POPULAR ANNUAL FINANCIAL REPORT

For the Fiscal Year Ended June 30, 2026



Pearland Independent School District
Pearland, TX

BUILD PEARLAND Proud.

Table of Contents

Superintendent's Message....3
About the District....4
Enrollment Demographics....4
Board of Trustees....5
Administration....5
Fiscal Year - End Highlights - General Fund....6
Fiscal Year - End Highlights - Additional governmental Funds....7
Where Did General Fund Revenues Come From?....8
Property Values & Tax Rates....9
Detail of Expenditures by Function....10
Financial Position....11
Debt Service Fund (Payment of Debt)....12
Chief Financial Officer's Message....13
About the Popular Annual Financial Report....14
Outstanding Achievement....14

Superintendent's Message

Every great district tells a story, not only through test scores, recognition, or accomplishments, but also through the choices it makes each day. In Pearland ISD, that story begins with purpose. Every lesson taught, every student success celebrated, and every opportunity created is supported by thoughtful planning, sound decision making, and responsible stewardship.



Dr. Larry Berger
Pearland ISD Superintendent

Our students and staff are at the heart of our mission, but sustaining their success requires a strong and dependable financial foundation. Behind every innovative program, dedicated employee, and safe, inspiring learning environment is a team committed to ensuring that our resources are managed wisely, transparently, and in service to our students.

This Annual Financial Report, prepared by Chief Financial Officer Thu Pham and our dedicated Business Services team, reflects that commitment. It tells the story of a district working to align every academic, operational, and financial decision with our mission: In partnership with the community, families, and students, Pearland ISD prepares all learners to achieve their highest potential. It also supports our vision that every student will gain knowledge, character, and confidence to excel in an evolving global society.

Across Texas, public schools continue to face rising costs, constrained funding, and increasing expectations. Even amid these challenges, Pearland ISD continues to achieve at a high level because of our exceptional staff, engaged families, responsible leadership, and supportive community. Together, we have demonstrated that excellence is shaped not simply by the size of a budget, but by the strength of our partnerships, the discipline of our decisions, and the clarity of our purpose.

As we look to the future, we remain steadfast in our belief that investing in public education is one of the most powerful investments a community can make. Every dollar entrusted to Pearland ISD represents an investment in a student, a classroom, and a future. Every financial decision matters because every piece matters.

Together, we will continue to Build Pearland Proud.

Larry Berger

Dr. Larry Berger
Pearland ISD Superintendent

About the District

PEARLAND ISD is one of eight public school districts in Brazoria County and has been a cornerstone of the Pearland community since 1893, when its first one-room school served 23 students. Today, the District serves more than 20,000 students across 23 campuses, supported by approximately 1,319 teachers.

Serving students from prekindergarten through grade 12, Pearland ISD offers a comprehensive educational program, including special education, bilingual and dual language, gifted and talented, career and technical education, and compensatory education. Students also benefit from dual credit opportunities, associate degree pathways, professional certifications, fine arts, athletics, and Special Olympics. All District schools are accredited by the Texas Education Agency and the Southern Association of Colleges and Schools.

MISSION

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

VISION

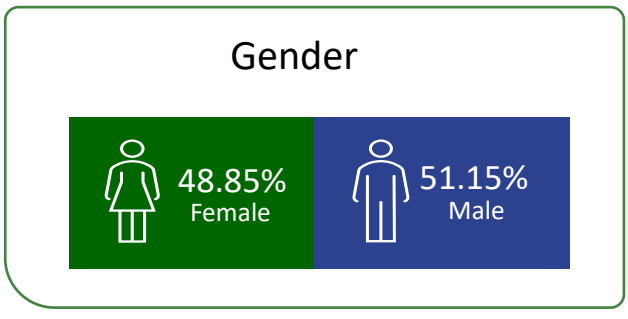
Empowering every learner with the knowledge, character, and confidence to thrive and lead in an ever-changing global society.

