

OFFICIAL STATEMENT  
DATED DECEMBER 4, 2025

NEW ISSUE - Book-Entry-Only

RATINGS: "Enhanced/Unenhanced"  
Moody's: "Aaa/Aa1"  
PSF GUARANTEED  
(See "OTHER INFORMATION – Ratings",  
"THE PERMANENT SCHOOL FUND  
GUARANTEE PROGRAM", and APPENDIX  
D herein)

*In the opinion of Co-Bond Counsel (defined herein), interest on the Bonds will be excludable from gross income for federal income tax purposes under existing law, subject to the matters described under "TAX MATTERS – Tax Exemption" herein.*



\$129,925,000  
FORT WORTH INDEPENDENT SCHOOL DISTRICT  
(A Political Subdivision of the State of Texas located in Tarrant County)  
UNLIMITED TAX REFUNDING BONDS, SERIES 2025A

Dated: December 15, 2025

Due: February 15 as shown on page ii

Interest accrues from the Delivery Date (defined herein)

**PAYMENT TERMS** . . . The Fort Worth Independent School District (the "District") is issuing its \$129,925,000 Unlimited Tax Refunding Bonds, Series 2025A (the "Bonds") in principal denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will accrue from the Delivery Date and will be payable on February 15, 2026 and each August 15 and February 15 thereafter until maturity, and will be calculated on the basis of a 360-day year of twelve 30-day months. The definitive Bonds will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. DTC will act as securities depository. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (identified below) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS - Book-Entry-Only System"). The initial Paying Agent/Registrar is Zions Bancorporation, National Association, Houston, Texas (see "THE BONDS - Paying Agent/Registrar").

**AUTHORITY FOR ISSUANCE** . . . The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, including Chapters 1207 and 1371, Texas Government Code, as amended, and a bond order (the "Bond Order") adopted by the Board of Education Trustees of the District (the "Board") on October 28, 2025, authorizing the issuance of the Bonds. As permitted by Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board delegated to certain authorized officials of the District the authority to execute a pricing certificate (the "Pricing Certificate") evidencing the final sales terms of the Bonds (the Bond Order and the Pricing Certificate are collectively referred to as the "Order"). The Pricing Certificate was executed by an authorized District official on December 4, 2025.

The Bonds are direct obligations of the District, payable from an annual ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property located within the District, as provided in the Bond Order (see "THE BONDS – Authority for Issuance"). **The District has applied for and has received conditional approval from the Texas Education Agency for the payment of the principal of and interest on the Bonds to be guaranteed under the Permanent School Fund Guarantee Program which will automatically become effective when the Attorney General of Texas approves the Bonds (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" and APPENDIX D – "The Permanent School Fund Guarantee Program").** See also "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS" and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" for a discussion of recent developments in Texas law affecting the financing of school districts in Texas.

**PURPOSE** . . . Proceeds from the sale of the Bonds will be used (i) to refund certain outstanding unlimited tax obligations of the District identified in Schedule I hereto (the "Refunded Bonds") for debt service savings (see "SCHEDULE I – Schedule of Refunded Bonds") and (ii) for the payment of costs of issuance for the Bonds (see "PLAN OF FINANCE – Purpose").

Maturity Dates, Principal Amounts, Interest Rates, Initial Yields, CUSIP Numbers  
– See Maturity Schedule on page ii.

**LEGALITY** . . . The Bonds are offered for delivery when, as and if issued and received by the underwriters listed below (the "Underwriters") and subject to the approving opinion of the Attorney General of Texas and the legal opinions of Norton Rose Fulbright US LLP, Dallas, Texas and Kelly Hart & Hallman LLP, Fort Worth, Texas ("Co-Bond Counsel") (see APPENDIX C – "Form of Co-Bond Counsel's Opinion"). Certain legal matters will be passed upon for the District by West & Associates L.L.P., Fort Worth, Texas, as "Disclosure Counsel" to the District. Certain legal matters will be passed upon for the Underwriters by their counsel, Bracewell LLP, Dallas, Texas.

**DELIVERY** . . . It is expected that the Bonds will be available for initial delivery through the services of DTC on or about December 30, 2025 (the "Delivery Date").

**BOFA SECURITIES**

**PIPER SANDLER & CO.**

**PNC CAPITAL MARKETS LLC**

**MATURITY SCHEDULE**  
**\$129,925,000**  
**FORT WORTH INDEPENDENT SCHOOL DISTRICT**  
**UNLIMITED TAX REFUNDING BONDS, SERIES 2025A**

**MATURITY DATES, PRINCIPAL AMOUNTS, INTEREST RATES, INITIAL YIELDS, CUSIP NUMBERS**

**CUSIP<sup>(2)</sup> Prefix: 349461**

**(Interest accrues from the Delivery Date)**

<u>Maturity Dates</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield</u> <sup>(1)</sup>	<u>CUSIP Suffix</u> <sup>(2)</sup>	<u>Maturity Dates</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Initial Yield</u> <sup>(1)</sup>	<u>CUSIP Suffix</u> <sup>(2)</sup>
2/15/2026	\$ 1,700,000	5.000%	2.580%	FT5	2/15/2034	\$ 6,740,000	5.000%	2.890%	GB3
2/15/2027	11,950,000	5.000%	2.600%	FU2	2/15/2035	7,085,000	5.000%	2.920%	GC1
2/15/2028	9,335,000	5.000%	2.600%	FV0	2/15/2036	7,450,000	5.000%	3.020%	GD9
2/15/2029	17,725,000	5.000%	2.600%	FW8	2/15/2037	7,830,000	5.000%	3.210%	GE7
2/15/2030	5,875,000	5.000%	2.590%	FX6	2/15/2038	8,235,000	5.000%	3.360%	GF4
2/15/2031	6,175,000	5.000%	2.650%	FY4	2/15/2039	8,655,000	5.000%	3.500%	GG2
2/15/2032	6,100,000	5.000%	2.730%	FZ1	2/15/2040	9,095,000	5.000%	3.620%	GH0
2/15/2033	6,410,000	5.000%	2.870%	GA5	2/15/2041	9,565,000	5.000%	3.810%	GJ6

**NO OPTIONAL REDEMPTION OF THE BONDS . . .** The Bonds are not subject to redemption prior to maturity (see “THE BONDS – No Optional Redemption”).

<sup>(1)</sup> Initial yield represents the initial offering yield to the public which has been established by the Underwriters for the offers to the public by the Underwriters as their sole responsibility which may be subsequently changed.

<sup>(2)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data is provided by CUSIP Global Services, managed by FactSet Research Systems Inc. on behalf of the American Bankers Association. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. None of the District, the Co-Municipal Advisors (hereinafter defined), or the Underwriters take any responsibility for the selection or the accuracy of CUSIP numbers. The CUSIP number for a specific maturity is subject to being changed after the issuance of the Bonds as a result of various subsequent actions including, but not limited to, a refunding in whole or in part or as a result of the procurement of secondary market portfolio insurance or other similar enhancement by investors that is applicable to all or a portion of certain maturities of the Bonds.

*[The remainder of this page intentionally left blank.]*

## USE OF INFORMATION

*This Official Statement, which includes the cover page, the maturity schedule, Schedule I and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation, or sale.*

*No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representation must not be relied upon as having been authorized by the District or the Underwriters.*

*The information set forth herein has been obtained from the District and other sources believed to be reliable by the District, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the Co-Municipal Advisors or the Underwriters. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and matters of opinion, or that they will be realized.*

*The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder will, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein. See APPENDIX D – “The Permanent School Fund Guarantee Program – PSF Continuing Disclosure Undertaking” and “CONTINUING DISCLOSURE OF INFORMATION” for a description of the undertakings of the Texas Education Agency (“TEA”) and the District, respectively, to provide certain information on a continuing basis.*

*THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THESE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.*

*None of the District, the Co-Municipal Advisors, or the Underwriters make any representation or warranty with respect to the information contained in this Official Statement regarding The Depository Trust Company (“DTC”) or its Book-Entry-Only System or the affairs of the TEA described under “THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM,” and APPENDIX D – “The Permanent School Fund Guarantee Program” as such information has been provided by DTC and TEA, respectively.*

*The agreements of the District and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchasers of the Bonds.*

*THE COVER PAGE CONTAINS CERTAIN INFORMATION FOR GENERAL REFERENCE ONLY AND IS NOT INTENDED AS A SUMMARY OF THIS OFFERING. INVESTORS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING SCHEDULE I AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.*

*The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement in accordance with their respective responsibilities to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Underwriters do not guarantee the accuracy or completeness of such information.*

*THIS OFFICIAL STATEMENT CONTAINS “FORWARD-LOOKING” STATEMENTS WITHIN THE MEANING OF SECTION 21E OF THE SECURITIES EXCHANGE ACT OF 1934, AS AMENDED. SUCH STATEMENTS MAY INVOLVE KNOWN AND UNKNOWN RISKS, UNCERTAINTIES AND OTHER FACTORS WHICH MAY CAUSE THE ACTUAL RESULTS, PERFORMANCE AND ACHIEVEMENTS TO BE DIFFERENT FROM THE FUTURE RESULTS, PERFORMANCE AND ACHIEVEMENTS EXPRESSED OR IMPLIED BY SUCH FORWARD-LOOKING STATEMENTS. INVESTORS ARE CAUTIONED THAT THE ACTUAL RESULTS COULD DIFFER MATERIALLY FROM THOSE SET FORTH IN THE FORWARD-LOOKING STATEMENTS (SEE “OTHER INFORMATION – FORWARD LOOKING STATEMENTS” HEREIN).*

*References to website addresses presented herein are for informational purposes only and may be in form of a hyperlink solely for the reader’s convenience. Unless specified otherwise, such websites and the information or hyperlinks contained therein, are not incorporated into, and are not part of, this Official Statement for any purposes of, and as that term is defined in, the Rule.*

**TABLE OF CONTENTS**

**SELECTED FINANCIAL INFORMATION**..... v

**GENERAL FUND CONSOLIDATED STATEMENT SUMMARY** ..... v

**DISTRICT OFFICIALS, STAFF, CONSULTANTS AND ADVISORS**

    Elected Officials ..... vi

    Selected Administrative Staff..... vi

    Consultants and Advisors ..... vi

**INTRODUCTION**..... 1

**PLAN OF FINANCE** ..... 1

**THE BONDS** ..... 2

**THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM**..... 6

**STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS**..... 6

**CURRENT PUBLIC SCHOOL FINANCE SYSTEM**..... 6

**THE SCHOOL FINANCE SYSTEM AS APPLIED TO FORT WORTH INDEPENDENT SCHOOL DISTRICT** ..... 10

**TAX RATE LIMITATIONS** ..... 10

**AD VALOREM PROPERTY TAXATION**

    Table 1 – Exemptions and Tax Supported Debt..... 16

    Table 2 – Taxable Assessed Valuations by Category..... 17

    Table 3 – Valuation and Tax Supported Debt History..... 18

    Table 4 – Tax Rate, Levy and Collection History ..... 18

    Table 5 – Ten Largest Taxpayers ..... 19

    Table 6 – Tax Adequacy ..... 19

    Table 7 – Estimated Overlapping Debt..... 20

**DEBT INFORMATION**

    Table 8 –Unlimited Tax Supported Debt Service Requirements ..... 21

    Table 9 – Estimated Interest and Sinking Fund Budget Projection ..... 22

    Table 10 – Authorized But Unissued Unlimited Tax Bonds..... 22

    Table 11 – Other Obligations..... 22

**FINANCIAL INFORMATION**

    Table 12 – General Fund Changes in Net Assets ..... 24

    Table 12A - General Fund Revenues and Expenditures .... 25

    Financial Policies..... 26

    Table 13 – Current Investments ..... 28

**TAX MATTERS** .....28

**CONTINUING DISCLOSURE OF INFORMATION** ..... 29

**OTHER INFORMATION**

    Ratings.....31

    TEA Appointment of Conservator and Pending Appointment of Board of Managers and Superintendent 31

    Litigation .....32

    Registration and Qualification of Bonds for Sale.....32

    Legal Investments and Eligibility to Secure Public Funds in Texas.....32

    Legal Matters .....32

    Cyber Security .....33

    Authenticity of Financial Data and Other Information..... 33

    Co-Municipal Advisors.....33

    Underwriting.....33

    Verification of Arithmetical Computations.....34

    Forward Looking Statements.....34

**SCHEDULE OF REFUNDED BONDS**.....**Schedule I**

**APPENDICES**

    General Information Regarding the District .....A

    Excerpts from the Fort Worth Independent School District Annual Comprehensive Financial Report..... B

    Form of Co-Bond Counsel's Opinion..... C

    The Permanent School Fund Guarantee Program .....D

The cover page hereof, the maturity schedule, this page, Schedule I, the appendices included herein, and any addenda, supplement or amendment hereto, are part of this Official Statement.

**SELECTED FINANCIAL INFORMATION**

Fiscal Year Ended 6/30	Estimated Population <sup>(1)</sup>	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Tax-Supported Debt Outstanding at Fiscal Year End	Ratio Debt Taxable Assessed Valuation	Per Capita Tax Supported Debt	% of Total Tax Collections
2021	516,926	\$41,763,930,320	\$ 80,793	\$ 1,250,500,000	2.99%	\$ 2,419	100.24%
2022	506,511	44,845,672,474	88,538	1,318,830,000	2.94%	2,604	96.62%
2023	488,379	49,369,797,609	101,089	1,475,860,000	2.99%	3,022	102.02%
2024	478,807	53,601,943,794 <sup>(2)</sup>	111,949	1,663,595,000	3.10%	3,474	97.73%
2025	471,975	56,592,712,831 <sup>(2)</sup>	119,906	1,562,140,000	2.76%	3,310	97.76%
2026	472,434	56,209,063,959 <sup>(3)</sup>	118,978	1,465,040,000 <sup>(4)</sup>	2.61% <sup>(4)</sup>	3,101 <sup>(4)</sup>	In process of collection

<sup>(1)</sup> Information provided by the Municipal Advisory Council of Texas. Data is subject to change as additional information becomes available.

<sup>(2)</sup> Value includes the application of a \$100,000 State homestead exemption. See “AD VALOREM PROPERTY TAXATION – State Mandated Homestead Exemptions”.

<sup>(3)</sup> Value includes the application of a \$140,000 State-mandated general homestead exemption. See “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session” and "AD VALOREM PROPERTY TAXATION - State Mandated Homestead Exemptions."

<sup>(4)</sup> Projected. Includes the Bonds and excludes the Refunded Bonds.

**GENERAL FUND CONSOLIDATED STATEMENT SUMMARY**

	For Fiscal Year Ended June 30,				
	2025	2024	2023	2022	2021
Beginning Balance	\$ 374,458,061	\$ 401,675,275	\$ 351,232,352	\$ 281,399,838	\$ 205,978,944
Total Revenue	819,322,019	823,460,806	835,147,613	809,136,447	812,806,097
Total Expenditures	(854,394,077)	(850,708,924)	(790,693,703)	(739,521,079)	(738,444,222)
Net Transfers/Adjustments	1,408,837	30,904	5,989,013	217,146	1,059,019
Ending Balance	<u>\$ 340,794,840</u>	<u>\$ 374,458,061</u>	<u>\$ 401,675,275</u>	<u>\$ 351,232,352</u>	<u>\$ 281,399,838</u>

Source: District’s Annual Comprehensive Financial Reports for Fiscal Years Ended 2021-2025. See “Table 12A – General Fund Revenue and Expenditures.”

For additional information regarding the District, please contact:

Dr. Karen Calvert Molinar <sup>(1)</sup>  
 Superintendent  
 Fort Worth Independent School District  
 7060 Camp Bowie Blvd.  
 Fort Worth, Texas 76116  
 (817) 871-2100 – Telephone

Ms. Maria Fernanda Urbina  
 Hilltop Securities Inc.  
 221 N. Kansas St.  
 Suite 600  
 El Paso, Texas 79901  
 (915) 351-7228 – Telephone

Ms. Nancy Rocha  
 Stifel, Nicolaus & Company, Inc.  
 8115 Preston Road  
 Suite 650  
 Dallas, Texas 75225  
 (469) 676-5350 – Telephone

<sup>(1)</sup> Under the Texas Education Code, if the Texas Commissioner of Education (the “Commissioner”) appoints a board of managers to govern a school district, he is required to appoint a district superintendent. In a letter dated October 23, 2025 (the “TEA Determination Letter”), the Commissioner indicated he would announce the appointment of the superintendent after a review of prospective candidates, including Dr. Molinar. See “OTHER INFORMATION – TEA Appointment of Conservator and Pending Appointment of Board of Managers and Superintendent.”

*[The remainder of this page intentionally left blank.]*

**DISTRICT OFFICIALS, STAFF, CONSULTANTS AND ADVISORS**

**ELECTED OFFICIALS**

<u>Board of Education Trustees <sup>(1)</sup></u>	<u>Length of Service</u>	<u>Term Expires</u>	<u>Occupation</u>
Roxanne Martinez, President District 9	4 Years	May-2029	Marketing Consultant
Tobi Jackson, First Vice President District 2	15 Years	May-2027	CEO, Fort Worth SPARC
Dr. Michael Ryan, Second Vice President District 7	4 Years	May-2029	Educator
Anael Luebanos, Secretary District 8	8 Years	May-2029	Accountant
Dr. Camille Rodriguez District 1	7 Years	May-2029	Doctor of Podiatric Medicine
Quinton Phillips District 3	6 Years	May-2027	Founding Partner of Community Frontline
Wallace Bridges District 4	3 Years	May-2029	Outreach Program Coordinator
Kevin Lynch District 5	2 Years	May-2027	Medical Professional
Anne Darr District 6	6 Years	May-2027	Educator

(1) In the TEA Determination Letter, the Commissioner ordered the appointment of a board of managers, conservator and a superintendent, to govern the District. In a letter dated November 6, 2025 (the "TEA Update Letter"), the Commissioner affirmed his appointment of the board of managers and a conservator to the District, and appointed Christopher Ruskowski as Conservator. The Commissioner has indicated that members of the board of managers and superintendent will be named at a future date, after the completion of any applicable appeals processes by the District. See "OTHER INFORMATION – TEA Appointment of Conservator and Pending Appointment of Board of Managers and Superintendent."

**SELECTED ADMINISTRATIVE STAFF**

<u>Name</u>	<u>Position</u>	<u>Length of Service with the District</u>
Christopher Ruskowski <sup>(1)</sup>	Conservator	Newly Appointed
Dr. Karen Calvert Molinar <sup>(2)</sup>	Superintendent of Schools	26 Years
Vacant	Chief Financial Officer	

(1) On November 6, 2025, the Commissioner appointed Christopher Ruskowski to serve as Conservator to oversee the operations of the District. See "OTHER INFORMATION – TEA Appointment of Conservator and Pending Appointment of Board of Managers."

(2) Under the Texas Education Code, if the Commissioner appoints a board of managers to govern a school district, he is required to appoint a district superintendent. In the TEA Determination Letter, the Commissioner indicated he would announce the appointment of the superintendent after a review of prospective candidates, including Dr. Molinar. See "OTHER INFORMATION – TEA Appointment of Conservator and Pending Appointment of Board of Managers and Superintendent."

**CONSULTANTS AND ADVISORS**

Auditors .....	Weaver and Tidwell, L.L.P. Certified Public Accountants Fort Worth, Texas
Co-Bond Counsel.....	Norton Rose Fulbright US LLP Dallas, Texas and Kelly Hart & Hallman LLP Fort Worth, Texas
Co-Municipal Advisors .....	Hilltop Securities, Inc. El Paso, Texas and Fort Worth, Texas and Stifel, Nicolaus & Company, Inc. Dallas, Texas
Disclosure Counsel .....	West & Associates, L.L.P. Fort Worth, Texas.

**OFFICIAL STATEMENT RELATING TO  
FORT WORTH INDEPENDENT SCHOOL DISTRICT  
(A Political Subdivision of the State of Texas located in Tarrant County)**

**\$129,925,000  
UNLIMITED TAX REFUNDING BONDS, SERIES 2025A**

**INTRODUCTION**

This Official Statement, which includes the cover page, the maturity schedule, Schedule I and the Appendices hereto, provides certain information regarding the Fort Worth Independent School District (the "District") and the issuance of its \$129,925,000 Unlimited Tax Refunding Bonds, Series 2025A (the "Bonds"). Except as otherwise indicated herein, capitalized terms used in this Official Statement not otherwise defined herein have the same meanings assigned to such terms in the order (the "Bond Order") authorizing the issuance of the Bonds adopted by the Board of Education Trustees (the "Board") of the District on October 28, 2025. As permitted by Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), the Board delegated to certain authorized officials of the District (each, a "Pricing Officer") the authority to execute a pricing certificate (the "Pricing Certificate") evidencing the final sales terms of the Bonds (the Bond Order and the Pricing Certificate are collectively referred to as the "Order"). The Pricing Certificate was executed by an authorized District official on December 4, 2025.

All financial and other information presented in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in financial position or other affairs of the District. No representation is made that past experience, as is shown by financial and other information, will necessarily continue or be repeated in the future (see "OTHER INFORMATION – Forward Looking Statements" herein).

There follows in this Official Statement descriptions of the Bonds and certain information regarding the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained from the District's Co-Municipal Advisors, Hilltop Securities Inc., El Paso, Texas and Fort Worth, Texas and Stifel, Nicolaus & Company, Inc., Dallas, Texas at the respective addresses appearing on page v hereof, in an electronic format or upon request and payment of reasonable copying, handling and delivery charges.

This Official Statement speaks only as to its date, and the information contained herein is subject to change. A copy of this Official Statement will be deposited with the Municipal Securities Rulemaking Board (the "MSRB") through its Electronic Municipal Market Access ("EMMA") system. See "CONTINUING DISCLOSURE OF INFORMATION" herein for information regarding the EMMA System and for a description of the District's undertaking to provide certain information on a continuing basis.

**DESCRIPTION OF THE DISTRICT** . . . The District is a political subdivision of the State of Texas (the "State") located in Tarrant County. The District is approximately 225 square miles in area (see APPENDIX A – "General Information Regarding the District"). The District is governed by the Board, which consists of nine members who serve staggered four-year terms. Board elections are held in May of each odd-numbered year. 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. Support services are supplied by consultants and advisors.

In a letter dated October 23, 2025 (the "TEA Determination Letter"), the Texas Commissioner of Education (the "Commissioner") ordered the appointment of a board of managers, conservator and a superintendent, to govern the District. In a letter dated November 6, 2025 (the "TEA Update Letter"), the Commissioner affirmed his appointment of the board of managers and a conservator to the District, and appointed Christopher Ruszkowski to serve as Conservator. See "OTHER INFORMATION – TEA Appointment of Conservator and Pending Appointment of Board of Managers and Superintendent."

**PLAN OF FINANCE**

**PURPOSE** . . . Proceeds from the sale of the Bonds will be used (i) to refund certain outstanding unlimited tax obligations of the District identified in Schedule I hereto (the "Refunded Bonds") for debt service savings (see "SCHEDULE I – Schedule of Refunded Bonds") and (ii) for the payment of costs of issuance for the Bonds.

**REFUNDED BONDS** . . . The principal and interest due on the Refunded Bonds are to be paid on the redemption date shown on Schedule I hereto (the "Redemption Date") from funds to be deposited with Zions Bancorporation, National Association, as Escrow Agent (the "Escrow Agent"), pursuant to an escrow agreement (the "Escrow Agreement") between the District and the Escrow Agent. The Order provides that from a portion of the proceeds of the sale of the Bonds received from the underwriters listed on the cover page hereof (the "Underwriters"), the District will deposit with the Escrow Agent an amount which, when added to the investment earnings on the Escrowed Securities (defined below), will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their Redemption Date. Such funds will be held by the Escrow Agent in an escrow account (the "Escrow Fund") and used to purchase (i) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, and/or (ii) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than "AAA" or its equivalent (the "Escrowed Securities"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds.

Frost CPA LLC, in conjunction with Public Finance Partners LLC (together the "Verification Agent"), will verify at the time of delivery of the Bonds to the Underwriters thereof the mathematical accuracy of the schedules that demonstrate the Escrowed Securities will mature and pay interest in such amounts which, together with uninvested funds, if any, in the Escrow Fund, will be sufficient to pay, when due, principal and accrued interest on the Refunded Bonds on their Redemption Date. Such maturing principal of and interest on the Escrowed Securities will not be available to pay the Bonds (see "OTHER INFORMATION – Verification of Arithmetical and Mathematical Computations").

By the deposit of the Escrowed Securities and cash, if any, with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds in accordance with State law. It is the opinion of Co-Bond Counsel that as a result of such defeasance and in reliance upon the report of the Verification Agent, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Escrowed Securities and any cash held for the payment of the Refunded Bonds by the Escrow Agent, and the Refunded Bonds will not be deemed as being outstanding obligations of the District, payable from taxes nor for the purpose of applying any limitation on the issuance of debt.

Upon defeasance of the Refunded Bonds, the payment of the Refunded Bonds will no longer be guaranteed by the Permanent School Fund of Texas.

**USE OF PROCEEDS . . .** Proceeds from the sale of the Bonds are expected to be expended as follows:

Source of Funds:	
Par Amount of Bonds	\$ 129,925,000.00
Premium	15,085,024.10
Total Sources of Funds	<u>\$ 145,010,024.10</u>
Uses of Funds:	
Deposit to Escrow Fund	\$ 143,986,651.62
Underwriters' Discount	525,405.38
Costs of Issuance/Rounding Amount <sup>(1)</sup>	497,967.10
Total Uses of Funds	<u>\$ 145,010,024.10</u>

<sup>(1)</sup> Includes legal fees of the District, Co-Municipal Advisory fees, rating agency fees, fees of the Paying Agent/Registrar (defined below), the Verification Agent, the Escrow Agent, and other costs of issuance.

**THE BONDS**

**DESCRIPTION.** . . The Bonds are being issued by the District in denominations of \$5,000 or any integral multiple thereof. Interest on the Bonds will accrue from the Delivery Date, as defined on the cover page of this Official Statement, and will be payable on February 15, 2026 and each August 15 and February 15 thereafter until maturity, and will be calculated on the basis of a 360-day year of twelve 30-day months. The Bonds will mature on the dates, in the principal amounts, and will bear interest at the rates set forth in page ii of this Official Statement.

The definitive Bonds will be issued only in fully registered form in any integral multiple of \$5,000 for any one maturity and will be initially registered and delivered only to Cede & Co., the nominee of The Depository Trust Company, New York, New York ("DTC"), pursuant to the Book-Entry-Only System described herein. No physical delivery of the Bonds will be made to the owners thereof. Principal of and interest on the Bonds will be payable by the Paying Agent/Registrar (defined herein) to Cede & Co., which will make distribution of the amounts so paid to the participating members of DTC for subsequent payment to the beneficial owners of the Bonds (see "THE BONDS – Book-Entry-Only System" herein).

**AUTHORITY FOR ISSUANCE . . .** The Bonds are issued pursuant to the Constitution and general laws of the State of Texas, including Chapter 1207, Texas Government Code, as amended, Chapter 1371, and the Order.

**SECURITY AND SOURCE OF PAYMENT . . .** The Bonds are direct obligations of the District, payable from an annual ad valorem tax levied, without legal limitation as to rate or amount, on all taxable property located within the District, as provided in the Order (see "TAX RATE LIMITATIONS – I&S Tax Rate Limitations").

**PERMANENT SCHOOL FUND GUARANTEE . . .** The District has applied for and has received conditional approval from the Texas Education Agency for the Bonds to be guaranteed under the State's Permanent School Fund Guarantee Program which guarantee will automatically become effective when the Attorney General of Texas approves the Bonds (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" and APPENDIX D – "The Permanent School Fund Guarantee Program" herein). See also "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS" and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM".

**NO OPTIONAL REDEMPTION.** . . The Bonds are not subject to redemption prior to maturity.

**BOOK-ENTRY-ONLY SYSTEM . . .** *This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC, while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Co-Municipal Advisors, and the Underwriters believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.*

*The District, Co-Municipal Advisors, and Underwriters cannot and do not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or notices, to DTC Participants, (2) DTC Participants or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds), or notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with DTC Participants are on file with DTC.*

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully registered certificate will be issued for each stated maturity of the Bonds, in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity, corporate and municipal debt issues, and money market instruments from over 100 countries that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation, and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P rating of "AA+". The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at [www.dtcc.com](http://www.dtcc.com).

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive physical certificates representing their ownership interests in Bonds, except in the event that use of the book-entry system for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to the Bonds unless authorized by a Direct Participant in accordance with DTC's MMI Procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name", and will be the responsibility of such Participant and not of DTC nor its nominee, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the District or the Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical certificates for each maturity of the Bonds are required to be printed and delivered. The District may decide to discontinue use of the system of book-entry transfers through DTC (or a successor securities depository). In that event, physical certificates for each maturity of the Bonds will be printed and delivered.

So long as Cede & Co. is the registered owner of the Bonds, the District will have no obligation or responsibility to the DTC Participants or Indirect Participants, or the persons for which they act as nominees, with respect to payment to or providing of notice to such Participants, or the persons for which they act as nominees.

**USE OF CERTAIN TERMS IN OTHER SECTIONS OF THIS OFFICIAL STATEMENT . . .** In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, payment or notices that are to be given to registered owners under the Order will be given only to DTC.

**EFFECT OF TERMINATION OF BOOK-ENTRY-ONLY SYSTEM . . .** In the event that the Book-Entry-Only System is discontinued by DTC or the use of the Book-Entry-Only System is discontinued by the District, printed Bonds will be issued to the owners and the Bonds will be subject to transfer, exchange, and registration provisions as set forth in the Order and summarized under “THE BONDS – Transfer, Exchange, and Registration” below.

**PAYING AGENT/REGISTRAR . . .** The initial Paying Agent/Registrar (the “Paying Agent/Registrar”) is Zions Bancorporation, National Association, Houston, Texas. The District covenants to maintain and provide a Paying Agent/Registrar at all times until the Bonds are duly paid. Upon any change in the Paying Agent/Registrar for the Bonds, the District agrees to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first class, postage prepaid, which notice must also give the address of the new Paying Agent/Registrar.

**SUCCESSOR PAYING AGENT / REGISTRAR . . .** In the Order, the District reserved the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, the new Paying Agent/Registrar must accept the previous Paying Agent/Registrar’s records and act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District must be a bank, a trust company, financial institution, or other entity duly qualified and legally authorized to serve and perform the duties of Paying Agent/Registrar for the Bonds.

**TRANSFER, EXCHANGE, AND REGISTRATION . . .** In the event the Book-Entry-Only System should be discontinued, the Bonds may be transferred and exchanged on the registration books of the Paying Agent/Registrar only upon presentation and surrender to the Paying Agent/Registrar and such transfer or exchange will be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration, exchange and transfer. Bonds may be assigned by the execution of an assignment form on the respective Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. New Bonds will be delivered by the Paying Agent/Registrar, in lieu of the Bonds being transferred or exchanged, at the designated office of the Paying Agent/Registrar, or sent by United States mail, first class, postage prepaid, to the new registered owner or his designee. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three business days after the receipt of the Bonds to be canceled, and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer will be in any integral multiple of \$5,000 for any one maturity and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer. See “THE BONDS – Book-Entry-Only System” herein for a description of the system to be utilized initially in regard to ownership and transferability of the Bonds.

**RECORD DATE FOR INTEREST PAYMENT . . .** The date for determining the person to whom the interest is payable on the Bonds on any interest payment date means the close of business on the last business day of the month preceding the interest payment date (“Record Date”).

In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a “Special Record Date”) will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (“Special Payment Date”, which must be 15 days after the Special Record Date) will be sent at least five business days prior to the Special Record Date by United States mail, first class postage prepaid, to the address of each owner of a Bond appearing on the registration books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

**MUTILATED, DESTROYED, LOST, OR STOLEN BONDS . . .** If the Book-Entry-Only System has been discontinued and any Bond has been mutilated, destroyed, lost, or stolen, the Paying Agent/Registrar may execute and deliver a replacement Bond of like form and tenor, and in the same denomination and bearing a number not contemporaneously outstanding, in exchange and substitution for such mutilated Bond; and with respect to a lost, destroyed, or stolen Bond, a replacement Bond may be issued only upon the approval of the District and after (i) the filing by the owner with the Paying Agent/Registrar of evidence satisfactory to the Paying Agent/Registrar of the destruction, loss, or theft of such Bond, and of the authenticity of the ownership thereof and (ii) the furnishing to the Paying Agent/Registrar of indemnification in an amount satisfactory to hold the District and the Paying Agent/Registrar harmless. All expenses and charges associated with such indemnity and with the preparation, execution and delivery of a replacement Bond shall be borne by the owner of the Bond mutilated, or destroyed, lost, or stolen.

**DEFEASANCE OF BONDS . . .** The Order provides for the defeasance of the Bonds when the payment of the principal of the Bonds, plus interest thereon to the due date thereof (whether such due date be by reason of maturity, or otherwise), is provided by irrevocably depositing with the Paying Agent/Registrar or an authorized escrow agent, in trust (1) cash sufficient to make such payment, or (2) Governmental Obligations (hereinafter defined) certified by an independent certified public accountant, the Paying Agent/Registrar, the District’s Co-Municipal Advisors, or another qualified third party to mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money, together with any moneys deposited therewith, to make such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds. The Order provides that “Governmental Obligations” means (a) direct,

noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that have been refunded and that, on the date of their acquisition or purchase by the District, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (d) any other then-authorized securities or obligations under applicable State law that may be used to defease obligations such as the Bonds. The District has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Governmental Obligations for the Governmental Obligations originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance.

There is no assurance that current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Order does not contractually limit such investments, registered owners may be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used as Governmental Obligations or that for any other Governmental Obligation will be maintained at any particular rating category. Upon such deposit as described above, such Bonds will no longer be regarded to be outstanding or unpaid.

After defeasance, the Permanent School Fund Guarantee will cease to apply to the Bonds.

**AMENDMENTS . . .** The District may, from time to time, amend the Order without the consent of or notice to any registered owners in any manner not detrimental to the interests of the registered owners, including the curing of any ambiguity, inconsistency, or formal defect or omission therein. In addition, the District may, with the written consent of the owners of a majority in aggregate principal amount of the Bonds then outstanding, amend, add to, or rescind any of the provisions of the Order; except that, without the consent of the registered owners of all of the Bonds outstanding, no such amendment, addition, or rescission may (1) extend the time or times of payment of the principal of and interest on the Bonds, reduce the principal amount thereof, or the rate of interest thereon, or in any other way modify the terms of payment of the principal of, or interest on the Bonds, (2) give any preference to any Bond over any other Bond, or (3) reduce the aggregate principal amount of Bonds required to be held by owners for consent to any amendment, addition, or waiver.

**BONDHOLDERS' REMEDIES . . .** The Order does not specify events of default with respect to the Bonds. If the District defaults in the payment of principal or interest on the Bonds when due or the State fails to honor the Permanent School Fund Guarantee as hereinafter discussed, or the District defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order, the registered owners may seek a writ of mandamus to compel the District or District officials to carry out the legally imposed duties with respect to the Bonds if there is no other available remedy at law to compel performance of the Bonds or the Order and the District's obligations are not uncertain or disputed, as well as to enforce the rights of payment under the Permanent School Fund Guarantee. The issuance of a writ of mandamus is controlled by equitable principles, so rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the Bondholders upon any failure of the District to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court ruled in *Tooke v. City of Mexia*, 197 S.W. 3d 325 (Tex. 2006) that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, which pertains to the issuance of public securities by issuers such as the District, permits the District to waive sovereign immunity in the proceedings authorizing the issuance of the Bonds. Notwithstanding its reliance upon the provisions of Chapter 1371 in connection with the issuance of the Bonds (as further described under the caption "THE BONDS – Authority For Issuance"), the District has not waived the defense of sovereign immunity with respect thereto. Because it is unclear whether the Texas Legislature has effectively waived the District's sovereign immunity from a suit for money damages, Bondholders may not be able to bring such a suit against the District for breach of the Bonds or Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or Bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce creditors' rights would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of any other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. See "APPENDIX D – The Permanent School Fund Guarantee Program" herein for a description of the procedures to be followed for payment of the Bonds by the Permanent School Fund in the event the District fails to make a payment on the Bonds when due. The opinion of Co-Bond Counsel will note that all opinions relative to the enforceability of the Bonds are qualified with respect to the customary rights of debtors relative to their creditors.

## THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM

Subject to satisfying certain conditions, the payment of the Bonds will be guaranteed by the corpus of the Permanent School Fund of the State of Texas. In the event of default, registered owners will receive all payments due on the Bonds from the Permanent School Fund, and the Charter District Bond Guarantee Reserve would be the first source to pay debt service if a charter school was unable to make such payment. See “APPENDIX D – THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM” for pertinent information regarding the Permanent School Fund Guarantee Program. The disclosure regarding the Permanent School Fund Guarantee Program in APPENDIX D is incorporated herein and made a part hereof for all purposes.

## STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS

**LITIGATION RELATING TO THE TEXAS PUBLIC SCHOOL FINANCE SYSTEM . . .** On seven occasions in the last thirty years, the Texas Supreme Court (the “Court”) has issued decisions assessing the constitutionality of the Texas public school finance system (the “Finance System”). The litigation has primarily focused on whether the Finance System, as amended by the Texas Legislature (the “Legislature”) from time to time (i) met the requirements of article VII, section 1 of the Texas Constitution, which requires the Legislature to “establish and make suitable provision for the support and maintenance of an efficient system of public free schools” or (ii) imposed a statewide ad valorem tax in violation of article VIII, section 1-e of the Texas Constitution because the statutory limit on property taxes levied by school districts for maintenance and operation purposes had allegedly denied school districts meaningful discretion in setting their tax rates. In response to the Court’s previous decisions, the Legislature enacted multiple laws that made substantive changes in the way the Finance System is funded in efforts to address the prior decisions declaring the Finance System unconstitutional.

On May 13, 2016, the Court issued its opinion in the most recent school finance litigation, *Morath v. The Texas Taxpayer & Student Fairness Coal.*, 490 S.W.3d 826 (Tex. 2016) (“*Morath*”). The plaintiffs and intervenors in the case had alleged that the Finance System, as modified by the Legislature in part in response to prior decisions of the Court, violated article VII, section 1 and article VIII, section 1-e of the Texas Constitution. In its opinion, the Court held that “despite the imperfections of the current school funding regime, it meets minimum constitutional requirements.” The Court also noted that:

Lawmakers decide if laws pass, and judges decide if those laws pass muster. But our lenient standard of review in this policy-laden area counsels modesty. The judicial role is not to second-guess whether our system is optimal, but whether it is constitutional. Our Byzantine school funding “system” is undeniably imperfect, with immense room for improvement. But it satisfies minimum constitutional requirements.

**POSSIBLE EFFECTS OF CHANGES IN LAW ON DISTRICT BONDS . . .** The Court’s decision in *Morath* upheld the constitutionality of the Finance System but noted that the Finance System was “undeniably imperfect.” While not compelled by the *Morath* decision to reform the Finance System, the Legislature could enact future changes to the Finance System. Any such changes could benefit or be a detriment to the District. If the Legislature enacts future changes to, or fails adequately to fund the Finance System, or if changes in circumstances otherwise provide grounds for a challenge, the Finance System could be challenged again in the future. In its 1995 opinion in *Edgewood Independent School District v. Meno*, 917 S.W.2d 717 (Tex. 1995), the Court stated that any future determination of unconstitutionality “would not, however, affect the district’s authority to levy the taxes necessary to retire previously issued bonds, but would instead require the Legislature to cure the system’s unconstitutionality in a way that is consistent with the Contract Clauses of the U.S. and Texas Constitutions” (collectively, the “Contract Clauses”), which prohibit the enactment of laws that impair prior obligations of contracts.

Although, as a matter of law, the Bonds, upon issuance and delivery, will be entitled to the protections afforded previously existing contractual obligations under the Contract Clauses, the District can make no representations or predictions concerning the effect of future legislation, or any litigation that may be associated with such legislation, on the District’s financial condition, revenues or operations. While the enactment of future legislation to address school funding in Texas could adversely affect the financial condition, revenues or operations of the District, the District does not anticipate that the security for payment of the Bonds, specifically, the District’s obligation to levy an unlimited debt service tax and any Permanent School Fund guarantee of the Bonds would be adversely affected by any such legislation. (see “CURRENT PUBLIC SCHOOL FINANCE SYSTEM”).

## CURRENT PUBLIC SCHOOL FINANCE SYSTEM

**OVERVIEW . . .** The following language constitutes only a summary of the Finance System as it is currently structured. The information contained under the captions “CURRENT PUBLIC SCHOOL FINANCE SYSTEM” and “TAX RATE LIMITATIONS” is subject to change, and only reflects the District’s understanding based on information available to the District as of the date of this Official Statement. For a more complete description of school finance and fiscal management in the State, reference is made to Chapters 43 through 49 of the Texas Education Code, as amended. Additionally, prospective investors are encouraged to review the Property Tax Code (as defined herein) for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the defined tax rates.

Local funding for school districts is derived from collections of ad valorem taxes levied on property located within each school district’s boundaries. School districts are authorized to levy two types of property taxes: (i) a maintenance and operations (“M&O”) tax to pay current expenses and (ii) an interest and sinking fund (“I&S”) tax to pay debt service on bonds. School districts are prohibited from levying an M&O tax at a rate intended to create a surplus in M&O tax revenues to pay the district’s debt service. Current law also requires school districts to demonstrate their ability to pay debt service on outstanding bonded indebtedness through the levy of an I&S tax at a rate not to exceed \$0.50 per \$100 of taxable value at the time bonds are issued. Once bonds are issued, however, school districts generally may levy an I&S tax sufficient to pay debt service on such bonds unlimited as to rate or amount. See “TAX RATE LIMITATIONS – I&S Tax Rate Limitations” herein. Because property values vary widely among school districts, the amount of local funding generated by school districts with the same I&S tax rate and M&O tax rate is subject to wide variation; however, the public school finance funding formulas are designed to generally equalize, on a per student basis, local funding generated by a school district’s M&O tax rate.

