,786	683,786	683,786	683,786
Capacity	3,850	3,850	3,850	3,900	3,900	3,900	3,900	3,900	3,900	3,900
PEIMS Enrollment	2,969	2,982	3,056	3,053	3,092	3,131	3,189	3,261	3,433	3,412
PACE (2003)										
Square Feet	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411	34,411
Capacity	300	300	300	300	300	300	300	300	300	300
PEIMS Enrollment	120	102	86	82	89	-	-	94	127	98
Glenda Dawson (2009)										
Square Feet	360,000	360,000	360,000	450,000	457,736	457,736	457,736	457,736	457,736	457,736
Capacity	2,000	2,000	2,000	2,725	2,725	2,725	2,725	2,725	2,725	2,725
PEIMS Enrollment	2,407	2,466	2,518	2,518	2,580	2,568	2,568	2,557	2,576	2,569
Turner College & Career (2013)										
Square Feet	219,548	219,548	219,548	259,552	259,552	259,552	259,552	259,552	259,552	259,552
Capacity	1,250	1,250	1,250	1,300	1,300	1,300	1,300	1,300	1,300	1,300
PEIMS Enrollment	1,001	1,169	1,200	1,200	1,167	1,191	1,144	1,114	1,110	1,128
Junior High Schools:										
Junior High East (1971)										
Square Feet	96,947	96,947	96,947	116,547	145,112	145,112	145,112	145,112	145,112	145,112
Capacity	900	900	900	975	975	975	975	975	975	975
PEIMS Enrollment	716	798	782	782	901	866	868	848	816	801
Junior High West (1952)										
Square Feet	146,907	146,907	146,907	177,341	177,341	177,341	177,341	177,341	177,341	177,341
Capacity	900	900	900	975	975	975	975	975	975	975
PEIMS Enrollment	844	830	816	816	839	893	907	919	937	941
Junior High South (2002)										
Square Feet	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548	219,548
Capacity	875	875	875	875	875	875	875	875	875	875
PEIMS Enrollment	853	863	890	890	849	873	893	895	818	764
Berry Miller (2008)										
Square Feet	169,774	169,774	169,744	169,744	169,744	169,744	169,744	169,744	169,744	169,744
Capacity	900	900	900	900	900	900	900	900	900	900
PEIMS Enrollment	956	906	906	906	864	816	800	844	828	827
Middle Schools:										
Sam Jamison (1982)										
Square Feet	86,950	86,950	86,950	91,890	91,890	91,890	91,890	91,890	91,890	91,890
Capacity	925	925	925	1,000	1,000	1,000	1,000	1,000	1,000	1,000
PEIMS Enrollment	852	836	814	814	905	886	808	754	785	728
Leon Sablatura (1997)										
Square Feet	92,174	92,174	92,174	97,423	97,423	97,423	97,423	97,423	97,423	97,423
Capacity	900	900	900	1,000	1,000	1,000	1,000	1,000	1,000	1,000
PEIMS Enrollment	892	896	830	830	888	936	946	928	923	878
Rogers (2003)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity	925	925	925	925	925	925	925	925	925	925
PEIMS Enrollment	896	853	814	814	803	743	735	794	743	721
Alexander (2007)										
Square Feet	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000	112,000
Capacity	925	925	925	925	925	925	925	925	925	925
PEIMS Enrollment	615	705	806	806	853	771	754	747	739	765

[1] Including 52,220 ft. for Ag. Facility

School Name	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025
Elementary Schools:										
E.A. Lawhon (1963)										
Square Feet	73,290	73,290	73,290	93,336	93,336	93,336	93,336	93,336	93,336	93,336
Capacity	990	990	990	990	990	990	990	990	990	990
PEIMS Enrollment	716	809	818	818	834	795	797	835	814	816
C.J. Harris (1998)										
Square Feet	77,688	77,688	77,688	83,688	83,688	83,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	741	685	637	637	667	616	584	561	593	549
Shadycrest (1969)										
Square Feet	64,866	64,866	64,866	71,314	71,314	71,314	71,314	71,314	71,314	71,314
Capacity	748	748	748	748	748	748	748	748	748	748
PEIMS Enrollment	613	698	683	683	632	586	564	595	584	512
H.C. Carleston (1980)										
Square Feet	62,651	62,651	62,651	90,992	90,992	90,992	90,992	90,992	90,992	90,992
Capacity	990	990	990	990	990	990	990	990	990	990
PEIMS Enrollment	793	771	815	814	734	682	681	781	764	714
Challenger (1993)										
Square Feet	77,688	77,688	77,688	83,688	83,688	83,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	662	688	683	683	642	573	589	570	605	614
Rustic Oak (1993)										
Square Feet	77,688	77,688	77,688	83,688	83,688	83,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	543	678	706	706	666	653	679	674	664	645
Silverlake (1998)										
Square Feet	77,688	77,688	77,688	83,688	83,688	83,688	83,688	83,688	83,688	83,688
Capacity	770	770	770	770	770	770	770	770	770	770
PEIMS Enrollment	719	709	731	730	690	632	566	677	662	691
Silvercrest (2002)										
Square Feet	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963	86,963
Capacity	814	814	814	814	814	814	814	814	814	814
PEIMS Enrollment	773	747	727	727	717	658	645	659	653	704
Massey Ranch (2006)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	717	705	681	681	721	644	639	621	593	541
Barbara Cockrell (2007)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	863	807	767	767	715	697	739	758	767	741
Magnolia (2007)										
Square Feet	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867	86,867
Capacity	858	858	858	858	858	858	858	858	858	858
PEIMS Enrollment	825	878	867	867	896	855	887	735	676	703

Source: District Records and Fall PEIMS Enrollment

BUILD PEARLAND *Proud*

Pearland Independent School District
1928 N. Main Street
Pearland, TX 77581
www.pearlandisd.org