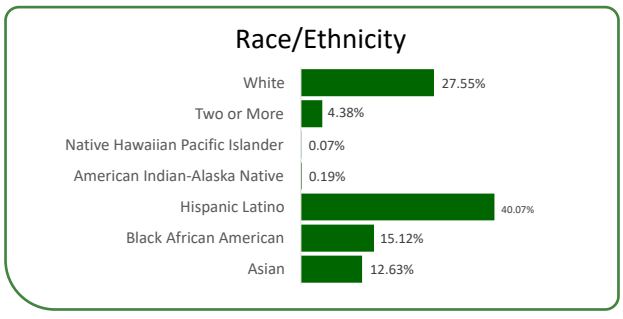
BELIEFS

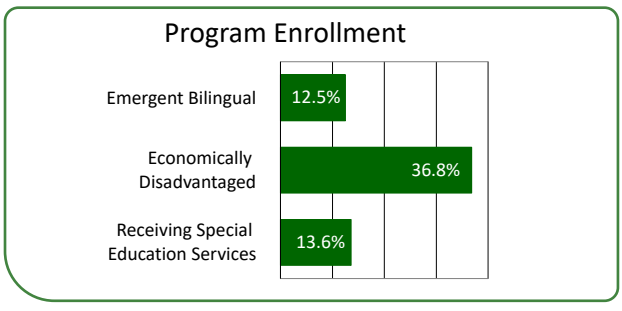
We believe:

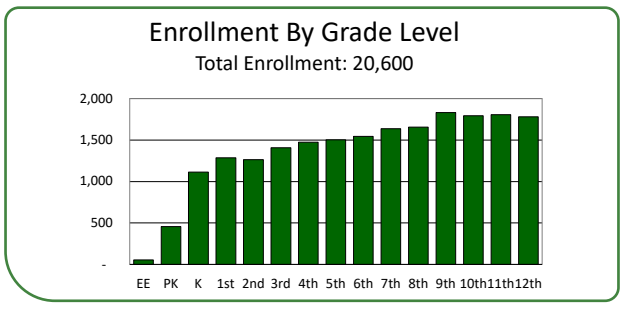
- Students thrive when they feel valued, empowered, and challenged to reach their highest potential
- Parents and Families are essential partners in student success.
- Staff are value-driven professionals who utilize data and innovative practices to inspire, educate, and empower every student.
- Campus Administrators are committed to prioritizing student growth, safety, and well-being of all.
- The Superintendent and Central Office Staff lead with accessibility, vision, and a spirit of servant leadership.
- The Board of Trustees operates as a collaborative, forward-thinking team, invested in the well-being and future of Pearland ISD.

Enrollment Demographics









Board of Trustees



Crystal Carbone
President



Nanette Weimer
Vice President



Jim Johnson
Secretary



Toni Carter
Member



Dr. Kristofer Schoeffler
Member



Sean Murphy
Member



Daniel Stuckey
Member

Administration

Dr. Larry Berger ..... **Superintendent**

Kelly Holt ..... **Deputy Superintendent**

Dr. Charles Allen ..... **Asst. Superintendent of Teaching and Learning**

Dr. Sundie Dahlkamp ..... **Asst. Superintendent of Talent and Engagement**

Dr. Lisa Nixon ..... **Asst. Superintendent of Educational Services**

Jon-Paul Estes ..... **Chief Technology Officer**

Thu Pham ..... **Chief Financial Officer**

Tanya Porter ..... **General Counsel**

Dr. LaKesha Henson-Vaughn ..... **Executive Director of Intermediate Schools**

Marlo Keller ..... **Executive Director of Elementary Education**

Sheri Maston ..... **Executive Director of Special Programs**

John Palombo ..... **Executive Director of Safety & Operations**

Indira Ramirez ..... **Executive Director of Curriculum & Instruction**

Fiscal Year - End Highlights - General Fund

General Fund - Maintaining Strong Financial Position

Pearland ISD ended fiscal year 2025-2026 with a General Fund balance of **$ 93.3 million, equivalent to approximately 145 days of operating costs**, based on the fiscal year 2026-2027 adopted expenditure budget. These reserves help the District maintain daily operations, manage unexpected expenses, and respond to financial challenges without disrupting student programs and services.

The General Fund balance is divided into the following categories:

Nonspendable: $2.9 million (4 days)

Funds held in inventory and prepaid expenses that are not available for other spending.