**2025 Legislative Session.** The regular session of the 89th Texas Legislature commenced on January 14, 2025 and adjourned on June 2, 2025 (the “89th Regular Session”). The Legislature meets in regular session in odd numbered years for 140 days. When the Legislature is not in session, the Governor of Texas (the “Governor”) may call one or more special sessions, at the Governor’s discretion, each lasting no more than 30 days, and for which the Governor sets the agenda. The Governor has called and the Legislature has concluded two special sessions since the conclusion of the 89th Regular Session. Additional special sessions may be called by the Governor. Such special sessions, together with the 89th Regular Session, are collectively referred to herein as the “2025 Legislative Session”.

During the 89th Regular Session, the Legislature considered a general appropriations act and legislation affecting the Finance System and ad valorem taxation procedures and exemptions, and investments, among other legislation affecting school districts and the administrative agencies that oversee school districts. Pursuant to voter approval at a Statewide election held on November 4, 2025, legislation passed by both houses of the Legislature and signed by the Governor increases: (1) the State mandated general homestead exemption of the appraised value for all homesteads from \$100,000 to \$140,000, (2) the additional exemption on the residence homesteads of those at least sixty-five (65) years of age or older and the disabled from \$10,000 to \$60,000, and (3) the exemption for tangible personal property used in the “production of income” from \$2,500 to \$125,000. Additionally, both houses of the Legislature passed and the Governor signed legislation that authorizes roughly \$8.5 billion in funding for public schools and provides districts with a \$55 per-student increase to their base funding beginning September 1, 2025, as well as provides districts with additional funding for teacher and staff salaries, educator preparation, special education, safety requirements and early childhood learning. Finally, legislation passed by the Legislature and signed into law by the Governor will create an education savings account program (commonly referred to as vouchers) for students that attend private schools or home school. The legislation became effective September 1, 2025, when the state fiscal biennium began, though families will not receive education savings account program funds until the 2026-2027 school year. The amount spent for purposes of the program for the 2025-2027 biennium may not exceed \$1 billion. Beginning on September 1, 2027, the legislation requires the Legislature to re-appropriate funds for the program for each subsequent State fiscal biennium. Such program could impact attendance in the District by incentivizing students to homeschool or attend private schools, which could negatively affect the District’s attendance based funding.

The Governor called for a special session on June 23, 2025, which began on July 21, 2025 and concluded on August 15, 2025 (the “First Special Session”). The Governor called a second special session, which began on August 15, 2025, and concluded on September 4, 2025 (the “Second Special Session”). Among the items considered during the First Special Session and Second Special Session included “legislation to eliminate the STAAR test and replace it with effective tools to assess student progress and ensure school district accountability” and “legislation reducing the property tax burden on Texans and legislation imposing spending limits on entities authorized to impose property taxes.” Additional special sessions may be called by the Governor. During such time, the Legislature may enact laws that materially change current law as it relates to funding public school, including the District and its finances. The District can make no representations or predictions regarding the scope of legislation that may be considered in future sessions of the Legislature, or the potential impact of such legislation, but it intends to monitor applicable legislation related thereto.

The District is still in the process of reviewing legislation passed during the 2025 Legislative Session. At this time, the District cannot make any representations as to the full impact of such legislation.

**LOCAL FUNDING FOR SCHOOL DISTRICTS . . .** A school district’s M&O tax rate is composed of two distinct parts: the “Tier One Tax Rate,” which is the local M&O tax rate required for a school district to receive any part of the basic level of State funding (referred to herein as “Tier One”) under the Foundation School Program, as further described below, and the “Enrichment Tax Rate,” which is any local M&O tax effort in excess of its Tier One Tax Rate. Formulas for the State Compression Percentage and Maximum Compressed Tax Rate (each as described below) are designed to compress M&O tax rates in response to year-over-year increases in property values across the State and within a school district, respectively. The discussion in this subcaption “ – Local Funding for School Districts” is generally intended to describe funding provisions applicable to all school districts; however, there are distinctions in the funding formulas for school districts that generate local M&O tax revenues in excess of the school districts’ funding entitlements. Such distinctions are discussed under the subcaption “ – Local Revenue Level in Excess of Entitlement” herein.

**State Compression Percentage.** The “State Compression Percentage” or “SCP” is a statutorily-defined percentage of the rate of \$1.00 per \$100 that is used to determine a school district’s Maximum Compressed Tax Rate (described below). The SCP is the lesser of three alternative calculations: (i) 93% or a lower percentage set by appropriation for a school year; (ii) a percentage determined by formula if the estimated total taxable property value of the State (as submitted annually to the Legislature by the State Comptroller) has increased by at least 2.5% over the prior year; and (iii) the prior year SCP. For any year, the maximum SCP is 93%. For the State fiscal year ending in 2026, the SCP is set at 63.22%.

**Maximum Compressed Tax Rate.** The Maximum Compressed Tax Rate (the “MCR”) is the tax rate per \$100 of valuation of taxable property at which a school district must levy its Tier One Tax Rate to receive the full amount of the Tier One funding to which the school district is entitled. The MCR is equal to the lesser of two alternative calculations: (1) the school district’s current year SCP multiplied by \$1.00; or (2) a percentage determined by formula if the school district experienced a year-over-year increase in property value of at least 2.5% (if the increase in property value is less than 2.5%, then the MCR is equal to the prior year MCR). However, each year the TEA shall evaluate the MCR for each school district in the State, and for any given year, if a school district’s MCR is calculated to be less than 90% of any other school district’s MCR for the current year, then the school district’s MCR is instead equal to the school district’s prior year MCR, until TEA determines that the difference between the school district’s MCR and any other school district’s MCR is not more than 10%. These compression formulas are intended to more closely equalize local generation of Tier One funding among districts with disparate tax bases and generally reduce the Tier One Tax Rates of school districts as property values increase. During the 2025 Legislative Session, the Legislature took action to reduce the MCR for the 2025-2026 school year. The MCR for the 2025-2026 school year is \$0.6322 and the floor is \$0.5689.

In calculating and making available school districts' MCRs for the 2025-2026 school year, the TEA shall calculate and make available the rates as if the increase in the residence homestead exemption under Section 1-b(c), Article VIII, Texas Constitution, as proposed by the 89th Legislature, Regular Session, 2025, took effect. Such calculation for the 2025-2026 school year expires September 1, 2026. Pursuant to voter approval at a Statewide election held on November 4, 2025, (1) the State mandated general homestead exemption under Section 1-b(c), Article VIII, Texas Constitution was increased from \$100,000 to \$140,000, and (2) the additional exemption on the residence homesteads of those at least sixty-five (65) years of age or disabled under Section 1-b(c), Article VIII, Texas Constitution was increased from \$10,000 to \$60,000. The constitutional amendment takes effect for the tax year beginning January 1, 2025.

**Tier One Tax Rate.** A school district's Tier One Tax Rate is defined as a school district's M&O tax rate levied that does not exceed the school district's MCR.

**Enrichment Tax Rate.** The Enrichment Tax Rate is the number of cents a school district levies for M&O in excess of the Tier One Tax Rate, up to an additional \$0.17. The Enrichment Tax Rate is divided into two components: (i) "Golden Pennies" which are the first \$0.08 of tax effort in excess of a school district's Tier One Tax Rate; and (ii) "Copper Pennies" which are the next \$0.09 in excess of a school district's Tier One Tax Rate plus Golden Pennies.

School districts may levy an Enrichment Tax Rate at a level of their choice, subject to the limitations described under "TAX RATE LIMITATIONS – Public Hearing and Voter-Approval Tax Rate"; however, to levy any of the Enrichment Tax Rate in a given year, a school district must levy a Tier One Tax Rate equal to the school district's MCR.

**State Funding for School Districts.** State funding for school districts is provided through the two-tiered Foundation School Program, which guarantees certain levels of funding for school districts in the State. School districts are entitled to a legislatively appropriated guaranteed yield on their Tier One Tax Rate and Enrichment Tax Rate. When a school district's Tier One Tax Rate and Enrichment Tax Rate generate tax revenues at a level below the respective entitlement, the State will provide "Tier One" funding or "Tier Two" funding, respectively, to fund the difference between the school district's entitlements and the actual M&O revenues generated by the school district's respective M&O tax rates.

The first level of funding, Tier One, is the basic level of funding guaranteed to all school districts based on a school district's Tier One Tax Rate. Tier One funding may then be "enriched" with Tier Two funding. Tier Two provides a guaranteed entitlement for each cent of a school district's Enrichment Tax Rate, allowing a school district increase or decrease its Enrichment Tax Rate to supplement Tier One funding at a level of the school district's own choice. While Tier One funding may be used for the payment of debt service (except for school districts subject to the recapture provisions of Chapter 49 of the Texas Education Code, as discussed herein), and in some instances is required to be used for that purpose (see "TAX RATE LIMITATIONS – I&S Tax Rate Limitations"), Tier Two funding may not be used for the payment of debt service or capital outlay.

The current public school finance system also provides an Existing Debt Allotment ("EDA") to subsidize debt service on eligible outstanding school district bonds, an Instructional Facilities Allotment ("IFA") to subsidize debt service on newly issued bonds, and a New Instructional Facilities Allotment ("NIFA") to subsidize operational expenses associated with the opening of a new instructional facility. IFA primarily addresses the debt service needs of property-poor school districts.

Tier One and Tier Two allotments represent the State's share of the cost of M&O expenses of school districts, with local M&O taxes representing the school district's local share. EDA and IFA allotments supplement a school district's local I&S taxes levied for debt service on eligible bonds issued to construct, acquire and improve facilities, provided that a school district qualifies for such funding and that the State Legislature makes sufficient appropriations to fund the allotments for a State fiscal biennium. Tier One and Tier Two allotments and existing EDA and IFA allotments are generally required to be funded each year by the State Legislature.

**Tier One.** Tier One funding is the basic level of funding guaranteed to a school district, consisting of a State-appropriated baseline level of funding (the "Basic Allotment") for each student in "Average Daily Attendance" (being generally calculated as the sum of student attendance, other than students in average daily attendance who do not reside in the district and are enrolled in a full-time virtual program, for each State-mandated day of instruction divided by the number of State-mandated days of instruction, defined herein as "ADA"). The Basic Allotment is revised downward if a school district's Tier One Tax Rate is less than the State-determined threshold. The Basic Allotment is supplemented by additional State funds, allotted based upon unique school district characteristics and demographics of students in ADA, to make up most of a school district's Tier One entitlement under the Foundation School Program.

The Basic Allotment for school districts with a Tier One Tax Rate equal to the school district's MCR, is \$6,160 plus the guaranteed yield increment adjustment (the "GYIA") for each student in ADA and is revised downward for school districts with a Tier One Tax Rate lower than the school district's MCR. The GYIA is established by October 1 of each even-numbered year for the subsequent biennium. For the 2026-27 biennium, the GYIA is set at \$55. The Basic Allotment is then supplemented for all school districts by various weights to account for differences among school districts and their student populations. Such additional allotments include, but are not limited to, increased funds for students in ADA who: (i) attend a qualified special education program, (ii) are diagnosed with dyslexia or a related disorder, (iii) are economically disadvantaged, or (iv) have limited English language proficiency. Additional allotments to mitigate differences among school districts include, but are not limited to: (i) a transportation allotment for mileage associated with transporting students who reside two miles or more from their home campus, (ii) a fast growth allotment (for school districts in the top 25% of enrollment growth relative to other school districts), (iii) a college, career and military readiness allotment to further the State's goal of increasing the number of students who attain a post-secondary education or workforce credential, and (iv) a teacher incentive allotment to increase teacher compensation and retention in disadvantaged or rural school districts. A school district's total Tier One funding, divided by the district's Basic Allotment is a school district's measure of students in "Weighted Average Daily Attendance" ("WADA"), which serves to calculate Tier Two funding.

The fast growth allotment weights change to 0.48 for districts in the top 40% of school districts for growth, 0.33 for districts in the middle 30% of school districts for growth and 0.18 for districts in the bottom 30% of school districts for growth. The fast growth allotment is limited to \$320 million for each year of the 2026-2027 state fiscal biennium.

**Tier Two.** Tier Two supplements Tier One funding and provides two levels of enrichment with different guaranteed yields (i.e., Golden Pennies and Copper Pennies) depending on the school district's Enrichment Tax Rate. Golden Pennies generate a guaranteed yield equal to the Basic Allotment multiplied by 0.02084. For the 2026-2027 State fiscal biennium, school districts are guaranteed a yield on each Golden Penny levied of \$129.52 per student in WADA. Copper Pennies generate a guaranteed yield per student in WADA equal to the school district's Basic Allotment multiplied by 0.008. For the 2026-2027 State fiscal biennium, school districts are guaranteed a yield on each Copper Penny levied of \$49.72 per student in WADA.

**Existing Debt Allotment, Instructional Facilities Allotment, and New Instructional Facilities Allotment.** The Foundation School Program also includes facilities funding components consisting of the IFA and the EDA, subject to legislative appropriation each State fiscal biennium. To the extent funded for a biennium, these programs assist school districts in funding facilities by, generally, equalizing a school district's I&S tax effort. The IFA guarantees each awarded school district a specified amount per student (the "IFA Yield") in State and local funds for each cent of I&S tax levied to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate or improve instructional facilities. The IFA Yield has been \$35 since this program first began in 1997. New awards of IFA are only available if appropriated funds are allocated for such purpose by the State Legislature. To receive an IFA award, in years where new IFA awards are available, a school district must apply to the Commissioner in accordance with rules adopted by the TEA before issuing the bonds to be paid with IFA State assistance. The total amount of debt service assistance over a biennium for which a school district may be awarded is limited to the lesser of (1) the actual debt service payments made by the school district in the biennium in which the bonds are issued; or (2) the greater of (a) \$100,000 or (b) \$250 multiplied by the number of students in ADA. The IFA is also available for lease-purchase agreements and refunding bonds meeting certain prescribed conditions. Once a school district receives an IFA award for bonds, it is entitled to continue receiving State assistance for such bonds without reapplying to the Commissioner. A school district may use additional state aid received from an IFA award only to pay the principal of and interest on the bonds for which the district received the aid. The guaranteed level of State and local funds per student percent of local tax effort applicable to the bonds may not be reduced below the level provided for the year in which the bonds were issued. For the 2026-2027 State fiscal biennium, the State Legislature did not appropriate any funds for new IFA awards; however, awards previously granted in years the State Legislature did appropriate funds for new IFA awards will continue to be funded.

State financial assistance is provided for certain existing eligible debt issued by school districts through the EDA program. The EDA guaranteed yield (the "EDA Yield") is the lesser of (i) \$40 per student in ADA or a greater amount for any year provided by appropriation; or (ii) the amount that would result in a total additional EDA of \$60 million more than the EDA to which school districts would have been entitled to if the EDA Yield were \$35. The portion of a school district's local debt service rate that qualifies for EDA assistance is limited to the first \$0.29 of its I&S tax rate (or a greater amount for any year provided by appropriation by the State Legislature). In general, a school district's bonds are eligible for EDA assistance if (i) the school district made payments on the bonds during the final fiscal year of the preceding State fiscal biennium, or (ii) the school district levied taxes to pay the principal of and interest on the bonds for that fiscal year. Each biennium, access to EDA funding is determined by the debt service taxes collected in the final year of the preceding biennium. A school district may not receive EDA funding for the principal and interest on a series of otherwise eligible bonds for which the school district receives IFA funding.

Since future-year IFA awards were not funded by the State Legislature for the 2026-2027 State fiscal biennium and debt service assistance on school district bonds that are not yet eligible for EDA is not available, debt service payments during the 2026-2027 State fiscal biennium on new bonds issued by school districts in the 2026-2027 State fiscal biennium to construct, acquire and improve facilities must be funded solely from local I&S taxes, except to the extent the bonds of a school district are eligible for hold harmless funding from the State for local tax revenue lost as a result of an increase in the mandatory homestead exemption. See "State Funding For School Districts – Tax Rate and Funding Equity" below.

A school district may also qualify for a NIFA allotment, which provides assistance to school districts for operational expenses associated with opening new instructional facilities or a renovated portion of an instructional facility to be used for the first time to provide high-cost and undersubscribed career and technology education programs, as determined by the Commissioner. In the 89th Regular Session, the Legislature appropriated funds in the amount of \$150,000,000 for each fiscal year of the 2026-2027 State fiscal biennium for NIFA allotments.

**Tax Rate and Funding Equity.** The Commissioner may proportionally reduce the amount of funding a school district receives under the Foundation School Program and the ADA calculation if the school district operates on a calendar that provides less than the State-mandated minimum instruction time in a school year. The Commissioner may also adjust a school district's ADA as it relates to State funding where disaster, flood, extreme weather or other calamity has a significant effect on a school district's attendance.

For the 2026-2027 school year, school districts will be held harmless and entitled to additional state aid to the extent that state and local revenue used to service eligible debt is less than the state and local revenue that would have been available to the district under state law providing for state aid to districts to account for increases in the general residence homestead exemption and the elderly or disabled tax ceiling, if any increase in a residence homestead exemption under the Texas Constitution, and any additional limitation on tax increases under the elderly or disabled tax ceiling had not occurred.

**Local Revenue Level in Excess of Entitlement.** A school district that has sufficient property wealth per student in ADA to generate local revenues on the school district's Tier One Tax Rate and Copper Pennies in excess of the school district's respective funding entitlements (a "Chapter 49 school district"), is subject to the local revenue reduction provisions contained in Chapter 49 of Texas Education Code, as amended ("Chapter 49"). Additionally, in years in which the amount of State funds appropriated specifically excludes the amount necessary to provide the guaranteed yield for Golden Pennies, local revenues generated on a school district's Golden Pennies in excess of the school district's respective funding entitlement are subject to the local revenue reduction provisions of Chapter 49. To reduce local revenue, Chapter 49 school districts are generally subject to a process known as "recapture," which requires a Chapter 49 school district to exercise certain options to remit local M&O tax revenues collected in excess of the Chapter 49 school district's funding entitlements to the State (for redistribution to other school districts) or otherwise expending the respective M&O tax revenues for the benefit of students in school districts

that are not Chapter 49 school districts, as described in the subcaption “Options for Local Revenue Levels in Excess of Entitlement”. Chapter 49 school districts receive their allocable share of funds distributed from the constitutionally-prescribed Available School Fund, but are generally not eligible to receive State aid under the Foundation School Program, although they may continue to receive State funds for certain competitive grants and certain programs that remain outside the Foundation School Program.

Recapture is measured by the “local revenue level” (being the M&O tax revenues generated in a school district) in excess of the entitlements appropriated by the State Legislature each fiscal biennium. Therefore, school districts are now guaranteed that recapture will not reduce revenue below their statutory entitlement.

**Options for Local Revenue Levels in Excess of Entitlement.** Under Chapter 49, a school district has six options to reduce local revenues to a level that does not exceed the school district’s respective entitlements: (1) a school district may consolidate by agreement with one or more school districts to form a consolidated school district; all property and debt of the consolidating school districts vest in the consolidated school district; (2) a school district may detach property from its territory for annexation by a property-poor school district; (3) a school district may purchase attendance credits from the State; (4) a school district may contract to educate nonresident students from a property-poor school district by sending money directly to one or more property-poor school districts; (5) a school district may execute an agreement to provide students of one or more other school districts with career and technology education through a program designated as an area program for career and technology education; or (6) a school district may consolidate by agreement with one or more school districts to form a consolidated taxing school district solely to levy and distribute either M&O taxes or both M&O taxes and I&S taxes. A Chapter 49 school district may also exercise any combination of these remedies. Options (3), (4) and (6) require prior approval by the Chapter 49 school district’s voters. A district that enters into an agreement to exercise an option to reduce the district’s local revenue level in excess of entitlement under options (3), (4), or (5) for the 2025-2026 school year and that has not previously held an election to exercise said options may request and may receive approval from the Commissioner to delay the date of the election otherwise required to be ordered before September 1. The Commissioner shall set a date by which each district that receives approval to delay an election must order the election and requires the Commissioner, not later than the 2026-2027 school year, to order detachment and annexation of district property or consolidation as necessary to reduce the district’s excess local revenue to the level established by law for a district that receives approval to delay an election and subsequently fails to hold the election or does not receive voter approval at the election. A district that receives approval of a request to delay the date of an election shall pay for credit purchased in equal monthly payments as determined by the Commissioner beginning March 15, 2026, and ending August 15, 2026. Alternatively, the district may pay for credit purchased with one lump sum payment made not later than August 15, 2026, provided that the district notifies the Commissioner of the district’s election to pay through a lump sum not later than March 15, 2026.

Furthermore, a school district may not adopt a tax rate until its effective local revenue level is at or below the level that would produce its guaranteed entitlement under the Foundation School Program. If a school district fails to exercise a permitted option, the Commissioner must reduce the school district’s local revenue level to the level that would produce the school district’s guaranteed entitlement, by detaching certain types of property from the school district and annexing the property to a property-poor school district or, if necessary, consolidate the school district with a property-poor school district. Provisions governing detachment and annexation of taxable property by the Commissioner do not provide for assumption of any of the transferring school district’s existing debt.

## **THE SCHOOL FINANCE SYSTEM AS APPLIED TO FORT WORTH INDEPENDENT SCHOOL DISTRICT**

For the 2025-2026 fiscal year, the District was designated as a Chapter 49 school district by TEA. Accordingly, the District was required to exercise one of the permitted wealth equalization options. As a district with wealth per student in excess of the equalized wealth value, the District has reduced its wealth per student by exercising Option 3 (purchase of attendance credits from the State) under Chapter 49. As a Chapter 49 school district, the District does not receive any State funding to pay debt service requirements on its outstanding indebtedness, including the Bonds.

A district’s “excess local revenue” must be tested for each future school year and, if it exceeds the maximum permitted level, must be reduced by exercise of one of the permitted wealth equalization options. Accordingly, if the District’s wealth per student should exceed the maximum permitted level in future school years, it will be required each year to exercise one or more of the wealth reduction options. If the District were to consolidate (or consolidate its tax base for all purposes) with a property poor district, the outstanding debt of each district could become payable from the consolidated district’s combined property tax base, and the District’s ratio of taxable property to debt could become diluted. If the District were to detach property voluntarily, a portion of its outstanding debt (including the Bonds) could be assumed by the district to which the property is annexed, in which case timely payment of the Bonds could become dependent in part on the financial performance of the annexing district. See “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – Local Revenue Level in Excess of Entitlement.”

*[The remainder of this page intentionally left blank.]*

## TAX RATE LIMITATIONS

**M&O TAX RATE LIMITATIONS . . .** The District is authorized to levy an M&O tax rate pursuant to the approval of the voters of the District at an election held on May 10, 1969 in accordance with the provisions of Article 2784e-1, Texas Revised Civil Statutes, as amended.

The maximum M&O tax rate per \$100 of taxable value that may be adopted by a school district is the sum of \$0.17 and the school district's MCR. A school district's MCR is, generally, inversely proportional to the change in taxable property values both within the school district and the State, and is subject to recalculation annually. For any year, the highest possible MCR for a school district is \$0.93 (see " – Public Hearing and Voter-Approval Tax Rate" and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – Local Funding for School Districts" herein).

Furthermore, a school district cannot annually increase its tax rate in excess of the school district's Voter-Approval Tax Rate without submitting such tax rate to an election and a majority of the voters voting at such election approving the adopted rate (see " – Public Hearing and Voter-Approval Tax Rate" herein).

**I&S TAX RATE LIMITATIONS . . .** A school district is also authorized to issue bonds and levy taxes for payment of bonds subject to voter approval of one or more propositions submitted to the voters under Section 45.003(b)(1), Texas Education Code, as amended, which provides a tax unlimited as to rate or amount for the support of school district bonded indebtedness.

Section 45.0031 of the Texas Education Code, as amended, requires a school district to demonstrate to the Texas Attorney General that it has the prospective ability to pay its maximum annual debt service on a proposed issue of bonds and all previously issued bonds, other than bonds approved by voters of a school district at an election held on or before April 1, 1991 and issued before September 1, 1992 (or debt issued to refund such bonds, collectively, "exempt bonds"), from a tax levied at a rate of \$0.50 per \$100 of assessed valuation before bonds may be issued (the "50-cent Test"). In demonstrating the ability to pay debt service at a rate of \$0.50, a school district may take into account EDA and IFA allotments to the school district, which effectively reduces the school district's local share of debt service, and may also take into account Tier One funds allotted to the school district. If a school district exercises this option, it may not adopt an I&S tax until it has credited to the school district's I&S fund an amount equal to all State allotments provided solely for payment of debt service and any Tier One funds needed to demonstrate compliance with the threshold tax rate test and which is received or to be received in that year. Additionally, a school district may demonstrate its ability to comply with the 50-cent Test by applying the \$0.50 tax rate to an amount equal to 90% of projected future taxable value of property in the school district, as certified by a registered professional appraiser, anticipated for the earlier of the tax year five (5) years after the current tax year or the tax year in which the final payment for the bonds is due. However, if a school district uses projected future taxable values to meet the 50-cent Test and subsequently imposes a tax at a rate greater than \$0.50 per \$100 of valuation to pay for bonds subject to the test, then for subsequent bond issues, the Texas Attorney General must find that the school district has the projected ability to pay principal and interest on the proposed bonds and all previously issued bonds subject to the 50-cent Test from a tax rate of \$0.45 per \$100 of valuation. Once the prospective ability to pay such tax has been shown and the bonds are issued, a school district may levy an unlimited tax to pay debt service. Refunding bonds issued pursuant to Chapter 1207, Texas Government Code, as amended, are not subject to the 50-cent Test; however, taxes levied to pay debt service on such bonds (other than bonds issued to refund exempt bonds) are included in maximum annual debt service for calculation of the 50-cent Test when applied to subsequent bond issues that are subject to the 50-cent Test. The Bonds are issued as refunding bonds and are therefore not subject to the 50-cent Test. The District has not used projected property values or State assistance (other than EDA or IFA allotment funding) to satisfy the 50-cent Test.

**PUBLIC HEARING AND VOTER-APPROVAL TAX RATE . . .** A school district's total tax rate is the combination of the M&O tax rate and the I&S tax rate. Generally, the highest rate at which a school district may levy taxes for any given year without holding an election to approve the tax rate is the "Voter-Approval Tax Rate", as described below.

A school district is required to adopt its annual tax rate before the later of September 30 or the sixtieth (60th) day after the date the certified appraisal roll is received by the taxing unit, except that a tax rate that exceeds the Voter-Approval Tax Rate must be adopted not later than the seventy-first (71st) day before the next occurring November uniform election date. A school district's failure to adopt a tax rate equal to or less than the Voter-Approval Tax Rate by September 30 or the sixtieth (60th) day after receipt of the certified appraisal roll, will result in the tax rate for such school district for the tax year to be the lower of the "no-new-revenue tax rate" calculated for that tax year or the tax rate adopted by the school district for the preceding tax year. A school district's failure to adopt a tax rate in excess of the Voter-Approval Tax Rate on or prior to the seventy-first (71st) day before the next occurring November uniform election date, will result in the school district adopting a tax rate equal to or less than its Voter-Approval Tax Rate by the later of September 30 or the sixtieth (60th) day after receipt of the certified appraisal roll. "No-new-revenue tax rate" means the rate that will produce the prior year's total tax levy from the current year's total taxable values, adjusted such that lost values are not included in the calculation of the prior year's taxable values and new values are not included in the current year's taxable values.

The Voter-Approval Tax Rate for a school district is the sum of (i) the school district's MCR; (ii) the greater of (a) the school district's Enrichment Tax Rate for the preceding year, less any amount by which the school district is required to reduce its current year Enrichment Tax Rate pursuant to Section 48.202(f), Texas Education Code, as amended, or (b) the rate of \$0.05 per \$100 of taxable value; and (iii) the school district's current I&S tax rate. A school district's M&O tax rate may not exceed the rate equal to the sum of (i) \$0.17 and (ii) the school district's MCR (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" herein, for more information regarding the State Compression Percentage, MCR, and the Enrichment Tax Rate).

The governing body of a school district generally cannot adopt a tax rate exceeding the school district's Voter-Approval Tax Rate without approval by a majority of the voters approving the higher rate at an election to be held on the next uniform election date. Further, subject to certain exceptions for areas declared disaster areas, State law requires the board of trustees of a school district to conduct an efficiency audit before seeking voter approval to adopt a tax rate exceeding the Voter-Approval Tax Rate and sets certain parameters for conducting and disclosing the results of such efficiency audit. An election is not required for a tax increase to address increased expenditures resulting

from certain natural disasters in the year following the year in which such disaster occurs; however, the amount by which the increased tax rate exceeds the school district's Voter-Approval Tax Rate for such year may not be considered by the school district in the calculation of its subsequent Voter-Approval Tax Rate.

**The calculation of the Voter-Approval Tax Rate does not limit or impact the District's ability to set an I&S tax rate in each year sufficient to pay debt service on all of the District's I&S tax-supported debt obligations, including the Bonds.**

Before adopting its annual tax rate, a public meeting must be held for the purpose of adopting a budget for the succeeding year. A notice of public meeting to discuss the school district's budget and proposed tax rate must be published in the time, format and manner prescribed in Section 44.004 of the Texas Education Code. Section 44.004(e) of the Texas Education Code provides that a person who owns taxable property in a school district is entitled to an injunction restraining the collection of taxes by the school district if the school district has not complied with such notice requirements or the language and format requirements of such notice as set forth in Section 44.004(b), (c), (c-1), (c-2), and (d), and, if applicable, subsection (i), and if such failure to comply was not in good faith. Section 44.004(e) further provides the action to enjoin the collection of taxes must be filed before the date the school district delivers substantially all of its tax bills. A school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year may adopt a tax rate for the current tax year before receipt of the certified appraisal roll, so long as the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district. If a school district adopts its tax rate prior to the adoption of its budget, both the no-new-revenue tax rate and the Voter-Approval Tax Rate of the school district shall be calculated based on the school district's certified estimate of taxable value. A school district that adopts a tax rate before adopting its budget must hold a public hearing on the proposed tax rate followed by another public hearing on the proposed budget rather than holding a single hearing on the two items.

A school district must annually calculate and prominently post on its internet website, and submit to the county tax assessor-collector for each county in which all or part of the school district is located its Voter-Approval Tax Rate in accordance with forms prescribed by the State Comptroller.

### **AD VALOREM PROPERTY TAXATION**

*The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.*

**VALUATION OF TAXABLE PROPERTY . . .** The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the District is the responsibility of the Tarrant Appraisal District (the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

An appraisal district is prohibited from increasing the appraised value of real property during the 2025 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than \$5.16 million (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property. After the 2025 tax year, through December 31, 2026 (unless extended by the Legislature), the maximum property value may be increased or decreased by the product of the preceding State fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the District, in establishing their tax rolls and tax rates (see " – District and Taxpayer Remedies").

**STATE MANDATED HOMESTEAD EXEMPTIONS . . .** State law grants, with respect to each school district in the State, (1) a \$140,000 exemption of the appraised value of all homesteads, (2) a \$60,000 exemption of the appraised value of the homesteads of persons 65 years of age or older and the disabled, and (3) various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM - 2025 Legislative Session" for a discussion of legislation passed during the 89th Regular Session that, pursuant to voter approval at a Statewide election held on November 4, 2025, increased the (1) general homestead exemption for all homesteads from \$100,000 to \$140,000 and (2) additional homestead exemption for persons sixty-five (65) of age or older and the disabled from \$10,000 to \$60,000.

**LOCAL OPTION HOMESTEAD EXEMPTIONS . . .** The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than \$5,000) and (2) an additional exemption of at least \$3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentation of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. The governing body of a school district, municipality, or county that adopted an exemption described in (1), above, for the 2022 tax year may not reduce the amount of or repeal the exemption through December 31, 2027.

**STATE MANDATED FREEZE ON SCHOOL DISTRICT TAXES . . .** Except for increases attributable to certain improvements, a school district is prohibited from increasing the total ad valorem tax on the homestead of persons sixty-five (65) years of age or older or of disabled persons above the amount of tax imposed in the year such homestead qualified for such exemption. This freeze is transferable to a different homestead if a qualifying taxpayer moves and, under certain circumstances, is also transferable to the surviving spouse of persons sixty-five (65) years of age or older, but not the disabled.

**PERSONAL PROPERTY . . .** Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property. Pursuant to legislation enacted during the 2025 Legislative Session and approved by voters at a Statewide election held on November 4, 2025, effective January 1, 2026, a person is entitled to an exemption from taxation by a taxing unit of \$125,000 of the appraised value of the tangible personal property the person owns that is held or used for the production of income and has taxable situs at the same location in the taxing unit. A person who leases tangible personal property is also entitled to a tax exemption of \$125,000, regardless of where the property is located in the taxing unit.

**FREEPORT AND GOODS-IN-TRANSIT EXEMPTIONS . . .** Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property.

**OTHER EXEMPT PROPERTY . . .** Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property. Beginning with the 2026 tax year, all intangible personal property is exempt from State taxation.

**TEMPORARY EXEMPTION FOR QUALIFIED PROPERTY DAMAGED BY A DISASTER . . .** The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the Governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. Except in situations where the territory is declared a disaster on or after the date the taxing unit adopts a tax rate for the year in which the disaster declaration is issued, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the Governor declares the area to be a disaster area. The Texas Legislature amended the Property Tax Code to clarify that "damage" for purposes of such statute is limited to "physical damage." For more information on the exemption, reference is made to Section 11.35 of the Property Tax Code.

**TAX INCREMENT REINVESTMENT ZONES . . .** A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones (“TIRZ”) within its boundaries. At the time of the creation of the TIRZ, a “base value” for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the “tax increment”. During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Until September 1, 1999, school districts were able to reduce the value of taxable property reported to the State to reflect any taxable value lost due to TIRZ participation by the school district. The ability of the school district to deduct the taxable value of the tax increment that it contributed prevented the school district from being negatively affected in terms of state school funding. However, due to a change in law, local M&O tax rate revenue contributed to a TIRZ created on or after May 31, 1999 will count toward a school district’s Tier One entitlement (reducing Tier One State funds for eligible school districts) and will not be considered in calculating any school district’s Tier Two entitlement (see “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts”).

**TAX LIMITATION AGREEMENTS . . .** The Texas Economic Development Act (Chapter 313, Texas Tax Code, as amended, “Chapter 313”), previously allowed school districts to grant limitations on appraised property values to certain corporations and limited liability companies to encourage economic development within the school district. Generally, during the last eight (8) years of the ten-year term of a tax limitation agreement, a school district could only levy and collect M&O taxes on the agreed-to limited appraised property value. For the purposes of calculating its Tier One and Tier Two entitlements, the portion of a school district’s property that is not fully taxable is excluded from the school district’s taxable property values. Therefore, a school district will not be subject to a reduction in Tier One or Tier Two State funds as a result of lost M&O tax revenues due to entering into a tax limitation agreement (see “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts”). The 87th Texas Legislature did not vote to extend this program, which expired by its terms effective December 31, 2022.

For a discussion of how the various exemptions described above are applied by the District, see “- The Property Tax Code as Applied to the District” herein.

**TAX ABATEMENT AGREEMENTS. . .** Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

In the 88th Legislative Session, House Bill 5 (“HB 5” or “The Texas Jobs, Energy, Technology, and Innovation Act”) was adopted to create an economic development program, subject to state oversight, which would attract jobs and investment to Texas through school district property tax abatement agreements with businesses. HB5 was codified as Chapter 403, Subchapter T, Texas Government Code (“Chapter 403”) and had an effective date of January 1, 2024. Under Chapter 403, a school district may offer a 50% abatement on taxable value for maintenance and operations property taxes for certain eligible projects, except that projects in a federally designated economic opportunity zone receive a 75% abatement. Chapter 403 also provides a 100% abatement of maintenance and operations taxes for eligible property during a project’s construction period. Taxable valuation for purposes of the debt service tax securing a series of bonds cannot be abated under Chapter 403. Eligible projects must involve manufacturing, dispatchable power generation facilities, technology research/development facilities, or critical infrastructure projects and projects must create and maintain jobs, as well as meet certain minimum investment requirements. The District is still in the process of reviewing Chapter 403 and cannot make any representations as to what impact, if any, Chapter 403 will have on its finances or operations.

**For a discussion of how the various exemptions described above are applied by the District, see “-THE PROPERTY TAX CODE AS APPLIED TO THE DISTRICT” herein.**

**DISTRICT AND TAXPAYER REMEDIES . . .** Under certain circumstances, taxpayers and taxing units, including the District, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the District may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property (being (i) commercial real and personal property, (ii) real and personal property of utilities, (iii) industrial and manufacturing real and personal property, and (iv) multifamily residential real property) with a taxable value in excess of the current year “minimum eligibility amount”, as determined by the State Comptroller, and situated in a county with a population of 1.2 million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at \$61,349,201 for the 2025 tax year, and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see “TAX RATE LIMITATIONS – Public Hearing and Voter-Approval Tax Rate”). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

**LEVY AND COLLECTION OF TAXES . . .** The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%)

regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the District may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances. The Property Tax Code permits taxpayers owning homes or certain businesses located in a disaster area and damaged as a direct result of the declared disaster to pay taxes imposed in the year following the disaster in four equal installments without penalty or interest, commencing on February 1 and ending on August 1. See "AD VALOREM PROPERTY TAXATION - Temporary Exemption for Qualified Property Damaged by a Disaster" for further information related to a discussion of the applicability of this section of the Property Tax Code.

**DISTRICT'S RIGHTS IN THE EVENT OF TAX DELINQUENCIES.** . . Taxes levied by the District are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

**THE PROPERTY TAX CODE AS APPLIED TO THE DISTRICT** . . . The District does not grant an optional or additional exemption to the appraised value of residence homestead of a person 65 years of age or older or the disabled.

The District does not grant an additional local option exemption of 20% of the appraised value of residence homesteads.

See "Table 1 - Exemptions and Tax Supported Debt" for a listing of the amounts of the exemptions granted by the District.

Ad valorem taxes are not levied by the District against the exempt value of residence homesteads for the payment of debt.

The District does not tax nonbusiness personal property.

The District contracts with the Tarrant County Tax Assessor-Collector's office for the collection of ad valorem taxes.

The District does permit split payments, but discounts are not allowed.

The District does not tax Freeport Property. The District does tax Goods-in-Transit.

The District does currently participate in tax increment financing zones.

Currently, the District is not a party to an active Chapter 313 agreement.

*[The remainder of this page intentionally left blank.]*

**TABLE 1 - EXEMPTIONS AND TAX SUPPORTED DEBT**

Fiscal Year 2026 Total Appraised Valuation Established by the Appraisal District <sup>(1)</sup> (excluding totally exempt property)		\$ 73,778,149,068
Less Exemptions/Reductions at 100% Market Value:		
Residential Homestead Exemptions (State Mandated, General, Over 65 & Disabled)	\$ 11,781,200,460	
Disabled Veterans	221,284,502	
Productivity Loss	236,012,684	
Solar/Wind Power	1,621,446	
Foreign Trade Zone	37,284,447	
Inventory	798,092,010	
Pollution Control	2,158,349	
Community Housing Development	76,857,323	
Nominal Value Loss	2,110,999	
Circuit Breaker Limitation	960,878,944	
Cap Loss	2,061,123,117	
Miscellaneous Personal Property (Vehicles, etc.)	431,876,281	
Surviving Spouse of First Responder / Disabled Vet / Armed Service	<u>19,916,801</u>	<u>16,630,417,363</u>
2026 Taxable Assessed Valuation		\$ 57,147,731,705 <sup>(2)</sup>
Less: Protested/Incomplete Values		<u>(938,667,746)</u>
Fiscal Year 2026 Taxable Assessed Valuation		<u>\$ 56,209,063,959</u>
General Obligation Debt Payable from Ad Valorem Taxes (as of 10-31-25)		\$ 1,561,440,000
Unlimited Tax Qualified School Construction Bonds, Series 2009 (Tax Credit Bond)	\$ 3,950,000	
Unlimited Tax Qualified School Construction Bonds, Series 2010 (Tax Credit Bond)	2,345,000	
Unlimited Tax Refunding and School Building Bonds, Series 2016	13,695,000 <sup>(3)</sup>	
Unlimited Tax School Building Bonds, Series 2018	133,240,000	
Unlimited Tax School Building Bonds, Series 2019A	121,670,000	
Unlimited Tax Refunding Bonds, Series 2019B	24,225,000	
Unlimited Tax School Building Bonds, Series 2020	105,625,000	
Unlimited Tax School Building Bonds, Series 2021A	213,795,000	
Unlimited Tax Refunding Bonds, Taxable Series 2021B	89,340,000	
Unlimited Tax School Building Bonds, Series 2022	116,175,000	
Unlimited Tax School Building Bonds, Series 2023	253,975,000	
Unlimited Tax School Building Bonds, Series 2024	253,450,000	
Unlimited Tax Refunding Bonds, Series 2025	88,125,000	
The Bonds	<u>129,925,000</u>	
Total Debt Payable from Ad Valorem Taxes		<u>\$ 1,549,535,000 <sup>(3)</sup></u>
Interest and Sinking Fund (as of 9-30-25)		\$ 16,624,945
Ratio Tax Supported Debt to Taxable Assessed Valuation		2.76%
2026 Estimated Population - 472,434 <sup>(4)</sup>		
Per Capita Taxable Assessed Valuation - \$118,978		
Per Capita Funded Debt - \$3,280		

<sup>(1)</sup> Information provided by the Appraisal District. Data is subject to change as additional information becomes available.  
<sup>(2)</sup> Value includes the application of a \$140,000 State-mandated general homestead exemption. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session" and "AD VALOREM PROPERTY TAXATION - State Mandated Homestead Exemptions."  
<sup>(3)</sup> Excludes the Refunded Bonds.  
<sup>(4)</sup> Information provided by the Municipal Advisory Council of Texas. Data is subject to change as additional information becomes available.