Committed: $17.0 million (26 days)

Funds formally set aside by the Board of Trustees for specific future needs, including:

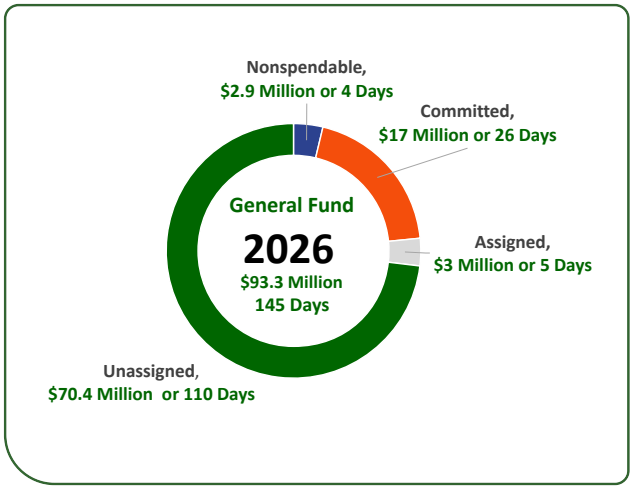
a. $3 million (5 days) for recovery costs following a major storm.
b. $4 million (6 days) for major maintenance and repairs.
c. $10 million (15 days) for economic stabilization.

Assigned: $3.0 million (5 days)

Funds designated by District leadership to cover potential insurance deductibles.

Unassigned: $70.4 million (110 days)

Funds available to support daily operations, manage cash flow, and respond to emergencies or unexpected expenses.



Together, the **assigned and unassigned fund balances total $73.4 million, equivalent to approximately 115 days of operating costs.** These reserves provide the District with financial flexibility to maintain operations, address unexpected expenses, and respond to emergencies without relying on short-term borrowing.

What drove the positive outcome?

- Expenditure savings of $0.5 million from vacant positions and conservative spending.
- Higher-than-anticipated state and federal revenues of $1.5 million, partially offset by $0.7 million in lower local revenues.

Fiscal Year - End Highlights - Additional Governmental Funds

Additional Governmental Funds – Supporting Student Programs and District Investments

In addition to the General Fund, Pearland ISD maintains governmental funds dedicated to repaying debt, improving school facilities, and supporting student programs and activities. The District ended fiscal year 2025–2026 with a combined fund balance of $84.0 million across the Debt Service Fund, Capital Projects Fund, and Other Governmental Funds. These resources are dedicated to specific purposes and help the District meet its financial obligations while continuing to invest in students and school facilities.

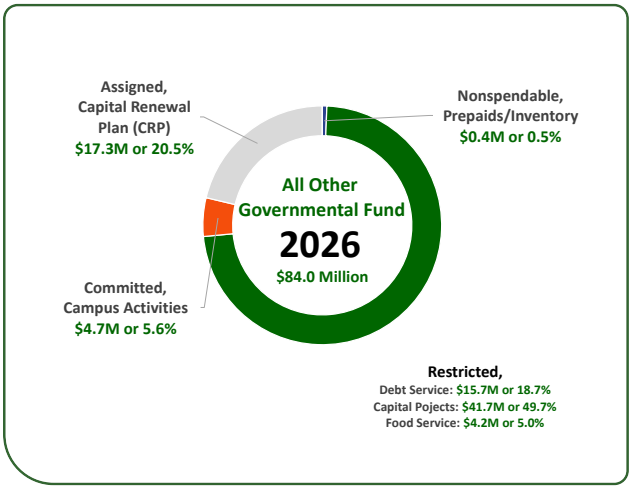
The District's June 30, 2026, fund balances for these governmental funds are summarized below:

Debt Service Fund: $15.7 million

The $15.7 million fund balance is restricted for repayment of voter-approved bonds used to finance school construction, renovations, and facility improvements. These resources help the District meet future principal and interest payments on outstanding debt.

Capital Projects Fund: $59.1 million

Funds dedicated to school construction, renovations, safety and security improvements, technology infrastructure, and other facility needs. Of this amount, $0.3 million is nonspendable, $41.7 million is restricted for capital projects, and $17.1 million is assigned to the District's Capital Renewal Plan to support future major maintenance, renovations, and improvements to existing school facilities.



Other Governmental Funds: $9.2 million

Funds dedicated to specific educational programs, student activities, and other District services. The balance is divided into the following categories:

Nonspendable: $0.1 million

Funds held in inventory and prepaid expenses that are not available for other spending.

Restricted: $4.2 million – Child Nutrition

Funds dedicated to the District's Child Nutrition Program, which provides nutritious meals to students. These resources help support food purchases, meal preparation, cafeteria operations, and future program needs.

Committed: $4.7 million – Student Activities

Funds set aside for student activity programs, including extracurricular activities, student organizations, clubs, and campus-sponsored events. These resources support student participation and enrichment opportunities beyond the classroom.

Assigned: $0.2 million – Athletics

Remaining funds from an athletics donation, designated for future athletic programs and activities.

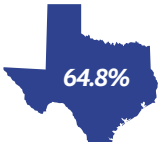
Where Did General Fund Revenues Come From?

76.5% OF DISTRICT REVENUES ARE ACCOUNTED FOR IN THE GENERAL OPERATING FUND



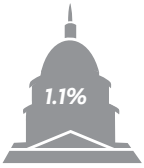
Local

Local revenues totaled $79.8 million, primarily from $74.5 million in property taxes. Property tax collections decreased by 6.4% from the prior year, largely due to changes in state law that increased homestead exemptions and reduced the amount of property taxes paid by eligible homeowners. The general homestead exemption increased from $100,000 to $140,000, while the additional exemption for homeowners age 65 and older or with disabilities increased from $10,000 to $60,000.



State

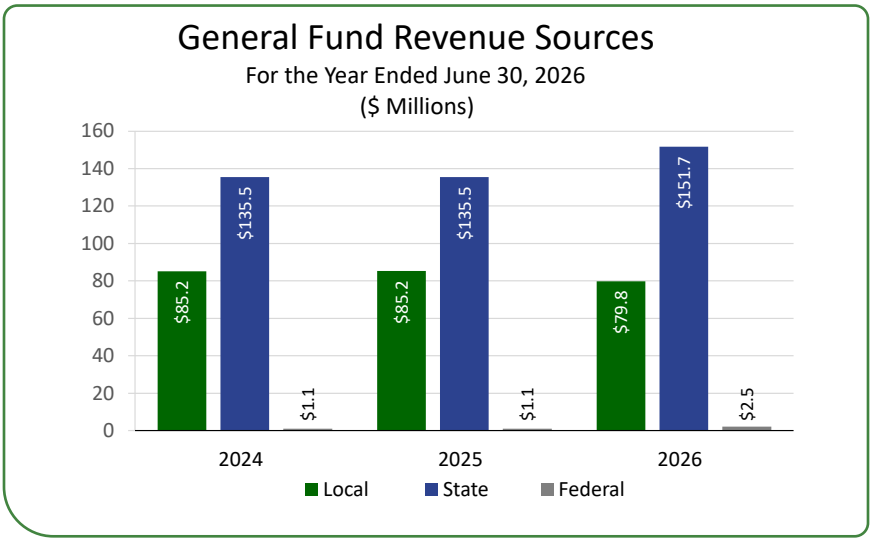
State revenues totaled $151.7 million, an increase of 12.0% from the prior year. This increase was primarily driven by additional state funding approved by the 89th Texas Legislature. House Bill 2 increased the basic allotment from $6,160 to $6,215 per student in average daily attendance and provided additional funding for school operations and employee compensation. Additional state funding helped offset reductions in local property tax revenues. The District also received $4.8 million from adjustments related to a prior-year property value audit.



Federal

Federal revenues totaled $2.5 million, an increase of 130.4% from the prior year. The increase was primarily due to $952,341 in E-Rate reimbursements received for eligible technology projects funded through the District's bond program, along with additional federal program reimbursements and indirect cost revenues.

TOTAL GENERAL FUND REVENUES **$234 Million**

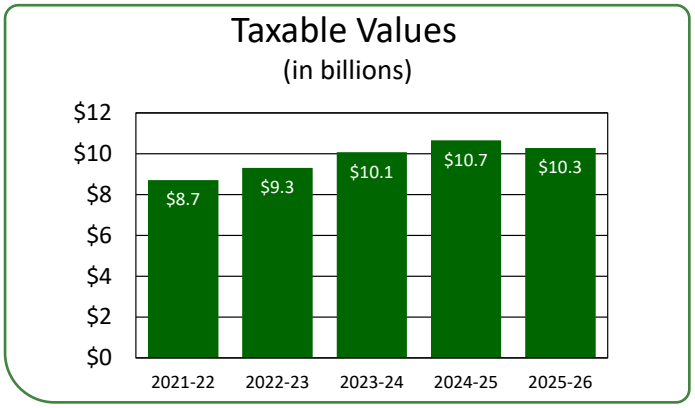


Property Values & Tax Rates

Property taxes, also known as ad valorem taxes, are based on the taxable value of property within the District's boundaries. The Brazoria County Appraisal District (BCAD) determines property values, while the District establishes the tax rates used to calculate property taxes.