**TABLE 2 - TAXABLE ASSESSED VALUATIONS BY CATEGORY <sup>(1)</sup>**

Category	Taxable Appraised Value for Fiscal Year Ended June 30,					
	2026		2025		2024	
	Amount	% of Total	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 39,059,314,038	52.94%	\$ 40,271,745,683	47.48%	\$ 34,061,217,618	44.22%
Real, Residential, Multi-Family	8,858,978,279	12.01%	10,169,058,382	11.99%	9,945,139,168	12.91%
Real, Vacant Lots/Tracts	942,243,408	1.28%	1,831,506,929	2.16%	1,867,424,976	2.42%
Real, Acreage	412,965,727	0.56%	242,164,949	0.29%	5,346,993	0.01%
Real, Farm and Ranch Improvements	-	0.00%	32,083,625	0.04%	-	0.00%
Real, Property, Rural Land not Qualified	33,312,358	0.05%	24,687,439	0.03%	50,933,516	0.07%
Real, Commercial	14,957,091,719	20.27%	22,439,956,578	26.46%	21,223,840,151	27.55%
Real, Industrial	600,253,515	0.81%	575,647,692	0.68%	554,176,717	0.72%
Real and Tangible Personal, Billboards	1,316,878	0.00%	5,910,898	0.01%	5,988,876	0.01%
Real, Oil, Gas, and Other Mineral Reserves	102,664,588	0.14%	125,651,478	0.15%	884,824,410	1.15%
Real and Tangible Personal, Utilities	1,470,225,189	1.99%	1,568,668,635	1.85%	1,467,027,092	1.90%
Tangible Personal, Commercial	5,303,957,776	7.19%	4,946,531,743	5.83%	4,513,165,275	5.86%
Tangible Personal, Industrial	1,174,924,092	1.59%	1,761,818,232	2.08%	1,582,476,627	2.05%
Real, Mobile Homes	41,810,298	0.06%	39,515,461	0.05%	38,262,092	0.05%
Tangible Personal, Other	541,108,863	0.73%	506,031,572	0.60%	585,542,157	0.76%
Real Property, Inventory	277,982,340	0.38%	270,657,476	0.32%	248,057,954	0.32%
Total Appraised Value Before Exemptions	\$ 73,778,149,068	100.00%	\$ 84,811,636,772	100.00%	\$ 77,033,423,622	100.00%
Adjustments <sup>(1)</sup>	-		(11,533,019,393)		(11,449,439,853)	
Plus: Protested/Incomplete Values	(938,667,746)		(2,908,971,515)		(2,470,410,147)	
Less: Total Exemptions/Reductions	(16,630,417,363)		(13,776,933,033)		(9,511,629,828)	
Taxable Assessed Value	\$ 56,209,063,959 <sup>(3)</sup>		\$ 56,592,712,831 <sup>(2)</sup>		\$ 53,601,943,794 <sup>(2)</sup>	

Category	Taxable Appraised Value for Fiscal Year Ended June 30,			
	2023		2022	
	Amount	% of Total	Amount	% of Total
Real, Residential, Single-Family	\$ 29,199,267,131	43.74%	\$ 26,263,457,885	50.85%
Real, Residential, Multi-Family	8,750,634,116	13.11%	6,554,095,733	12.69%
Real, Vacant Lots/Tracts	1,514,529,160	2.27%	797,645,309	1.54%
Real, Acreage (Land Only)	2,209,543	0.00%	206,630,251	0.40%
Real, Farm and Ranch Improvements	21,186	0.00%	182,000	0.00%
Real, Property, Rural Land not Qualified	49,914,333	0.07%	24,031,835	0.05%
Real, Commercial	18,680,574,347	27.98%	10,170,255,448	19.69%
Real, Industrial	522,413,508	0.78%	481,666,736	0.93%
Real and Tangible Personal, Billboards	4,578,913	0.01%	4,515,951	0.01%
Real, Oil, Gas, and Other Mineral Reserves	484,352,899	0.73%	174,276,628	0.34%
Real and Tangible Personal, Utilities	1,337,495,318	2.00%	1,215,838,492	2.35%
Tangible Personal, Commercial	3,940,462,837	5.90%	3,770,524,488	7.30%
Tangible Personal, Industrial	1,460,359,006	2.19%	1,381,239,510	2.67%
Tangible Personal, Mobile Homes	36,597,156	0.05%	34,939,241	0.07%
Tangible Personal, Other	487,987,083	0.73%	333,073,068	0.64%
Real Property, Inventory	291,044,756	0.44%	235,472,518	0.46%
Total Appraised Value Before Exemptions	\$ 66,762,441,292	100.00%	\$ 51,647,845,093	100.00%
Adjustments <sup>(1)</sup>	(8,945,881,278)		-	
Plus: Protested/Incomplete Values	(3,789,141,409)		(3,317,318,728)	
Less: Total Exemptions/Reductions	(4,657,620,996)		(3,484,853,891)	
Taxable Assessed Value	\$ 49,369,797,609		\$ 44,845,672,474	

<sup>(1)</sup> Source: Texas Comptroller of Public Accounts, Property Tax Division. Any differences between these figures and taxable assessed valuations are due to adjustments and corrections to respective tax rolls.

<sup>(2)</sup> Value includes the application of a \$100,000 State-mandated general homestead exemption. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session".

<sup>(3)</sup> Value includes the application of a \$140,000 State-mandated general homestead exemption. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session" and "AD VALOREM PROPERTY TAXATION - State Mandated Homestead Exemptions."

NOTE: Valuations shown in Table 2 are certified taxable assessed values reported by the Appraisal District to the State Comptroller of Public Accounts. Certified values are subject to change throughout the year as contested values are resolved and the Appraisal District updates records.

**TABLE 3—VALUATION AND TAX SUPPORTED DEBT HISTORY**

Fiscal Year Ended 06/30	Estimated District Population <sup>(1)</sup>	Taxable Assessed Valuation	Taxable Assessed Valuation Per Capita	Total Tax Supported Debt Outstanding at End of Year	Ratio of Tax Supported Debt to Taxable Assessed Valuation	Tax Supported Debt Per Capita
2017	507,180	\$ 31,815,557,572	\$62,730	\$ 862,315,000	2.71%	\$ 1,700
2018	498,097	32,245,650,444	64,738	966,280,000	3.00%	1,940
2019	490,643	34,316,227,800	69,941	901,160,000	2.63%	1,837
2020	547,431	37,575,310,016	68,639	961,315,000	2.56%	1,756
2021	516,926	41,763,930,320	80,793	1,250,500,000	2.99%	2,419
2022	506,511	44,845,672,474	88,538	1,318,830,000	2.94%	2,604
2023	488,379	49,369,797,609	101,089	1,475,860,000	2.99%	3,022
2024	478,807	53,601,943,794 <sup>(2)</sup>	111,949	1,663,595,000	3.10%	3,474
2025	471,975	56,592,712,831 <sup>(2)</sup>	119,906	1,562,140,000	2.76%	3,310
2026	472,434	56,209,063,959 <sup>(3)</sup>	118,978	1,465,040,000 <sup>(4)</sup>	2.61%	3,101 <sup>(4)</sup>

Source: The District.

<sup>(1)</sup> Information provided by the Municipal Advisory Council of Texas. Data is subject to change as additional information becomes available.

<sup>(2)</sup> Value includes the application of a \$100,000 State-mandated general homestead exemption. See “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session.”

<sup>(3)</sup> Value includes the application of a \$140,000 State-mandated general homestead exemption. See “CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2025 Legislative Session” and "AD VALOREM PROPERTY TAXATION - State Mandated Homestead Exemptions."

<sup>(4)</sup> Projected. Includes the Bonds and excludes the Refunded Bonds.

**TABLE 4- TAX RATE, LEVY AND COLLECTION HISTORY**

Fiscal Year Ended 6/30	Total Tax Rate	Local Maintenance	Interest and Sinking Fund	Tax Levy <sup>(3)</sup>	% Current Collections	% Total Collections
2016	\$1.3520	\$1.0400	\$0.3120	\$ 353,129,279	97.35%	102.03%
2017	1.3520	1.0400	0.3120	391,365,753	97.32%	99.29%
2018	1.3520	1.0600 <sup>(1)</sup>	0.2920	435,961,194	97.68%	99.68%
2019	1.3520	1.0600	0.2920	480,484,902	97.74%	97.74%
2020	1.2820	0.9900	0.2920	535,419,635	97.50%	99.50%
2021	1.3784	1.0864 <sup>(2)</sup>	0.2920	571,222,059	99.58%	100.24%
2022	1.3432	1.0512	0.2920	602,544,962	95.85%	96.62%
2023	1.2816	0.9896	0.2920	606,408,065	98.02%	102.02%
2024	1.0624	0.7904	0.2720	559,692,646	97.73%	97.73%
2025	1.0624	0.7869	0.2755	601,094,112	97.76%	97.76%
2026	1.0291	0.7869	0.2422	578,447,477 <sup>(4)</sup>	In Process of Collections	

Source: The District.

<sup>(1)</sup> The \$1.06 tax rate for maintenance and operations was approved by the voters of the District through a Tax Rate Ratification Election held on November 7, 2017.

<sup>(2)</sup> The \$1.0864 tax rate for maintenance and operations was approved by the voters via a Voter Approved Tax Rate Election on November 2, 2020. This increased the tax year 2020 M&O rate by an additional \$0.11 prior to the mandated tax compression of \$0.0136.

<sup>(3)</sup> Includes losses due to frozen taxes on “over-65” accounts.

<sup>(4)</sup> Tax levy calculated using Fiscal Year 2026 Taxable Assessed Valuation from Table 1.

NOTE: See “CURRENT PUBLIC SCHOOL FINANCE SYSTEM” for information regarding the legislatively-mandated compression of the District’s M&O tax rate.

**TABLE 5—TEN LARGEST TAXPAYERS**

Name of Taxpayer	Nature of Property	2025/2026 Taxable Assessed Valuation	% of Total Taxable Assessed Valuation
Atmos Energy/ Mid Tex Division	Energy	\$ 447,893,632	0.80%
Oncor Electric Delivery Co LLC	Electric Utility	380,763,640	0.68%
CH Realty IX-Knightvest MF FW Berkeley Owner LP	Real Estate	345,527,000	0.61%
Stockyard Station Hotel II LLC/Majestic Fort Worth	Hospitality	256,092,300	0.46%
DDR/DTC City Investments LP	Real Estate	250,000,000	0.44%
Ben E Keith Co	Real Estate	248,914,195	0.44%
Charter Communications Operating LLC	Telecommunications	223,517,191	0.40%
Clearfork Tradition II LLC	Real Estate	205,547,886	0.37%
Pecos Housing Finance Corporation	Nonprofit	189,500,000	0.34%
F7 SSSM LLC	Real Estate	171,207,983	0.30%
		\$2,718,963,827	4.84%

Source: The Appraisal District.

**TABLE 6—TAX ADEQUACY**

2026 Principal and Interest Requirements	\$ 149,248,068 <sup>(1)</sup>
\$0.2710 Tax Rate at 98% Collection Produces	\$ 149,280,032
Average Annual Principal and Interest Requirements, 2026 - 2049	\$ 94,988,386 <sup>(1)</sup>
\$0.1725 Tax Rate at 98% Collection Produces	\$ 95,021,423
Maximum Principal and Interest Requirements, 2026	\$ 149,248,068 <sup>(1)</sup>
\$0.2710 Tax Rate at 98% Collection Produces	\$ 149,280,032

<sup>(1)</sup> Includes the Bonds and excludes the Refunded Bonds.

*[The remainder of this page intentionally left blank.]*

**TABLE 7—ESTIMATED OVERLAPPING DEBT**

Expenditures of the various taxing bodies within the territory of the District are paid out of ad valorem taxes levied by such entities on properties within the District. Such entities are independent of the District and may incur borrowings to finance their expenditures. This statement of direct and estimated overlapping ad valorem tax bonds (“Tax Debt”) was developed from information contained in “Texas Municipal Reports” published by the Municipal Advisory Council of Texas. Except for the amounts relating to the District, the District has not independently verified the accuracy or completeness of such information, and no person should rely upon such information as being accurate or complete. Furthermore, certain of the entities listed may have issued additional bonds since the date hereof, and such entities may have programs requiring the issuance of substantial amounts of additional bonds, the amount of which cannot be determined. The following table reflects the estimated share of overlapping Tax Debt of the District.

Taxing Jurisdiction	Fiscal Year 2025/2026		Total Tax Debt (as of 11/30/2025)	Estimated % Applicable	District's	Authorized
	Taxable Assessed Value	2025/2026 Tax Rate			Overlapping Tax Supported Debt as of (as of 11/30/2025)	But Unissued Debt As Of (as of 11/30/2025)
Fort Worth ISD	\$ 56,209,063,959	\$ 1.029100	\$ 1,549,535,000 <sup>(1)</sup>	100.00%	\$ 1,549,535,000 <sup>(1)</sup>	\$ 461,000,000
City of Arlington	43,933,074,519	0.599800	669,080,000	0.26%	1,739,608	384,774,000
City of Benbrook	3,589,653,706	0.555000	19,780,000	100.00%	19,780,000	285,000
City of Forest Hill	1,091,594,771	0.724094	580,000	73.50%	426,300	-
City of Fort Worth	128,854,055,671	0.673000	1,100,695,000	40.87%	449,854,047	204,210,000
City of Haltom City	4,790,092,332	0.580727	79,040,000	4.04%	3,193,216	-
City of Kennedale	1,281,938,870	0.706190	38,220,000	4.86%	1,857,492	-
City of Saginaw	3,212,925,576	0.493747	96,890,000	0.00%	-	-
City of Sansom Park	376,632,844	0.779605	9,988,000	6.23%	622,252	-
Tarrant County	298,706,022,035	0.187500	314,050,000	19.93%	62,590,165	205,600,000
Tarrant Co College Dist	328,276,408,360	0.112000	547,535,000	19.93%	109,123,726	125,000,000
Tarrant County Hospital District	299,238,327,647	0.183000	431,255,000	19.93%	85,949,122	350,000,000
Tarrant Regional Water District	123,139,511,068	0.027000	98,710,000	48.18%	47,558,478	150,000,000
Westover Hills, Town of	728,987,729	0.470000	5,880,000	100.00%	5,880,000	-
City of Westworth Village	524,272,120	0.475000	5,150,000	98.94%	5,095,410	-
City of White Settlement	1,749,545,778	0.679816	31,160,000	1.78%	554,648	-
<b>Total Direct and Overlapping Tax Supported Debt</b>					<b>\$ 2,343,759,463</b>	
<b>Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation</b>					<b>4.17%</b>	
<b>Per Capita Direct and Overlapping Tax Supported Debt</b>					<b>\$ 4,961</b>	

Source: “Texas Municipal Reports” published by the Municipal Advisory Council of Texas.

<sup>(1)</sup> Includes the Bonds, excludes the Refunded Bonds.

*[The remainder of this page intentionally left blank.]*

**DEBT INFORMATION**

**TABLE 8 – UNLIMITED TAX SUPPORTED DEBT SERVICE REQUIREMENTS**

Fiscal Year Ending 6-30	Outstanding Debt Service <sup>(1)</sup>			The Bonds			Total Debt Service	% of Principal Retired
	Principal	Interest	Total	Principal	Interest	Total		
2026	\$ 83,495,000	\$ 63,241,037	\$ 146,736,037	\$ 1,700,000	\$ 812,031	\$ 2,512,031	\$ 149,248,068	
2027	69,835,000	57,027,763	126,862,763	11,950,000	6,411,250	18,361,250	145,224,013	
2028	71,250,000	53,690,550	124,940,550	9,335,000	5,813,750	15,148,750	140,089,300	
2029	55,415,000	50,128,050	105,543,050	17,725,000	5,347,000	23,072,000	128,615,050	
2030	50,720,000	47,357,300	98,077,300	5,875,000	4,460,750	10,335,750	108,413,050	24.34%
2031	52,435,000	44,821,300	97,256,300	6,175,000	4,167,000	10,342,000	107,598,300	
2032	55,075,000	42,199,550	97,274,550	6,100,000	3,858,250	9,958,250	107,232,800	
2033	57,755,000	39,533,600	97,288,600	6,410,000	3,553,250	9,963,250	107,251,850	
2034	60,400,000	36,899,638	97,299,638	6,740,000	3,232,750	9,972,750	107,272,388	
2035	63,105,000	34,178,982	97,283,982	7,085,000	2,895,750	9,980,750	107,264,732	45.06%
2036	62,005,000	31,504,803	93,509,803	7,450,000	2,541,500	9,991,500	103,501,303	
2037	64,545,000	28,981,804	93,526,804	7,830,000	2,169,000	9,999,000	103,525,804	
2038	67,090,000	26,445,268	93,535,268	8,235,000	1,777,500	10,012,500	103,547,768	
2039	69,770,000	23,783,642	93,553,642	8,655,000	1,365,750	10,020,750	103,574,392	
2040	64,315,000	21,004,731	85,319,731	9,095,000	933,000	10,028,000	95,347,731	68.87%
2041	66,875,000	18,446,300	85,321,300	9,565,000	478,250	10,043,250	95,364,550	
2042	69,560,000	15,761,613	85,321,613	-	-	-	85,321,613	
2043	72,155,000	13,174,069	85,329,069	-	-	-	85,329,069	
2044	63,510,000	10,414,263	73,924,263	-	-	-	73,924,263	
2045	57,390,000	8,109,294	65,499,294	-	-	-	65,499,294	90.74%
2046	52,340,000	6,006,469	58,346,469	-	-	-	58,346,469	
2047	40,435,000	3,981,000	44,416,000	-	-	-	44,416,000	
2048	33,620,000	2,203,000	35,823,000	-	-	-	35,823,000	
2049	17,215,000	775,450	17,990,450	-	-	-	17,990,450	100.00%
	<u>\$1,420,310,000</u>	<u>\$679,669,475</u>	<u>\$2,099,979,475</u>	<u>\$ 129,925,000</u>	<u>\$ 49,816,781</u>	<u>\$ 179,741,781</u>	<u>\$2,279,721,256</u>	

<sup>(1)</sup> Excludes the Refunded Bonds.

**TABLE 9 – ESTIMATED INTEREST AND SINKING FUND BUDGET PROJECTION**

Interest and Sinking Fund Tax Obligation Debt Service Requirements, Fiscal Year Ending 6-30-26 . . . . .	\$ 149,248,068
Interest and Sinking Fund, 6-30-25 . . . . .	\$47,753,432
Interest and Sinking Fund Tax Levy . . . . .	136,138,353
State Revenues. . . . .	<u>15,556,775</u> <u>199,448,560</u>
Estimated Interest and Sinking Fund Balance, 6-30-25. . . . .	\$ 50,200,492

Source: Fort Worth Independent School District.

**TABLE 10 – AUTHORIZED BUT UNISSUED UNLIMITED TAX BONDS**

<u>Election Date</u>	<u>Purpose</u>	<u>Amount Authorized</u>	<u>Issued to Date</u>	<u>Authorization Used this Issue</u>	<u>Unissued</u>
11/2/2021	School Building	\$ 1,211,000,000	\$ 750,000,000	\$ -	\$ 461,000,000

**ANTICIPATED ISSUANCE OF UNLIMITED TAX DEBT . . .** Except for possible refundings that produce debt service savings, the District does not anticipate the issuance of additional unlimited tax debt within the next twelve months.

**TABLE 11 - OTHER OBLIGATIONS**

The District has entered into multiple lease agreements as a lessee for various building space. The leases allow the right-to-use assets over the term of the lease. The District is to make payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term, and ending liability are as follows:

	<u>Interest Rate(s)</u>	<u>Liability at Commencement</u>	<u>Ending Balance June 30, 2025</u>
Buildings	0.2% - 3.1%	\$ 9,164,489	\$ 6,970,056

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

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 519,703	\$ 137,585	\$ 657,288
2027	529,841	127,448	657,289
2028	540,207	117,081	657,288
2029	550,808	106,480	657,288
2030	561,650	95,639	657,289
2031-2035	2,979,671	364,781	3,344,452
2036-2038	<u>1,288,176</u>	<u>77,786</u>	<u>1,365,962</u>
	<u>\$ 6,970,056</u>	<u>\$ 1,026,800</u>	<u>\$ 7,996,856</u>

The value of the right-to-use leased assets - buildings at the end of the current fiscal year was \$8,640,965 and had accumulated amortization of \$1,801,100.

Source: District’s Annual Comprehensive Financial Report for Fiscal Year Ended June 30, 2025.

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

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

Detailed information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the internet at <https://www.trs.texas.gov/learning-resources/publications/resource-library-financial-reports> ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling (512) 542-6592.

Contributors to the plan include members, employers and the State of Texas as the only non-employer contributing entity. The State contributes to the plan in accordance with state statutes and the General Appropriations Act. For more details regarding the District's defined benefit pension plan, please refer to Appendix B - "Excerpts from the Fort Worth Independent School District Annual Comprehensive Financial Report," Note 10.

**EMPLOYEE RETIREE HEALTH FUNDING POLICY. . .** In addition to its participation in the TRS, the District contributes to the Texas Public School Retired Employees Group Insurance Program (the "TRS-Care"), a multiple-employer cost-sharing defined benefit other post-employment health care plan. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Texas Insurance Code, Sections 1575.202, 203, and 204 establish state, active employee, and public school contributions, respectively. The State of Texas and active public school employee contribution rates were 1.25% and 0.65% of public school payroll, respectively, with the District contributing a percentage of payroll set at .75% for fiscal period 2025. For the years ended June 30, 2023, 2024 and 2025, the State's contributions to TRS-Care were \$7,437,398, \$8,031,358, and \$7,708,896, respectively. The active member contributions were \$4,294,006, \$4,203,487, and \$4,134,815, respectively. The District's contributions were \$6,579,871, \$5,780,871 and \$5,709,068, respectively, which equaled the required contributions each period.

*Medicare Part D . . .* The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. Under Medicare Part D, TRS-Care retiree drug subsidy payments from the federal government offset certain prescription drug expenditures for eligible TRS-Care participants. For the years ended June 30, 2023, 2024, and 2025 the subsidy payments received by the TRS-Care on behalf of the District were \$3,539,363, \$3,438,797, and \$4,186,213, respectively. These payments are recorded as equal revenues and expenditures in the governmental fund financial statements.

For more details regarding the District's funding policy and contributions, please refer to Appendix B – "Excerpts from the Fort Worth Independent School District Annual Comprehensive Financial Report," Note 11.

*[The remainder of this page intentionally left blank.]*

**FINANCIAL INFORMATION**

**TABLE 12 - GENERAL FUND CHANGES IN NET ASSETS**

	Fiscal Year Ended June 30, (millions)				
	2025	2024	2023	2022	2021
<b>Program Revenues:</b>					
Charges for Services	\$ 5.9	\$ 6.4	\$ 37.0	\$ 4.9	\$ 4.0
Operating Grant and Contributions	186.7	237.8	282.0	276.3	261.6
<b>General Revenue:</b>					
Operations	412.4	403.9	486.6	459.5	453.5
Property Taxes - Debt Service	144.3	138.3	143.4	127.4	121.1
State Aid - Formula Grants	325.2	334.4	226.1	262.8	297.0
Investments Earning	57.1	58.4	36.0	1.8	0.9
Special Item - Turf Repayment	-	-	-	-	1.5
Miscellaneous	1.6	1.9	7.1	1.9	0.5
Gain on disposal of assets	-	(0.1)	0.7	-	20.1
<b>Total Revenues</b>	<u>\$1,133.2</u>	<u>\$1,181.0</u>	<u>\$1,218.9</u>	<u>\$1,134.6</u>	<u>\$1,160.2</u>
<b>Expenditures:</b>					
Instruction	\$ 564.5	\$ 602.9	\$ 572.7	\$ 537.4	\$ 573.0
Instructional Resources and Media Services	11.3	12.3	13.0	17.1	13.3
Curriculum Development and Instructional					
Staff Development	38.1	49.7	54.2	41.3	40.7
Instructional Leadership	17.2	19.4	21.8	16.3	16.8
School Leadership	53.9	56.2	53.1	48.5	54.2
Guidance, Counseling and Evaluation Services	47.8	53.5	49.8	47.5	51.7
Social Work Services	7.0	10.1	9.9	7.6	7.8
Health Services	12.0	11.5	10.6	9.7	11.1
Student (Pupil) Transportation	24.9	25.0	23.9	24.8	20.8
Food Services	0.1	1.7	1.1	0.2	3.8
Cocurricular/Extracurricular Activities	23.9	23.6	21.4	17.9	17.4
General Administration	23.1	23.1	24.5	22.7	20.4
Plant Maintenance and Operations	90.9	95.5	93.2	89.7	90.7
Security and Monitoring Services	29.7	17.5	14.0	12.5	12.3
Data Processing Services	22.5	27.5	30.3	30.3	23.6
Community Services	8.7	12.4	11.7	10.7	9.6
Debt Service	71.5	75.0	51.2	42.7	41.3
Payments to Juvenile Justice Alternative					
Education Programs	5.2	4.1	2.5	-	0.3
Other Intergovernmental Charges	3.0	2.9	2.9	3.1	2.7
Payment to Fiscal Agent	-	0.2	0.2	0.3	-
<b>Total Expenses</b>	<u>\$1,055.3</u>	<u>\$1,124.1</u>	<u>\$1,062.0</u>	<u>\$ 980.3</u>	<u>\$1,011.5</u>
Change in Net Position	\$ 77.9	\$ 56.9	\$ 156.8	\$ 154.3	\$ 148.7
Transfers	-	-	(0.1)	(0.1)	-
Prior Period Adjustment	-	-	-	-	-
Beginning Net Position	502.6	445.6	288.8	134.6	(14.1)
Ending Net Position	<u>\$ 580.5</u>	<u>\$ 502.5</u>	<u>\$ 445.6</u>	<u>\$ 288.8</u>	<u>\$ 134.6</u>

Source: The Fort Worth Independent School District Audited Annual Financial Reports.

**TABLE 12A - GENERAL FUND REVENUES AND EXPENDITURES**

	Fiscal Year Ended June 30				
	2025	2024	2023	2022	2021
<b>Revenues:</b>					
Local and Intermediate Sources	\$439,332,974	\$429,445,443	\$542,062,024	\$468,499,180	\$458,574,867
State Program Revenue	367,908,090	377,993,314	263,895,605	296,511,490	334,972,374
Federal Program Revenues	12,080,955	16,022,049	29,189,984	44,125,777	19,258,856
Total Revenues	\$819,322,019	\$823,460,806	\$835,147,613	\$809,136,447	\$812,806,097
<b>Expenditures:</b>					
Instruction	\$480,440,739	\$472,210,633	\$435,693,264	\$405,791,883	\$410,465,149
Instructional Resources/Media	11,033,698	11,640,746	11,985,752	11,306,546	11,533,209
Curriculum/Inst. Staff Develop.	12,558,934	13,155,123	13,860,855	12,339,933	11,169,270
Instructional Leadership	14,508,889	15,810,417	15,481,905	14,203,646	13,654,392
School Leadership	52,656,342	53,043,613	50,668,491	49,059,357	49,241,426
Guidance & Counseling	41,983,099	45,934,712	44,147,446	43,785,574	43,785,634
Social Work Services	3,876,931	4,138,699	4,116,050	4,250,240	5,213,616
Health Services	12,185,697	11,075,717	10,358,700	9,981,298	10,297,723
Student Transportation	29,514,293	27,829,974	21,838,319	20,523,852	17,501,759
Food Services	265,092	341,685	520,621	1,423,613	1,339,917
Cocurricular/Extracurricular	22,643,009	21,750,084	20,150,053	16,962,129	15,254,480
General Administration	23,239,494	21,838,116	22,856,214	22,124,956	19,573,864
Plant Maintenance/Operations	88,353,060	92,321,511	87,214,102	85,862,940	85,988,124
Security and Monitoring Services	16,851,442	16,550,927	13,274,224	11,419,605	11,221,644
Data Processing Services	23,496,632	24,620,240	24,821,616	21,642,159	17,062,460
Community Services	4,266,875	5,179,762	4,931,026	4,859,913	4,220,426
Debt Service	1,628,955	1,864,646	2,075,239	831,021	-
Facilities Acquisition & Construction	6,627,196	4,374,143	1,318,021	355,491	8,353,428
Payments to Juvenile Justice	13,674	4,117,824	2,491,938	24,510	-
Contracted Inst. Services between Public Schools	5,227,921	-	-	-	-
Other Governmental Charges	3,022,105	2,910,352	2,889,867	2,772,413	2,567,701
Total Expenditures	\$854,394,077	\$850,708,924	\$790,693,703	\$739,521,079	\$738,444,222
Excess (Deficiency) of Revenues					
Over Expenditures	\$ (35,072,058)	\$ (27,248,118)	\$ 44,453,910	\$ 69,615,368	\$ 74,361,875
<b>Other Financing Sources (Uses):</b>					
Proceeds from Sale of Property	-	-	750,910	10,933	6,028
Proceeds from Insurance Settlements	-	300,109	-	-	-
Issuance of Right to Use Subscription Assets	901,776	670,182	-	-	-
Other Uses	-	-	6,029,609	509,602	1,482,005
Operating Transfer In	507,061	-	-	-	-
Operating Transfer Out	-	(939,387)	(791,506)	(303,389)	(429,014)
Total Other Financing Sources (Uses)	\$ 1,408,837	\$ 30,904	\$ 5,989,013	\$ 217,146	\$ 1,059,019
Change in Fund Balance	\$ (33,663,221)	\$ (27,217,214)	\$ 50,442,923	\$ 69,832,514	\$ 75,420,894
Fund Balance Beginning of Year	374,458,061	401,675,275	351,232,352	281,399,838	205,978,944
Fund Balance End of Year	\$340,794,840	\$374,458,061 <sup>(1)</sup>	\$401,675,275	\$351,232,352 <sup>(2)</sup>	\$281,399,838

Source: The Fort Worth Independent School District Audited Annual Financial Reports.

- (1) Fund balance reduction reflects planned use of assigned fund balance due to technology and capital outlay costs.
- (2) Increase in the District's Fund Balance was primarily due to lack of workforce available to fill funded positions, capital expenditures budgeted but not expended due to supply chain issues, and hold harmless state revenues.

## FINANCIAL POLICIES

*Basis of Accounting* . . . The accounting policies of the District substantially comply with the rules prescribed in the Financial Accountability Systems Resource Guide, by the Texas Board of Education. These accounting policies conform to generally accepted accounting principles applicable to governments (see APPENDIX B – “Excerpts from the Fort Worth Independent School District Annual Comprehensive Financial Report”).

*General Fund Balance* . . . The District's goal is to maintain an unreserved general fund balance of 75 days or more of operating expenditures.

*Budgetary Procedures* . . . Prior to June 19 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.

A meeting of the Board of Education is called for the purpose of adopting the proposed budget after ten days of public notice of the meeting has been given.

Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.

The budget must be filed with the Texas Education Agency on a designated date through the Public Education Information Management System.

## INVESTMENT POLICIES

**INVESTMENTS** . . . The District invests its funds in investments authorized by Texas law in accordance with investment policies approved by the Board of the District. Both State law and the District's investment policies are subject to change.

**LEGAL INVESTMENTS** . . . Under State law, the District is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations directly issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the “FDIC”) or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the “NCUSIF”) or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the District in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the District's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the District appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for District deposits, or (ii) where (a) the funds are invested by the District through a broker or institution that has a main office or branch office in the State and selected by the District in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the District, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the District appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), which are pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less from date of issuance, will be liquidated in full at maturity, are eligible for collateral for borrowing from a Federal Reserve Bank, and, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less from the date of issuance that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and provides the District with a prospectus required by the Securities Exchange Act of 1934 and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the District is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract and is pledged to the District and deposited to the District or third party selected by the District; (16) aggregate repurchase agreement transactions entered into by an investing entity in conformity with the provisions of subsections (a-1), (f), and (g) of Section 2256.011 of the PFIA; and (17) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for

termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above, clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party designated by the District, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than "AAA" or "AAAm" or an equivalent by at least one nationally recognized rating service.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the District may contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term of up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance or resolution. The District has not contracted with, and has no present intention of contracting with, any such investment management firm or the Texas Securities Board to provide such services.

**INVESTMENT POLICIES . . .** Under State law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that includes a list of authorized investments for District funds, maximum allowable stated maturity of any individual investment owned by the District and the maximum average dollar-weighted maturity allowed for pooled fund groups. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

State law also requires that District investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment, considering the probable safety of capital and the probable income to be derived". At least quarterly the investment officers of the District shall submit a written investment report detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, any additions and changes to market value (including fully accrued interest) and the ending value of each pooled fund group, (4) the book value and market value of each separately listed asset at the end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategy statements and (b) State law. No person may invest District funds without express written authority from the Board.

**ADDITIONAL PROVISIONS . . .** Under State law, the District is additionally required to: (1) annually review its adopted policies and strategies, (2) adopt a rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution, (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the entity to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (4) require the qualified representative of firms offering to engage in an investment transaction with the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the District's entire portfolio or requires an interpretation of subjective investment standards), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) perform an annual audit of the management controls on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, Chief Financial Officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days after when agreement is delivered and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements, and (10) at least annually review, revise, and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

**TABLE 13—CURRENT INVESTMENTS**

As of August 31, 2025, the District's deposits and investment balances (excluding the Non-TRS Pension Trust Fund) are as follows:

Description	Percent	Cash and Temporary Investments	Long Term Investments
Total Cash	2.29%	\$ 20,498,653	\$ -
Total Mutual Funds	0.00%	-	23,446
Total Local Government Investment Pools <sup>(1)</sup>	97.71%	874,483,560	-
Total Cash and Investments	100.00%	\$ 894,982,213	\$ 23,446

<sup>(1)</sup> A portion of the District's investments are invested in TexSTAR and Logic, each of which is an investment pool that has an investment objective of achieving and maintaining a stable net asset value of \$1.00 per share. Daily investment or redemption of funds is allowed by the participants.

No funds of the District are invested in derivative securities, i.e., securities whose rate of return is determined by reference to some other instrument, index, or commodity.

### TAX MATTERS

**TAX EXEMPTION . . .** The delivery of the Bonds is subject to the opinion of Co-Bond Counsel to the effect that interest on the Bonds for federal income tax purposes (1) will be excludable from gross income, as defined in section 61 of the Internal Revenue Code of 1986, as amended to the date of such opinion (the “Code”), pursuant to section 103 of the Code and existing regulations, published rulings, and court decisions, and (2) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals. A form of Co-Bond Counsel's opinion is reproduced as APPENDIX C. The statutes, regulations, rulings, and court decisions on which such opinion is based are subject to change.

In rendering the foregoing opinions, Co-Bond Counsel will rely upon representations and certifications of the District made in a certificate dated the date of delivery of the Bonds pertaining to the use, expenditure, and investment of the proceeds of the Bonds and will assume continuing compliance by the District with the provisions of the Order subsequent to the issuance of the Bonds. The Order contains covenants by the District with respect to, among other matters, the use of the proceeds of the Bonds and the facilities financed therewith by persons other than state or local governmental units, the manner in which the proceeds of the Bonds are to be invested, the periodic calculation and payment to the United States Treasury of arbitrage “profits” from the investment of proceeds, and the reporting of certain information to the United States Treasury. Failure to comply with any of these covenants may cause interest on the Bonds to be includable in the gross income of the owners thereof from the date of the issuance of the Bonds.

Co-Bond Counsel's opinion is not a guarantee of a result, but represents its legal judgment based upon its review of existing statutes, regulations, published rulings and court decisions and the representations and covenants of the District described above. No ruling has been sought from the Internal Revenue Service (the “IRS”) with respect to the matters addressed in the opinion of Co-Bond Counsel, and Co-Bond Counsel's opinion is not binding on the IRS. The IRS has an ongoing program of auditing the tax-exempt status of the interest on tax-exempt obligations. If an audit of the Bonds is commenced, under current procedures the IRS is likely to treat the District as the “taxpayer,” and the owners of the Bonds would have no right to participate in the audit process. In responding to or defending an audit of the tax-exempt status of the interest on the Bonds, the District may have different or conflicting interests from the owners of the Bonds. Public awareness of any future audit of the Bonds could adversely affect the value and liquidity of the Bonds during the pendency of the audit, regardless of its ultimate outcome.

Except as described above, Co-Bond Counsel expresses no other opinion with respect to any other federal, state or local tax consequences under present law, or proposed legislation, resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Prospective purchasers of the Bonds should be aware that the ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a financial asset securitization investment trust (“FASIT”), and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Prospective purchasers should consult their own tax advisors as to the applicability of these consequences to their particular circumstances.

For taxable years beginning after 2022, the Code imposes a minimum tax of 15 % of the adjusted financial statement income of certain large corporations, generally consisting of corporations (other than S corporations, regulated investment companies and real estate investment trusts) with more than \$1 billion in average annual adjusted financial statement income, determined over a three-year period. For this purpose, adjusted financial statement income generally consists of the net income or loss of the taxpayer set forth on the taxpayer's applicable financial statement for the taxable year, subject to various adjustments, but is not reduced for interest earned on tax-exempt obligations, such as the Bonds. Prospective purchasers that could be subject to this minimum tax should consult with their own tax advisors regarding the potential impact of owning the Bonds.

Existing law may change to reduce or eliminate the benefit to bondholders of the exclusion of interest on the Bonds from gross income for federal income tax purposes. Any proposed legislation or administrative action, whether or not taken, could also affect the value and marketability of the Bonds. Prospective purchasers of the Bonds should consult with their own tax advisors with respect to any proposed or future changes in tax law.

**TAX ACCOUNTING TREATMENT OF DISCOUNT AND PREMIUM ON CERTAIN BONDS . . .** The initial public offering price of certain Bonds (the “Discount Bonds”) may be less than the amount payable on such Bonds at maturity. An amount equal to the difference between the initial public offering price of a Discount Bond (assuming that a substantial amount of the Discount Bonds of that maturity are sold to the public at such price) and the amount payable at maturity constitutes original issue discount to the initial purchaser of such Discount Bond. A portion of such original issue discount allocable to the holding period of such Discount Bond by the initial purchaser will, upon the disposition of such Discount Bond (including by reason of its payment at maturity), be treated as interest excludable from gross income, rather than as taxable gain, for federal income tax purposes, on the same terms and conditions as those for other interest on the Bonds described above under “Tax Exemption.” Such interest is considered to be accrued actuarially in accordance with the constant interest method over the life of a Discount Bond, taking into account the semiannual compounding of accrued interest, at the yield to maturity on such Discount Bond and generally will be allocated to an initial purchaser in a different amount from the amount of the payment denominated as interest actually received by the initial purchaser during the tax year.

However, such interest may be required to be taken into account in determining the amount of the branch profits tax applicable to certain foreign corporations doing business in the United States, even though there will not be a corresponding cash payment. In addition, the accrual of such interest may result in certain other collateral federal income tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, S corporations with subchapter C earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit, owners of an interest in a FASIT, and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations. Moreover, in the event of the redemption, sale or other taxable disposition of a Discount Bond by the initial owner prior to maturity, the amount realized by such owner in excess of the basis of such Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Discount Bond was held) is includable in gross income.

Owners of Discount Bonds should consult with their own tax advisors with respect to the determination of accrued original issue discount on Discount Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Discount Bonds. It is possible that, under applicable provisions governing determination of state and local income taxes, accrued interest on Discount Bonds may be deemed to be received in the year of accrual even though there will not be a corresponding cash payment.

The purchase price of certain Bonds (the “Premium Bonds”) paid by an owner may be greater than the amount payable on such Bonds at maturity. An amount equal to the excess of a purchaser’s tax basis in a Premium Bond the amount payable at maturity constitutes premium to such purchaser. The basis for federal income tax purposes of a Premium Bond in the hands of such purchaser must be reduced each year by the amortizable bond premium, although no federal income tax deduction is allowed as a result of such reduction in basis for amortizable bond premium. Such reduction in basis will increase the amount of any gain (or decrease the amount of any loss) to be recognized for federal income tax purposes upon a sale or other taxable disposition of a Premium Bond. The amount of premium that is amortizable each year by a purchaser is determined by using such purchaser’s yield to maturity (or, in some cases with respect to a callable Bond, the yield based on a call date that results in the lowest yield on the Bond).

Purchasers of the Premium Bonds should consult with their own tax advisors with respect to the determination of amortizable bond premium on Premium Bonds for federal income tax purposes and with respect to the state and local tax consequences of owning and disposing of Premium Bonds.

### **CONTINUING DISCLOSURE OF INFORMATION**

In the Order, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains an “obligated person” with respect to the Bonds, within the meaning of the United States Securities and Exchange Commission’s (the “SEC”) Rule 15c2-12, as amended (the “Rule”). Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually, and timely notice of specified events, to the MSRB. See “APPENDIX D – The Permanent School Fund Guarantee Program – PSF Continuing Disclosure Undertaking” for a description of the TEA’s continuing disclosure undertaking to provide certain updated financial information and operating data annually with respect to the Permanent School Fund and the State, as the case may be, and to provide timely notice of certain specified events related to the guarantee, to the MSRB.

**ANNUAL REPORTS . . .** The District will provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the District of the general type included in this Official Statement under Tables numbered 1 through 6 and 8 through 13 and in APPENDIX B, which is the District’s annual audited financial report. The District will update and provide the information in the numbered tables within six months after the end of each fiscal year ending in and after 2025 and, if not submitted as part of such annual financial information, the District will provide audited financial statements when and if available, and in any event, within 12 months after the end of each fiscal year ending in and after 2025. If the audit of such financial statements is not complete within 12 months after any such fiscal year end, then the District will file unaudited financial statements within such 12-month period and audited financial statements for the applicable fiscal year, when and if the audit

report on such statements becomes available. Any such financial statements will be prepared in accordance with the accounting principles described in APPENDIX B or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation. The District will provide the updated information to the MSRB through the EMMA information system in accordance with the Rule.