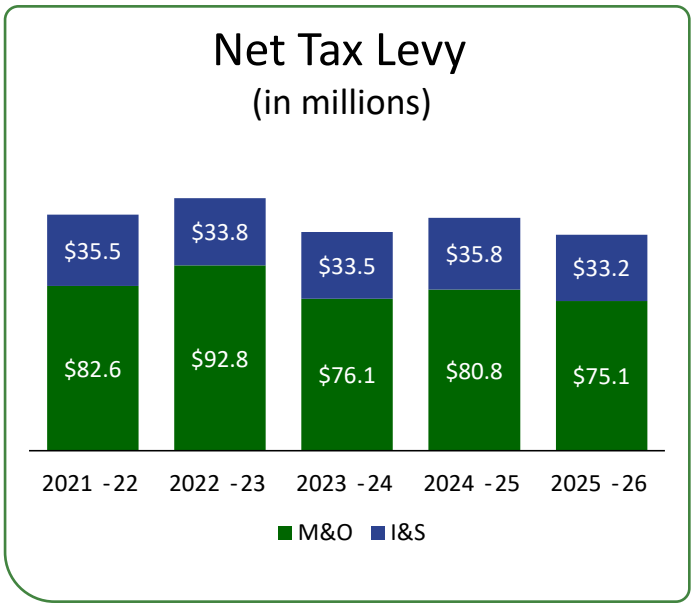
Property Values

The District's taxable property values decreased by $363.8 million, or 3.4%, in fiscal year 2025-2026 compared to the prior fiscal year.



Tax Collections

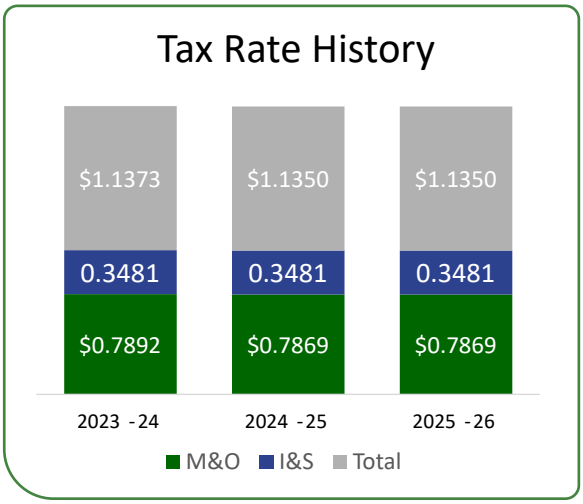
The District collected 98.8% of its net property tax levy during fiscal year 2025-2026, reflecting a strong collection rate.



Tax Rate

The District maintained its Maintenance and Operations (M&O) tax rate at $0.7869 per $100 of taxable property value for tax year 2025, unchanged from the prior year. This rate includes the Maximum Compressed Rate (MCR) of $0.6169, eight cents in Tier II golden pennies, and nine cents in Tier II copper pennies approved by voters through the 2023 Voter-Approval Tax Rate Election (VATRE).

The District also maintained its Interest and Sinking (I&S) tax rate at $0.3481 per $100 of taxable property value for tax year 2025, unchanged from the prior year. By maintaining the same tax rate, the District continued to minimize the impact on taxpayers while ensuring sufficient funds to meet its annual principal and interest payments on outstanding debt. As a result, the District's combined tax rate remained unchanged at $1.1350 per $100 of taxable property value for tax years 2024 and 2025.



Detail of Expenditures by Function

Instruction (57.9%)
Direct costs related to the interaction between teachers and students.

Instructional Resources & Media Services (0.9%)
Costs to operate campus libraries.

Curriculum & Staff Development (2.7%)
Costs to aid instructional staff in planning, developing and evaluating the process of providing learning experiences for students.

Instructional Leadership (1.2%)
Costs for managing, directing, supervising and providing leadership to campus staff.

School Leadership (5.9%)
Costs for directing, managing, and supervising campus operations.

Guidance & Counseling Services (4.4%)
Costs of psychological services, student evaluation, testing, and educational and occupational counseling.

Health Services (1.1%)
Costs for physical health services such as appropriate medical, dental, and nursing services to students.

Student Transportation (4.1%)
Costs for transporting students to and from school.

Extracurricular Activities (2.4%)
Costs of school-sponsored activities outside of the school day, which provide students with experiences in either a competitive or non-competitive setting.

General Administration (2.6%)
Costs associated with the overall general administrative support services of the district.

Plant Maintenance and Operations (11.5%)
Costs to keep facilities and grounds in effective working condition and state of repair.

Security & Monitoring Services (1.2%)
Costs to keep students and staff surroundings safe.

Data Processing Services (2.6%)
Costs related to technology and data services.

Debt Service (0.7%)
Costs related to capital leases and subscription-based information technology arrangements (SBITAs)

Other Expenditures (0.8%)
Costs for social work services, community services, acquisition/ construction of facilities, alternative education payments, and payments made to other governmental entities.

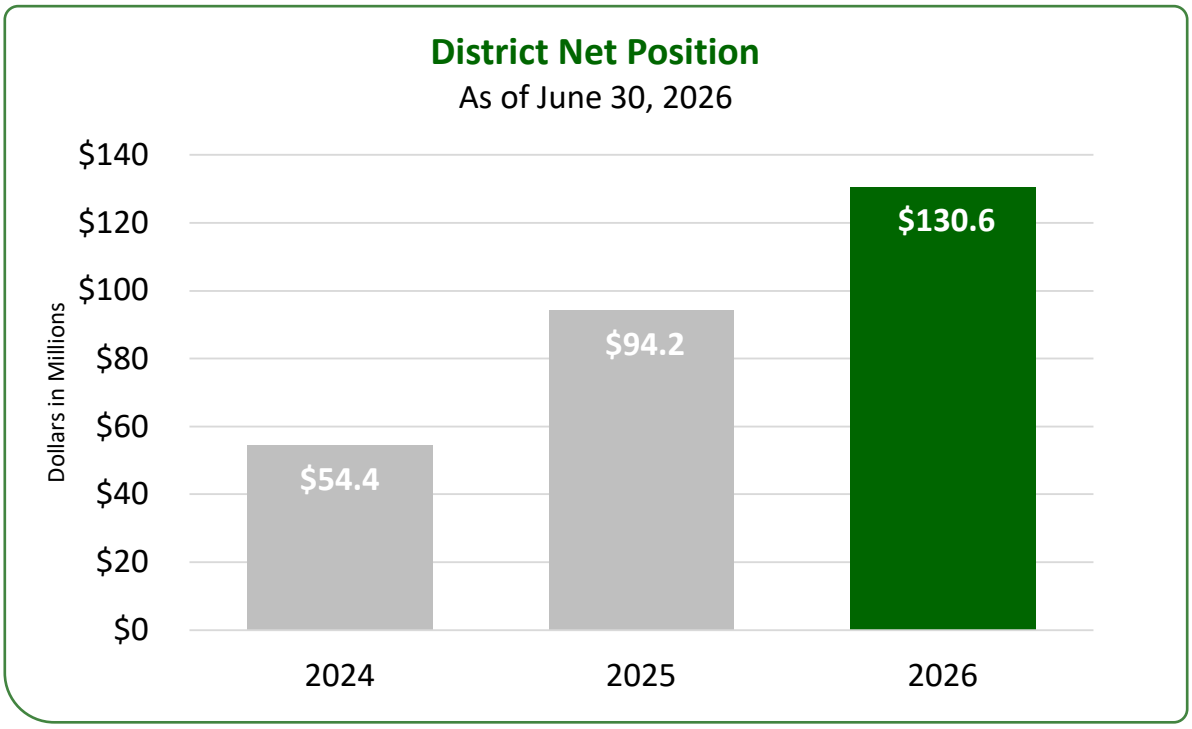
Expenditures by Function	FY 2022	FY 2023	FY 2024	FY 2025	FY2026
11 Instruction	108,722,819	107,184,163	119,724,770	117,607,986	127,781,428
12 Instructional Res. and Media Services	1,775,924	1,935,636	2,061,822	2,112,012	2,083,102
13 Curriculum and Staff Development	4,917,101	5,355,089	5,584,247	5,679,455	6,005,754
21 Instructional Leadership	2,654,679	2,910,516	2,143,392	2,444,942	2,669,842
23 School Leadership	11,677,502	12,577,415	12,567,936	12,717,491	13,022,692
31 Guidance and Counseling Services	7,439,426	7,778,773	8,912,828	9,162,541	9,663,364
32 Social Work Services	779,019	651,076	886,703	856,959	869,910
33 Health Services	2,188,370	2,365,791	2,293,875	2,385,672	2,418,491
34 Student (Pupil) Transportation	6,208,460	7,071,906	8,220,073	8,346,774	9,135,172
36 Co-curricular Activities	4,557,541	4,444,502	4,892,372	5,224,293	5,282,832
41 General Administration	4,771,348	5,424,623	5,020,292	5,252,186	5,843,554
51 Plant Maintenance and Operations	20,641,027	22,069,838	25,288,353	25,275,047	25,447,817
52 Security and Monitoring Services	1,900,192	1,830,783	2,321,205	2,619,280	2,571,249
53 Data Processing Services	4,189,698	4,494,454	5,823,313	6,757,080	5,776,237
61 Community Services	7,684	4,525	303	-	-
71 Debt Service	-	612,673	2,644,290	1,335,196	1,652,941
81 Facilities Acquisition & Construction	-	-	338,076	-	88,893
93 Payments to the Fiscal Agent of Shared Services Agreements		-	9,327	-	-
95 Alternative Education - JJAEP	7,500	15,200	6,000	36,125	10,250
99 Other Intergovernmental Charges	643,303	655,182	690,228	766,365	860,577
Total	183,081,593	187,382,145	209,429,405	208,579,404	221,184,105