The financial information and operating data to be provided may be set forth in full in one or more documents or may be included by specific reference to any document available to the public on the MSRB's Internet website or filed with the SEC, as permitted by the Rule.

The District's current fiscal year end is June 30. Accordingly, it must provide updated information included in the above-referenced tables by the last day of December in each year, and audited financial statements for the preceding fiscal year (or unaudited financial statements if the audited financial statements are not yet available) must be provided by June 30 in each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

**NOTICE OF CERTAIN EVENTS . . .** The District will also provide notices of certain events to the MSRB. The District will provide notice in a timely manner not in excess of ten business days after the occurrence of any of the following events, as required by the Rule: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the Internal Revenue Service of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; (15) incurrence of a Financial Obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a Financial Obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a Financial Obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information or operating data in accordance with its agreement described above under “-Annual Reports”.

For these purposes, any event described in clause (12) in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and order of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District.

The term “Financial Obligation” shall mean, for purposes of the events in clauses (15) and (16), a (i) debt obligation; (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing, or planned debt obligation; or (iii) guarantee of (i) or (ii). The term “Financial Obligation” shall not include municipal securities as to which a final official statement has been provided to the MSRB consistent with the Rule. The District intends the words used in clauses (15) and (16) above and the definition of “Financial Obligation” in this section to have the same meaning as when they are used in the Rule, as evidenced by the SEC in Release No. 34-83885 dated August 20, 2018.

**AVAILABILITY OF INFORMATION . . .** The District has agreed to provide the foregoing information only as described above. Investors will be able to access continuing disclosure information filed with the MSRB free of charge at [www.emma.msrb.org](http://www.emma.msrb.org).

**LIMITATIONS AND AMENDMENTS . . .** The District has agreed to update information and to provide notices of material events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement.

The District may amend its continuing disclosure agreement from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if (i) the agreement, as amended, would have permitted an underwriter to purchase or sell Bonds in the offering described herein in compliance with the Rule, taking into account any amendments or interpretations of the Rule to the date of such amendment, as well as such changed circumstances, and (ii) either (a) the holders of a majority in aggregate principal amount of the Outstanding Bonds consent to the amendment or (b) any person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provisions of the Rule or a

court of final jurisdiction enters judgment that such provisions of the Rule are invalid, but only if and to the extent that the provisions of this sentence would not prevent underwriters of the initial public offering of the Bonds from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District so amends the agreement, it has agreed to include with the next financial information and operating data provided in accordance with its agreement described above under “-Annual Reports” an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of financial information and operating data so provided.

**COMPLIANCE WITH PRIOR UNDERTAKINGS . . .** During the last five years, the District has refunded and defeased certain maturities of its outstanding bonds. In connection therewith, the District provided certain official statements, notices of redemption and/or escrow agreements related to the defeasances to the MSRB. Such official statements, notices of redemption and escrow agreements provided bondholders with detailed information about the defeasances, including the maturities to be defeased, principal amounts, and related redemption dates; however, in certain instances, the District did not timely file formal notices of defeasance in accordance with the requirements of the Rule. The District has taken steps to ensure defeasance notices are timely filed in the future. Except as described above, during the past five years the District has complied in all material request with all continuing disclosure agreements made in accordance with the Rule.

## **OTHER INFORMATION**

**RATINGS . . .** The Bonds have been rated “Aaa” by Moody’s Investors Services, Inc. (“Moody’s”) by virtue of the Permanent School Fund Guarantee (see “THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM” and APPENDIX D – “The Permanent School Fund Guarantee Program” herein) and “Aa1” by Moody’s without regard to credit enhancement. In addition, certain of the currently outstanding unenhanced, tax supported debt of the District has an underlying rating of “Aa1” by Moody’s and “AA” by S&P Global Ratings, a division of Standard & Poor’s Financial Services LLC (“S&P”). The District also has issues outstanding which are rated “Aaa” by Moody’s and “AAA” by S&P based upon the guarantee of the Permanent School Fund of Texas. An explanation of the significance of such ratings may be obtained from the companies furnishing the ratings. The ratings reflect only the views of such organizations and the District makes no representation as to the appropriateness of the ratings. There is no assurance that such ratings will continue for any given period of time or that they will not be revised downward or withdrawn entirely by such rating companies, if in the judgment any of such companies, circumstances so warrant. Any such downward revision or withdrawal of such ratings may have an adverse effect on the market price of the Bonds. A securities rating is not a recommendation to buy, sell or hold securities and may be subject to revision or withdrawal at any time.

**TEA APPOINTMENT OF CONSERVATOR AND PENDING APPOINTMENT OF BOARD OF MANAGERS AND SUPERINTENDENT . . .** In the TEA Determination Letter, the Commissioner ordered the appointment of a board of managers, conservator and a superintendent, to govern the District. Noting the District’s right to due process and applicable appeals, the Commissioner stated he would name the members of the board of managers, conservator and superintendent at future dates after appropriate appeals processes have concluded.

The TEA Determination Letter stated that the Commissioner’s authority to take the actions described therein is based on one of the District’s campuses earning its fifth consecutive unacceptable academic accountability rating following the 2022-23 school year. The District closed the campus in question at the end of the 2022-2023 school year. For additional information regarding the TEA Determination Letter, see <https://tea.texas.gov/texas-schools/school-boards/school-governance/letter-from-tea-to-superintendent-and-board-of-trustees-october-23-2025.pdf>. Neither the information on (nor accessed through) such website of the TEA is incorporated by reference, either expressly or by implication, into this Official Statement.

On October 30, 2025, the Commissioner conducted an informal review of his determination to appoint a board of managers and conservator. The District presented information and made arguments against the need for the Commissioner’s actions. In the TEA Update Letter, the Commissioner affirmed his appointment of a board of managers and conservator and named Mr. Ruszkowski to serve as the District’s Conservator. For additional information regarding the TEA Update Letter, see <https://resources.finalsite.net/images/v1762456138/fwisdorg/jgcovbshgc93dzdyps8i/11625TEAUpdateLetter.pdf>. Neither the information on (nor accessed through) such website is incorporated by reference, either expressly or by implication, into this Official Statement. On November 18, 2025, the Board met and decided to file a petition for an administrative review of the Commissioner’s determination with the State Office of Administrative Hearings (“SOAH”). The District filed its petition with TEA on November 21, 2025, which was the deadline for such filing. Assuming the petition includes all legal requirements, TEA is required to transmit the petition to the SOAH with a request that it be docketed for hearing. SOAH hearings are conducted as formal administrative proceedings, with an administrative law judge exercising broad authority to manage all aspects of the proceedings. The decision of the administrative law judge following the SOAH hearing is final and may not be appealed under Texas law. The pendency of the SOAH review process does not stay or otherwise affect the enforcement of the Commissioner’s decision. In accordance with the TEA Determination Letter, the Board and Superintendent are authorized to continue to operate the District in the best interest of the students prior to the appointment of the board of managers or superintendent.

Under Texas law, a board of managers may exercise all the powers and duties of the board of trustees, as lawfully permitted. Texas law further provides that the Commissioner provide notice of the expiration of the authority of a board of managers within two years of the appointment of the board of managers, unless insufficient improvement has been made to the affected district, in which case the Commissioner may extend the term of the board of managers. The Commissioner has confirmed that the conservator will have all authority permitted under Texas law. Under the Texas Education Code, the conservator may (i) direct actions to be taken by the principal of a campus, the superintendent, or the board of trustees; and (ii) approve or disapprove any actions taken by the principal of a campus, the superintendent, or the board of trustees. Once the Commissioner appoints a board of managers to govern a school district, the Texas Education Code requires the Commissioner to appoint a district superintendent. In the TEA Determination Letter and the TEA Update Letter, the Commissioner indicated he would announce the appointment of the superintendent after a review of prospective candidates, including the current superintendent, Dr. Molinar.

The District makes no representation as to the ultimate outcome of the matter. In the opinion of the District, none of TEA's actions or proposed actions should materially adversely affect the security for the Bonds, including the District's ability to levy and collect ad valorem taxes to pay debt service on the Bonds or the guarantee of debt service on the Bonds by the State's Permanent School Fund. See "THE BONDS—Security and Source of Payment", "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM", and "APPENDIX D – The Permanent School Fund Guarantee Program" herein.

**LITIGATION.** . . On the Delivery Date of the Bonds to the Underwriters, the District will execute and deliver to the Underwriters a certificate to the effect that, except as disclosed herein, no litigation of any nature has been filed or is pending, as of that date, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner question the validity of the Bonds.

The District is not a party to any litigation or other proceeding pending or to its knowledge, threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial condition or operations of the District.

**REGISTRATION AND QUALIFICATION OF BONDS FOR SALE . . .** The sale of the Bonds has not been registered under the federal Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2) thereof; and the Bonds have not been qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been qualified under the securities acts of any jurisdiction. The District assumes no responsibility for qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration provisions.

**LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS.** . . Section 1201.041 of the Public Security Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments, investment securities governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State of Texas. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least \$1 million of capital, and savings and loan associations. In accordance with the Public Funds Investment Act, Chapter 2256, Texas Government Code, the Bonds must be rated not less than "A" or its equivalent as to investment quality by a national rating agency in order for most municipalities or other political subdivisions or public agencies of the State of Texas to be authorized to invest in the Bonds, except for purchases for interest and sinking funds of such entities. See "OTHER INFORMATION – Ratings" herein. Moreover, municipalities or other political subdivisions or public agencies of the State of Texas that have adopted investment policies and guidelines in accordance with the Public Funds Investment Act may have other, more stringent requirements for purchasing securities, including the Bonds. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The District has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The District has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

**LEGAL MATTERS.** . . The District will furnish the Underwriters with a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General to the effect that the Bonds are valid and legally binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property in the District, and based upon examination of such transcript of proceedings, the approval of certain legal matters by Norton Rose Fulbright US LLP, Dallas, Texas and Kelly Hart & Hallman LLP, Fort Worth, Texas, Co-Bond Counsel. Co-Bond Counsel has been retained by and only represents the District. A form of Co-Bond Counsel's opinion appears in APPENDIX C attached hereto.

Except as noted below, Co-Bond Counsel did not take part in the preparation of this Official Statement, and such firms have not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein except that in their capacity as Co-Bond Counsel, such firms have reviewed the information in this Official Statement appearing under the captions and subcaptions "PLAN OF FINANCE" (excluding the information under the subcaption "Use of Proceeds"), "THE BONDS" (except for the information contained in the subcaptions "Bondholders' Remedies" and "Book-Entry-Only System" as to which no opinion is expressed), "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS," "CURRENT PUBLIC SCHOOL FINANCE SYSTEM", "TAX RATE LIMITATIONS – M&O Tax Rate Limitations" (first paragraph only), "TAX MATTERS", "CONTINUING DISCLOSURE OF INFORMATION" (except under the subcaption "Compliance with Prior Undertakings" as to which no opinion is expressed), "OTHER INFORMATION - Registration and Qualification of Bonds for Sale," "OTHER INFORMATION – Legal Investments and Eligibility to Secure Public Funds in Texas," and "OTHER INFORMATION - Legal Matters" (except for the last two sentences of the second paragraph, as to which no opinion is expressed), and such firms are of the opinion that the information contained under such captions and subcaptions is an accurate description of the laws and legal issues addressed therein and, with respect to the Bonds, such information conforms to the Order. The legal fee to be paid Co-Bond Counsel for services rendered in connection with the issuance of the Bonds is contingent on the sale and delivery of the Bonds. The legal opinion will accompany the Bonds deposited with DTC or will be printed on the Bonds in the event of the discontinuance of the Book-Entry-Only System. Additionally, certain legal matters will be passed upon for the District by its Disclosure Counsel, West & Associates, L.L.P., Fort Worth, Texas. Certain legal matters will be passed upon for the Underwriters by Bracewell LLP, Dallas, Texas, Counsel to the Underwriters.

**CYBER SECURITY.** . . Computer networks and data transmission and collection are vital to the operations of the District. Information technology and infrastructure of the District may be subject to attacks by outside or internal hackers and may be subject to breach by employee error, negligence or malfeasance. An attack or breach could compromise systems and the information stored thereon, result in the loss of confidential or proprietary data and disrupt the operations of the District. To mitigate these risks, the District continuously endeavors to improve the range of control for digital information operations, enhancements to the authentication process, and additional measures toward improving system protection/security posture, including required training for District staff and administration.

**AUTHENTICITY OF FINANCIAL DATA AND OTHER INFORMATION.** . . The financial data and other information contained hereunder have been obtained from the District's records, audited financial statements and other sources which are believed to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will be realized. All of the summaries of the statutes, documents and orders contained in this Official Statement are made subject to all of the provisions of such statutes, documents and orders. These summaries do not purport to be complete statements of such provisions and reference is made to such documents for further information. Reference is made to original documents in all respects.

**CO-MUNICIPAL ADVISORS** . . . Hilltop Securities Inc. and Stifel, Nicolaus & Company, Inc. ("Stifel") are employed as Co-Municipal Advisors to the District in connection with the issuance of the Bonds. The Co-Municipal Advisors' fee for services rendered with respect to the sale of the Bonds is contingent upon the issuance and delivery of the Bonds. Hilltop Securities Inc. and Stifel, in their capacity as Co-Municipal Advisors, have relied on the opinion of Co-Bond Counsel and have not verified and do not assume any responsibility for the information, covenants, and representations contained in any of the legal documents with respect to the federal income tax status of the Bonds, or the possible impact of any present, pending or future actions taken by any legislative or judicial bodies.

The Co-Municipal Advisors may also receive a fee for conducting a competitive bidding process regarding the investment of certain proceeds of the Bonds.

**UNDERWRITING** . . . The Underwriters have agreed, subject to certain conditions, to purchase the Bonds from the District at a price equal to the par amount thereof plus a premium of \$15,085,024.10 and less an underwriting discount of \$525,405.38. The Underwriters' obligation is subject to certain conditions precedent. The Underwriters will be obligated to purchase all of the Bonds if any Bonds are purchased. The Bonds may be offered and sold to certain dealers and others at prices lower than such offering prices, and such public prices may be changed, from time to time, by the Underwriters.

The Underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include securities trading, commercial and investment banking, financial advisory, investment management, principal investment, hedging, financing and brokerage activities. Certain of the Underwriters and their respective affiliates have, from time to time, performed, and may in the future perform, various investment banking services for the District for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the Underwriters and their respective affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (which may include bank loans and/or credit default swaps) for their own account and for the accounts of their customers and may at any time hold long and short positions in such securities and instruments. Such investment and securities activities may involve securities and instruments of the District. The Underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments. Such investment and securities activities may involve securities and instruments of the District.

The Underwriters have provided the following sentence for inclusion in this Official Statement. The Underwriters have reviewed the information in this Official Statement pursuant to their respective responsibilities to investors under the federal securities laws, but the Underwriters do not guarantee the accuracy or completeness of such information.

BofA Securities, Inc. ("BofA Securities"), as an underwriter of the Bonds, has entered into a distribution agreement with its affiliate Merrill Lynch, Pierce, Fenner & Smith Incorporated ("MLPF&S"). As part of this arrangement, BofA Securities may distribute securities to MLPF&S, which may in turn distribute such securities to investors through the financial advisor network of MLPF&S. As part of this arrangement, BofA Securities may compensate MLPF&S as a dealer for their selling efforts with respect to the Bonds.

Piper Sandler & Co., one of the underwriters of the Bonds, has entered into a distribution agreement (the "Distribution Agreement") with Charles Schwab & Co., Inc. ("CS&Co") for the retail distribution of certain security offerings including the Bonds, at the original issue prices. Pursuant to the Distribution Agreement, CS&Co will purchase Bonds from Piper Sandler & Co. at the original issue price less a negotiated portion of the selling concession applicable to any Bonds that CS&Co sells.

PNC Capital Markets LLC ("PNCCM"), one of the Underwriters of the Bonds, may offer to sell to its affiliate, PNC Investments, LLC ("PNCI"), securities in PNCCM's inventory for resale to PNCI's customers, including securities such as the Bonds. Additionally, PNCCM and PNC Bank, National Association are both wholly-owned subsidiaries of PNC Financial Services Group, Inc. PNCCM is not a bank, and is a distinct legal entity from PNC Bank, National Association. PNC Bank, National Association may from time to time have other banking and financial relationships with the District.

The Bonds to be offered to the public may be offered and sold to certain dealers (including the Underwriters and other dealers depositing Bonds into investment trusts) at prices lower than the public offering prices of the Bonds and such public offering prices may be changed, from time to time, by the Underwriters.

**VERIFICATION OF ARITHMETICAL COMPUTATIONS**

The arithmetical accuracy of certain computations included in the schedules provided by the Co-Municipal Advisors on behalf of the District relating to (a) computation of the sufficiency of the anticipated receipts from the Escrowed Securities, together with the initial cash deposit, if any, to pay, when due, the principal, interest and early redemption premium requirements, if any, of the Refunded Bonds, and (b) computation of the yield on the Bonds were verified by the Verification Agent. Such computations were completed using certain assumptions and information provided by the Co-Municipal Advisors, on behalf of the District. The Verification Agent restricted its procedures to recalculating the arithmetical accuracy of certain computations and has not made any study or evaluation of the assumptions and information on which the computations are based and, accordingly, has not expressed an opinion on the data used, the reasonableness of the assumptions, or the achievability of the forecasted outcome. The report will be relied upon by Co-Bond Counsel in rendering their opinions with respect to the excludability from federal income taxation of interest on the Bonds and with respect to the defeasance of the Refunded Bonds.

**FORWARD LOOKING STATEMENTS . . .** The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District’s expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the District assumes no obligation to update any such forward-looking statements. It is important to note that the District’s actual results could differ materially from those in such forward-looking statements.

The forward-looking statements included herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal, and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement will prove to be accurate.

In the Bond Order, the Board authorized the Pricing Officer to approve, and in the Pricing Certificate the Pricing Officer approved, for and on behalf of the District, (i) the form and content of this Official Statement, and any addenda, supplement or amendment thereto, and (ii) the Underwriters’ use of this Official Statement in connection with the public offering and the sale of the Bonds, in accordance with the provisions of the Rule.

Fort Worth Independent School District

/s/ KELLIE SPENCER  
Pricing Officer

*[The remainder of this page intentionally left blank.]*

## SCHEDULE I – SCHEDULE OF REFUNDED BONDS

Original Dated Date	Original Maturity (February 15)	Interest Rates	Principal Amount		Redemption Date
			Outstanding	Refunded	
August 1, 2016	2027	5.000%	\$ 13,185,000	\$ 13,185,000	February 15, 2026
	2028	5.000%	10,635,000	10,635,000	February 15, 2026
	2029	3.000%	18,900,000	18,900,000	February 15, 2026
	2030	4.000%	6,880,000	6,880,000	February 15, 2026
	2031	4.000%	7,160,000	7,160,000	February 15, 2026
	2032	4.000%	7,060,000	7,060,000	February 15, 2026
	2033	4.000%	7,345,000	7,345,000	February 15, 2026
	2034	4.000%	7,645,000	7,645,000	February 15, 2026
	2035	4.000%	7,960,000	7,960,000	February 15, 2026
	2036	4.000%	8,285,000	8,285,000	February 15, 2026
	2037	4.000%	8,620,000	8,620,000	February 15, 2026
	2038	4.000%	8,975,000	8,975,000	February 15, 2026
	2039	4.000%	9,340,000	9,340,000	February 15, 2026
	2041*	4.000%	19,840,000	19,840,000	February 15, 2026
			<b>\$ 141,830,000</b>	<b>\$ 141,830,000</b>	

\* Term Bond

*(This Page Intentionally Blank)*

**APPENDIX A**

**GENERAL INFORMATION REGARDING THE DISTRICT**

*(This Page Intentionally Blank)*

**THE DISTRICT**

The Fort Worth Independent School District (the “District”) is located in Tarrant County, Texas and is approximately 225 miles in area. The District includes the major portion of the City of Fort Worth, the fourth most populated city in the State of Texas, and portions of the communities of Arlington, Benbrook, Edgecliff Village, Forest Hill, Haltom City, Kennedale, Westover Hills, and White Settlement. The District owns and operates 137 schools, various administrative office buildings, athletic stadium and in excess of 1,800 acres of land.

<u>Number of Schools <sup>(1)</sup></u>	
Elementary schools	81
Middle schools	20
High schools	22
Alternative schools	<u>14</u>
Total	<u>137</u>

**HISTORICAL AVERAGE DAILY ATTENDANCE**

<u>School Year</u>	<u>Average Daily Attendance</u>
2016	79,375
2017	79,420
2018	77,998
2019	76,831
2020	72,212
2021	68,188
2022	66,814
2023	64,422
2024	63,155
2025	62,259

Source: The District

(1) On May 20, 2025, the District’s Board of Trustees approved a five-year facilities plan to close and consolidate certain of its campuses to adjust to a decline in enrollment and to operate more efficiently. The first closures began in June 2025, with a total of 18 campuses closing (primarily elementary schools) by June 2029.

The District employs a staff of approximately 9,917 which includes 4,845 classroom teachers distributed throughout the system as follows:

Regular Education	2,486
Career and Technical Education	233
Bilingual/ESL Education	809
Compensatory Education	320
Gifted and Talented Education	19
Special Education	558
Other	420

More than 31% of the professional staff hold advanced college degrees.

Pupil/Teacher ratios for the past five years were:

<u>School Year</u>	<u>Ratio</u>
2021	14.0
2022	14.8
2023	14.8
2024	14.9
2025	14.9

**SCHOOL-BASED MANAGEMENT . . .** School-based management (also known as site-based decision-making) is one of several activities designed to increase student learning in the District. It refers to the process of making decisions for the instructional improvement as close to the student as possible which means increased responsibility and authority for the principals and greater involvement of the staff and community in planning and evaluating at the campus level. Briefly stated, school-based management means having those who are directly involved in working with students determine "how" instruction will take place. Certain decisions, such as determining performance objectives in each subject area, must be established District wide. Setting overall standards and monitoring their accomplishments must be uniform throughout the system. The major objectives of school based management are as follows:

- (1) To improve student achievement in all schools
- (2) To increase the educational program options at all levels of the instructional process
- (3) To involve the community in educational planning
- (4) To improve the accountability of the school district operation
- (5) To improve the image of public education and increase the confidence of the local community.

**EMPLOYMENT STATISTICS**

	City of Fort Worth			State of Texas		
	August 2025	August 2024	August 2023	August 2025	August 2024	August 2023
Civilian Labor Force	535,930	528,245	515,048	15,857,279	15,687,839	15,274,221
Total Employment	512,269	505,829	494,189	15,213,480	15,033,023	14,666,671
Total Unemployment	23,661	22,416	20,859	643,799	654,816	607,550
Percentage Unemployed	4.4%	4.2%	4.0%	4.1%	4.2%	4.0%

Source: Texas Workforce Commission.

## **APPENDIX B**

# **EXCERPTS FROM THE FORT WORTH INDEPENDENT SCHOOL DISTRICT ANNUAL COMPREHENSIVE FINANCIAL REPORT**

For the Fiscal Year Ended June 30, 2025

The information contained in this Appendix consists of excerpts from the Fort Worth Independent School District Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2025 (the "Report") and is not intended to be a complete statement of the District's financial condition. Reference is made to the complete Report for further information.

The information contained in this Appendix is provided as of respective dates and for the periods specified herein and is subject to change without notice, and the filing of this Appendix does not, under any circumstances, imply that there has been no change in the affairs of the District since the specified dates as of which such information is provided. The historical information set forth in this Appendix is not necessarily indicative of future results or performance due to various factors, including those discussed in the Official Statement.

*(This Page Intentionally Blank)*



2025

FORT WORTH ISD, TEXAS  
ANNUAL COMPREHENSIVE FINANCIAL REPORT

FISCAL YEAR  
ENDED  
JUNE 30, 2025

Fort Worth Independent School District  
7060 Camp Bowie Blvd. Fort Worth, TX 76116



**Fort Worth  
Independent School District  
Fort Worth, Texas**



**Annual Comprehensive Financial Report  
Fiscal Year Ended  
June 30, 2025**

**Prepared By  
Maria Chavez, Comptroller  
Shametra Green, Assistant Comptroller**



**Fort Worth Independent School District  
Fort Worth, Texas  
Year Ended June 30, 2025**

**Table of Contents**

<b>Exhibit Number</b>		<b>Page Number</b>
<b>INTRODUCTORY SECTION</b>		
	Letter of Transmittal	ii
	Certificate of Board	xiv
	Government Finance Officers Association Certificate of Achievement for Excellence in Financial Reporting	xv
	Association of School Board Officials International Certificate of Excellence in Financial Reporting	xvi
	Organizational Chart	xvii
	Board Members and Their Respective Districts	xviii
	Superintendent's Leadership Team	xix
<b>FINANCIAL SECTION</b>		
	Independent Auditor's Report	1
	Management's Discussion and Analysis (Unaudited)	5
<b>Basic Financial Statements</b>		
<b>Government-wide Financial Statements:</b>		
A-1	Statement of Net Position	25
B-1	Statement of Activities	26
<b>Fund Financial Statements:</b>		
<b>Governmental Funds Financial Statements</b>		
C-1	Balance Sheet	30
C-2	Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position	33
C-3	Statement of Revenues, Expenditures, and Changes in Fund Balance	34
C-4	Reconciliation of the Governmental Funds Statement of Revenues, Expenditures and Changes in Fund Balances to the Statement of Activities	37
<b>Proprietary Funds Financial Statements</b>		
D-1	Statement of Net Position	41
D-2	Statement of Revenues, Expenses, and Changes in Fund Net Position	42
D-3	Statement of Cash Flows	43
<b>Fiduciary Funds Financial Statements</b>		
E-1	Statement of Net Position	47
E-2	Statement of Changes in Net Position	48
<b>Notes to the Basic Financial Statements</b>		
F	Notes to the Basic Financial Statements	51
<b>Required Supplementary Information (Unaudited)</b>		
G-1	Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget and Actual: General Fund (GAAP Basis)	89
G-2	Notes to Required Supplementary Information	91
G-3	Schedule of the District's Proportionate Share of the Net Pension Liability	92
G-4	Schedule of the District's Contributions	94
G-5	Notes to the Required Supplementary Information - Pension	97
G-6	Schedule of the District's Proportionate Share of the Net OPEB Liability	98
G-7	Schedule of the District's OPEB Contributions	100
G-8	Notes to the Required Supplementary Information - OPEB	103
<b>Other Supplementary Information</b>		
<b>Nonmajor Governmental Funds</b>		
H-1	Combining Balance Sheet	109
H-2	Combining Statement of Revenues, Expenditures, and Changes in Fund Balances	110
<b>Nonmajor Enterprise Funds</b>		
H-3	Combining Statement of Net Position	112
H-4	Combining Statement of Revenues, Expenses, and Changes in Net Position	113
H-5	Combining Statement of Cash Flows	114

**Fort Worth Independent School District  
Fort Worth, Texas  
Year Ended June 30, 2025**

**Table of Contents (Continued)**

		<b>Page Number</b>
	<b>Internal Service Funds</b>	
H-6	Combining Statement of Net Position	116
H-7	Combining Statement of Revenues, Expenses, and Changes in Net Position	117
H-8	Combining Statement of Cash Flows	118
	<b>Custodial Funds</b>	
H-9	Combining Statement of Net Position	120
H-10	Combining Statement of Changes in Net Position	121
	<b>Budget Comparison Reporting</b>	
H-11	Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget-to-Actual: Debt Service Fund (GAAP Basis)	124
H-12	Schedule of Revenues, Expenditures and Changes in Fund Balance-Budget-to-Actual: Food Service Fund (GAAP Basis)	125
	<b>TEA Required Schedules</b>	
	<b>Compliance Schedule</b>	
J-1	Schedule of Delinquent Taxes Receivable	128
J-4	Use of Funds Report - Select State Allotment	130
	<b>STATISTICAL SECTION (Unaudited)</b>	
	Statistical Section Overview	133
	<b>Financial Trends</b>	
I	Net Position By Component - Last Ten Fiscal Periods (Unaudited)	136
II	Government-wide Expenses, Program Revenues, and Changes in Net Position - Last Ten Fiscal Periods (Unaudited)	138
III	General Revenues and Total Change in Net Assets - Last Ten Fiscal Periods (Unaudited)	140
IV	Fund Balances, Government Funds - Last Ten Fiscal Periods (Unaudited)	142
V	Governmental Funds Revenues - Last Ten Fiscal Periods (Unaudited)	144
VI	Governmental Fund Expenditures and Debt Service Ratio - Last Ten Fiscal Periods (Unaudited)	146
VII	Other Financing Sources and Uses and Net Changes in Fund Balances Government Funds - Last Ten Fiscal Periods (Unaudited)	148
	<b>Revenue Capacity Information</b>	
VIII	Assessed and Actual Value of Taxable Property - Last Ten Fiscal Periods (Unaudited)	153
IX	Direct and Overlapping Property Tax Rates - Last Ten Fiscal Periods (Unaudited)	154
X	Property Tax Levies and Collections - Last Ten Fiscal Periods (Unaudited)	156
XI	Principal Property Tax Payers - Current Year and Nine Years Ago (Unaudited)	158
	<b>Debt Capacity Information</b>	
XII	Legal Debt Margin Information - Last Ten Fiscal Periods (Unaudited)	161
XIII	Outstanding Debt by Type - Last Ten Fiscal Periods (Unaudited)	162
XIV	Ratio of Net General Bonded Debt to Assessed Value and Net Bonded Debt per Capita - Last Ten Fiscal Periods (Unaudited)	163
XV	Direct and Overlapping Governmental Activities Debt (Unaudited)	164
	<b>Demographic and Economic Information:</b>	
XVI	Demographic and Economic Statistics - Last Ten Calendar Periods (Unaudited)	167
XVII	Principal Employers - Current and Nine Years Ago (Unaudited)	168
	<b>Operating Information</b>	
XVIII	Full-Time-Equivalent District Employees by Type - Last Ten Fiscal Periods (Unaudited)	171
XIX	Teacher Base Salaries - Last Ten Fiscal Periods (Unaudited)	172
XX	Operating Statistics - Last Ten Fiscal Periods (Unaudited)	174
XXI	School Building Information - Elementary Schools - Last Ten Fiscal Periods (Unaudited)	176
XXII	School Building Information - Middle Schools - Last Ten Fiscal Periods (Unaudited)	180
XXIII	School Building Information - Senior High Schools - Last Ten Fiscal Periods (Unaudited)	182
XXIV	School Building Information - Other Schools - Last Ten Fiscal Periods (Unaudited)	184

# **Introductory Section**



# Annual Comprehensive Financial Report

Fiscal Year Ended June 30, 2025

---

November 18, 2025

Members of the Board of Trustees and Citizens of the Fort Worth Independent School District:

The Annual Comprehensive Financial Report of the Fort Worth Independent School District (hereinafter referred to as "the District") is hereby submitted. This report has been prepared to provide the Board of Education (hereinafter referred to as "the Board"), representatives of financial institutions, the citizenry, and other interested parties, information concerning the financial condition of the District.

The District is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act Amendments of 1996 and the United States Office of Management and Budget Uniform Guidance. Information related to this single audit, including the schedule of expenditures of federal awards, findings and questioned costs, and the independent auditors' reports on internal control and compliance, with applicable requirements, are included in a separate report.

The Texas Education Code requires that all school districts file an annual report with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The annual report must be prepared in accordance with generally accepted accounting principles ("GAAP") as applicable to governmental entities and must be audited by a firm of independent licensed certified public accountants. This Annual Comprehensive Financial Report ("ACFR") is submitted in fulfillment of that requirement.

To the best of our knowledge and belief, the enclosed information is accurate in all material respects and is reported in a manner designed to fairly present the financial position as well as the financial condition of the District. Disclosures necessary to enable the reader to gain understanding of such financial operations have been included. Responsibility for the accuracy and completeness of the data presented, as well as the presentation of this report, rests with District management.

GAAP requires 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.

## Profile of the Fort Worth Independent School District

---

From their founding in 1882, the public schools were operated by the Fort Worth city government. In 1925, however, the Texas Legislature removed the city's authority and created the Fort Worth Independent School District, as we know it today, to manage and operate the schools.

The Fort Worth ISD is controlled locally through a Board of Education Trustees elected by voters within each district. Nine trustees serve as single-member district representatives. All of the Trustees serve four-year terms without pay. All positions are filled by biennial elections with individual positions coming to the voters on a rotating basis. All candidates must be qualified voters and residents of the District and/or single-member district which they represent. The Board of Education conducts the school program in accordance with the state constitution and the standards set by the Texas Education Agency. A policy-making body, the board delegates the day-to-day administration of the schools to the Superintendent and the professional staff.

Regular and special meetings or work sessions of the Board are posted and advertised as prescribed under state law so that the Board may meet to fulfill its charge to the students, parents, staff, and taxpayers of the District. The Board has final control over all school matters except as limited by state law, the courts, and the will of its citizenry as expressed in elections. The Board's responsibilities generally include setting policy for the District to ensure efficient operations; to select and evaluate the Superintendent of Schools; to adopt an annual budget and its supporting tax rate; and to foster good community relations and communications.

Fort Worth ISD, with a current enrollment of over 70,000 students and 136 schools, is the sixth largest district in Texas. The projected enrollment for the 2026 school year is 68,969 students. The average age of the District's schools is 59 years. A list of school buildings with year of construction can be found in the Statistical Data Section. The District encompasses over 210 square miles within Tarrant County, Texas. The District provides a well-rounded program of public education from pre-kindergarten through grade twelve and is fully accredited by the Texas Education Agency. In order to serve its students, the District provides regular, special education, vocational, gifted and talented, and bilingual/ESL curriculums. The Fort Worth ISD enjoys a diverse student population with an ethnic composition approximately 66.17% Hispanic, 18.55% African American, 11.3% White, and 3.97% other ethnicities. Fort Worth ISD had 9,398 staff in 2024-2025.



The Fort Worth ISD and the Fort Worth Chamber of Commerce have created a partnership that encompasses Gold Seal Programs and Schools of Choice, Career and Technical Education, Vital Link, and elementary school initiatives. The relationship serves as a model for other school districts partnering with their chambers of commerce. The goal is to develop a diverse talent pipeline for Fort Worth employers while connecting FWISD students to post-secondary education and career pathways. The success of this program will help provide Fort Worth with a highly-prepared work force and make the city an attractive location for both existing and new businesses.

A broad range of elective, extracurricular, and concentrated high academic programs are also evidenced. The District has ushered in a new era with winning opportunities for every student giving them power to choose courses of study based on personal interests and passions in the Gold Seal Programs of Choice--one of the most comprehensive redesigns of secondary school education in the nation. Every Fort Worth ISD high school offers rigorous courses of study based on students' interests as well as the needs of the modern workplace.

Gold Seal Program categories include everything from aviation technology, to biomedical science, to culinary arts, to digital gaming and much more. Each program provides an extraordinary learning opportunity for every student as well as opportunities to earn certificates, licenses, and up to 60 hours of transferrable college credits while still in high school. Within each program are multiple trajectories to ensure an extraordinary learning opportunity for every student.



Fort Worth ISD is proud to offer our students advanced learning opportunities through our Programs of Choice embedded into our traditional campuses throughout the District as well as our unique Schools of Choice designed to serve students who desire a non-traditional approach to the learning process. Schools of Choice are stand-alone schools located throughout the District that provide a specialized learning environment tailored to specific programs of study.

Under the leadership of the Superintendent and the Board of Education, the District is undergoing a series of initiatives that will redesign, transform, and revitalize Fort Worth ISD

Schools. The District, community organizations, and individuals come together and listen and learn with the goal of improving student outcomes in every school in every zip code. Among them, a groundbreaking partnership with Texas Wesleyan University that allows the District's six Leadership Academies to sustain recent academic gains, and a District- and community-wide effort for Pre-K and Kindergarten that includes online registration drives and strategic social media ads to give as many children as possible a great start to their education journey.

## Statistical & Area Information, Demographics, and Other Information

---



### Introduction

Fort Worth, incorporated in 1873, is a political subdivision and municipal corporation of the State of Texas, located in Tarrant, Denton, Parker, and Wise Counties. The City covers approximately 359 square miles and serves a population of 1,008,106, according to the 2024 Census estimate. Fort Worth is named for Major General William Jenkins Worth who was placed in command of the Department of Texas in 1849. Major Worth proposed a line of ten forts to safeguard the western Texas frontier from Eagle Pass to the forks of the Trinity River. After Major Worth died in May of 1849, a camp on the bank of the Trinity River was named Camp Worth in his honor. In August of 1849, Fort Worth was relocated to the north facing bluff which overlooked the mouth of the Clear Fork of the Trinity River. Since that time, Fort Worth has flourished into the 11th largest city in the Nation.

U.S. Census Bureau List of 15 Most Populous Cities on July 1, 2024 show Fort Worth to be the 11th largest city in the United States with a population of 1,008,106. Fort Worth expanded from 741,206 people in the 2010 census to 922,592 in the 2020 census, a 24% increase. From July 1, 2021 through July 1, 2022, Fort Worth ranked first in cities with the largest numeric increase between this time period, with an increase of 19,170 people. Fort Worth's population is increasingly diverse with respect to race and ethnicity. The rapid growth in Fort Worth speaks to the incredible quality of life, business friendly climate, and affordable cost of living. Fort Worth is consistently ranked among the top places in the nation to live, work, and play. With a growing workforce, top educational facilities, low cost of doing business, high quality of life, and prime location and climate, the City is an attractive choice for companies looking to expand their operations.

Once dependent on agriculture, oil, and defense, Fort Worth has transitioned into a major center for industry, technology, distribution, and transportation. The City of Fort Worth's 2024 Comprehensive Plan (the "Plan") established the following vision.

"Fort Worth will be commonly recognized as the most livable city in Texas. Residents will be able to enjoy Fort Worth's friendly atmosphere and the opportunities that are associated with a growing economy and diverse community. Fort Worth's public schools will produce well-rounded citizens and a skilled workforce to fill high-paying jobs in local businesses. Fort Worth's environmental quality will also be superior, meeting the highest national standards."

In developing the Plan to reflect the community’s values and to help the City realize its vision, five major themes were identified by the City Council. These following five themes, which influence various elements of the Plan, can guide the City in its decisions about the future:

- 1. Promoting Economic Growth**
- 2. Meeting the Needs of an Expanding Population**
- 3. Revitalizing the Central City**
- 4. Developing Multiple Growth Centers**
- 5. Celebrating the Trinity River**



## Quality of Life

Fort Worth residents enjoy the area’s affordable, easy-going lifestyle, thriving business environment, outstanding educational system, active arts community, and a dynamic downtown named “Sundance Square” that offers restaurants, theaters, hotels and nightspots that entertain locals and tourists alike. Downtown Fort Worth’s Bass Performance Hall is a world-renowned performance venue and hosts performers from around the world.



In Fort Worth’s celebrated cultural district, visitors can explore museums that are acclaimed for their architecture, the quality of their collections, and the programs they offer. The museums are situated in a relaxing, park-like setting one mile west of downtown. These include the Kimbell Art Museum, the Amon Carter Museum of Art, and the Modern Art Museum of Fort Worth. With over 109 acres of museum space, Fort Worth has the second largest number of accredited museums within walking distance of each other, second only to Washington DC. Additionally, the city’s cultural district, ranked the

third largest in the U.S., provides rich opportunities for visitors of all ages, including the Museum of Science and History, the Fort Worth Botanic Gardens and the Fort Worth Zoo. The zoo, which opened in 1909, is recognized as the first zoo in Texas, is acknowledged as the best in Texas, and is further recognized as one of the top five zoos in the nation.

Not forgetting the city’s western heritage, the National Cowgirl Museum and Hall of Fame have joined other museums in the Cultural District. To the north of downtown, the Historic Stockyards District further celebrates Fort Worth’s western heritage and is a popular entertainment destination for both tourists and locals. The world-famous Will Rogers Coliseum is home to a host of events organized by the Professional Rodeo Cowboys Association, Professional Bull Riders Association, and the National Cutting Horse Association. Dickies Arena opened on November 26, 2019. Dickies Arena is already bringing a wide variety of programming to Fort Worth, including major concerts, family shows, sporting events and community events. Beginning in 2020, Dickies Arena is home to the Fort Worth Stock Show rodeo performances. The \$540 million project complements the current Will Rogers Memorial Coliseum, which will continue to serve as a major equestrian show arena.



### Public Transportation

Fort Worth’s population is projected to exceed 1,080,000 by 2030. More people mean more vehicles on the roadways and increased levels of congestion, delays, and air pollution. The City of Fort Worth is committed to improving mobility and air quality and has implemented a strategic plan to provide a balance of multimodal transportation improvements for the city. Scheduled public bus service throughout Fort Worth is provided by the Fort Worth Transportation Authority, known as the “T”. The “T” is able to partner with different companies, as well as Dallas Area Rapid Transit (DART) through the Trinity Railway Express (TRE), to meet employee transportation needs. Typical commutes for persons working and living in the Fort Worth area are 15 to 20 minutes. Commutes between Dallas and Fort Worth are usually 30-45 minutes.

Air transportation in Fort Worth is unsurpassed. DFW International Airport (the third busiest airport in the world) and Dallas Love Field are both major hubs. Alliance Airport is billed as the world’s first 100% industrial airport and home to FedEx, American Airlines, Galaxy Aerospace, Intel, Aviation Division of the US Drug Enforcement Administration and many other operations. Meacham Airport offers private aircraft convenient access to the city, and Spinks Flight Center is rapidly becoming home to area flight schools.

## Labor Force

Fort Worth's labor force is large and diverse, providing a sufficient supply of employees at all skill levels. Fort Worth is a bustling metropolitan area with excellent education and training opportunities. The cost of living is low, helping to keep wage rates competitive. The presence of public and private colleges and universities with over 169,000 enrolled including both full-time and part-time students, together with the region's substantial active and retired military population, further enhance the labor force. North Texas benefits from one of the most educated talent pools in the country with more than 850,000 individuals with a bachelor's degree and nearly 400,000 with a graduate or higher degree residing in the Metroplex. Because Fort Worth recognizes that a solid education is the foundation for a strong workforce, the business community and educational institutions have established numerous programs to support high school completion, college access and career preparation.