Financial Position

Pearland ISD's financial position remained strong during the 2025-2026 fiscal year. The District's total assets and deferred outflows of resources increased from $691.4 million in 2025 to $719.6 million in 2026, reflecting continued investment in school facilities, technology, equipment, and other resources that support students and staff.

At the same time, total liabilities and deferred inflows of resources decreased from $597.3 million to $589.0 million, primarily due to the District's continued repayment of long-term obligations. As a result, the District's overall net position, which represents the difference between what the District owns and what it owes, increased by $36.4 million, from $94.2 million to $130.6 million.

Of the District's total net position, $125.1 million is invested in school buildings, technology, equipment, and other long-term assets that benefit students and the Pearland community.



Debt Service Fund (Payment of Debt)

The Debt Service Fund is used to make payments on the District's voter-approved bonds. These bonds help fund major investments that support students and schools, including building renovations, infrastructure improvements, safety and security upgrades, technology replacements, classroom equipment, and network systems used throughout the District.

During the 2025-2026 fiscal year, the District received $43.2 million in revenues, primarily from local property taxes and state assistance. These funds were used to make scheduled bond payments totaling $43.5 million, including $27.5 million toward principal and $16.0 million toward interest and related fees.

As of June 30, 2026, the District had $340.4 million in outstanding bonds. These investments help ensure that students and staff have safe, reliable, and modern facilities and technology to support teaching and learning.

Year Ending June 30,	Principal	Interest	Total
2027	$27,450,000	$16,165,913	$43,615,913
2028	29,845,000	14,829,412	44,674,412
2029	31,890,000	13,373,763	45,263,763
2030	26,705,000	11,792,562	38,497,562
2031	28,075,000	10,457,313	38,532,313
2032-2036	85,435,000	35,969,212	121,404,212
2037-2041	81,210,000	18,555,913	99,765,913
2042-2046	21,695,000	3,617,362	25,312,362
2047-2050	8,130,000	828,325	8,958,325
Total	$340,435,000	$125,589,775	$466,024,775

Date of Issue	Original Issue	Final Maturity	Interest Rates (%)	Outstanding Balance
2014	$30,540,000	2029	2.000 - 5.000	$2,615,000
2014B	28,655,000	2039	2.000 - 5.000	1,680,000
2019	75,155,000	2042	3.000 - 5.000	75,155,000
2019A	18,305,000	2042	3.000 - 5.000	16,380,000
2020	78,675,000	2029	5.000	36,090,000
2022	11,700,000	2029	5.000	11,700,000
2023	19,595,000	2038	5.000	12,035,000
2024	52,040,000	2049	4.000 - 5.000	38,425,000
2025	146,355,000	2050	4.250 - 5.000	146,355,000
Total	461,020,000			$340,435,000

Chief Financial Officer's Message

I am proud to present the **2026 Popular Annual Financial Report (PAFR)** for Pearland ISD. This report provides a clear, easy-to-read summary of the District's financial activity, demonstrating how we manage public funds to support student learning and maintain strong fiscal stewardship.