## The Economy and 2025 Economic Outlook

As the 11<sup>th</sup> largest city in the United States and the 5<sup>th</sup> largest city in Texas, Fort Worth ranks as the 4<sup>th</sup> best big city for US job growth according to Forbes.com. Aggressive, forward-thinking city government and modern amenities make Fort Worth an ideal place for business prosperity. The Dallas-Fort Worth Metroplex has the 6<sup>th</sup> highest concentration of Fortune 500 headquarters in the United States and is renowned for its probusiness culture, transportation, and highly skilled workforce. One of the most diverse high-tech manufacturing locations in Texas, Fort Worth is home to a variety of high-tech corporations, including Lockheed Martin, Bell Helicopter and Alcon Laboratories. A number of international corporations are also headquartered here, including American Airlines and BNSF Railway. The City of Fort Worth embraces economic development by cultivating collaborations that will facilitate business growth by identifying financial incentives to support businesses relocating or expanding in the Fort Worth area. Fort Worth businesses represent a diverse range of industries including life sciences, manufacturing, construction, logistics, energy, retail, professional services and insurance and real estate.

## The District Strategic Plan

---

During the fall semester of 2023, leaders from across Fort Worth ISD came together to align District initiatives under a new Strategic Plan that will guide the work of FWISD for the next five years. Guided by input from Community Stakeholders, the Strategic Plan not only reflect what matters most to the Community but also provides a clear roadmap for how we will achieve these goals. This new plan provides a concise plan that focuses on addressing challenges and provides strategies that are clearly aligned to the goals; it also maintains a focus on our District Mission of preparing all students for success in college, career, and community leadership. The Strategic Plan was formally approved by the Fort Worth ISD Board of Trustees on January 21, 2025, and covers the period from 2024 through 2029.



### The District's Mission

"Preparing ALL students for success in college, career and community leadership."

### FWISD Commitments:

1. FWISD commits to delivering effective, differentiated instruction that builds early literacy and numeracy, accelerates growth for ALL students and fosters a school culture that promotes academic excellence and postsecondary readiness.
2. FWISD commits to providing a well-rounded experience that strengthens student engagement and family partnerships through extracurricular opportunities, community collaboration, volunteer involvement, and effective two-way communication.
3. FWISD commits to attracting, developing, and retaining high-performing staff through effective leadership, support, and feedback.
4. FWISD commits to ensuring accountability through clear communication, efficient operations, and resource alignment with district priorities and student needs.

### FWISD Strategic Priorities

1. Student Academic Excellence
2. Student and Family Engagement
3. Employee Effectiveness and Retention
4. Operational Alignment and Efficiency

## Capital Improvement Program

---

In November 2021, voters approved the District's 2021 Bond Program in the amount of \$1.2 billion. The 2021 Bond program will provide major interior renovations primarily to middle schools throughout the District to upgrade FWISD education buildings. Examples of work include new, secured front-entry vestibules for schools, upgrades to corridors, common areas, media centers, and cafeteria spaces for student collaboration, and refit science labs and modified classrooms to meet space requirements.

In most cases, portables will be removed and there will be building additions for various campus needs. Work on this bond program has already begun and will continue to rollout in the next few years.



The 2021 Bond Program is anticipated to be implemented over a 5-year period. On behalf of the community, FWISD established the 2021 Bond Program Citizens' Oversight Committee, (COC). The Division of Capital Improvement Program together with the District's external Owner's Agent, Procedeo Group, and the District departments of Business and Finance, Operations, and Information Technology provide quarterly status reports to the committee as well as the Board of Education. At the close of the fiscal year 2024-25, 19% of the funds from the 2021 Bond program were spent.

In November 2017, voters overwhelmingly approved the District's \$749.7M initiative, by more than 78%. The bond election, in keeping with the long-range facility assessment, included land acquisitions, new construction due to school overcrowding and specialized programs, and upgrades to neighborhood high schools.

The 2017 Bond Program was also anticipated to be implemented over a 5-year period. The District also established a Citizens' Oversight Committee, (COC) for this Bond Program. The Division of Capital Improvement Program together with Procedeo Group, Business and Finance, District Operations, and the Division of Technology provide quarterly status reports to the committee as well as the Board of Education. At the close of the fiscal year 2024-25, 98% of these funds were spent.

## Financial Information

---

### Overview

The administration of the Fort Worth Independent School District is responsible for establishing and maintaining internal controls that are designed to ensure that the assets of the District are protected from loss, theft, and misuse. The administration is also charged to ensure that adequate accounting data is compiled to allow for the preparation of financial statements in conformity with generally accepted accounting principles. The Financial Services Department of the District has not only fulfilled these needs but has been honored with both the Government Finance Officers Association's and the Association of School Business Officials International's prestigious awards for "Excellence in Financial Reporting".

Internal controls are designed to provide reasonable, but not absolute, assurance that the above objectives are being met. The concept of reasonable assurance recognizes that: 1) the cost of a control should not exceed the benefits likely to be derived; and 2) the valuation of costs and benefits requires estimates and judgments by management.

The District employs a full time Internal Audit Department. Its responsibility is to provide assistance for ensuring the public's trust.

Single Audit. As a recipient of federal and state financial assistance, the District also is responsible for ensuring that adequate internal controls are in place to provide compliance with applicable laws and regulations related to those programs. Internal controls are subject to periodic evaluation by management and the internal audit staff of the District. As a part of the District's single audit process, tests are made to determine the adequacy of the internal controls, including that portion related to federal awards programs, as well as to determine the District's compliance with applicable laws and regulations.

Budgetary Controls. The District maintains budgetary controls throughout all of its financial systems. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget adopted by the Board, in the General Fund, Debt Service Fund, and Food Service Enterprise Fund. The level of budgetary control (i.e., the level at which expenditures cannot legally exceed the appropriated amount) are monitored at the fund- function- object code levels. However, District systems can exercise budgetary controls at varying combinations of the account code structure. The Texas accounting system for school districts, as codified in Texas Education Agency Financial Accountability System Resource Guide, requires the usage of a twenty-digit account code structure and requires budgetary control through the fund- function level. A local education agency can expand the account code structure, as required for local definition or to accommodate financial software systems, which the District has elected to do. Oversight control of all the District's expenditures is maintained at this level by the budget staff.

The District also utilizes an encumbrance accounting system to maintain budgetary control through a transaction's life cycle. Outstanding encumbrances at the end of a fiscal year are no longer reported separately on the face of the balance sheet in accordance with GASB 54. If the requirements for commitment or assignment of funds are met, then those encumbrances would be reported accordingly, but not as "committed or assigned for encumbrances."

Independent Audit. State law and District policy require an annual audit by independent certified public accountants. The annual audit was performed by Weaver and Tidwell LLP for the year ended June 30, 2025. In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1996 and United States Office of Management and Budget Uniform Guidance. The independent auditors' report on the basic financial statements and the Management's Discussion and Analysis report are included in the financial section of this report. The independent auditors' reports relating specifically to the single audit are included in a separate report.

## Awards

---

The Association of School Business Officials International ("ASBO") awarded a Certificate of Excellence in Financial Reporting and the Government Finance Officers Association ("GFOA") awarded a Certificate of Achievement for Excellence in Financial Reporting to the District for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2024. The District has received these prestigious awards for more than thirty years. In order to be awarded these Certificates, the District published an easily readable and efficiently organized annual comprehensive financial report, which satisfied both generally accepted accounting principles and applicable legal requirements.

The certificates are valid for a period of one year only. The District believes that this current Annual Comprehensive Financial Report for the year ended June 30, 2025 continues to meet both Certificate programs' requirements, and it will be submitted for review to both ASBO and GFOA to determine its eligibility for another certificate.

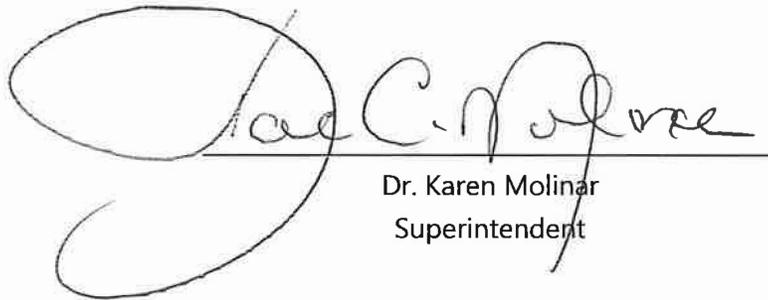
Based on the final 2023–2024 FIRST rating, Fort Worth ISD received an "Above Standard Achievement" rating with a score of 85 out of 100, based on 20 financial indicators.

## Acknowledgments

---

The preparation of this report could not have been accomplished without the dedicated efforts of the entire staff of the Accounting and Business and Finance Departments. Sincere appreciation for everyone's time and effort in this endeavor is hereby expressed. Additionally, a special thanks is extended to the Board and the District's Audit Committee for their interest and support of the District's Division of Business and Finance. Their concern that the business operations of the District are conducted efficiently and responsibly and their recognition of the importance of such services make such tasks rewarding for the staff as a whole.

Sincerely,



Dr. Karen Molinar  
Superintendent

Maria Chavez

Maria Chavez (Nov 19, 2025 11:02:11 CST)

Maria Chavez  
Comptroller

Shameta Green

Shameta Green (Nov 19, 2025 13:35:46 EST)

Shameta Green  
Assistant Comptroller

# Certificate of Board

Fort Worth Independent School District  
Name of School District

Tarrant  
County

220-905  
Co. - Dist. No

We, the undersigned, do hereby certify that the attached auditor's report of the above named school district was reviewed and ✓ approved \_\_\_\_\_ disapproved (check one) for the year ended June 30, 2025, at the meeting of the board of school trustees of such school district on the 18<sup>th</sup> day of November, 2025.



Roxanne Martinez  
Board President



Anael Luebanos  
Board Secretary



Government Finance Officers Association

Certificate of  
Achievement  
for Excellence  
in Financial  
Reporting

Presented to

**Fort Worth Independent School District  
Texas**

For its Annual Comprehensive  
Financial Report  
For the Fiscal Year Ended

June 30, 2024

*Christopher P. Morill*

Executive Director/CEO



ASSOCIATION OF  
SCHOOL BUSINESS OFFICIALS  
INTERNATIONAL

The Certificate of Excellence in Financial Reporting  
is presented to

## Fort Worth ISD

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.

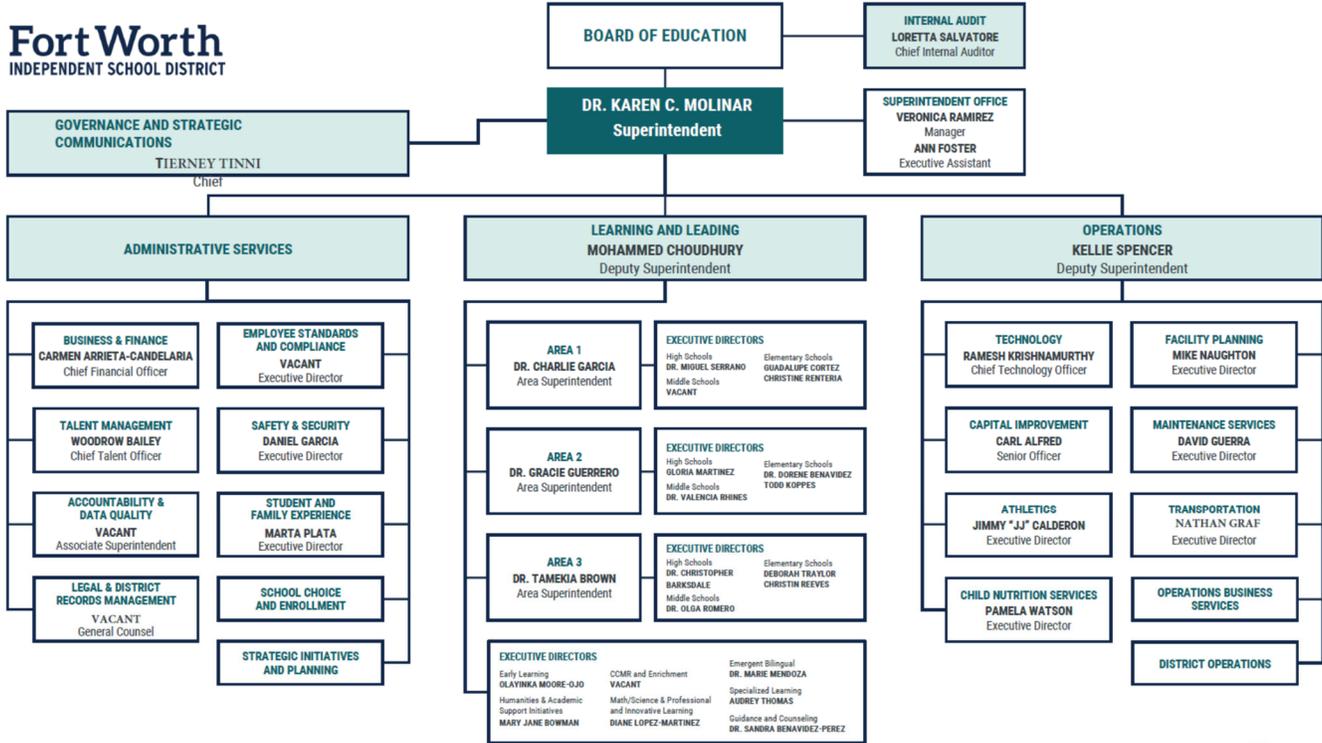


A handwritten signature in black ink, reading 'Ryan S. Stechschulte'.

**Ryan S. Stechschulte**  
President

A handwritten signature in black ink, reading 'James M. Rowan'.

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



JUNE 2025



**Dr. Karen C. Molinar**  
SUPERINTENDENT

## 2024-2025 FORT WORTH ISD BOARD OF EDUCATION



**Dr. Camille Rodriguez**  
DISTRICT 1



**Tobi Jackson**  
DISTRICT 2  
1<sup>st</sup> Vice President



**Quinton "Q" Phillips**  
DISTRICT 3



**Wallace Bridges**  
DISTRICT 4



**Kevin Lynch**  
DISTRICT 5



**Anne Darr**  
DISTRICT 6



**Dr. Michael Ryan**  
DISTRICT 7  
2<sup>nd</sup> Vice President



**Arael Luebanos**  
DISTRICT 8  
Board Secretary



**Roxanne Martinez**  
DISTRICT 9  
Board President

## **SUPERINTENDENT’S LEADERSHIP TEAM\***

Dr. Karen Molinar..... Superintendent  
Mohammed Choudhury..... Deputy Superintendent  
Kellie Spencer..... Deputy Superintendent  
Woodrow Bailey..... Chief Talent Officer  
Carmen Arrieta-Candelaria..... Chief Financial Officer  
Ramesh Krishnamurthy..... Chief Information Officer  
Tierney Tinnin..... Chief of Communications and Community Partnerships

### **BUSINESS/FINANCE DEPARTMENT**

Maria Chavez..... Comptroller  
Shametra Green..... Assistant Comptroller

### **INTERNAL AUDIT**

Loretta Salvatore..... Chief Internal Auditor

### **ACCOUNTANTS AND ADVISORS**

Weaver and Tidwell, LLP..... Independent Auditors  
Fort Worth, Texas  
Norton Rose Fulbright LLP..... Bond Counsel  
Dallas, Texas  
Kelly Hart & Hallman, LLP..... Bond Counsel  
Fort Worth, Texas  
Hilltop Securities, Inc..... Financial Advisors  
El Paso, Texas  
Stifel, Nicolaus & Company, Inc..... Financial Advisors  
Fort Worth, Texas

\*The Superintendent’s Leadership Team listed reflects the team in place during the fiscal year 2025 period.

# **Financial Section**



## Independent Auditor's Report

Board of Education  
Fort Worth Independent School District  
Fort Worth, Texas

### Report on the Audit of the Financial Statements

#### Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Fort Worth 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 present fairly, in all material respects, the respective financial position of the governmental activities, the business-type 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.

#### Emphasis of Matter

As discussed in Note 1 to the basic financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

#### Responsibilities of Management for the Financial Statements

The District's 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 the management's discussion and analysis and the required supplementary 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 compliance schedules required by the Texas Education Agency and other supplementary information is presented for purpose of additional analysis and are not a required part of the basic financial statements.

The compliance schedules required by the Texas Education Agency and other supplementary 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. Such information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with auditing standards generally accepted in the United States of America. In our opinion, the schedules required by the Texas Education Agency and other supplementary information is fairly stated, in all material respects, in relation to the basic financial statements as a whole.

**Other Information Included in the Annual Comprehensive Financial Report (ACFR)**

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the 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 12, 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 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.

*Weaver and Tidwell, L.L.P.*

WEAVER AND TIDWELL, L.L.P.

Fort Worth, Texas  
November 12, 2025



## **FORT WORTH INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

In this section of the Annual Comprehensive Financial Report, the Fort Worth Independent School (the District) discusses and analyzes its financial performance for the period ended June 30, 2025. This section should be read in conjunction with the transmittal letter, the independent auditor's report, and the District's Basic Financial Statements.

### **FINANCIAL HIGHLIGHTS**

- The assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at June 30, 2025, by \$608.3M on the government-wide financial statements. This is an increase in the net position by \$78.6M and is due to positive results of operations as well as the increase in the Capital Projects transactions that occurred in the current fiscal year.
- The District's governmental funds financial statements reported combined ending fund balances of \$993.1M at June 30, 2025, a decrease of \$168.5M from the prior year, and is attributable to the expenditures exceeding revenues in the General Fund, Capital Projects Fund, and the Debt Service Fund by \$33.6, \$6.8M and \$128.2M, respectively.
- At the end of the current fiscal year, unassigned fund balance in the general fund was \$284.5M, representing 33.3% of total General Fund expenditures.
- The District's total bonded debt decreased by \$101.5M (6.1%) during the fiscal year primarily due to scheduled payments and the refunding of the Series 2015 bonds. There was no significant new bond issuance, allowing debt levels to decline.

### **USING THIS ANNUAL REPORT**

This annual report consists of a series of financial statements. The two major categories of statements are the government-wide statements and the fund financial statements.

The government-wide financial statements include the Statement of Net Position and the Statement of Activities. These statements provide information about the activities of the District as a whole and provide both long-term and short-term information about the overall financial status.

The fund financial statements focus on individual parts of the government, reporting the District's operations in more detail than the government-wide statements. The governmental funds statements tell how general government services were financed in the short term as well as what remains for future spending. Proprietary funds statements offer short and long-term financial information about the activities the government operates like businesses, such as food service. Fiduciary funds statements provide information about the financial relationships in which the District acts solely as a trustee or agent for the benefit of others, to whom the resources in question belong.

The financial statements also include notes that explain some of the information contained in the financial statements and provide more detailed information and data. The statements are followed by a section of required supplementary information that further explains and supports the information in the financial statements.

The remainder of this overview section of the MD&A explains the structure and contents of each of the statements.

# FORT WORTH INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

## The Statement of Net Position and the Statement of Activities

The government-wide statements report information about the District as a whole using accounting methods similar to those used by private-sector companies. The statement of net position includes all of the government's assets, deferred outflows, liabilities, and deferred inflows. All of the current year's revenues and expenses are accounted for in the statement of activities regardless of when cash is received or paid.

The two government-wide statements report the District's net position and change in net position. Net position—the difference between the District's assets, deferred outflows, liabilities and deferred inflows—is one way to measure the District's financial health or position.

- Over time, increases or decreases in the District's net position are an indicator of whether its financial health is improving or deteriorating.
- To assess the overall health of the District, additional non-financial factors such as changes in the District's tax base must be considered.

The government-wide financial statements of the District include the Governmental Activities and Business-Type Activities. Most of the District's basic services are included in the Governmental Activities, such as instruction, extracurricular activities, curriculum and staff development, health services, and general administration. Property taxes, state aid, and grants finance most of these activities.

Business-type activities include those services for which fees are charged to help cover the cost of the services. The District's food service enterprise fund is included here.

## FUND FINANCIAL STATEMENTS

The fund financial statements provide more detailed information about the District's most significant funds—not the District as a whole. Funds are accounting devices that the District uses to keep track of specific sources of funding and spending for particular purposes.

- Some funds are required by State law and by bond covenants.
- The Board of Trustees establishes other funds to control and manage money for particular purposes or to show that it is properly using certain taxes and grants.

The District has three kinds of funds:

- *Governmental Funds*—Most of the District's basic services are included in governmental funds, which focus on (1) how cash and other financial assets that can readily be converted to cash flow and (2) the balances left at year-end that are available for spending. Consequently, the governmental fund statements provide a detailed *short-term* view that helps determine whether there are more or fewer financial resources that can be spent in the near future to finance the District's programs.

## FORT WORTH INDEPENDENT SCHOOL DISTRICT MANAGEMENT'S DISCUSSION AND ANALYSIS FOR THE FISCAL YEAR ENDED JUNE 30, 2025

Because this information does not encompass the additional long-term focus of the government-wide statements, additional information is provided at the bottom of the governmental funds statements, or on the subsequent page that explains, the relationship (or differences) between them.

- *Proprietary Funds*—Services for which the District charges customers a fee are generally reported in proprietary funds. Proprietary funds, like the government-wide statements, provide both long- and short-term financial information.

The District uses the food service enterprise fund to report activities related to the school lunch and breakfast program. The Leadership Learning Center fund is used to account for the operations of the outdoor learning center, which provides an outdoor learning environment for cadets, students, staff and other organizations across the state. This fund was closed in the current year and operations were moved to the general fund. The Sports Marketing Fund is used to replace video boards and marquees at the athletic stadium sites. Revenue generated from advertising displayed on the boards and marquees will help offset the cost of the equipment over time. Operating revenues are derived primarily from charges to users.

Internal service funds are used to report activities that provide supplies and services for the District's other programs and activities—such as the District's self-funded Workers' Compensation and Unemployment Insurance Fund, the Employer Liability Fund and the Educational Technology Fund.

- *Fiduciary Funds*—The District is the trustee, or fiduciary, for certain funds. It is also responsible for other assets that—because of a trust arrangement—can be used only for the trust beneficiaries. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. The District's fiduciary activity is reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position. These activities are excluded from the District's government-wide financial statements because the District cannot use these assets to finance its operations.

### FINANCIAL ANALYSIS OF THE DISTRICT AS A WHOLE

**Net position.** As noted earlier, net position may serve over time as a useful indicator of a District's financial position. In the case of the District, assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$608.3M at the close of the most recent fiscal year. This reduction in the unrestricted deficit position was due to the net increase in net investment in capital assets, and excess of revenues over expenditures in the current year.

A portion of the District's net position from governmental activities is either restricted for a specific purpose or invested in capital assets. The unrestricted net position for governmental activities totaled negative \$247.2M, while net investment in capital assets amounted to \$802.9M.

The net position of the business-type activities totaled \$27.9M. These resources cannot be used for governmental activities. The District can generally only use business-type net position to finance the continuing operations of its business activities in the Food Service Fund and the Sports Marketing Fund.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Table A-1  
The District's Net Position  
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current assets	\$ 1,198.6	\$ 1,354.0	\$ 35.7	\$ 28.7	\$ 1,234.3	\$ 1,382.7
Capital assets	2,015.2	1,888.3	3.0	3.4	2,018.2	1,891.7
<b>Total assets</b>	<b>3,213.8</b>	<b>3,242.3</b>	<b>38.7</b>	<b>32.1</b>	<b>3,252.5</b>	<b>3,274.4</b>
Total deferred outflow of resources	190.2	251.1	-	-	190.2	251.1
Current liabilities	291.4	289.1	10.8	4.9	302.2	294.0
Non-current liabilities	2,252.0	2,400.3	-	-	2,252.0	2,400.3
<b>Total liabilities</b>	<b>2,543.4</b>	<b>2,689.4</b>	<b>10.8</b>	<b>4.9</b>	<b>2,554.2</b>	<b>2,694.3</b>
Total deferred inflow of resources	280.1	301.5	-	-	280.1	301.5
Net position:						
Net investment in capital assets	802.9	712.0	3.0	3.4	805.9	715.4
Restricted net position	24.8	33.7	27.8	26.7	52.6	60.4
Unrestricted net position	(247.2)	(243.2)	(2.9)	(2.9)	(250.1)	(246.1)
<b>Total net position</b>	<b>\$ 580.5</b>	<b>\$ 502.5</b>	<b>\$ 27.9</b>	<b>\$ 27.2</b>	<b>\$ 608.4</b>	<b>\$ 529.7</b>

Review of Table A-1 indicates that as of June 30, 2025, the District's net position totaled \$608.3M.

For governmental activities, current assets decreased by \$155.4M decrease in current assets within governmental activities compared to the prior year. This decline is primarily attributed to reduced cash and investment balances, resulting from expenditure exceeding revenues and other resources in the District's Capital Project Fund and operational activities, as the District continues to use the 2017 Bond Funds for approved capital projects.

Capital assets increased by \$126.9M, largely due to increased capital expenditures related to the 2017 bond program. Additionally, deferred outflows of resources declined by \$60.9M, reflecting changes in post-employment benefits and pension assets in accordance with GASB Statement No. 68 and 75.

For business-type activities, current assets increased by \$7.0M compared to the prior year, primarily due to higher revenues and reduced operating costs. This improvement is largely attributed to the District's decision to contract with a third-party food service management company, which resulted in more efficient operations and lower food and service expenses. Capital assets decreased reflecting the net impact of depreciation and asset disposal during the year.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**GOVERNMENT-WIDE STATEMENT OF ACTIVITIES**

Key elements of program revenues and expenses are listed below, together with an analysis as noted on the following page (See Table B-1).

**Table B-1  
Change in Net Position  
(in millions of dollars)**

	Governmental Activities		Business-Type Activities		Total	
	2025	2024	2025	2024	2025	2024
Program revenues:						
Charges for services	\$ 5.9	\$ 6.4	\$ 1.4	\$ 1.1	\$ 7.3	\$ 7.5
Operating grants and contributions	186.7	237.8	43.7	43.0	230.4	280.8
General revenues and special item:						
Property taxes - maintenance & operations	412.4	403.9	-	-	412.4	403.9
Property taxes - debt service	144.3	138.3	-	-	144.3	138.3
State aid - formula grants	325.2	334.4	-	-	325.2	334.4
Investment earnings	57.1	58.4	1.4	1.3	58.5	59.7
Gain (loss) on disposal of capital assets	-	(0.1)	-	-	-	(0.1)
Miscellaneous	1.6	1.9	-	-	1.6	1.9
<b>Total revenues</b>	<b>1,133.2</b>	<b>1,181.0</b>	<b>46.5</b>	<b>45.4</b>	<b>1,179.7</b>	<b>1,226.4</b>
Expenses:						
11 Instruction	564.5	602.9	-	-	564.5	602.9
12 Instructional resources and media services	11.3	12.3	-	-	11.3	12.3
13 Curriculum development and instructional staff development	38.1	49.7	-	-	38.1	49.7
21 Instructional leadership	17.2	19.4	-	-	17.2	19.4
23 School leadership	53.9	56.2	-	-	53.9	56.2
31 Guidance, counseling and evaluation services	47.8	53.5	-	-	47.8	53.5
32 Social work services	7.0	10.1	-	-	7.0	10.1
33 Health services	12.0	11.5	-	-	12.0	11.5
34 Student (pupil) transportation	24.9	25.0	-	-	24.9	25.0
35 Food services	0.1	1.7	45.4	40.1	45.5	41.8
36 Cocurricular/Extracurricular activities	23.9	23.6	-	-	23.9	23.6
41 General administration	23.1	23.1	-	-	23.1	23.1
51 Plant maintenance and operations	90.9	95.5	-	-	90.9	95.5
52 Security and monitoring services	29.7	17.5	-	-	29.7	17.5
53 Data processing services	22.5	27.5	-	-	22.5	27.5
61 Community services	8.7	12.4	-	-	8.7	12.4
71 Debt service	71.5	75.0	-	-	71.5	75.0
91 Contracted instructional services between public schools	5.2	4.1	-	-	5.2	4.1
93 Payments to fiscal agent	-	0.2	-	-	-	0.2
99 Other intergovernmental charges	3.0	2.9	-	-	3.0	2.9
Leadership learning center	-	-	0.3	-	0.3	-
<b>Total expenses</b>	<b>1,055.3</b>	<b>1,124.1</b>	<b>45.7</b>	<b>40.1</b>	<b>1,101.0</b>	<b>1,164.2</b>
<b>Change in net position</b>	<b>77.9</b>	<b>56.9</b>	<b>0.8</b>	<b>5.3</b>	<b>78.7</b>	<b>62.2</b>
Beginning net position	502.6	445.6	27.1	21.9	529.7	467.5
<b>Ending net position</b>	<b>\$ 580.5</b>	<b>\$ 502.5</b>	<b>\$ 27.9</b>	<b>\$ 27.2</b>	<b>\$ 608.4</b>	<b>\$ 529.7</b>

The total revenues from taxpayers, user service fees, grants and other sources for the District were \$1,179.7M, a \$46.7M decrease from fiscal year 2024, primarily due to the reductions in grants dollars received as well as reductions in property tax revenues, offset by an increase in state revenues. In November 2023, taxpayers across Texas approved a new \$100,000 homestead exemption from local property taxes, which resulted in a decrease in the collection of local property taxes. This was offset by an increase in state revenues as mandated by the state legislature due to House Bill 3 passed in 2019.

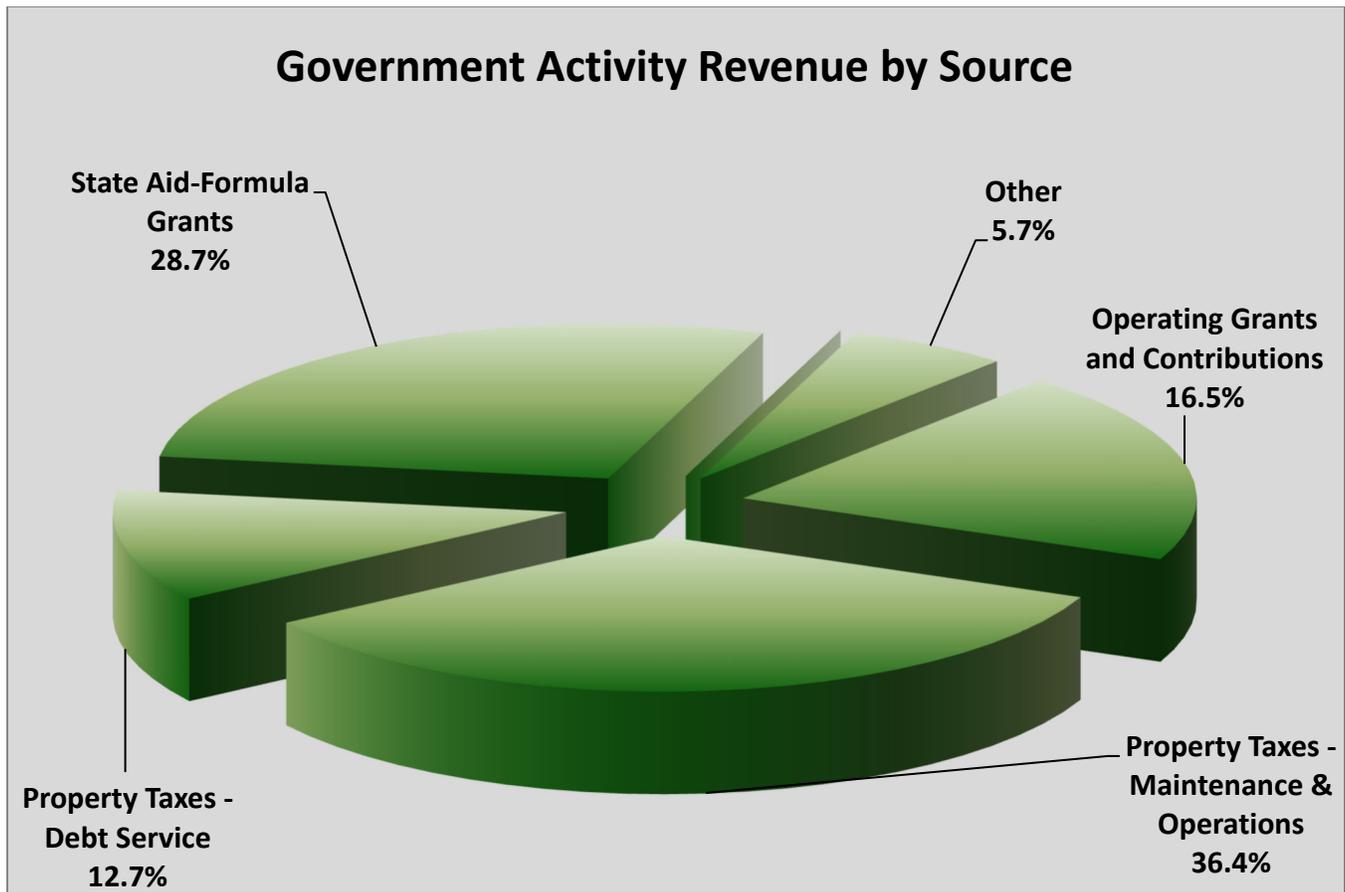
**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Total expenses for the 2025 fiscal year were \$1,101.0M or \$63.2M less than expenses of fiscal year 2024 primarily as a result of decreased federal grant expenditures in the current year as COVID funded grants have been mostly spent, and decreased budgeted expenditures due to lower state aid in the current year. These decreases were somewhat offset by increased guidance and counseling expenditures, additional transportation expenditures, increased debt service expenses, and expensing recapture state aid in 2025. For the second year, the District's entitlement of revenue based on student enrollment exceeded allotted state revenues and property taxes collected, resulting in recapture status. \$5.2 million in recapture expense was recorded in fiscal year 2025, as compared to \$4.1M in the prior year.

Government Activities Revenue:

Revenues for the District's governmental activities decreased year over year overall \$47.8M for the year ended June 30, 2025. This was primarily driven by the decrease in additional federal grant funding, decreases in collections of property taxes due to the increased homestead exemption of \$100K in November 2023, which was offset by an increase in state funding due to the changes in state law regarding student entitlement funding as a result of House Bill 3 in 2019, and increases in investment earnings.

Approximately 49.1% of the District's revenues came from property taxes, with an additional 45.2% derived from state funding formulas and federal grants. Last fiscal year 45.9% of the District's revenues came from property taxes and 48.4% came from state funding formulas and federal grants.

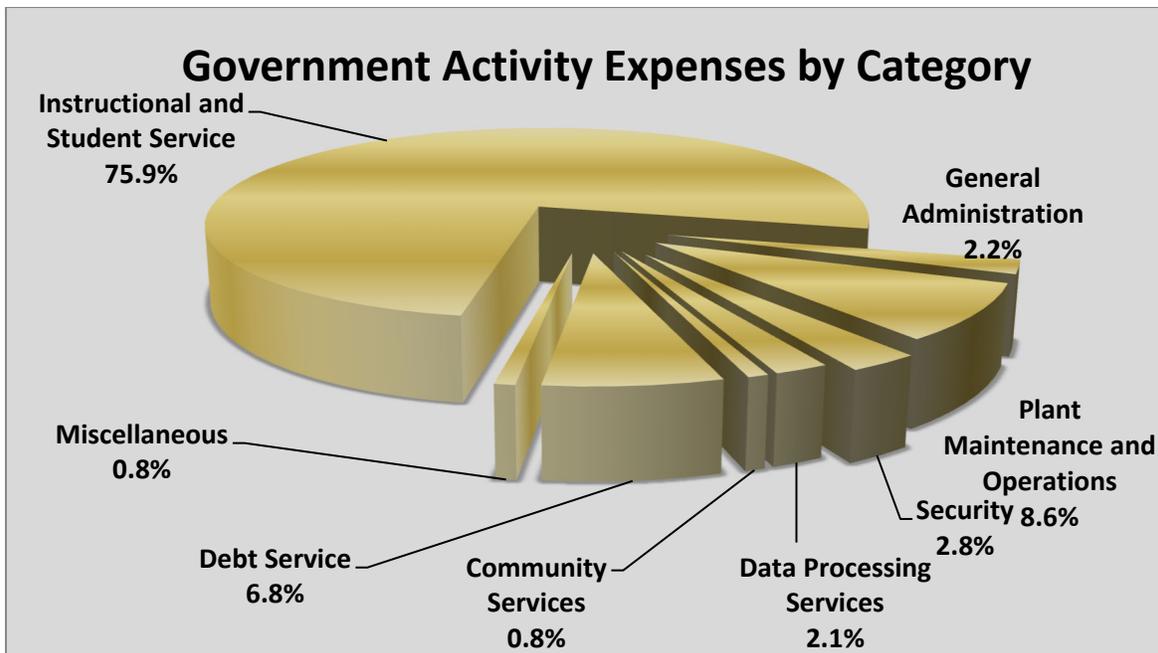


**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Government Activities Expenses:

Expenses for the District's governmental activities decreased by \$68.8M for the fiscal year ended June 30, 2025, compared to the prior year. The decrease is primarily attributable to the timing of federal and state-funded programs such as Elementary and Secondary School Emergency Relief (ESSER) and other pandemic-related grants, which caused higher expenditures in prior years but wound down in the current year.

The majority of the District's governmental activities expenses (75.9%) pay for direct instructional and student support services and for plant maintenance and operations (8.6%), which includes utilities and maintenance of the buildings. The remainder (15.5%) is divided into general administration, security, data processing services, debt service payments, community related services, and miscellaneous expenses as reflected in the graph below.



Note: Differences in percentages from other Exhibits due to rounding.

Category	2025 Percentage	2024 Percentage	Variance
Instructional and Student Service	75.9%	77.0%	-1.1%
General administration	2.2%	2.1%	0.1%
Plant maintenance and operations	8.6%	8.5%	0.1%
Security	2.8%	1.6%	1.2%
Data processing services	2.1%	2.4%	-0.3%
Community services	0.8%	1.1%	-0.3%
Debt service	6.8%	6.7%	0.1%
Miscellaneous	0.8%	0.6%	0.2%
<b>Total</b>	<b>100.0%</b>	<b>100.0%</b>	<b>0.00%</b>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

*Business-Type Activities Expenses:*

Business- type activities expenses totaled \$45.8M, an increase of \$5.7M from the prior year. Business-type activities expenses are incurred in the operation of the District's food service enterprise fund which includes the cost of operating District's school cafeterias, including personnel costs. Business-type activities revenues were greater than business-type expenses resulting in an increase in net position of \$0.7M.

**FUND BALANCE OF THE DISTRICT'S FUNDS**

GASB 54 established fund balance classifications that comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The objective of this Statement is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions. For further details on the various fund balance classifications, refer to Exhibit F, Notes to the Financial Statements, Note 1.

In accordance with GASB 54, the Board, by adopting a budget deficit for 2025-2026 in the sum of \$43.6M, assigned those funds for that purpose. An additional \$8.2M was also assigned for capital improvements for one of the District's early high school programs. As a result, unassigned fund balance in the General Fund totaled \$284.5M after considering non-spendable inventory, understanding encumbrances are no longer a designation, unless specifically committed or assigned for that purpose

The decrease of \$33.7M in the total fund balance in the general fund from prior year is due primarily to the decrease in local property taxes due to the passage of the homestead exemption in November 2023 offset by an increase in state revenues associated with the change in the homestead exemption and an increase in investment earnings. Federal program revenues and indirect costs generated also decrease by \$3.9M.

On the expenditure side, the District expended \$3.7M more than prior year due to additional salary compensation costs across most functions and purchases for instructional technology and materials that were delayed in the prior year but received in the current year. Additionally, the District incurred an additional \$1.1M in recapture in the current year, reflecting an increase from the prior year.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Fund Balance Comparison**

	<u>2025</u>	<u>2024</u>	<u>Net Change</u>
<b>Fund 199</b>			
Non-spendable:			
Inventory	\$ 644,421	\$ 921,038	\$ (276,617)
Prepaid items	3,893,755	1,844,718	2,049,037
Spendable:			
Assigned - Budgetary deficit	43,559,741	17,650,349	25,909,392
Assigned - Sale of land	-	750,000	(750,000)
Assigned - Construction	8,150,000	6,150,000	2,000,000
Unassigned	<u>284,546,923</u>	<u>347,141,956</u>	<u>(62,595,033)</u>
<b>Totals</b>	<u>\$ 340,794,840</u>	<u>\$ 374,458,061</u>	<u>\$ (33,663,221)</u>
<b>Funds 500 - 599</b>			
Spendable:			
Restricted retirement, long-term debt	<u>47,753,432</u>	<u>54,599,967</u>	<u>(6,846,535)</u>
<b>Totals</b>	<u>\$ 47,753,432</u>	<u>\$ 54,599,967</u>	<u>\$ (6,846,535)</u>
<b>Funds 600 - 699</b>			
Non-spendable:			
Prepaid items	69,795	153,436	(83,641)
Spendable:			
Restricted for construction	<u>596,382,318</u>	<u>724,562,193</u>	<u>(128,179,875)</u>
<b>Totals</b>	<u>\$ 596,452,113</u>	<u>\$ 724,715,629</u>	<u>\$ (128,263,516)</u>
<b>Funds 380 - 499</b>			
Non-spendable:			
Prepaid items	3,293,936	-	3,293,936
Spendable:			
Restricted grant funds	747,138	3,039,913	(2,292,775)
Committed campus activity funds	5,074,924	4,756,601	318,323
Unrestricted	<u>(1,009,176)</u>	<u>-</u>	<u>(1,009,176)</u>
<b>Totals</b>	<u>\$ 8,106,822</u>	<u>\$ 7,796,514</u>	<u>\$ 310,308</u>
<b>Grand Totals</b>	<u>\$ 993,107,207</u>	<u>\$ 1,161,570,171</u>	<u>\$ (168,462,964)</u>

As of June 30, 2025, the District's combined governmental fund balance totaled \$993.1M, a decrease of approximately \$168.5M from the prior year. This change primarily reflects:

The capital projects fund balance (Funds 600-699) decreased by \$128.3M. In May 2025, the Board approved a five-year facilities plan to close or consolidate 18 campuses by June 2029, aiming to streamline operations and improve learning environments. This decision followed a brief pause in planning to allow for additional analysis and community input. By the end of 2025, the capital projects fund balance was \$596.5M and will continue to support voter-approved construction and renovation across the District.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

The General Fund balance (Fund 199) decreased by \$33.7M, driven by budgetary deficit assignments and reduced unassigned balances.

The Debt Service Fund balance (Funds 500-599) decreased by \$6.8M totaling \$47.8M. This change reflects prior-year activity, including a \$30.0 million cash defeasance of outstanding obligations completed in August 2023, and is offset by an increase in property tax collections. No significant new bond issuances occurred during the fiscal year, contributing to the overall decline in debt levels. This balance is managed as an integral part of the District's debt service program to pay principal and interest on voter-approved bonds if current-year revenue falls short.

The non-major funds (Funds 380-499) have a combined \$8.1M fund balance, reflecting an increase of \$0.3M from the prior year. With GASB 54, fund balances in state and local funds are restricted by the granting agency as specified in the grant award, and campus activity funds are committed pursuant to board policy for the purposes intended within the funds.

The federal grant funds (Funds 200-379) have no fund balance since the majority of revenue realized from these funds is on a reimbursement method or, where applicable, unused balances are returned to the grantor at the close of the specified project periods.

The overall fund balance remains substantial, with the largest portion \$596.4M restricted for construction projects, ensuring resources are available to complete voter-approved capital improvements. The remaining balance includes amounts assigned for budgetary purposes, debt service, and other restricted uses.

**GENERAL FUND BUDGETARY HIGHLIGHTS**

Over the course of the year, the District revised its budget. These budget amendments generally fell into four (4) categories:

- Supplemental appropriations;
- Revenue adjustments to reflect changes in property tax and state aid revenues based on updated information;
- Line item transfers between functional categories;
- Final amendments to reflect any projected/potential budget overruns.

The Budget to Actual Comparison Table that follows is illustrative of the changes in the District's 2024-2025 budget from initial adoption by the Board to the final approved amendment prior to the end of the fiscal year. The table also reflects actual revenues by revenue type and expenditures by function. This comparison is also presented with fund balance presentation in Exhibit G-1 on page 89.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Budget to Actual Comparison**

	<u>Budgeted Amounts</u>		<u>General Fund Actual Amounts</u>	<u>Variance with Final Budget Over (Under)</u>
	<u>Original</u>	<u>Final</u>		
Resources (inflows):				
5700 Local and intermediate sources	\$ 462,655,095	\$ 449,944,446	\$ 439,332,974	\$ (10,611,472)
5800 State program revenues	347,499,942	372,675,608	367,908,090	(4,767,518)
5900 Federal program revenues	16,403,057	11,103,057	12,080,955	977,898
Amounts available for appropriation	<u>\$ 826,558,094</u>	<u>\$ 833,723,111</u>	<u>\$ 819,322,019</u>	<u>\$ (14,401,092)</u>
Charges to appropriations (outflows):				
11 Instruction	\$ 459,832,354	\$ 472,665,426	\$ 480,440,739	\$ (7,775,313)
12 Instructional resources and media services	10,596,117	11,259,665	11,033,698	225,967
13 Curriculum development and instructional personnel development	9,230,997	12,430,063	12,558,934	(128,871)
21 Instructional administration	15,680,681	15,794,006	14,508,889	1,285,117
23 School administration	50,502,537	53,308,439	52,656,342	652,097
31 Guidance and counseling services	43,158,592	42,211,920	41,983,099	228,821
32 Attendance and social work services	3,059,973	3,930,608	3,876,931	53,677
33 Health services	12,532,797	12,509,836	12,185,697	324,139
34 Student (pupil) transportation	23,488,331	32,493,091	29,514,293	2,978,798
35 Food services	384,036	445,159	265,092	180,067
36 Cocurricular/extracurricular activities	20,757,789	23,113,012	22,643,009	470,003
41 General administration	26,765,833	25,703,750	23,239,494	2,464,256
51 Plant maintenance and operations	105,379,558	96,135,182	88,353,060	7,782,122
52 Security and monitoring services	17,969,059	17,165,593	16,851,442	314,151
53 Data processing services	26,117,249	33,304,365	23,496,632	9,807,733
61 Community services	4,617,764	4,709,256	4,266,875	442,381
71/72 Debt service - principal, interest and issuance costs	2,100,000	2,100,000	1,628,955	471,045
81 Facilities acquisition & construction	1,130,000	11,886,832	6,627,196	5,259,636
91 Contracted instructional services between public schools	8,154,673	6,504,673	5,227,921	1,276,752
95 Juvenile justice alternative education	36,000	36,000	13,674	22,326
99 Other intergovernmental charges	2,714,103	3,027,907	3,022,105	5,802
<b>Total charges to appropriations</b>	<u>\$ 844,208,443</u>	<u>\$ 880,734,783</u>	<u>\$ 854,394,077</u>	<u>\$ 26,340,706</u>

At the close of the fiscal year, actual expenditures were \$26.3M less than the final budgeted appropriations of \$880.7M. Actual revenues and other sources were \$14.4M less than the final budgeted estimated revenues of \$833.7M. The major variances from the original budget to the final approved budget and/or from the final approved budget to actual expenditures are explained as follows:

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Revenue:**

Local – Local revenue decreased from the original budget to the revised budget due to the incorporation of the passage of the homestead exemption to \$100K in November 2023, offset by a projected increase in investment earnings. This was reflected in the Final Budget as a budget amendment that decreased the estimate of local property taxes to reflect this amendment and increased investment earnings that improved due to an increase in market rates. Overall, revised property tax collections and interest earnings reflected a less than 1% of estimate

State – The District revised its estimate in state revenues due to the passage of the homestead exemption as noted above. This passage impacted the state's share of entitlement revenue positively as the state's share correspondingly increased. In addition, although the District anticipated a decrease of enrollment and in Average Daily Attendance (ADA) from 2024, an increase in the ADA from the projected 90% helped bring in additional state revenues.

Federal – Federal revenue realized in the current year exceeded budget expectations, primarily due to higher than anticipated School Health and Related Services (SHARS) funding. The District had budgeted SHARS conservatively based on a multi-year trend of declining reimbursements, but actual revenue came in above projections.

**Expenditures:**

Function 11 – The District budgets for vacant positions at the midpoint salary range, which causes variances in instructional salaries and benefits. During the year, actual expenditures exceeded the amended budget due to salary increases, higher fringe benefits, and added costs for instructional materials and staffing resulting in a budget deficit for this function.

Function 34 – Variance resulted from continued vacant bus driver and transportation support positions, as well as delays in vehicle delivery due to supply chain disruptions. Buses budgeted for purchase were not received by year-end, reducing actual expenditures.

Function 41 – Variance was driven by lower actual spending due to persistent vacancies in general administrative roles throughout the year.

Function 51 – Variance occurred due to unfilled maintenance and custodial positions, as well as contracted services that were budgeted but not utilized during the year. Additionally, the timing of expenditures contributed to the variance, as certain materials and services were ordered but not completed or received within the fiscal year, resulting in lower actual spending than anticipated.

Function 53 – Variance was caused by supply chain delays and the timing of the new ERP system implementation, which went live in July 2025. Additionally, program restructuring within the technology department led to reduced reliance on contracted services. Related expenditures will be accounted for in the next fiscal year, contributing to lower actual spending.

Function 81 – Variance resulted from the completion of the central administration building project, with all allocated funds not fully exhausted by year-end.

Function 91 – Variance in this budget is the difference between the projected recapture amount as compared to the actual amount as calculated and reported by the Texas Education Agency (TEA) until after year-end.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

Budgeted expenditures were increased by way of a Board approved amendment in June 2025 following an analysis of the General Fund through May 30. Projections for June expenses and annual accruals were estimated in order to align the final budgetary amounts with approximate amounts to be realized for the year.

Budget amendments were performed routinely and in accordance with Board Policy CE throughout the 2024-2025 fiscal year. The majority of transfers between functions resulted from campus and department owner requests to transfer site based and department budgets between function in the normal course of operations.

**CAPITAL ASSETS AND DEBT ADMINISTRATION**

**Capital Assets**

At the end of 2025, the District had invested \$2B (net of accumulated depreciation) in a broad range of capital assets, including land, buildings and improvements, and furniture and equipment in the governmental activities funds. During the 2024-2025 school year, the District continued work on the 2017 and 2021 Capital Improvement Programs. As indicated in the Capital Asset Table that follows, the District's Net Capital Assets increased by \$126.9M largely due to the completion of bond projects as noted by the increase in Building and Improvements category in the amount of \$116.7M.

Business-type activities capital assets decreased by \$0.4M from the prior year due to the purchase of food service equipment during the year. (See Note 8 to the Financial Statements for more detailed analysis of the year's capital asset activity).

**District's Capital Assets**  
*(in millions of dollars)*

	<b>Governmental Activities</b>		<b>Business-type Activities</b>	
	<b>2025</b>	<b>2024</b>	<b>2025</b>	<b>2024</b>
Land	\$ 56.8	\$ 56.8	\$ -	\$ -
Buildings and improvements	2,314.1	2,197.4	-	-
Right-to-use lease assets	8.6	10.9	-	-
Right-to-use subscription assets	4.9	5.6		
Furniture and equipment	103.7	110.8	26.9	27.6
Vehicles	64.9	59.2	0.2	0.2
Construction in progress	266.1	214.0	-	-
<b>Totals at historical cost</b>	<b>2,819.1</b>	<b>2,654.7</b>	<b>27.1</b>	<b>27.8</b>
Total accumulated depreciation/amortization	(803.9)	(766.4)	(24.1)	(24.4)
<b>Net capital assets</b>	<b>\$ 2,015.2</b>	<b>\$ 1,888.3</b>	<b>\$ 3.0</b>	<b>\$ 3.4</b>

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Debt Administration:**

Total Long-Term debt decreased 5.2% or \$100.4M from prior year. Principal payments on bonds were \$97.2M. The Debt associated with Compensated Absences increased by \$3.4M primarily due to the implementation of GASB 101, and the debt associated with Workers' Compensation increased by \$0.4M. In the current year, the District also recorded \$27.7M in arbitrage payable for its outstanding debt series issued in the years 2022, 2023, 2024 and 2025. The Long-Term Debt Table below provides a comparison of the District's Long-Term Debt from the prior year.

**District's Long-Term Debt**  
*(in millions of dollars)*

	<b>Governmental Activities</b>	
	<b>2025</b>	<b>2024</b>
Bonds payable:		
Current year portion	\$ 83.49	\$ 97.23
Long-term portion	1,478.65	1,566.37
Total bonds payable	<u>1,562.14</u>	<u>1,663.60</u>
Other bond related liabilities:		
Premium on long-term debt - current	12.94	11.64
Premium on long-term debt - long-term	196.20	210.93
Total other bond related liabilities	<u>209.14</u>	<u>222.57</u>
Leases and subscriptions payable:		
Current year portion	0.85	1.02
Long-term portion	6.55	7.01
Total leases payable	<u>7.40</u>	<u>8.03</u>
Arbitrage payable:		
Long-term portion	27.69	16.36
Total arbitrage payable	<u>27.69</u>	<u>16.36</u>
Compensation payable:		
Current year portion	4.60	1.59
Long-term portion	3.59	3.19
Total compensation payable	<u>8.19</u>	<u>4.78</u>
Workers' comp losses-accrued expenses:		
Current year portion	2.15	1.85
Long-term portion	1.91	1.79
Total workers' comp projected losses	<u>4.06</u>	<u>3.64</u>
<b>Total long-term debt</b>	<u>\$ 1,818.62</u>	<u>\$ 1,918.98</u>

For additional details on long term debt activity, see Exhibit F, Notes to the Financial Statements, Note 9 starting at page 68.

**FORT WORTH INDEPENDENT SCHOOL DISTRICT  
MANAGEMENT'S DISCUSSION AND ANALYSIS  
FOR THE FISCAL YEAR ENDED JUNE 30, 2025**

**Economic Factors and the 2025-2026 Budget and Tax Rates**

The Board adopted a deficit budget on June 10, 2025, in the sum of \$43.6M for the 2025-2026 school year, representing \$826.2M appropriations and \$869.7M in estimated expenses. The \$43.6M has been assigned as the budgetary deficit plus an additional \$8.2M for capital improvements for the early high school improvements. The unassigned fund balance is \$284.5M.

Bond Ratings
By virtue of the State's Permanent School Fund guarantee, the District's bonds that are covered under this guarantee have a "AAA" rating. Underlying ratings are as follows: Moody's Investor Services – Aa1; and Standard & Poor's - AA

The District's certified taxable valuation increased by 6.1 percent over the prior year, resulting in increased tax revenue. The total adopted tax rate is \$0.7869 for Maintenance and Operations (M&O), and \$0.2422 for Interest and Sinking (I&S) for a combined tax rate of \$1.0291.

The District continues to see decreases in enrollment and continues to implement strategies to improve enrollment as well as attendance. These strategies have shown improvement in the ADA numbers in the last year. The 2025-26 budget is based on an enrollment of 68,969 a decrease of 757 students from 2024-25 projected enrollment of 69,726. 2025-26 state revenue is based on a 90.5% Average Daily Attendance percentage, reflecting a 0.5% improvement in ADA from 2024-25. Due to the significant impact on revenues, the District monitors its enrollment and corresponding ADA on a regular basis throughout the fiscal year to ensure that expenditures are adjusted as necessary to align with expected revenues.

The District is committed to allocating the financial resources necessary to continue its mission of preparing all students for success in college, career, and community leadership by focusing on its strategic plan. For the 2025-26 school year, the Fort Worth ISD Board of Trustees approved pay increases for all teachers and staff as part of the 2025–26 compensation plan.

- Teachers with 5+ years received \$5,000
- Teachers with 3 - 4 years of experience received \$2,500
- 2% raise for all other staff

**CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT**

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, please feel free to contact us at the locations and telephone numbers listed below:

Maria Chavez, Comptroller  
7060 Camp Bowie, Suite 1156  
Fort Worth, Texas 76116  
(817)-814-2143

Shametra Green, Assistant Comptroller  
7060 Camp Bowie, Suite 1156  
Fort Worth, Texas 76116  
(817)-814-2161



# **Basic Financial Statements**



# **Government - wide Financial Statements**



**Fort Worth Independent School District**  
**Statement of Net Position**  
**June 30, 2025**

**Exhibit A-1**

<b>Data Control Codes</b>	<b>Governmental Activities</b>	<b>Business-type Activities</b>	<b>Total</b>	
<b>ASSETS</b>				
Current assets:				
1110	Cash and temporary investments	\$ 1,060,668,668	\$ 35,502,208	\$ 1,096,170,876
1220	Property taxes	29,770,166	-	29,770,166
1230	Allowance for uncollectible taxes	(9,488,645)	-	(9,488,645)
1240	Due from other governments	102,892,369	3,818,248	106,710,617
1250	Accrued interest receivable	1,280,440	-	1,280,440
1260	Internal balances	3,586,428	(3,586,428)	-
1290	Other receivables	1,996,069	210	1,996,279
1310	Inventories	644,421	-	644,421
1410	Prepaid items	7,278,567	-	7,278,567
	Total current assets	1,198,628,483	35,734,238	1,234,362,721
Noncurrent assets:				
Capital assets not being depreciated:				
1510	Land	56,785,876	-	56,785,876
1580	Construction in progress	266,130,182	-	266,130,182
Capital assets net of accumulated depreciation:				
1520	Buildings & improvements, net	1,635,512,159	-	1,635,512,159
1551	Right-to-use lease assets, net	6,839,865	-	6,839,865
1553	Right-to-use subscription assets, net	3,091,785	-	3,091,785
1530	Furniture & equipment, net	22,123,752	2,786,038	24,909,790
1541	Vehicles, net	24,710,002	203,949	24,913,951
	Total noncurrent assets	2,015,193,621	2,989,987	2,018,183,608
1000	Total assets	3,213,822,104	38,724,225	3,252,546,329
<b>DEFERRED OUTFLOWS OF RESOURCES</b>				
1700	Deferred charge on refunding	6,252,722	-	6,252,722
1705	Deferred outflows - pension	81,077,825	-	81,077,825
1705	Deferred outflows - OPEB	102,848,647	-	102,848,647
	Total deferred outflows of resources	190,179,194	-	190,179,194
1000	<b>TOTAL ASSETS AND DEFERRED OUTFLOWS OF RESOURCES</b>	<b>3,404,001,298</b>	<b>38,724,225</b>	<b>3,442,725,523</b>
<b>LIABILITIES</b>				
Current liabilities:				
2110	Accounts payable and accrued expenses	41,155,812	7,732,410	48,888,222
2140	Interest payable	26,199,824	-	26,199,824
2150	Payroll deductions and withholdings	8,013,979	-	8,013,979
2160	Accrued wages payable	105,369,224	641,575	106,010,799
2180	Due to other governments	152,074	-	152,074
2310	Unearned revenue	6,559,823	2,437,116	8,996,939
2501	Due within one year	104,024,214	-	104,024,214
	Total current liabilities	291,474,950	10,811,101	302,286,051
Noncurrent liabilities:				
2502	Due within more than one year	1,714,592,939	-	1,714,592,939
2540	Net pension liability	331,811,138	-	331,811,138
2545	Net OPEB liability	205,576,907	-	205,576,907
	Total noncurrent liabilities	2,251,980,984	-	2,251,980,984
2000	Total liabilities	2,543,455,934	10,811,101	2,554,267,035
2600	<b>DEFERRED INFLOWS OF RESOURCES</b>			
2601	Deferred inflows - leases	558,333	-	558,333
2602	Deferred gain on refunding	4,509,812	-	4,509,812
2605	Deferred inflows - pension	42,935,963	-	42,935,963
2605	Deferred inflows - other post employment benefits	232,076,136	-	232,076,136
	Total deferred inflows of resources	280,080,244	-	280,080,244
<b>NET POSITION</b>				
3200	Net investment in capital assets	802,861,547	2,989,987	805,851,534
3800	Restricted for:			
3820	Grant programs	747,138	-	747,138
3850	Debt service	24,091,268	-	24,091,268
3890	Food service	-	27,858,423	27,858,423
3900	Unrestricted	(247,234,833)	(2,935,286)	(250,170,119)
<b>3000</b>	<b>TOTAL NET POSITION</b>	<b>\$ 580,465,120</b>	<b>\$ 27,913,124</b>	<b>\$ 608,378,244</b>

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

**Fort Worth Independent School District**  
**Statement of Activities**  
**For the Fiscal Year Ended June 30, 2025**

**Exhibit B-1**

Functions/Programs	Expenses	Program Revenues			Net (Expense) Revenue and Changes in Net Position		
		Charges for Services	Operating Grants and Contributions	Capital Grants and Contributions	Governmental Activities	Business-Type Activities	Total
<b>PRIMARY GOVERNMENT</b>							
Governmental activities:							
11 Instruction	\$ 564,586,017	\$ 2,471,251	\$ 76,640,219	\$ -	\$ (485,474,547)	\$ -	\$ (485,474,547)
12 Instructional resources and media services	11,258,465	-	669,107	-	(10,589,358)	-	(10,589,358)
13 Curriculum development and instructional staff development	38,140,564	-	44,737,767	-	6,597,203	-	6,597,203
21 Instructional leadership	17,175,349	-	4,669,148	-	(12,506,201)	-	(12,506,201)
23 School leadership	53,894,202	-	4,043,294	-	(49,850,908)	-	(49,850,908)
31 Guidance, counseling, and evaluation services	47,753,180	-	11,402,438	-	(36,350,742)	-	(36,350,742)
32 Social work services	7,005,180	-	5,346,157	-	(1,659,023)	-	(1,659,023)
33 Health services	11,985,481	-	124,125	-	(11,861,356)	-	(11,861,356)
34 Student (pupil) transportation	24,922,241	-	92,611	-	(24,829,630)	-	(24,829,630)
35 Food services	72,474	-	928,978	-	856,504	-	856,504
36 Cocurricular/extracurricular activities	23,903,235	3,476,391	1,733,730	-	(18,693,114)	-	(18,693,114)
41 General administration	23,139,890	-	182,995	-	(22,956,895)	-	(22,956,895)
51 Plant maintenance and operations	90,893,737	-	3,579,320	-	(87,314,417)	-	(87,314,417)
52 Security and monitoring services	29,739,606	-	24,648,038	-	(5,091,568)	-	(5,091,568)
53 Data processing services	22,470,247	-	74,808	-	(22,395,439)	-	(22,395,439)
61 Community services	8,724,512	-	7,842,099	-	(882,413)	-	(882,413)
72 Interest on long-term debt	71,538,662	-	-	-	(71,538,662)	-	(71,538,662)
91 Contracted instructional services between public schools	5,227,921	-	-	-	(5,227,921)	-	(5,227,921)
95 Payments to juvenile justice alternative education programs	13,674	-	-	-	(13,674)	-	(13,674)
99 Other intergovernmental charges	3,022,105	-	-	-	(3,022,105)	-	(3,022,105)
Total governmental activities	1,055,466,742	5,947,642	186,714,834	-	(862,804,266)	-	(862,804,266)
Business-type activities:							
Food service	45,316,592	1,292,245	43,663,961	-	-	(360,386)	(360,386)
Other enterprise funds	350,000	64,714	-	-	-	(285,286)	(285,286)
Total business-type activities	45,666,592	1,356,959	43,663,961	-	-	(645,672)	(645,672)
<b>TOTAL PRIMARY GOVERNMENT</b>	<b>\$ 1,101,133,334</b>	<b>\$ 7,304,601</b>	<b>\$ 230,378,795</b>	<b>\$ -</b>	<b>\$ (862,804,266)</b>	<b>\$ (645,672)</b>	<b>\$ (863,449,938)</b>
Data							
Control General revenues:							
Codes Taxes:							
MT	Property taxes - maintenance & operations				\$ 412,448,737	\$ -	\$ 412,448,737
DF	Property taxes - debt service				144,312,061	-	144,312,061
SF	State aid-formula grants				325,192,242	-	325,192,242
IE	Investment earnings				57,103,149	1,429,720	58,532,869
MI	Miscellaneous				1,612,208	-	1,612,208
FR	Transfers in (out)				7,061	(7,061)	-
TR	Total general revenues and transfers				940,675,458	1,422,659	942,098,117
CN	Change in net position				77,871,192	776,987	78,648,179
NB	Net position - beginning				502,593,928	27,136,137	529,730,065
NE	<b>NET POSITION - ENDING</b>				<b>\$ 580,465,120</b>	<b>\$ 27,913,124</b>	<b>\$ 608,378,244</b>

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

## **Fund Financial Statements**



# **Governmental Funds Financial Statements**

**Fort Worth Independent School District**  
**Balance Sheet**  
**Governmental Funds**  
**June 30, 2025**

Data Control Codes	Major Funds				
	100 - 199	200 - 379	500 - 599	600 - 699	
	General Fund	Federal Grant Fund	Debt Service Fund	Capital Projects Fund	
<b>ASSETS</b>					
1110	Cash and temporary investments	\$ 404,828,818	\$ -	\$ 22,534,808	\$ 627,665,861
1220	Property taxes receivable	23,252,558	-	6,517,608	-
1230	Allowance for uncollectible taxes	(7,411,288)	-	(2,077,357)	-
1240	Due from other governments	85,665,972	13,436,012	-	-
1250	Accrued interest	286,720	-	-	993,720
1260	Due from other funds	10,302,743	-	23,315,421	-
1290	Other receivables	1,994,609	-	-	-
1310	Inventories	644,421	-	-	-
1410	Prepaid items	3,893,755	21,081	-	69,795
1000	Total assets	523,458,308	13,457,093	50,290,480	628,729,376
1000A	<b>TOTAL ASSETS</b>	<b>\$ 523,458,308</b>	<b>\$ 13,457,093</b>	<b>\$ 50,290,480</b>	<b>\$ 628,729,376</b>
<b>LIABILITIES</b>					
2110	Accounts payable and accrued liabilities	\$ 8,323,376	\$ 358,698	\$ -	\$ 31,852,759
2140	Interest payable	612	-	-	-
2150	Payroll deductions and withholdings	8,013,979	-	-	-
2160	Accrued wages payable	98,041,618	6,973,733	-	3,378
2170	Due to other funds	57,789,095	5,827,324	-	421,126
2180	Due to other governments	349	151,725	-	-
2300	Unearned revenue	-	145,613	-	-
2000	Total liabilities	172,169,029	13,457,093	-	32,277,263
<b>DEFERRED INFLOWS OF RESOURCES</b>					
2601	Deferred inflows - property taxes	9,936,106	-	2,537,048	-
2601	Deferred inflows - leases	558,333	-	-	-
2600	Total deferred inflows of resources	10,494,439	-	2,537,048	-
<b>FUND BALANCES</b>					
Fund balances:					
Nonspendable:					
3410	Inventories	644,421	-	-	-
3430	Prepaid items	3,893,755	21,081	-	69,795
Spendable:					
Restricted:					
3450	Grant funds	-	-	-	-
3470	Construction	-	-	-	596,382,318
3480	Retirement of long-term debt	-	-	47,753,432	-
Committed:					
3545	Campus activity funds	-	-	-	-
Assigned:					
3590	Budgetary deficit	43,559,741	-	-	-
3590	Construction	8,150,000	-	-	-
3600	Unassigned	284,546,923	(21,081)	-	-
3000	Total fund balances	340,794,840	-	47,753,432	596,452,113
4000	<b>TOTAL LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES</b>	<b>\$ 523,458,308</b>	<b>\$ 13,457,093</b>	<b>\$ 50,290,480</b>	<b>\$ 628,729,376</b>

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

<u>Nonmajor Funds</u>		
<u>380 - 499</u>		
<u>Other</u>	<u>Total</u>	
<u>Governmental</u>	<u>Governmental</u>	
<u>Funds</u>	<u>Funds</u>	
\$ 5,639,181	\$ 1,060,668,668	
-	29,770,166	
-	(9,488,645)	
3,790,385	102,892,369	
-	1,280,440	
3,213,478	36,831,642	
1,460	1,996,069	
-	644,421	
3,293,936	7,278,567	
<u>15,938,440</u>	<u>1,231,873,697</u>	
<u>\$ 15,938,440</u>	<u>\$ 1,231,873,697</u>	
\$ 599,047	\$ 41,133,880	
-	612	
-	8,013,979	
350,495	105,369,224	
467,866	64,505,411	
-	152,074	
6,414,210	6,559,823	
<u>7,831,618</u>	<u>225,735,003</u>	
-	12,473,154	
-	558,333	
<u>-</u>	<u>13,031,487</u>	
-	644,421	
3,293,936	7,278,567	
747,138	747,138	
-	596,382,318	
-	47,753,432	
5,074,924	5,074,924	
-	43,559,741	
-	8,150,000	
(1,009,176)	283,516,666	
<u>8,106,822</u>	<u>993,107,207</u>	
<u>\$ 15,938,440</u>	<u>\$ 1,231,873,697</u>	



**Fort Worth Independent School District**  
 Reconciliation of the Governmental Funds Balance Sheet  
 to the Statement of Net Position  
 June 30, 2025

**Exhibit C-2**

<b>TOTAL FUND BALANCES - GOVERNMENTAL FUNDS (EXHIBIT C-1)</b>	<b>\$ 993,107,207</b>
The District uses internal service funds to charge the costs of certain activities, such as self-insurance and evaluations, to appropriate functions in other funds. The assets and liabilities of the internal service funds are included in governmental activities in the statement of net position. The net effect of this consolidation is to increase net position.	27,175,284
Capital assets used in governmental activities are not financial resources and therefore are not reported in governmental funds. They are reported net of accumulated depreciation in the government-wide financial statements.	2,015,193,621
Bonds payable have not been included in the fund financial statements.	(1,562,140,000)
Arbitrage payable has not been included in the fund financial statements.	(27,691,196)
Leases payable have not been included in the fund financial statements.	(6,970,056)
Subscriptions payable have not been included in the fund financial statements.	(424,666)
Net pension liability is not reported in the fund financial statements.	(331,811,138)
Other post employment benefits (OPEB) liability is not reported in the fund financial	(205,576,907)
Premiums on the issuance of bonds are not capitalized in the fund financial statements.	(209,139,616)
Deferred charge on bond refunding has not been reflected in the fund financial statements.	1,742,910
Deferred outflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	81,077,825
Deferred outflows of resources for OPEB are recognized in the government-wide statements but are not recorded in the fund financial statements.	102,848,647
Deferred inflows of resources for pension related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(42,935,963)
Deferred inflows of resources for OPEB related liabilities are recognized in the government-wide statements but are not recorded in the fund financial statements.	(232,076,136)
Revenue from property taxes is reported as deferred inflows of resources in the fund financial statements but is recognized as revenue in the government-wide financial statements.	12,473,154
Accrued liabilities for compensated absences and vacation payable have not been reflected in the fund financial statements.	(8,188,638)
Interest is accrued on outstanding debt in the government-wide financial statements whereas in the fund financial statements interest expenditures are reported when due.	(26,199,212)
<b>TOTAL NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT A-1)</b>	<b>\$ 580,465,120</b>

**Fort Worth Independent School District**  
**Statement of Revenues, Expenditures, and Changes**  
**in Fund Balance - Governmental Funds**  
**For the Fiscal Year Ended June 30, 2025**

	<b>Major Funds</b>			
	<b>100 - 199</b>	<b>200 - 379</b>	<b>500 - 599</b>	<b>600 - 698</b>
	<b>General Fund</b>	<b>Federal Grant Fund</b>	<b>Debt Service Fund</b>	<b>Capital Projects Fund</b>
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ 439,332,974	\$ -	\$ 145,955,632	\$ 34,141,024
5800 State program revenues	367,908,090	-	15,556,775	-
5900 Federal program revenues	<u>12,080,955</u>	<u>77,122,732</u>	<u>-</u>	<u>-</u>
Total revenues	819,322,019	77,122,732	161,512,407	34,141,024
<b>EXPENDITURES</b>				
Current:				
11 Instruction	480,440,739	29,594,657	-	-
12 Instructional resources and media services	11,033,698	147,107	-	-
13 Curriculum development and instructional staff development	12,558,934	26,391,385	-	-
21 Instructional leadership	14,508,889	2,688,910	-	-
23 School leadership	52,656,342	2,030,152	-	-
31 Guidance, counseling, and evaluation services	41,983,099	6,350,674	-	-
32 Social work services	3,876,931	3,179,990	-	-
33 Health services	12,185,697	5,616	-	-
34 Student (pupil) transportation	29,514,293	1,358	-	-
35 Food services	265,092	376,858	-	-
36 Cocurricular/extracurricular activities	22,643,009	64,761	-	-
41 General administration	23,239,494	32,601	-	42,216
51 Plant maintenance and operations	88,353,060	1,943,512	-	427,708
52 Security and monitoring services	16,851,442	2,943	-	-
53 Data processing services	23,496,632	-	-	8,752
61 Community services	4,266,875	4,312,208	-	-
Debt service:				
71 Principal	1,465,692	-	97,230,000	67,104
72 Interest and issuance costs	163,263	-	71,795,567	-
Capital outlay/expenditures:				
81 Facilities acquisition and construction	6,627,196	-	-	161,858,760
Intergovernmental:				
91 Contracted instructional services between public schools	5,227,921	-	-	-
95 Payments to juvenile justice alternative education program	13,674	-	-	-
99 Other intergovernmental charges	<u>3,022,105</u>	<u>-</u>	<u>-</u>	<u>-</u>
Total expenditures	<u>854,394,077</u>	<u>77,122,732</u>	<u>169,025,567</u>	<u>162,404,540</u>
Excess (deficiency) of revenues over expenditures	(35,072,058)	-	(7,513,160)	(128,263,516)
<b>OTHER FINANCING SOURCES (USES)</b>				
7911 Issuance of bonds	-	-	88,825,000	-
7915 Transfer in	507,061	-	-	-
7916 Premium on bond issuance	-	-	5,584,702	-
7949 Issuance of right to use subscription assets	901,776	-	-	-
8949 Other uses - debt refunding	<u>-</u>	<u>-</u>	<u>(93,743,077)</u>	<u>-</u>
Total other financing sources and (uses)	<u>1,408,837</u>	<u>-</u>	<u>666,625</u>	<u>-</u>
Net change in fund balances	(33,663,221)	-	(6,846,535)	(128,263,516)
Fund balances - beginning	<u>374,458,061</u>	<u>-</u>	<u>54,599,967</u>	<u>724,715,629</u>
<b>FUND BALANCES - ENDING</b>	<u>\$ 340,794,840</u>	<u>\$ -</u>	<u>\$ 47,753,432</u>	<u>\$ 596,452,113</u>

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

<u>Nonmajor Funds</u>	
<u>380 - 499</u>	
<u>Other</u> <u>Governmental</u> <u>Funds</u>	<u>Total</u> <u>Governmental</u> <u>Funds</u>
\$ 4,975,285	\$ 624,404,915
28,728,918	412,193,783
-	89,203,687
<hr/>	<hr/>
33,704,203	1,125,802,385
13,808,022	523,843,418
205,103	11,385,908
329,924	39,280,243
72,262	17,270,061
116,664	54,803,158
271,542	48,605,315
29,381	7,086,302
-	12,191,313
-	29,515,651
1,421	643,371
894,266	23,602,036
10,067	23,324,378
63,830	90,788,110
14,884,242	31,738,627
-	23,505,384
365,697	8,944,780
-	98,762,796
-	71,958,830
2,341,474	170,827,430
-	5,227,921
-	13,674
-	3,022,105
<hr/>	<hr/>
33,393,895	1,296,340,811
310,308	(170,538,426)
-	88,825,000
-	507,061
-	5,584,702
-	901,776
-	(93,743,077)
<hr/>	<hr/>
-	2,075,462
310,308	(168,462,964)
7,796,514	1,161,570,171
<hr/>	<hr/>
\$ 8,106,822	\$ 993,107,207



**Fort Worth Independent School District**  
**Reconciliation of the Governmental Funds Statement of Revenues,**  
**Expenditures, and Changes in Fund Balances to the Statement of Activities**  
**For the Fiscal Year Ended June 30, 2025**

**Exhibit C-4**

**NET CHANGE IN FUND BALANCES - TOTAL GOVERNMENTAL FUNDS (EXHIBIT C-3)** \$ (168,462,964)

The District uses internal service funds to charge the costs of certain activities, such as self-insurance and evaluations, to appropriate functions in other funds. The net income of internal service funds are reported with governmental activities. The net effect of this consolidation is to increase net position. 1,245,723

Current year capital outlays are expenditures in the fund financial statements, but they are shown as increases in capital assets in the government-wide financial statements. The net effect of removing capital outlay is to increase net position. 184,130,067

Depreciation and amortization of capital assets is not recognized as an expenditure in governmental funds since it does not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease net position. (56,726,280)

Disposal of capital assets are shown as a reduction in capital assets in the government-wide financials, although they do not affect the fund financial statements. (494,567)

Current year long-term debt principal payments are expenditures in the fund financial statements, whereas they are reported as reductions of bonds, leases payable, and subscriptions payable in the government-wide financial statements. The effect of current year principal paid on bonds, leases payable, and subscriptions payable increased net position.

Principal payments on bonds payable	\$ 97,230,000	
Principal payments on subscriptions payable	915,972	
Principal payments on leases payable	616,824	98,762,796

The current year issuance of bonds, leases, subscriptions, and payments to the bond refunding escrow agent are shown as an other resource in the fund financial statements but are shown as an increase in long term debt in the government-wide financial statements.

Principal from issuance of bonds	\$ (88,825,000)	
Principal from issuance of leases and subscriptions	(901,776)	
Premiums from issuance of bonds	(5,584,704)	
Payments on refunding	93,050,000	(2,261,480)

Premiums associated with bonds payable are reported as revenue on the fund financial statements when bonds are issued. Amounts are reported net of amortization on the government-wide financial statements.

Net deletions related to defeasance	\$ 6,081,077	
Amortization	12,936,464	19,017,541

Current year amortization of the deferred charge on the issuance of refunding bonds is not reflected in the fund financial statements, but is shown as a reduction of the net position in the government-wide financial statements.