Thu Pham
Chief Financial Officer

The financial information in this publication is taken from the District's **2026 Annual Comprehensive Financial Report (ACFR)**. The ACFR is prepared in accordance with Generally Accepted Accounting Principles (GAAP) and audited by **Whitley Penn LLP**, our independent external auditors. While the PAFR is not separately audited, it translates the detailed and technical ACFR into an accessible report for our community.

Pearland ISD remains committed to responsible financial management, long-term planning, and maximizing every taxpayer dollar. Our Business Services team continues to uphold the highest standards of financial transparency and excellence. For fiscal year 2026, Pearland ISD earned the following recognitions:

- **Superior Achievement "A"** rating from the School Financial Integrity Rating System of Texas (FIRST)
- **GFOA Certificate of Achievement for Excellence in Financial Reporting**
- **GFOA Award for Outstanding Achievement in Popular Annual Financial Reporting**
- **ASBO Certificate of Excellence in Financial Reporting**
- **Texas Comptroller's Transparency Star Awards** for Traditional Finances and Debt Obligations
- **Strong credit ratings from Fitch and Moody's**, reflecting the District's sound financial practices
- **No findings of questioned costs** in the audit of federal and state grant programs

These accomplishments reflect the expertise and dedication of our Business Services team and the strong leadership of the Superintendent and Board of Trustees. We are grateful for the ongoing trust and support of our Pearland community. Together, we remain focused on what matters most — ensuring every student is empowered to achieve their highest potential.

Sincerely,

Thu Pham
Pearland ISD Chief Financial Officer

About the Popular Annual Financial Report

The District's Popular Annual Financial Report (PAFR) for the year ended June 30, 2026, is designed to give residents a snapshot of Pearland ISD finances for the prior year, as well as general information that highlights student achievement.

This report summarizes the financial activities and operating results of the District and was gathered from the financial information reported in our audited 2026 Annual Comprehensive Financial Report (ACFR). The ACFR is prepared in conformance with Generally Acceptable Accounting Principles (GAAP) and was audited by Whitley Penn receiving a "unmodified" (the highest) opinion. However, the AFR Summary is unaudited and presented on a GAAP basis. While the underlying accounting methods are similar to the ACFR, the AFR Summary simplifies reporting by not including all segregated funds, required presentations, and full disclosure of all material financial and non-financial events in the notes to the financial statements.

The District's administration and school board firmly believe in public scrutiny and transparency of the district finances. Citizens desiring to review full disclosure financial statements may obtain a copy of the ACFR from Business Services or may view it online at www.pearlandisd.org/transparency.

Outstanding Achievement

The Government Finance Officers Association of the United States and Canada (GFOA) has given an Award for Outstanding Achievement in Popular Annual Financial Reporting to the Pearland Independent School District for its Annual Financial Report Summary for the fiscal year ended June 30, 2025. The Award for Outstanding Achievement in Popular Annual Financial Reporting is a prestigious national award recognizing conformance with the highest standards for preparation of state and local government popular reports.

In order to receive an Award for Outstanding Achievement in Popular Annual Financial Reporting, a government unit must publish a Popular Annual Financial Report, whose contents conform to program standards of creativity, presentation, understandability and reader appeal.

An Award for Outstanding Achievement in Popular Annual Financial Reporting is valid for a period of one year only. We believe our current report continues to conform to the Popular Annual Financial Reporting requirements, as we prepare for its submission to GFOA.



Government Finance Officers Association

Award for Outstanding Achievement in Popular Annual Financial Reporting

Presented to

Pearland Independent School District
Texas

For its Annual Financial Report
For the Fiscal Year Ended

June 30, 2025

Christopher P. Morrill

Executive Director/CEO

BUILD

PEARLAND

Proud

Virgil Gant Education Support Center
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Pearland, TX 77581

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