Current year deferred loss on refunding	\$ (4,509,814)	
Net deletions on related to defeasance	(878,186)	
Amortization	(1,463,105)	(6,851,105)

Current year changes in arbitrage payable are not reflected in the fund financial statements, but are shown as interest expense in the government-wide financial statements. (11,331,424)

Changes in the net pension liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is a decrease to net position. (10,687,288)

Changes in the net other post employment benefit liability, and related deferred inflows and outflows are recognized in the government-wide financials but are not reported in the fund financial statements. The effect of the change is an increase to net position. 35,139,491

Revenues from property taxes are deferred in the fund financial statements until they are considered available to finance current expenditures, but such revenues are recognized when assessed net of an allowance for uncollectible accounts in the government-wide statements. (481,572)

Compensated absences are recognized when the related obligation matures and is expected to be liquidated with expendable available financial resources. Therefore changes to the related accrual are not reported in the fund financial statements. The net effect of the current year change in compensated absences was to decrease net position. (3,405,981)

Interest is accrued on outstanding debt in the government-wide financial statements, whereas in the fund financial statements interest expenditures are reported when due. 278,235

**CHANGE IN NET POSITION OF GOVERNMENTAL ACTIVITIES (EXHIBIT B-1)** **\$ 77,871,192**

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



# **Proprietary Funds Financial Statements**



**Fort Worth Independent School District**  
Statement of Net Position  
Proprietary Funds  
June 30, 2025

**Exhibit D-1**

Data Control Codes	Business-type Activities Enterprise Fund				Total Business-type Activities	750 - 799 Governmental Activities - Internal Service Funds
	Major Fund	Nonmajor Funds		Food Service Fund		
	701	746-749				
<b>ASSETS</b>						
Current assets:						
1110	Cash and temporary investments	\$ 35,502,208	\$ -	\$ 35,502,208	\$ -	
1240	Due from other government	3,818,248	-	3,818,248	-	
1260	Due from other funds	-	-	-	31,260,197	
1290	Other receivables	210	-	210	-	
	Total current assets	39,320,666	-	39,320,666	31,260,197	
Noncurrent assets:						
Capital assets:						
1530	Furniture and equipment	23,971,444	3,000,000	26,971,444	-	
1541	Vehicles	203,949	-	203,949	-	
1573	Less accumulated depreciation	(23,835,406)	(350,000)	(24,185,406)	-	
	Total noncurrent assets	339,987	2,650,000	2,989,987	-	
	Total assets	39,660,653	2,650,000	42,310,653	31,260,197	
<b>LIABILITIES</b>						
Current liabilities:						
2110	Accounts payable	7,732,410	-	7,732,410	21,932	
2160	Accrued wages	641,575	-	641,575	-	
2170	Due to other funds	651,142	2,935,286	3,586,428	-	
2210	Accrued expenses	-	-	-	2,151,697	
2310	Unearned revenue	2,437,116	-	2,437,116	-	
	Total current liabilities	11,462,243	2,935,286	14,397,529	2,173,629	
Noncurrent liabilities:						
2590	Accrued expenses	-	-	-	1,911,284	
	Total noncurrent liabilities	-	-	-	1,911,284	
	Total liabilities	11,462,243	2,935,286	14,397,529	4,084,913	
<b>NET POSITION</b>						
3200	Investment in capital assets	339,987	2,650,000	2,989,987	-	
3800	Restricted - Food Service	27,858,423	-	27,858,423	-	
3900	Unrestricted	-	(2,935,286)	(2,935,286)	27,175,284	
	<b>TOTAL NET POSITION</b>	<b>\$ 28,198,410</b>	<b>\$ (285,286)</b>	<b>\$ 27,913,124</b>	<b>\$ 27,175,284</b>	

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

**Fort Worth Independent School District**  
Statement of Revenues, Expenses and Changes  
in Fund Net Position  
Proprietary Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit D-2**

Data Control Codes	Business-type Activities Enterprise Fund			750 - 799 Governmental Activities - Internal Service Funds	
	Major Fund	Nonmajor Funds	Total Business-type Activities		
	701	746-749			
	Food Service Fund	Other Enterprise Funds			
<b>OPERATING REVENUES</b>					
5700	Charges for services	\$ 1,292,245	\$ 64,714	\$ 1,356,959	\$ 9,193,548
5020	Total operating revenues	1,292,245	64,714	1,356,959	9,193,548
<b>OPERATING EXPENSES</b>					
6100	Payroll costs	13,626,400	-	13,626,400	1,022,181
6200	Professional and contracted services	28,072,253	-	28,072,253	5,633,910
6300	Supplies and materials	3,515,790	-	3,515,790	199,312
6400	Other operating costs	23,626	-	23,626	592,422
6449	Depreciation	78,523	350,000	428,523	-
6030	Total expenses	45,316,592	350,000	45,666,592	7,447,825
	Operating income (loss)	(44,024,347)	(285,286)	(44,309,633)	1,745,723
<b>NON-OPERATING REVENUE</b>					
7955	Earnings from temporary investments	1,429,720	-	1,429,720	-
7989	State matching and other	182,819	-	182,819	-
7952	National school breakfast program	9,339,906	-	9,339,906	-
7953	National school lunch program	29,070,729	-	29,070,729	-
7954	USDA commodities program	3,252,490	-	3,252,490	-
7953	Afterschool snack reimbursement	356,958	-	356,958	-
7989	Other federal program revenue	1,461,059	-	1,461,059	-
7020	Total non-operating revenue	45,093,681	-	45,093,681	-
	Income (loss) before transfers	1,069,334	(285,286)	784,048	1,745,723
8911	Transfers out	-	(7,061)	(7,061)	(500,000)
	Total transfers	-	(7,061)	(7,061)	(500,000)
1300	Change in net position	1,069,334	(292,347)	776,987	1,245,723
0100	Total net position, July 1 (beginning)	27,129,076	7,061	27,136,137	25,929,561
3900	<b>TOTAL NET POSITION, JUNE 30 (ENDING)</b>	<b>\$ 28,198,410</b>	<b>\$ (285,286)</b>	<b>\$ 27,913,124</b>	<b>\$ 27,175,284</b>

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

**Fort Worth Independent School District**  
**Statement of Cash Flows**  
**Proprietary Funds**  
**For the Fiscal Year Ended June 30, 2025**

**Exhibit D-3**

	<b>Business-type Activities</b>		<b>Enterprise Fund</b>	
	<b>Major Fund</b>	<b>Nonmajor Funds</b>		
	<b>701</b>	<b>746-749</b>		
	<b>Food Service Fund</b>	<b>Other Enterprise Funds</b>	<b>Total Business-type Activities</b>	<b>750 - 799 Governmental Activities - Internal Service Funds</b>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from user charges	\$ 1,268,619	\$ 64,714	\$ 1,333,333	\$ 8,245,388
Internal activity	(3,221,043)	(64,714)	(3,285,757)	-
Cash payments to employees for services	(13,886,159)	-	(13,886,159)	(1,024,706)
Cash payments for insurance claims	-	-	-	(5,303,830)
Cash payments to suppliers for goods and services	(25,449,621)	-	(25,449,621)	(229,279)
Cash payments for operating costs	-	-	-	(1,187,573)
Net cash provided by (used in) operating activities	(41,288,204)	-	(41,288,204)	500,000
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Grants received	42,682,740	-	42,682,740	-
Cash received from other funds	-	-	-	(500,000)
Net cash flow provided by (used in) financing activities	42,682,740	-	42,682,740	(500,000)
<b>CASH FLOWS FROM CAPITAL AND RELATED FINANCING ACTIVITIES</b>				
Purchase of capital assets	2,653	-	2,653	-
Net cash provided by capital and related financing activities	2,653	-	2,653	-
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>				
Interest on investments	1,429,720	-	1,429,720	-
Net cash provided by investing activities	1,429,720	-	1,429,720	-
Net change in cash and temporary investments	2,826,909	-	2,826,909	-
Cash and temporary investments - July 1	31,214,240	-	31,214,240	-
<b>CASH AND TEMPORARY INVESTMENTS - JUNE 30</b>	<b>\$ 34,041,149</b>	<b>\$ -</b>	<b>\$ 34,041,149</b>	<b>\$ -</b>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ (44,024,347)	\$ (285,286)	\$ (44,309,633)	\$ 1,745,723
Adjustments to reconcile operating income (loss) to net cash provided by (used in) operating activities:				
Depreciation	78,523	350,000	428,523	-
Changes in assets and liabilities:				
Inventories	22,883	-	22,883	-
Accounts payable	6,115,539	-	6,115,539	(45,894)
Accrued wages	(259,759)	-	(259,759)	(2,525)
Due from other funds	-	-	-	(1,620,862)
Due to other funds	(3,221,043)	(64,714)	(3,285,757)	-
Accrued expenses	-	-	-	423,558
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<b>\$ (41,288,204)</b>	<b>\$ -</b>	<b>\$ (41,288,204)</b>	<b>\$ 500,000</b>

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



# **Fiduciary Funds Financial Statements**



**Fort Worth Independent School District**  
Statement of Net Position  
Fiduciary Funds  
June 30, 2025

**Exhibit E-1**

	<u>865 - 891</u>	<u>828</u>
	<u>Custodial Funds</u>	<u>Private Purpose Trusts</u>
<b>ASSETS</b>		
Cash and temporary investments	\$ 2,137,685	\$ 923,241
Accrued interest	-	182
Other receivables	8,136	27,918
Long-term investments	-	23,446
<b>TOTAL ASSETS</b>	<u>2,145,821</u>	<u>974,787</u>
<b>LIABILITIES</b>		
Accounts payable	<u>1,006,089</u>	<u>-</u>
<b>TOTAL LIABILITIES</b>	<u>1,006,089</u>	<u>-</u>
<b>NET POSITION</b>		
Restricted for other purposes	1,139,732	-
Held in trust for scholarships	<u>-</u>	<u>974,787</u>
<b>TOTAL NET POSITION</b>	<u>\$ 1,139,732</u>	<u>\$ 974,787</u>

**Fort Worth Independent School District**  
Statement of Changes in Net Position  
Fiduciary Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit E-2**

	<u>865 - 891</u>	<u>828</u>
	<u>Custodial Funds</u>	<u>Private Purpose Trusts</u>
<b>ADDITIONS</b>		
Donations	\$ -	\$ 68,536
Revenue from student activities	1,057,442	-
Investment earnings	2,233	47
	<u>1,059,675</u>	<u>68,583</u>
Total additions		
<b>DEDUCTIONS</b>		
Supplies and materials for student activities	1,022,435	-
Scholarships granted	-	56,852
	<u>1,022,435</u>	<u>56,852</u>
Total deductions		
Change in net position	37,240	11,731
<b>NET POSITION</b>		
Net position - beginning of the year	<u>1,102,492</u>	<u>963,056</u>
<b>NET POSITION - END OF THE YEAR</b>	<u>\$ 1,139,732</u>	<u>\$ 974,787</u>

## **Notes to the Basic Financial Statements**



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

The accounting policies of the Fort Worth Independent School District (District) substantially comply with the rules prescribed by the Texas Education Agency (Agency) Financial Accountability System Resource Guide. These accounting policies conform to accounting principles generally accepted in the United States of America (GAAP) applicable to governments.

In accordance with the Financial Accountability System Resource Guide, the District has adopted and installed an accounting system which meets at least the minimum requirements prescribed by the State Board of Education and approved by the State Auditor.

Specifically, the District's accounting system uses codes and the code structure as presented in the Financial Accountability System Resource Guide.

**Reporting Entity**

The Fort Worth Independent School District Board of Education (Board) is the level of government which has responsibility and control over all activities related to public school education within the District. The District receives funding from local, state and federal government sources and must comply with all the requirements of these funding source entities. However, the District is not included in any other governmental "reporting entity" as defined by generally accepted accounting principles. Board members are elected by the public, have decision-making authority, the power to designate management, the ability to significantly influence operations and the primary accountability for fiscal matters. In addition, there are no component units which meet the financial accountability criteria as defined in Governmental Accounting Standards Board (GASB) Statement 61 which are included in the District's reporting entity.

**Basis of Presentation**

The District prepares its financial statements in accordance with reporting practices prescribed by the Agency in the Financial Accountability System Resource Guide and the Governmental Accounting Standards Board.

**Government-wide and Fund Financial Statements**

The government-wide financial statements (the statement of net position and the statement of activities) are prepared using the accrual basis of accounting and the information about the school district as a whole. These statements include the financial activities of the primary government, except for fiduciary funds. For the most part, the effect of interfund activity has been removed from these statements. Governmental activities, which are normally supported by taxes and inter-governmental revenues, are reported separately from business type activities, which rely to a significant extent on charges for services.

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as transfers in or out on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position.

Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities. All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activity and balances resulting from transactions with fiduciary funds are not eliminated. Instead, the fiduciary interfund activity and balances are treated as transactions with an external party.

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

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in the direct expense to each function.

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 and major individual enterprise funds are reported as separate columns in the fund financial statements.

### **Measurement Focus, Basis of Accounting and Financial Statement Presentation**

The government-wide financial statements, including governmental activities and business type activities, are accounted for using the economic resources measurement focus and the accrual basis of accounting, as are the proprietary fund and fiduciary fund financial statements. Revenues are recorded when earned and expenses are recorded when a liability is incurred, regardless of timing of related cash flows. Property taxes are recognized as revenue in the year for which they are levied. Grants and similar items are recognized as revenue as soon as all eligibility requirements imposed by the provider have been met. All assets, deferred outflows, liabilities and deferred inflows associated with the operation of these funds are included on the Statement of Net Position.

All Governmental Funds are accounted for using a current financial resources measurement focus. With this measurement focus, only current assets, deferred outflows, current liabilities and deferred inflows generally are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in fund balance.

The accounts of the Governmental Funds are maintained, and the financial statements have been prepared, on the modified accrual basis of accounting. Under this basis of accounting, revenues are recognized when they become measurable and available. Substantially all revenues (state, federal and local property tax and interest revenues) are considered to be susceptible to accrual. Revenues from expenditure-driven grants are recognized when the expenditure is incurred.

Expenditures are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Exceptions to this general rule include principal and interest on general long-term debt which are recognized as expenditures when due.

Property tax revenues recorded in the General Fund and Debt Service Fund are recognized under the "susceptible to accrual" concept. The District generally considers property taxes as available if they are collected within 60 days after year-end. Property taxes received after the 60 day period are not considered available and, therefore, recorded as a deferred inflow of resources in the Government Funds Balance Sheet totaling \$9,936,106 in the General Fund and \$2,537,048 in the Debt Service Fund. Grant revenues are recognized when expenditures are made. Charges for services and miscellaneous revenues are recorded as revenues when received in cash because they are generally not measurable until actually received. Investment earnings are recorded as earned since they are measurable and available within 60 days of year-end. All other revenue is considered available and recognized if they are received within 60 days after year-end.

Foundation School Program revenues are recognized as revenue when measurable and available in accordance with Agency allotments.

### **Purpose of Funds**

The accounts of the District are organized on the basis of funds, each of which is considered a separate accounting entity. The operations of each fund are accounted for with a separate set of self-balancing accounts to reflect results of activities. The following funds are used by the District:

### **Governmental Funds**

*General Fund* - used to account for all revenues and expenditures, not accounted for in other funds, relating to general operations of the District. The General Fund is considered a major fund.

*Federal Grant Fund* – used to account for the financial resources of federal program grants. The District has identified the Federal Grant Fund as a major fund due to its importance to the financial statement users.

*Debt Service Fund* - used to account for payment of principal and interest on District general obligation bonds. The Debt Service Fund is a major fund.

*Capital Projects Fund* – used to account for acquisition of capital facilities by proceeds from long term financing and other authorized sources. The Capital Projects Fund is a major fund.

*Other Governmental Funds* - used to account for the financial resources of state and local program grants. Funds are legally restricted or committed by the Board to expenditures for specified purposes.

### **Proprietary Funds**

*Food Service Fund* – the Food Service fund is used to account for the operations of the District's cafeterias and other food facilities. Operating revenues are derived primarily from charges to users. Non-operating revenues for the Food Service Fund are derived from federal child nutrition programs under which amounts are received by grant and by receipt of commodities from the United States Department of Agriculture (USDA) as well as interest from investments and other state matching funds.

*Other Enterprise Funds* - The Leadership Learning Center fund is used to account for the operations of the outdoor learning center, which provides an outdoor learning environment for cadets, students, staff and other organizations across the state. The Sports Marketing Fund will be used to replace video boards and marquees at the athletic stadium sites. Revenue generated from advertising displayed on the boards and marquees will help offset the cost of the equipment over time. Operating revenues are derived primarily from charges to users.

*Internal Service Funds* - used to account for accumulation of resources for the payment of employee workers' compensation and unemployment claims. Accrued liabilities include provisions for claims reported and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid to each claimant. The provision for claims incurred but not yet reported is estimated based on District experience since the inception of the program. The District's Human Capital Risk Fund and the Education Technology Dig In Fund are all accounted for as internal service funds which will provide services to the various departments and programs of the District.

### **Fiduciary Funds**

*Custodial Funds* - used to account for the receipts and disbursements of monies from student activity and other organizations. The student activity and other granting organizations exist with the explicit approval of and are subject to revocation by the District's Board. Per GASB 84, the District's fiduciary activity is reported in a separate Statement of Fiduciary Net Position and Changes in Fiduciary Net Position.

*Private Purpose Trust Funds* – are used to report all trust arrangements under which principal and income benefit a specific school or group of students which includes the scholarship funds that are received to be awarded to current and former students for post- secondary education purposes.

### **Cash and Temporary Investments**

The District's cash and cash equivalents are considered to be cash on hand and demand deposits. Temporary investments, except for the investment pools, for the District include government agency bonds, CDARS, mutual funds and money market funds that are expected to be held for less than one year and are reported at fair value. The investment pools operate in accordance with appropriate state laws and regulations and may be reported at amortized cost or net asset value (NAV).

### **Investments**

The government agency bonds expected to be held for more than one year are reported at fair value. The non-TRS pension trust fund investment is a fixed annuity contract and is reported at contract value (a cost-based measure).

### **Inventory and Prepaid Items**

Inventory is stated at cost using the first-in, first-out method. Inventory in the General Fund consists of expendable parts and supplies. Inventories are recorded as expenses when consumed.

Inventory in the Enterprise Fund consists primarily of food service commodities. Commodities are valued at prices supplied by the USDA at the time of receipt.

The consumption method is used to account for prepayments. Under this method, items are carried in a prepaid account at the respective fund at cost and are subsequently charged to expenditures when used. Prepaid balances are for payments made by the District in the current year to provide services occurring in the subsequent fiscal year. Prepaid items have been recognized as non-spendable to signify that a portion of fund balance is not available for other subsequent expenditures.

**Lease Receivable – Lessor**

The District is a lessor for noncancelable leases of property. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

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

- The District uses its estimated incremental borrowing rate as the discount rate for leases.
- The lease term includes the noncancelable period of the lease.

Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed in substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed in substance, and any lease incentives that are payable to the lessee.

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

**Capital Assets**

Land, buildings and equipment are stated at historical cost. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at acquisition value.

Furniture and equipment are being depreciated by the straight-line method, generally over the estimated useful life of five years for governmental and business type activities. Right-to-use assets are amortized over the duration of the lease using the straight-line method.

Building and building improvements of the District are depreciated using the straight-line method beginning in the year they are placed in service. Capital assets of the District, other than capital assets of the Enterprise fund, are depreciated using the straight-line method over the following estimated useful lives:

<b>Asset Classification .....</b>	<b>Useful Life</b>
Buildings and building improvements	40 years
Portable buildings/other improvements	20 years
Buses and large trucks	10 years
Cars and small trucks	5 years
Equipment	5 years

The capitalization threshold for recording the capital asset classifications listed above is \$5,000, except for building improvements which have a capitalization threshold of \$250,000. If the building improvement is funded by bonds or other debt, then the capitalization threshold is \$5,000. Maintenance, repairs and minor improvements that do not significantly extend the life of assets are not capitalized. Land and construction in progress are not depreciable.

**Leases Payable - Lessee**

The District is a lessee for noncancelable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt and a right-to-use lease asset, reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of \$100,000 or more.

At the commencement of a lease, the District 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 the shorter of the lease term or its useful life.

Key estimate and judgements 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 is estimated incremental borrowing rate as the discount for leases.
- The lease term includes the noncancelable period of the lease.
- Lease payments included in the measurement of the liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

### **Vacation and Sick Leave**

Prior to August 31, 2019, employees who work 240 days or more annually earn and accumulate vacation pay. Such amounts that are used in any one year are recognized as expenditures in that year. In the event of a termination, an employee is reimbursed for any unused accumulated vacation. However, the reimbursement is limited to a maximum of two year's accumulation, not to exceed 40 days. Beginning September 1, 2019, the District no longer provide paid vacation days but instead will provide local personal days. Local personal days do not accumulate from one year to the next, as they must be used in the fiscal year they are granted.

### **Compensated Absences**

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – sick local leave and personal business leave. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The liability for compensated absences includes salary-related benefits, where applicable.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences.

### **Long-term Debt**

General obligation bonds which have been issued to fund capital projects of the District are to be repaid from tax revenues of the District. In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities statement of net position. Bond premiums and discounts are deferred and amortized over the life of the bonds using the straight line method which approximates the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. The deferred loss on refunding, will be recognized as a deferred outflow of resources and amortized to interest expense over the life of the bond. Bond issuance costs are expensed in the current period.

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

### **Interfund Activities**

Transactions among governmental funds and between governmental funds and proprietary funds appear as due to/due from other funds on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position and as other financing sources and uses on the Governmental Fund Statement of Revenues, Expenditures and Changes in Fund Balance and on the Proprietary Fund Statement of Revenues, Expenses and Changes in Fund Net Position. Interfund services provided and used are not eliminated in the consolidation of funds for the Statement of Activities.

All interfund transactions that do not represent services provided and used between governmental funds and between governmental funds and internal service funds are eliminated on the government-wide statements. Interfund activities between governmental funds and enterprise funds remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances and on the Statement of Activities as interfund transfers. Interfund activities between governmental funds and fiduciary funds remain as other receivables and accounts payable from external parties on the government-wide Statement of Net Position.

### **Categories and Classifications of Fund Balance and Net Position**

Fund balance classifications comprise a hierarchy based primarily on the extent to which a government is bound to observe constraints imposed upon the use of the resources reported in governmental funds. The objective is to enhance the usefulness of fund balance information by providing clearer fund balance classifications that can be more consistently applied and by clarifying the existing governmental fund type definitions.

### **Governmental Fund Financial Statements**

Governmental fund balances are classified as Nonspendable, Restricted, Committed, Assigned and Unassigned. These classifications reflect not only the nature of funds but also provide clarity as to the level of restriction placed upon fund balance. Fund balances have different levels of constraint, such as external versus internal compliance requirements, unassigned fund balance is a residual classification within the General Fund. The General Fund should be the only fund that reports a positive unassigned balance. In all other funds, unassigned is limited to negative residual fund balance.

1. **Nonspendable Fund Balance** – includes fund balance amounts that cannot be spent either because it is not in spendable form or because of legal or contractual requirements. Examples include inventories, long-term receivables, endowment principal, and/or prepaid items.
2. **Spendable Fund Balance**
  - a. **Restricted Fund Balance** – includes amounts that can be spent only for the specific purposes as imposed by law, or imposed by creditors, grantors, contributors, or other governments' laws and regulations. Examples include federal and state grant programs, retirement of long-term debt, and construction.
    - i. The aggregate fund balance in the debt service fund is legally restricted for payment of bonded indebtedness and is not available for other purposes until all bonded indebtedness is liquidated.
    - ii. The fund balance of the capital projects fund reflects an amount restricted for construction and major renovation projects, and it usually represents unexpended proceeds from the sale of school building bonds, which primarily have restricted uses.
    - iii. The proceeds of specific revenue sources that are restricted to expenditures for specified purposes as designated by grantors, contributors, or governmental entities over state or local program grants.
  - b. **Committed Fund Balance** – includes amounts that can be used only for the specific purposes as determined by the governing body by formal action via board resolution recorded in the minutes of the governing body. Commitments may be changed or lifted only by the governing body taking the same formal action that imposed the constraint originally. Examples include, but are not limited to, board action regarding construction, claims, and judgments, retirement of loans/notes payable, capital expenditures, and self-insurance. The school board must take action to commit funds for a specific purpose prior to the end of the fiscal year, but the amount of the commitment may be determined after the end of the fiscal year.

- i.* Campus activity funds are considered committed by the governing body through adoption of board policy pertaining to the usage of these funds.
- c.* **Assigned Fund Balance** – comprises amounts intended to be used by the District for specific purposes. This intent can be expressed by an official or body to which the governing body delegates that authority. The current year's assignment includes the appropriation of existing fund balance to eliminate a deficit in next year's budget and amounts for improvements including renovations currently underway at the District Service Center.
- d.* **Unassigned Fund Balance** – is the residual classification of the General Fund and includes all amounts not contained in other classifications. Only the General Fund will have positive unassigned amounts. Funds besides General Fund may have negative unassigned fund balance.

For accounting purposes, committed amounts are reduced first followed by assigned, and then unassigned. Nonspendable and restricted fund balances are governed by legal or contractual requirements or as may be imposed by law, creditors, grantors, contributors, or other governments' laws and regulations. The Board of Education is the highest and only level of decision-making authority and determines the spending of its restricted and unrestricted resources. A schedule of the District fund balances classifications is provided in Exhibit C-1.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted resources as they are needed.

### **Government-Wide Financial Statements**

Net position on the Statement of Net Position includes the following:

**Net Investment in Capital Assets** – the component of net position that reports the difference between capital assets less both the accumulated depreciation and the outstanding balance of debt net of premiums and discounts, excluding unspent to bond proceeds, that is directly attributable to the acquisition, construction or improvement of these capital assets.

**Restricted for Debt Service** – the component of net position that reports the difference between assets, deferred outflows, liabilities and deferred inflows with constraints on their use by law.

**Restricted for Food Service** – the component of net position that reports the difference between assets and liabilities with constraints placed on their use by the U.S. Department of Agriculture.

**Restricted for Grant Programs** – the component of net position that reports the difference between assets and liabilities with constraints on their use by a granting agency.

**Unrestricted** – the difference between assets, deferred outflows, liabilities and deferred inflows that is not reported in Net Investment in Capital Assets, and restricted net position.

### **Management's Use of Estimates**

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

The amount of state foundation revenue and the related receivables and liabilities a school district earns each year can and does vary until the time when final values for each of the factors in the formula become available. Availability can be as late as midway into the next fiscal year; therefore actual results could differ from estimates.

### **Deferred Outflows and Deferred Inflows of Resources**

The statement of net position and/or the governmental funds balance sheet includes a separate section, in addition to assets, for deferred outflows of resources. Deferred outflows of resources, represents a consumption of net assets that applies to a future period(s) and therefore will not be recognized as an expense/expenditure until that time. In addition to liabilities, the statement of net position reports a separate section for deferred inflows of resources. Deferred inflows of resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as revenue until that time.

### **Defined Benefit Pension Plan**

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 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 postemployment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS-Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

### **GASB Pronouncements Implemented by the District**

GASB Statement No. 101, *Compensated Absences* (GASB 101), improves the information needs of financial statements users by updating the recognition and measurement guidance for compensated absences under a unified model and amending certain previously required disclosures. The requirements of this statement are effective for reporting periods beginning after December 15, 2023, with earlier application encouraged. GASB 101 was implemented in the District's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

GASB Statement No. 102, *Certain Risk Disclosures* (GASB 102), improves financial reporting by providing users of financial statements with essential information regarding certain concentrations of constraints and related events that have occurred or have begun to occur that make a government vulnerable to a substantial impact. The requirements of this statement are effective for reporting periods beginning after June 15, 2024, with earlier application encouraged. GASB 102 was implemented in the District's fiscal year 2025 financial statements with no impact to amounts or disclosures previously reported.

**Note 2. Cash and Investments**

Statutes of the State of Texas and policies mandated by the District's Board of Trustees authorize the District to invest in obligations of the U.S. Government or its agencies, repurchase agreements, commercial paper, public fund investment pools, mutual funds and money market accounts. All cash balances and investments are held separately in each of the District's funds. The Texas Education Agency requires certain depository information to be reported in the notes to the financial statements including (1) the name of the depository bank; (2) the confirmation of the highest combined balances on deposit; (3) the month on which the highest combined balances on deposit occurred; and (4) the amount of pledged securities and FDIC insurance held on the corresponding date at the depository bank.

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

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs—other than quoted prices included within Level 1—that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability.

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

The District has recurring fair value measurements as presented in the table below. The District's deposits, investment balances and weighted average maturity of such investments (excluding the Non-TRS Pension Trust Fund) are as follows:

**Investment Portfolio as of June 30, 2025**

Type	Cash and Temporary Investments	Long-term Investments	Percent of Investments	Weighted Average Maturity (Days)	Credit Rating	
					Standard and Poors	Moody's
<b>Cash</b>						
Cash Fund	\$ 1,007	\$ -				
Cash In Bank	17,697,706	-	N/A	N/A	NR	NR
Oil & Gas	380,163	-				
<b>Total Cash</b>	<b>18,078,876</b>	<b>-</b>				
<b>Money Market Funds</b>						
FICA Money Market	-	-	0.00%	N/A	NR	NR
<b>Total Money Market Funds</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>			
<b>Mutual Funds</b>						
Highmark Funds	-	23,446	0.00%	N/A	NR	NR
<b>Total Mutual Funds</b>	<b>-</b>	<b>23,446</b>	<b>0.00%</b>			
<b>U.S. Government Agency Bonds*/CDARS/TERM</b>						
PFM - TEX/TERM (TER)	-	-	0.00%	N/A	NR	NR
BOKF-CDARS (BOS)	-	-	0.00%	N/A	NR	NR
Federal Loan Bank (FHLB)	-	-	0.00%	N/A	NR	NR
Fannie Mae (FNMA)	-	-	0.00%	N/A	NR	NR
<b>Total Government Agency Bonds</b>	<b>-</b>	<b>-</b>	<b>0.00%</b>			
<b>Local Government Investment Pools - Measured at Amortized Cost</b>						
Texas Class	157,044,233	-	14.53%	1	AAAm	NR
TexPool	12,129,507	-	1.12%	1	AAAm	NR
<b>Local Government Investment Pools - Measured at Net Asset Value (NAV)</b>						
LOGIC	321,613,756	-	29.75%	1	AAAm	NR
TexStar	70,907,646	-	6.56%	1	AAAm	NR
Public Trust	441,483,247	-	40.83%	1	AAAm	NR
PFM - TexasDAILY Select	77,974,537	-	7.21%	1	AAAm	NR
<b>Total Local Govt Investment Pools</b>	<b>1,081,152,926</b>	<b>-</b>	<b>100.00%</b>			
<b>Total Cash and Investments</b>	<b>\$ 1,099,231,802</b>	<b>\$ 23,446</b>	<b>100%</b>			

The investment pools, money market funds, and the Highmark mutual fund are measured at cost, amortized cost or net asset value (NAV) and are exempt from fair value reporting.

The District invests in Certificates of Deposit Account Registry Service (CDARS). CDARS distributes deposits over banks in its network in increments of less than standard FDIC insurance maximum to ensure that both principal and interest are eligible for full FDIC protection while working with a single participating bank in the network. These amounts are excluded from the fair value hierarchy as they are considered deposits with financial institutions.

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

The Texpool and Texas CLASS investment pools are external investment pools measured at amortized cost. In order to meet the criteria to be recorded at amortized cost, investment pools must transact at a stable net asset value per share and maintain certain maturity, quality, liquidity and diversification requirements within the investment pool.

The investment pools transact at a net asset value of \$1.00 per share, investments held are highly rated by a nationally recognized statistical rating organization, have no more than 5% of portfolio with one issuer (excluding US government securities), and can meet reasonably foreseeable redemptions. Texpool and Texas CLASS have a redemption notice period of one day and no maximum transaction amounts. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

The TexStar, TexasTerm, Public Trust, and LOGIC investment pools are external investment pools measured at their net asset value. TexStar, TexasTerm, Public Trust and LOGIC's strategy are to seek preservation of principal, liquidity and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to the investment pools. TexStar and LOGIC have a redemption notice period of one day and may redeem daily. The investment pools' authorities may only impose restrictions on redemptions in the event of a general suspension of trading on major securities market, general banking moratorium or national or state emergency that affects the pools' liquidity.

**Interest Rate Risk**

In accordance with the District's investment policy, investments are made in a manner that ensures the preservation of capital in the overall portfolio, and offsets during a 12-month period any market price losses resulting from interest-rate fluctuations by income received from the balance of the portfolio. The District's policy states that no individual investment transaction shall be undertaken that jeopardizes the total capital position of the overall portfolio. The District further controls interest rate risk by limiting the term to maturity of any single investment to a maximum of three years, and the dollar weighted average maturity of the entire portfolio to a maximum of one year.

**Credit Risk**

The District recognizes that credit risks result from issuer defaults, market price changes, or various technical complications leading to temporary liquidity. Portfolio diversification is employed as a way to control risk. No individual transaction shall be undertaken which jeopardizes the total position of the overall portfolio.

Furthermore, state law limits investments in commercial paper to a rating of not less than A-1 or P-1 (or equivalent rating) by at least two nationally recognized credit rating agencies. If commercial paper is acquired as an investment instrument, the total portfolio cannot contain more than 25% of this type of security. As of June 30, 2025, the District had no commercial paper in its portfolio.

The District invests in public funds investment pools, money market, mutual funds, government agency bonds, and CDARS.

In accordance with Government Code 2256.005(b), the investment officers of the District are required to develop a procedure to monitor changes in investment ratings and to liquidate investments that do not maintain satisfactory ratings. The District currently reviews various websites to monitor economic activity that could result in changes in credit ratings; schedules more frequent meetings with financial staff regarding the District's portfolio; and works more closely with financial advisors to monitor investment ratings to ensure district investment holdings can be liquidated if investment ratings drop below policy requirements.

**Concentration of Credit Risk**

The investment portfolio is diversified in terms of investment instruments, maturity scheduling, and financial institutions to reduce risk of loss resulting from over- concentration of assets in a specific class of investments, specific maturity, or specific issuer.

**Custodial Credit Risk – Deposits**

Custodial credit risk is eliminated when the District ensures deposits are adequately collateralized. Otherwise, in the event of bank failure, the District risks losing its deposits.

Depository information, required to be reported to the Texas Education Agency is as follows:

- a. Name of Depository Bank: JP Morgan Chase Bank.
- b. Highest Combined Ledger Balance: \$22,811,618
- c. Month of Highest Ledger Combined Balance: April 2025
- d. Amount of Pledged Securities (Market Value): \$22,400,000
- e. Amount of FDIC Insurance: \$250,000

**Note 3. Property Taxes**

Property taxes are levied on October 1 and are due and payable at that time. The Board establishes the District's property tax rates annually. The authorized tax rates for property taxes assessed on January 1, 2024, were \$.7869 and \$0.2755 per \$100 for the General Fund and Debt Service Fund, respectively.

The legally authorized tax rate limit for the District is \$1.0864 per \$100 assessed valuation for maintenance and operations. On January 1 of each year, a tax lien attaches to property to secure the payment of penalties imposed. Property tax revenues are considered available when they become due or past due and receivable within the current period and those expected to be collected during a 60-day period after the close of the District's fiscal year.

All unpaid taxes become delinquent on February 1 of the following year. At June 30, 2025, taxes receivable, net of estimated uncollectible taxes, aggregated \$15,841,270 and \$4,440,251 for the General Fund and Debt Service Fund, respectively.

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 upon historical experience in collecting property 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.

The District has entered into an agreement with Tarrant County (County) whereby the County bills and collects the District's property taxes. The legislation which created county education districts (CED's), Texas House Bill 351, was declared unconstitutional by the Texas Supreme Court. The Texas legislature enacted Senate Bill 7 which abolished CED's effective as of September 1, 1993. The District currently receives any delinquent CED payments from the County, which totaled \$36,250 during the year ended June 30, 2025.

**Note 4. Leases and Other Receivables**

The District has entered into multiple lease agreements as lessor. The leases allow the right-to-use of buildings and infrastructure to other organizations over the term of the lease. The District receives annual payments at the interest rate stated or implied within the leases. The interest rates for these leases is .2%. As of June 30, 2025, the District has \$580,696 remaining in lease receivables and \$558,333 remaining in deferred inflows of resources recorded in the General Fund. Other receivables in the amount of \$1,415,373 comprise the remaining balance of other receivables recorded in the General Fund and Other Governmental Funds as of June 30, 2025.

As of June 30, 2025, the expectation of lease receipts through the expiration of all leases is as follows:

Year	Principal	Interest	Total Requirements
2026	\$ 72,016	\$ 904	\$ 72,920
2027	74,324	784	75,108
2028	76,702	659	77,361
2029	79,151	531	79,682
2030	81,674	398	82,072
2031-2035	196,829	390	197,219
<b>Total</b>	<b>\$ 580,696</b>	<b>\$ 3,666</b>	<b>\$ 584,362</b>

**Note 5. Due from Other Governments**

**General Fund**

\$85,665,972 due primarily from the state for school foundation program.

**Federal Grant Fund and Other Governmental Funds**

\$13,436,012 due from local, state and federal agencies represent receivables for the excess of expenditures over revenues incurred in the administration of various supplemental education programs.

**Note 6. Interfund Receivables and Payables**

The following table presents the Interfund Receivables and Payables.

Fund	Receivables	Payables
General Fund:		
Capital Projects Fund	\$ 421,126	\$ -
Federal Grant Funds	5,827,324	-
Food Service Fund	651,142	-
Other Enterprise Funds	2,935,286	
Debt Service Fund	-	23,315,421
Other Governmental Funds	467,866	3,213,478
Internal Service Fund	-	31,260,197
	<u>10,302,744</u>	<u>57,789,096</u>
Capital Projects Fund:		
General Fund	-	421,126
	<u>-</u>	<u>421,126</u>
Federal Grant Funds:		
General Fund	-	5,827,324
	<u>-</u>	<u>5,827,324</u>
Food Service Funds:		
General Fund	-	651,142
	<u>-</u>	<u>651,142</u>
Debt Service Funds:		
General Fund	23,315,421	-
	<u>23,315,421</u>	<u>-</u>
Other Governmental Funds:		
General Fund	3,213,478	467,866
	<u>3,213,478</u>	<u>467,866</u>
Other Enterprise Funds:		
General Fund	-	2,935,286
	<u>-</u>	<u>2,935,286</u>
Internal Service Fund:		
General Fund	31,260,197	-
	<u>31,260,197</u>	<u>-</u>
<b>Total</b>	<u>\$ 68,091,840</u>	<u>\$ 68,091,840</u>

Interfund balances relate primarily to amounts paid by one fund on behalf of another to be repaid or collected in the normal course of business.

**Note 7. Interfund Transfers**

<u>Transferred From:</u>	<u>Internal Service Funds</u>	<u>Other Enterprise Funds</u>	<u>Total Transfers Out</u>
General Fund	\$ 500,000	\$ 7,061	\$ 507,061
<b>Total transfers in</b>	<u>\$ 500,000</u>	<u>\$ 7,061</u>	<u>\$ 507,061</u>

The transfers from the General fund to Internal Service Funds and Other Enterprise Funds were for the purpose of offsetting charges. The transfer from other enterprise funds to the general fund was to close out the Leadership Learning Center fund.

**Note 8. Capital Assets**

Capital asset activity for the year ended June 30, 2025, was as follows:

	Beginning Balance	Additions	Transfers	Deletions	Ending Balance
<b>Governmental activities:</b>					
Capital assets not being depreciated:					
Land	\$ 56,785,876	\$ -	\$ -	\$ -	\$ 56,785,876
Construction in Progress	214,001,814	168,903,870	(116,775,502)	-	266,130,182
Total Capital Assets not Being Depreciated/Amortized	270,787,690	168,903,870	(116,775,502)	-	322,916,058
Capital assets being depreciated/amortized:					
Buildings and Improvements	2,197,414,797	-	116,775,502	(84,708)	2,314,105,591
Right-to-use leased assets - buildings	10,864,198	-	-	(2,223,233)	8,640,965
Right-to-use subscription assets	5,604,074	901,776	-	(1,588,106)	4,917,744
Vehicles	59,231,995	8,611,775	-	(2,914,914)	64,928,856
Furniture and Equipment	110,741,866	5,712,646	-	(12,800,122)	103,654,390
Total Other Capital Assets at Historical Cost	2,383,856,930	15,226,197	116,775,502	(19,611,083)	2,496,247,546
Accumulated depreciation/amortization:					
Buildings and Improvements	632,524,071	46,154,069	-	(84,708)	678,593,432
Right-to-use leased assets - buildings	3,390,668	633,665	-	(2,223,233)	1,801,100
Right-to-use subscription assets	2,582,293	831,774	-	(1,588,108)	1,825,959
Vehicles	39,077,387	4,056,380	-	(2,914,913)	40,218,854
Furniture and Equipment	88,785,800	5,050,392	-	(12,305,554)	81,530,638
Total Accumulated Depreciation/Amortization	766,360,219	56,726,280	-	(19,116,516)	803,969,983
Total Capital Assets Being Depreciated/Amortized, Net	1,617,496,711	(41,500,083)	116,775,502	(494,567)	1,692,277,563
<b>Governmental Activities Capital Assets, Net</b>	<b>\$ 1,888,284,401</b>	<b>\$ 127,403,787</b>	<b>\$ -</b>	<b>\$ (494,567)</b>	<b>\$ 2,015,193,621</b>
<b>Business-type activities:</b>					
Vehicles	\$ 228,444	\$ -	\$ -	\$ (24,495)	\$ 203,949
Furniture and Equipment	27,585,398	-	-	(613,954)	26,971,444
Total Capital Assets at Historical Cost	27,813,842	-	-	(638,449)	27,175,393
Accumulated depreciation:					
Vehicles	211,363	14,427	-	(21,841)	203,949
Furniture and Equipment	24,181,316	414,096	-	(613,954)	23,981,458
Total Accumulated Depreciation	24,392,679	428,523	-	(635,795)	24,185,407
<b>Business-type Activities Capital Assets, Net</b>	<b>\$ 3,421,163</b>	<b>\$ (428,523)</b>	<b>\$ -</b>	<b>\$ (2,654)</b>	<b>\$ 2,989,986</b>

Depreciation and amortization expense was charged to functions as follows:

<b>Governmental activities:</b>	
Instruction	\$ 46,736,412
Instruction Resources and Media Services	28,564
Curriculum Development and Instructional Personnel Department	8,360
Instructional Administration	136,841
Guidance and counseling services	3,890
Health Services	4,728
Student (Pupil) Transportation	3,529,420
Food Services	22,911
Cocurricular/Extracurricular Activities	632,647
General Administration	5,680
Plant Maintenance and Operations	4,642,276
Security and Monitoring Services	200,543
Data Processing Services	774,008
<b>Total Governmental Activities Depreciation and Amortization Expense</b>	<b>\$ 56,726,280</b>

Depreciation expense totaling \$78,523 was charged to Function 35 – Food Services for business-type activities.

As of June 30, 2025, the District has active construction projects with an aggregate unexpended balance on open contracts of \$253,836,652.

**Note 9. Long-term Liabilities**

The change in governmental long-term liabilities is summarized as follows:

	Balance June 30, 2024	Additions/ Adjustments	Reductions	Balance June 30, 2025	Amounts Due Within One Year
General Obligation-Principal	\$ 1,663,595,000	\$ 88,825,000	\$ 190,280,000	\$ 1,562,140,000	\$ 83,495,000
Bond Premium	222,572,453	5,584,704	19,017,541	209,139,616	12,936,464
Total General Obligation Bonds	1,886,167,453	94,409,704	209,297,541	1,771,279,616	96,431,464
Claims Liability	3,639,423	4,055,074	3,631,516	4,062,981	2,151,697
Leases Payable	7,586,880	-	616,824	6,970,056	519,703
Subscriptions Payable	438,862	901,777	915,973	424,666	322,576
Compensated Absences Payable*	4,782,657	3,405,981	-	8,188,638	4,598,774
Arbitrage Payable	16,359,772	11,331,424	-	27,691,196	-
Net Pension Liability	424,771,571	-	92,960,433	331,811,138	-
Net OPEB Liability	169,861,072	35,715,835	-	205,576,907	-
<b>Total</b>	<b>\$ 2,513,607,690</b>	<b>\$ 149,819,795</b>	<b>\$ 307,422,287</b>	<b>\$ 2,356,005,198</b>	<b>\$ 104,024,214</b>

\*Compensated absences are reported as a net change for the year as allowed under the provisions of GASB 101, paragraph 30.

Other important notes regarding long-term liabilities:

- There is \$47,753,432 in the Debt Service Fund's Fund Balance at June 30, 2025 to service the general obligation bonds.
- On April 8, 2025, the District issued \$88,825,000 in Unlimited Tax Refunding Bonds, Series 2025. This issue included a net reoffering premium of \$5,584,704. Proceeds from the sale of the bonds will be used to refund certain outstanding unlimited tax obligations of the District and for the payment of costs of issuance related to the bonds. The bonds have a scheduled maturity between 2025 and 2035 with an interest rate of 5%. \$93,050,000 of the Unlimited Tax Refunding and School Building Bonds, Series 2015 were refunded and redeemed. As a result, the Series 2015 bonds are considered defeased and the liability of those bonds have been removed from the statement of net position. The refunding reduced the District's total debt service payments by \$5,637,500 and resulted in an economic gain (difference between the present values of the debt service payments on the old and new debt) of \$4,798,711.

**Fort Worth Independent School District**  
Notes to the Basic Financial Statements

**Exhibit F**

General Obligation Bonds outstanding, at June 30, 2025, are comprised of the following:

Date of Issue	Description	Interest Rate Payable	Original Issue Amount	Amounts Outstanding June 30, 2024	Issued Current Year	Retired Current Year	Amounts Outstanding June 30, 2025
12/01/09	School Building Unlimited Tax Series 2009 QSCB	.30%	\$ 31,600,000	\$ 5,925,000	\$ -	\$ 1,975,000	\$ 3,950,000
08/01/10	Unlimited Tax Qualified School Construction Bonds, Series 2010	2.0% to 5.0%	15,000,000	3,515,000	-	1,170,000	2,345,000
03/01/15	Unlimited Tax School Building Bonds Series 2015	2.0% to 5.0%	270,540,000	114,585,000	-	114,585,000	-
08/01/16	Unlimited Tax Refunding and School Building Bonds Series 2016	2.0% to 5.0%	382,025,000	171,635,000	-	16,110,000	155,525,000
04/01/18	Unlimited Tax School Building Bonds Series 2018	3.0% to 5.0%	162,340,000	137,750,000	-	4,510,000	133,240,000
10/01/19	Unlimited Tax School Building Bonds Series 2019A	2.375% to 5.0%	139,350,000	125,860,000	-	4,190,000	121,670,000
10/01/19	Unlimited Tax Refunding Bonds Series 2019B	5.0%	56,965,000	29,015,000	-	4,790,000	24,225,000
08/01/20	Unlimited Tax School Building Bonds Series 2020	2.0% to 5.0%	121,725,000	108,885,000	-	3,260,000	105,625,000
07/15/21	Unlimited Tax School Building Bonds Series 2021A	2.375% to 5.0%	243,980,000	220,035,000	-	6,240,000	213,795,000
07/15/21	Unlimited Tax Refunding Bonds Series 2021B	.40% to 5.0%	94,280,000	93,745,000	-	4,405,000	89,340,000
08/01/22	Unlimited Tax School Building Bonds Series 2022	5.0%	138,905,000	119,110,000	-	2,935,000	116,175,000
02/01/23	Unlimited Tax School Building Bonds Series 2023	4.0% to 5.0%	274,890,000	259,890,000	-	5,915,000	253,975,000
02/01/24	Unlimited Tax School Building Bonds Series 2024	5.0%	273,645,000	273,645,000	-	20,195,000	253,450,000
04/15/2025	Unlimited Tax School Building Bonds Series 2025	5.0%	88,825,000	-	88,825,000	-	88,825,000
<b>Total</b>				<u>\$1,663,595,000</u>	<u>\$ 88,825,000</u>	<u>\$ 190,280,000</u>	<u>\$1,562,140,000</u>

Debt service requirements by fiscal year on the District's outstanding bonds were as follows:

Year	Principal	Interest	Total Requirements
2026	\$ 83,495,000	\$ 66,102,237	\$ 149,597,237
2027	83,020,000	62,750,163	145,770,163
2028	81,885,000	58,753,700	140,638,700
2029	74,315,000	54,659,451	128,974,451
2030	57,600,000	51,321,701	108,921,701
2031-2035	325,940,000	213,192,872	539,132,872
2036-2040	372,665,000	139,280,648	511,945,648
2041-2045	339,610,000	66,310,340	405,920,340
2046-2050	143,610,000	12,965,919	156,575,919
<b>Total</b>	<u>\$ 1,562,140,000</u>	<u>\$ 725,337,031</u>	<u>\$ 2,287,477,031</u>

**Federal Arbitrage**

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or performed correctly, a liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The District has recorded an arbitrage liability in the amount of \$27,691,196 as of June 30, 2025.

**Lease Payable**

The District has entered into multiple lease agreements as a lessee for various building space. The leases allow the right-to-use assets over the term of the lease. The District is to make payments at its incremental borrowing rate or the interest rate stated or implied within the leases. The lease rate, term, and ending liability are as follows:

	<u>Interest Rate(s)</u>	<u>Liability at Commencement</u>	<u>Ending Balance June 30, 2025</u>
Buildings	0.2-3.1%	\$ 9,164,489	\$ 6,970,056

The future principle and interest lease payments as of June 30, 2025 were as follows:

<u>Year</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Requirements</u>
2026	\$ 519,703	\$ 137,585	\$ 657,288
2027	529,841	127,448	657,289
2028	540,207	117,081	657,288
2029	550,808	106,480	657,288
2030	561,650	95,639	657,289
2031-2035	2,979,671	364,781	3,344,452
2036-2038	1,288,176	77,786	1,365,962
<b>Total</b>	<u>\$ 6,970,056</u>	<u>\$ 1,026,800</u>	<u>\$ 7,996,856</u>

The value of the right-to-use leased assets - buildings at the end of the current fiscal year was \$8,640,965 and had accumulated amortization of \$1,801,100.

**Subscription Based Information Technology Arrangements (SBITA)**

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor’s information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term and ending subscription liability are as follows:

	<u>Interest Rate(s)</u>	<u>Liability at Commencement</u>	<u>SBITA Term in Years</u>	<u>Ending Balance</u>
Software	1.9-2.0%	\$ 976,546	3	\$ 424,666

The future principal and interest SBITA payments as of fiscal year end are as follows:

<u>Fiscal Year Ending</u>	<u>Principal</u>	<u>Interest</u>	<u>Total</u>
2026	\$ 322,576	\$ 13,744	\$ 336,320
2027	102,090	2,911	105,001
<b>Total</b>	<b>\$ 424,666</b>	<b>\$ 16,655</b>	<b>\$ 441,321</b>

The value of the subscription assets as of the end of the current fiscal year was \$4,917,744 and had accumulated amortization of \$1,825,959.

**Note 10. Defined Benefit Pension Plan**

**Plan Description**

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

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

**Pension Plan Fiduciary Net Position**

Detailed information about the TRS’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 P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

**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% (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 where the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member’s age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member’s age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered in under a previous rule. There are no automatic postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above.

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

**Contributions**

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

Employee contribution rates are set in state statute, Texas Government Code 825.402. The TRS Pension Reform Bill (Senate Bill 12) of the 86th Texas Legislature amended Texas Government Code 825.402 for member contributions and increased employee and employer contribution rates for fiscal years 2019 thru 2025.

Rates for such plan fiscal years are as follows:

	Contribution Rates	
	2025	2024
Member	8.25%	8.25%
Non-employer contributing entity (State)	8.25%	8.25%
Employers (District)	8.25%	8.25%

The contribution amounts for the District’s fiscal year 2025 are as follows:

Employer #0625	2025
Employer contributions	\$ 28,714,564
Member contributions	52,480,182
NECE on-behalf contributions	32,027,391

Contributors to the plan include active members, employers and the State of Texas as the only non-employer contributing entity. The State is also 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.

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 the 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 colleges 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% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment-after-retirement surcharge.
- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.9% of the member’s salary beginning in fiscal year 2024, gradually increasing to 2.0% in fiscal year 2025.

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

On June 30, 2025, the District reported a liability of \$331,811,138 for its proportionate share of the TRS’s net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District are as follows:

District’s Proportionate share of the collective net pension liability	\$ 331,811,138	
State’s proportionate share that is associated with District	347,159,532	
<b>Total</b>	<b>\$ 678,970,670</b>	

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

At the measurement date of August 31, 2024, the District’s proportion of the collective net pension liability was 0.5432031% which was a decrease of 0.0751829% from its proportion measured as of August 31, 2023.

For the fiscal year ended June 30, 2025, the District recognized pension expense of \$80,893,218 and revenue of \$41,491,366 for support provided by the State.

On June 30, 2025, the District reported 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	\$ 18,288,977	\$ (2,590,620)
Changes in actuarial assumptions	17,132,119	(2,296,832)
Differences between projected and actual investment earnings	2,016,964	-
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	20,002,595	(38,048,511)
Contributions paid to TRS subsequent to the measurement dates	23,637,170	-
<b>Totals</b>	<u>\$ 81,077,825</u>	<u>\$ (42,935,963)</u>

\$23,637,170 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026.

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

Year Ending June 30,	Pension Expense Amount
2026	\$ (3,556,188)
2027	33,840,362
2028	1,634,627
2029	(14,049,434)
2030	(3,364,675)
<b>Totals</b>	<u>\$ 14,504,692</u>

**Actuarial Methods and Assumptions**

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

Actuarial cost method	Individual entry age normal
Asset valuation method	Fair Value
Single discount rate	7.00%
Long term expected investment rate of return	7.00%
Municipal Bond Rate as of August 2023	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 including inflation	2.95% to 8.95%
Ad-hoc post employment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB(2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four year period ending August 31, 2021 and adopted in July 2022.

**Discount Rate and Long-Term Expected Rate of Return**

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing employers and the non-employer contributing entity will be made at the rates set by the legislature in 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 these assumptions, the pension plan’s fiduciary net position was projected to be available to make all projected 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 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 TRS's target asset allocation as of August 31, 2024 are summarized below:

Asset Class	Target Allocation**	Long-Term Expected Geometric Real Rate of Return***	Expected Contribution to Long-term Portfolio Returns
Global Equity:			
U.S.	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%
Absolute Return*	-	4.0%	-
Stable Value Hedge Funds	5.0%	3.0%	0.2%
Real Return:			
Real Estate	15.0%	6.6%	1.2%
Energy, Natural Resources and Infrastructure	6.0%	5.6%	0.4%
Commodities	-	2.5%	-
Risk Parity:			
Risk Parity	8.0%	4.0%	0.4%
Asset Allocation Leverage:			
Cash	2.0%	1.0%	-
Asset Allocation Leverage	-6.0%	1.3%	-0.1%
Inflation expectation			2.4%
Volatility drag****			-0.7%
<b>Total</b>	<b>100.0%</b>		<b>7.9%</b>

\* Absolute return includes credit sensitive investments.

\*\* Target allocations are based on the FY 2024 policy model.

\*\*\* Capital market assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).

\*\*\*\* The volatility drag results from the conversion between arithmetic and geometric mean returns.

**Discount Rate Sensitivity Analysis**

The following table presents the District’s proportionate share of the TRS net pension liability calculated using the discount rate of 7.00%, as well as what the District’s proportionate share of the net pension liability would be if it was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

	1% Decrease in discount rate (6.00%)	Discount rate (7.00%)	1% Increase in discount rate (8.00%)
District's proportionate share of the net pension liability	\$ 529,986,465	\$ 331,811,138	\$ 167,608,792

**Change of Assumptions Since the Prior Measurement Date**

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

**Change of Benefit Terms Since the Prior Measurement Date**

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.

**Note 11. 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 benefit Other Postemployment Benefit (OPEB) plan that has a special funding situation. TRS-Care was established in 1986 by the Texas Legislature and is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with the Texas Insurance Code, Chapter 1575. 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**

Detailed information about the TRS-Care’s fiduciary net position is available in the separately-issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at <https://www.trs.texas.gov/learning-resources/publications> ; by writing to TRS at P.O. Box 149676, Austin, TX 78714-0185; or by calling 1-800-223-8778.

**Benefits Provided**

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS 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 premium rates for retirees are reflected in the following table:

TRS-Care Monthly Premium Rates			
Effective January 1, 2023 - December 31, 2024			
	<u>Medicare</u>		<u>Non Medicare</u>
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**

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

Eligible non-Medicare retirees and their dependents may enroll in TRS-Care Standard, a high-deductible health plan. Eligible Medicare retirees and their dependents may enroll in the TRS-Care Medicare Advantage medical plan and the TRS-Care Medicare Rx prescription drug plan. To qualify for TRS-Care coverage, a retiree must have at least 10 years of service credit in the TRS pension system. There are no automatic post-employment benefit changes; including automatic cost of living adjustments (COLAs). The Board of Trustees of TRS 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 premium rates for retirees are reflected in the following table:

	Contribution Rates	
	2025	2024
Active employees	0.65%	0.65%
Non-employer contribution entity (State)	1.25%	1.25%
Employers/District	0.75%	0.75%
Federal/private funding*	1.25%	1.25%

\*Contributions paid from federal funds and private grants are remitted by the employer (District) and paid at the State rate.

The contribution amounts for the District's fiscal year 2025 are as follows:

Employer contributions	\$ 5,709,068
Member contributions	4,134,815
NECE on-behalf contributions	7,708,896

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

The State of Texas also contributed \$4,186,213, \$3,438,797, and \$3,539,363 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

**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 \$205,576,907 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction for State OPEB support provided by 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 are as follows:

District's Proportionate share of the collective net OPEB liability	\$ 205,576,907
State's proportionate share that is associated with District	<u>257,585,076</u>
<b>Total</b>	<u><u>\$ 463,161,983</u></u>

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

Notes to the Basic Financial Statements

At the measurement date of August 31, 2024, the employer’s proportion of the collective net OPEB liability was 0.67731969% which was a decrease of 0.08995255% from its proportion measured as of August 31, 2023.

For the fiscal year ended June 30, 2025, the District recognized net OPEB revenue of \$62,911,729 due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of \$33,481,306 was recognized for support provided by the State.

On June 30, 2025, the District reported its proportionate share of the TRS’ deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	\$ 39,402,191	\$ (102,594,022)
Changes in actuarial assumptions	26,311,416	(67,077,366)
Differences between projected and actual investment earnings	-	(575,682)
Changes in proportion and difference between the employer's contributions and the proportionate share of the contributions	32,415,448	(61,829,066)
Contributions paid subsequent to the measurement dates	4,719,592	-
<b>Totals</b>	<b>\$ 102,848,647</b>	<b>\$ (232,076,136)</b>

\$4,719,592 reported as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending June 30,	OPEB Expense Amount
2026	\$ (34,399,346)
2027	(25,088,592)
2028	(28,650,665)
2029	(22,849,271)
2030	(12,391,161)
Thereafter	(10,568,046)
<b>Totals</b>	<b>\$ (133,947,081)</b>

**Actuarial Methods and Assumptions**

The actuarial valuation of the total OPEB liability 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 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 following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 10 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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.

The initial medical trend rate was 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.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Additional Actuarial Methods and Assumptions:	
Actuarial cost method	Individual entry age normal
Single discount rate	3.87% as of August 31, 2024 Based on the Society of Actuaries' 2013 Study "Health Care Costs – From Birth to Death".
Aging factors	Normal retirement: 62% participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Election rates	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claims costs.
Expenses	
Ad hoc post-employment benefit changes	None

**Discount Rate**

A single discount rate of 3.87% was used to measure the total OPEB liability at August 31, 2024. This was a decrease of 0.26% in the discount rate since the August 31, 2023 measurement date. The plan is essentially a “pay-as-you-go” plan, and based on the assumption that contributions are made at the statutorily required rates, the OPEB plan’s fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the same used for the pension plan.

**Sensitivity Analysis of Rates**

Discount Rate

The following table presents the District's proportionate share of the TRS-Care net OPEB liability, as well as what the District's proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	1% Decrease in discount rate (2.87%)	Discount rate (3.87%)	1% Increase in discount rate (4.87%)
District's proportionate share of the net OPEB liability	\$ 244,234,972	\$ 205,576,907	\$ 174,340,609

Healthcare Cost Trend Rates

The following table presents the District's proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease	Current Healthcare Cost Trend Rate	1% Increase
District's proportionate share of the net OPEB liability	\$ 167,411,870	\$ 205,576,907	\$ 255,309,755

**Change of Assumptions Since the Prior Measurement Date**

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

- The discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024. Additionally, 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.

**Note 12. Compensated Absences Commitment**

Prior to September 1, 2012, the District provided a termination pay program under which it made a lump-sum payment to certain retiring employees or to the beneficiaries of certain employees who die while employed. This program covered all compensated absences earned by qualifying employees. The amount of the lump-sum payment was based on the employee's current rate of compensation and years of service, plus an amount of the employee's accumulated vacation and sick leave at death or retirement. To be eligible for termination pay, an employee must have been hired before September 1, 2003, have 5 or more years of service with the District and be eligible for retirement by the Teacher Retirement System of Texas standards. Meeting these requirements, the employee will receive 1 day's pay for each unused sick leave day upon termination of employment for up to 20 days. In addition, the employee is also entitled to receive 1 day's pay for each year of service upon termination of employment. The termination payable is calculated for all employees who meet the eligibility requirements and who are within 5 years of eligible retirement age.

As of September 1, 2012, the district's termination pay policy was revised. District employees are no longer eligible to accrue benefits under the program for reimbursement of unused leave at retirement (terminal pay). All eligible employees who have previously accrued unused leave benefits through August 31, 2012, will be paid, at the time of their retirement, the amount earned under this program, if any, as of August 31, 2012. The District's liability is calculated based on the eligible employee's 2012 salary and the number of years of service. The District has a liability of \$4,666,266 at June 30, 2025 in the Government-Wide Statement of Net Position and is financed on a pay-as-you-go basis.

The District implemented GASB 101, *Compensated Absences*, in fiscal year 2025. Implementation of GASB 101 resulted in an increase in the compensated absence liability of \$3,522,373.

**Note 13. 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; and natural disasters for which the District is insured. This exposure is in property and general liability, health insurance, workers' compensation and unemployment insurance.

**Property and General Liability**

Real property, fleet liability, portable equipment, specified causes of loss and bonding insurance is purchased commercially.

The District purchases general liability coverage from the Texas Association of School Boards.

Limited special event liability insurance is purchased from the commercial market. There have been no significant reductions in insurance coverage from the prior year for any category of risk. Settlements have not exceeded insurance coverage in any of the last three fiscal periods.

**Health**

During the year ended June 30, 2025, eligible employees and eligible dependents were offered a choice of medical plans provided through the Teachers Retirement System of Texas. The District provides \$331 monthly towards premium efforts.

**Workers' Compensation and Unemployment**

The District self-insures against workers' compensation and unemployment claims. The costs associated with the self-insurance plan are reported as operating revenues and operating expenses of the Internal Service Fund. The total estimated claims payable at June 30, 2025, includes approximately \$4,062,981 for workers' compensation case reserve losses. This liability includes claims from fiscal year 1982 through June 30, 2025. The liabilities reported in the fund at June 30, 2025, are based on the requirements of Governmental Accounting Standards Board Statement Nos. 10 and 30, which require that a liability for claims be reported if information prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. This includes provisions for claims reported but not paid and claims incurred but not reported. The provision for reported claims is determined by estimating the amount which will ultimately be paid each claimant. The provision for claims incurred but not yet reported is estimated based on the District's experience. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines and damage awards, the process used in computing claims liability does not necessarily result in an exact amount. Claims liabilities are re-evaluated periodically to take into consideration recently settled claims, the frequency of claims and other economic and social factors. Workers' compensation liabilities for incurred losses to be settled by fixed or reasonably determinable payments over a long period of time were computed by an actuary and are reported at their nominal value.

Changes in the workers' compensation claims liability amount in fiscal years 2024 and 2025 were:

	Beginning of Fiscal Year Liability	Current-Year Claims and Changes in Estimates	Claim Payments	End of Fiscal Year Liability	Due in One Year
2024	\$ 4,590,868	\$ 2,232,037	\$ 3,183,482	\$ 3,639,423	\$ 1,849,098
2025	3,639,423	4,055,074	3,631,516	4,062,981	2,151,697

**Note 14. Contingent Liabilities**

Federal and State Programs: Minimum foundation funding received from the Agency is based primarily upon information concerning average daily attendance at the District's schools which is compiled by the District and supplied to the Agency. Federal funding for Food Services under child nutrition programs is based primarily upon the number and type of meals served and on user charges as reported to the USDA. Federal and state funding received related to various grant programs are based upon periodic reports detailing reimbursable expenditures made in compliance with program guidelines to the grantor agencies.

These programs are governed by various statutory rules and regulations of the grantors. Amounts received and receivable under these various funding programs are subject to periodic audit and adjustment by the funding agencies. To the extent, if any, that the District has not complied with all the rules and regulations with respect to performance, financial or otherwise, adjustment to or return of funding monies may be required. In the opinion of the District's administration, there are no significant contingent liabilities relating to matters of compliance and, accordingly, no provision has been made in the accompanying financial statements for such contingencies.

There are other claims and pending actions incident to normal operations of the District. In the opinion of the District administration, the District's potential liability in these matters will not have a material impact on the financial statements.

**Note 15. Unearned Revenue**

Unearned revenue at year-end consisted of the following:

	General Fund	Federal Grant Fund	Other Governmental Funds	Food Service Fund	Total
Grant Revenue	\$ -	\$ 145,613	\$ 6,414,210	\$ 2,435,331	\$ 8,995,154
Unearned Charges	-	-	-	1,785	1,785
<b>Total</b>	<b>\$ -</b>	<b>\$ 145,613</b>	<b>\$ 6,414,210</b>	<b>\$ 2,437,116</b>	<b>\$ 8,996,939</b>

**Note 16. Instructional Materials Allotment**

In May 2011, Senate Rule 6 created an Instructional Materials Allotment (IMA) for the purchase of instructional materials, technology equipment, and technology related services. Under the IMA instructional material purchases must be made through TEA's online registration system. Instructional materials purchased from IMA totaling \$10,666,724 are recorded as revenues and expenditures in the State Instructional Materials Fund.

**Note 17. Recent Accounting Pronouncements**

GASB Statement No. 103, *Financial Reporting Model Improvements* (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, *Disclosure of Certain Capital Assets* (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.



**Required Supplementary Information  
(Unaudited)**



**Fort Worth Independent School District**  
Schedule of Revenues, Expenditures, and Changes  
in Fund Balance - Budget and Actual  
General Fund (GAAP Basis)  
For the Fiscal Year Ended June 30, 2025

**Exhibit G-1**

	Budgeted Amounts		Actual Amounts	Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ 462,655,095	\$ 449,944,446	\$ 439,332,974	\$ (10,611,472)
5800 State program revenues	347,499,942	372,675,608	367,908,090	(4,767,518)
5900 Federal program revenues	16,403,057	11,103,057	12,080,955	977,898
Total revenues	826,558,094	833,723,111	819,322,019	(14,401,092)
<b>EXPENDITURES</b>				
11 Instruction	459,832,354	472,665,426	480,440,739	(7,775,313)
12 Instructional resources and media services	10,596,117	11,259,665	11,033,698	225,967
13 Curriculum development and instructional staff development	9,230,997	12,430,063	12,558,934	(128,871)
21 Instructional leadership	15,680,681	15,794,006	14,508,889	1,285,117
23 School leadership	50,502,537	53,308,439	52,656,342	652,097
31 Guidance, counseling and evaluation services	43,158,592	42,211,920	41,983,099	228,821
32 Social work services	3,059,973	3,930,608	3,876,931	53,677
33 Health services	12,532,797	12,509,836	12,185,697	324,139
34 Student (pupil) transportation	23,488,331	32,493,091	29,514,293	2,978,798
35 Food services	384,036	445,159	265,092	180,067
36 Cocurricular/extracurricular activities	20,757,789	23,113,012	22,643,009	470,003
41 General administration	26,765,833	25,703,750	23,239,494	2,464,256
51 Plant maintenance and operations	105,379,558	96,135,182	88,353,060	7,782,122
52 Security and monitoring services	17,969,059	17,165,593	16,851,442	314,151
53 Data processing services	26,117,249	33,304,365	23,496,632	9,807,733
61 Community services	4,617,764	4,709,256	4,266,875	442,381
71/72 Debt service - principal, interest and issuance costs	2,100,000	2,100,000	1,628,955	471,045
81 Facilities acquisition and construction	1,130,000	11,886,832	6,627,196	5,259,636
91 Contracted instructional services between public schools	8,154,673	6,504,673	5,227,921	1,276,752
95 Payments to juvenile justice alternative education program	36,000	36,000	13,674	22,326
99 Other intergovernmental charges	2,714,103	3,027,907	3,022,105	5,802
Total expenditures	844,208,443	880,734,783	854,394,077	26,340,706
Excess (deficiency) of revenues over expenditures	(17,650,349)	(47,011,672)	(35,072,058)	11,939,614
<b>OTHER FINANCING SOURCES (USES)</b>				
7915 Transfer in	-	1,100,000	507,061	(592,939)
7949 Issuance of right to use subscription assets	-	-	901,776	901,776
Total other financing sources and (uses)	-	1,100,000	1,408,837	308,837
Net change in fund balances	(17,650,349)	(45,911,672)	(33,663,221)	12,248,451
Fund balances - beginning	374,458,061	374,458,061	374,458,061	-
<b>FUND BALANCES - ENDING</b>	<b>\$ 356,807,712</b>	<b>\$ 328,546,389</b>	<b>\$ 340,794,840</b>	<b>\$ 12,248,451</b>

Notes to the Required Supplementary Information are an integral part of this statement.



**Budget Process**

Budgeting - Annual budgets are legally adopted for the General Fund, Debt Service Fund and Food Service Fund. The annual budget is presented in the accompanying exhibit G-1 for the General Fund. The budget for the General Fund is presented on the modified accrual basis of accounting.

Budgetary Procedures - The following procedures are used in establishing the budgetary data reflected in the financial statements:

- 1) Prior to June 30 of the preceding fiscal year, the District prepares a budget for the next succeeding fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
- 2) A meeting of the Board of Education is then called for the purpose of adopting the proposed budget after public notice of the meeting has been given.
- 3) Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Education.

The budget is prepared and controlled by the budget officer at the revenue object and expenditure function level.

Other Budget Information:

Administration performs budget reviews and re-evaluates budgetary requirements.

Recommendations for budget amendments, if any, are then recommended to the Board. The budget officer has the authority to transfer appropriation balances within a functional expenditure category as long as total expenditures for that function are not changed. The Board may approve amendments to the budget, which are required when a change is made to the functional expenditure categories or revenue object accounts, as defined by the Agency.

An analysis and annual projection of costs was performed during the month of May, and the District amended the General Fund budget. Transfers were also made between functions and were made to fund all anticipated expenditures that are expected to be incurred as of June 30, 2025.

The budget amounts reflected in the financial statements represent final amended budget amounts as approved by the Board.

Encumbrances - Encumbrance accounting, under which purchase orders, contracts and other commitments are recorded in order to reserve that portion of the applicable appropriation, is used in all Governmental Funds. Since appropriations lapse at year-end, outstanding encumbrances are re-appropriated in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments.

The actual expenditures for function 11 and function 13 exceeded the final budget due to employee vacancies that were filled throughout the year. The corresponding increase in salary and benefit costs increased beyond the initial budget.

**Fort Worth Independent School District**  
 Schedule of the District's Proportionate Share of the  
 Net Pension Liability  
 Teacher Retirement System of Texas  
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net pension liability (asset)	0.5432031%	0.6183861%	0.5922078%	0.5391078%
District's proportionate share of net pension liability (asset)	\$ 331,811,138	\$ 424,771,571	\$ 351,578,539	\$ 137,291,685
State's proportionate share of the net pension liability (asset) associated with the District	<u>\$ 347,159,532</u>	<u>\$ 408,846,650</u>	<u>\$ 355,964,375</u>	<u>\$ 184,946,396</u>
<b>TOTALS</b>	<u>\$ 678,970,670</u>	<u>\$ 833,618,221</u>	<u>\$ 707,542,914</u>	<u>\$ 322,238,081</u>
District's covered payroll	\$ 652,195,573	\$ 668,733,206	\$ 618,675,956	\$ 616,107,106
District's proportionate share of the net pension liability (asset) as a percentage of its covered payroll	50.88%	63.52%	56.83%	22.28%
Plan fiduciary net position as a percentage of the total pension liability	77.51%	73.15%	75.62%	88.79%

\*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, June 30 of the prior year.

**Exhibit G-3**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
0.5315856%	0.58701900%	0.62405104%	0.63438000%	0.64507710%	0.65545340%
\$ 284,706,401	\$ 305,150,969	\$ 343,493,038	\$ 202,841,004	\$ 243,765,048	\$ 231,694,053
\$ 417,102,057	401,837,058	435,892,141	259,669,104	312,374,475	303,457,097
<u>\$ 701,808,458</u>	<u>\$ 706,988,027</u>	<u>\$ 779,385,179</u>	<u>\$ 462,510,108</u>	<u>\$ 556,139,523</u>	<u>\$ 535,151,150</u>
\$ 621,391,592	\$ 602,620,707	\$ 599,748,197	\$ 589,573,989	\$ 589,520,642	\$ 577,793,053
45.82%	50.64%	57.27%	34.40%	41.35%	40.10%
75.54%	75.24%	73.74%	82.17%	78.00%	78.43%

**Fort Worth Independent School District**  
 Schedule of the District's Contributions  
 Teacher Retirement System of Texas  
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 28,714,564	\$ 30,111,999	\$ 31,337,280	\$ 27,274,907
Contribution in relation to the contractually required contribution	<u>(28,714,564)</u>	<u>(30,111,999)</u>	<u>(31,337,280)</u>	<u>(27,274,907)</u>
<b>CONTRIBUTIONS DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	648,592,512	648,374,097	\$ 660,615,549	\$ 623,291,861
Contributions as a percentage of covered payroll	4.43%	4.64%	4.74%	4.38%

\*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, June 30 of the prior year.

**Exhibit G-4**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 22,661,057	\$ 21,359,591	\$ 13,423,456	\$ 13,697,927	\$ 13,570,609	\$ 13,635,852
<u>(22,661,057)</u>	<u>(21,359,591)</u>	<u>(13,423,456)</u>	<u>(13,697,927)</u>	<u>(13,570,609)</u>	<u>(13,635,852)</u>
<u>\$ -</u>					
\$ 615,463,985	\$ 613,966,436	\$ 602,254,743	\$ 598,784,529	\$ 589,520,642	\$ 577,793,053
3.68%	3.48%	2.23%	2.29%	2.30%	2.36%



**Pension Liability**

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net pension liability:

**Changes in Benefit Terms**

For measurement date August 31, 2024 – 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.

**Fort Worth Independent School District**  
Schedule of the District's Proportionate Share of the  
Net OPEB Liability  
Teacher Retirement System of Texas  
Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
District's proportion of the net OPEB liability (asset)	0.67732000%	0.76727200%	0.74232436%	0.69203154%
District's proportionate share of net OPEB liability (asset)	\$ 205,576,907	\$ 169,861,072	\$ 177,742,183	\$ 266,947,488
State's proportionate share of the net OPEB liability (asset) associated with the District	<u>257,585,076</u>	<u>204,963,492</u>	<u>216,817,538</u>	<u>357,650,143</u>
<b>TOTALS</b>	<u>463,161,983</u>	<u>374,824,564</u>	<u>\$ 394,559,721</u>	<u>\$ 624,597,631</u>
District's covered payroll	\$ 652,195,573	\$ 668,733,206	\$ 618,675,956	\$ 616,107,106
District's proportionate share of the net OPEB liability (asset) as a percentage of its covered payroll	31.52%	25.40%	28.73%	43.33%
Plan fiduciary net position as a percentage of the total OPEB liability	13.70%	14.94%	11.52%	6.18%

\*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, June 30 of the prior year.  
Ten years of data is not available.

**Exhibit G-6**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
0.70945425%	0.74521040%	0.77018621%	0.75992547%
\$ 269,695,599	\$ 352,419,124	\$ 384,561,025	\$ 330,463,079
<u>362,406,236</u>	<u>468,286,188</u>	<u>493,051,667</u>	<u>438,741,423</u>
<u>\$ 632,101,835</u>	<u>\$ 820,705,312</u>	<u>\$ 877,612,692</u>	<u>\$ 769,204,502</u>
\$ 621,391,592	\$ 602,620,707	\$ 599,748,197	\$ 589,573,989
43.40%	58.48%	64.12%	56.05%
4.99%	2.66%	1.57%	132.55%

**Fort Worth Independent School District**  
 Schedule of District's OPEB Contributions  
 Teacher Retirement System of Texas  
 Year Ended June 30, 2025

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
Contractually required contribution	\$ 5,709,068	\$ 5,780,428	\$ 6,579,871	\$ 6,048,053
Contribution in relation to the contractually required contribution	<u>(5,709,068)</u>	<u>(5,780,428)</u>	<u>(6,579,871)</u>	<u>(6,048,053)</u>
<b>CONTRIBUTION DEFICIENCY (EXCESS)</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
District's covered payroll	648,592,512	648,374,097	\$ 660,615,549	\$ 623,291,861
Contributions as a percentage of covered payroll	0.88%	0.89%	1.00%	0.97%

\*The amounts presented for the fiscal years were determined as of the Plan's fiscal year end, June 30 of the prior year.  
 Ten years of data is not available.

**Exhibit G-7**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
\$ 5,315,732	\$ 5,231,527	\$ 4,530,808	\$ 4,490,885
<u>(5,315,732)</u>	<u>(5,231,527)</u>	<u>(4,530,808)</u>	<u>(4,490,885)</u>
<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
\$ 615,463,985	\$ 613,966,436	\$ 602,254,743	\$ 598,784,529
0.86%	0.85%	0.75%	0.75%



**Fort Worth Independent School District**

**Exhibit G-8**

Notes to the Required Supplementary Information – OPEB  
For The Year Ended June 30, 2025

**Other Post-employment Benefits**

The following factors significantly affect trends in the amounts reported for the District's proportionate share of the net OPEB liability:

**Other Changes**

For measurement date August 31, 2024 – Net OPEB Liability:

- The tables used to model impact of aging on the underlying claims were revised.



## **Other Supplementary Information**



## **Nonmajor Governmental Funds**



**Fort Worth Independent School District**  
Combining Balance Sheet  
Nonmajor Governmental Funds  
June 30, 2025

**Exhibit H-1**

<b>Data Control Codes</b>	<b>(380 - 459) State Funds</b>	<b>(460 - 499) Local Funds</b>	<b>Total Nonmajor Governmental Funds</b>
<b>ASSETS</b>			
1110 Cash and temporary investments	\$ -	\$ 5,639,181	\$ 5,639,181
1240 Due from other governments	3,585,425	204,960	3,790,385
1260 Due from other funds	-	3,213,478	3,213,478
1290 Other receivables	-	1,460	1,460
1410 Prepaid items	3,291,376	2,560	3,293,936
1000 <b>TOTAL ASSETS</b>	<b>\$ 6,876,801</b>	<b>\$ 9,061,639</b>	<b>\$ 15,938,440</b>
<b>LIABILITIES:</b>			
2110 Accounts payable and accrued liabilities	\$ 574,873	\$ 24,174	\$ 599,047
2160 Accrued wages payable	119,841	230,654	350,495
2170 Due to other funds	467,866	-	467,866
2300 Unearned revenue	3,432,021	2,982,189	6,414,210
2000 Total liabilities	4,594,601	3,237,017	7,831,618
<b>FUND BALANCE</b>			
Nonspendable			
3430 Prepaid items	3,291,376	2,560	3,293,936
Spendable			
Restricted for:			
3450 Grant funds	-	747,138	747,138
Committed for:			
3545 Campus activity funds	-	5,074,924	5,074,924
3600 Unassigned	(1,009,176)	-	(1,009,176)
3000 Total fund balances	2,282,200	5,824,622	8,106,822
4000 <b>TOTAL LIABILITIES AND FUND BALANCES</b>	<b>\$ 6,876,801</b>	<b>\$ 9,061,639</b>	<b>\$ 15,938,440</b>

# Fort Worth Independent School District

# Exhibit H-2

Combining Statement of Revenues, Expenditures, and Changes  
in Fund Balance - All Nonmajor Governmental Funds  
For the Fiscal Year Ended June 30, 2025

<u>Data Control Codes</u>	<u>(380 - 459) State Funds</u>	<u>(460 - 499) Local Funds</u>	<u>Total Nonmajor Governmental Funds</u>
<b>REVENUES</b>			
5700 Local and intermediate sources	\$ -	\$ 4,975,285	\$ 4,975,285
5800 State program revenues	<u>28,728,918</u>	<u>-</u>	<u>28,728,918</u>
5020 Total revenues	28,728,918	4,975,285	33,704,203
<b>EXPENDITURES</b>			
Current:			
Instruction and instructional-related services:			
0011 Instruction	11,498,203	2,309,819	13,808,022
0012 Instructional resources and media services	-	205,103	205,103
0013 Curriculum development and instructional staff development	<u>-</u>	<u>329,924</u>	<u>329,924</u>
Total instruction and instructional-related services	11,498,203	2,844,846	14,343,049
Instructional and school leadership:			
0021 Instructional leadership	-	72,262	72,262
0023 School leadership	<u>-</u>	<u>116,664</u>	<u>116,664</u>
Total instructional and school leadership	-	188,926	188,926
Support services - student (pupil):			
0031 Guidance, counseling and evaluation services	17,200	254,342	271,542
0032 Social work services	-	29,381	29,381
0035 Food service	-	1,421	1,421
0036 Cocurricular/extracurricular activities	<u>-</u>	<u>894,266</u>	<u>894,266</u>
Total support services - student (pupil)	17,200	1,179,410	1,196,610
Administrative support services:			
0041 General administration	<u>-</u>	<u>10,067</u>	<u>10,067</u>
Total administrative support services	-	10,067	10,067
Support services - nonstudent based:			
0051 Plant maintenance and operations	-	63,830	63,830
0052 Security and monitoring services	<u>14,872,041</u>	<u>12,201</u>	<u>14,884,242</u>
Total support services - nonstudent based	14,872,041	76,031	14,948,072
Ancillary services:			
0061 Community services	<u>-</u>	<u>365,697</u>	<u>365,697</u>
Total ancillary services	-	365,697	365,697
Facilities acquisition and construction:			
0081 Facilities acquisition and construction	<u>2,341,474</u>	<u>-</u>	<u>2,341,474</u>
Total facilities acquisition and construction:	<u>2,341,474</u>	<u>-</u>	<u>2,341,474</u>
Total expenditures	<u>28,728,918</u>	<u>4,664,977</u>	<u>33,393,895</u>
1200 Net change in fund balances	-	310,308	310,308
0100 Fund balance - July 1 - beginning	<u>2,282,200</u>	<u>5,514,314</u>	<u>7,796,514</u>
<b>3000 FUND BALANCE, JUNE 30 (ENDING)</b>	<u>\$ 2,282,200</u>	<u>\$ 5,824,622</u>	<u>\$ 8,106,822</u>

## **Nonmajor Enterprise Funds**

**Fort Worth Independent School District**

**Exhibit H-3**

Combining Statement of Net Position  
 Nonmajor Enterprise Funds  
 June 30, 2025

<b>Data Control Codes</b>	<b>746 Sports Marketing</b>	<b>749 Leadership Learning Center</b>	<b>Total Nonmajor Enterprise Funds</b>
<b>ASSETS</b>			
Noncurrent assets:			
Capital assets:			
1530	\$ 3,000,000	\$ -	\$ 3,000,000
1573	(350,000)	-	(350,000)
	Total noncurrent assets	-	2,650,000
	Total assets	-	2,650,000
<b>LIABILITIES</b>			
Current liabilities:			
2170	2,935,286	-	2,935,286
	Total current liabilities	-	2,935,286
	Total liabilities	-	2,935,286
<b>NET POSITION</b>			
3200	(285,286)	-	(285,286)
	<b>TOTAL NET POSITION</b>	<b>\$ -</b>	<b>\$ (285,286)</b>

**Fort Worth Independent School District**  
Combining Statement of Revenues, Expenses and  
Changes in Net Position Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit H-4**

<u>Data Control Codes</u>	<u>746</u>	<u>749</u>	<u>Total Nonmajor Enterprise Funds</u>
	<u>Sports Marketing</u>	<u>Leadership Learning Center</u>	
<b>OPERATING REVENUES</b>			
5700 Charges for services	\$ 64,714	\$ -	\$ 64,714
5020 Total operating revenues	64,714	-	64,714
<b>OPERATING EXPENSES</b>			
6449 Depreciation	\$ 350,000	\$ -	\$ 350,000
6030 Total expenses	350,000	-	350,000
Operating income (loss)	(285,286)	-	(285,286)
Income (loss) before transfers	(285,286)	-	(285,286)
8911 Transfers out	-	(7,061)	(7,061)
Total transfers	-	(7,061)	(7,061)
1300 Change in net position	(285,286)	(7,061)	(292,347)
0100 Total net position, July 1 (beginning)	-	7,061	7,061
3900 <b>TOTAL NET POSITION, JUNE 30 (ENDING)</b>	<b>\$ (285,286)</b>	<b>\$ -</b>	<b>\$ (285,286)</b>

**Fort Worth Independent School District**  
Combining Statement of Cash Flows  
Nonmajor Enterprise Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit H-5**

	<u>746</u>	<u>749</u>	
	<u>Sports Marketing</u>	<u>Leadership Learning Center</u>	<u>Total Nonmajor Enterprise Funds</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash received from user charges	\$ 64,714	\$ -	\$ 64,714
Internal activity	(64,714)	-	(64,714)
Net cash provided by (used in) operating activities	-	-	-
Cash and temporary investments - July 1	-	-	-
<b>CASH AND TEMPORARY INVESTMENTS - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH (USED IN) OPERATING ACTIVITIES</b>			
Operating income (loss)	\$ (285,286)	\$ -	\$ (285,286)
Adjustments to reconcile operating income (loss) to net cash used in operating activities:			
Depreciation	350,000	-	350,000
Changes in assets and liabilities: Due to other funds	(64,714)	-	(64,714)
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>

# **Internal Service Funds**

**Fort Worth Independent School District**

**Exhibit H-6**

Combining Statement of Net Position  
Internal Service Funds  
June 30, 2025

<b>Data Control Codes</b>	<u><b>753</b></u>	<u><b>770</b></u>	<u><b>771</b></u>	<b>Total Internal Service Fund</b>	
	<b>Insurance Fund</b>	<b>Human Capital Risk</b>	<b>Education Technology Dig In</b>		
<b>ASSETS</b>					
Current assets:					
1260	Due from other funds	\$ 22,457,933	\$ 7,216,966	\$ 1,585,298	\$ 31,260,197
	Total current assets	<u>22,457,933</u>	<u>7,216,966</u>	<u>1,585,298</u>	<u>31,260,197</u>
	Total assets	<u>\$ 22,457,933</u>	<u>\$ 7,216,966</u>	<u>\$ 1,585,298</u>	<u>\$ 31,260,197</u>
<b>LIABILITIES</b>					
Current liabilities:					
2110	Accounts payable	\$ 4,441	\$ 17,491	\$ -	\$ 21,932
2210	Accrued expenses	<u>2,151,697</u>	<u>-</u>	<u>-</u>	<u>2,151,697</u>
	Total current liabilities	2,156,138	17,491	-	2,173,629
Noncurrent liabilities:					
2590	Accrued expenses	<u>1,911,284</u>	<u>-</u>	<u>-</u>	<u>1,911,284</u>
	Total noncurrent liabilities	<u>1,911,284</u>	<u>-</u>	<u>-</u>	<u>1,911,284</u>
	Total liabilities	4,067,422	17,491	-	4,084,913
<b>NET POSITION</b>					
3900	Unrestricted	<u>18,390,511</u>	<u>7,199,475</u>	<u>1,585,298</u>	<u>27,175,284</u>
<b>3000</b>	<b>TOTAL NET POSITION</b>	<u>\$ 18,390,511</u>	<u>\$ 7,199,475</u>	<u>\$ 1,585,298</u>	<u>\$ 27,175,284</u>

**Fort Worth Independent School District**  
Combining Statement of Revenues, Expenses and  
Changes in Net Position Internal Service Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit H-7**

<u>Data Control Codes</u>	<u>753</u>	<u>770</u>	<u>771</u>	<u>Total Internal Service Fund</u>
	<u>Insurance Fund</u>	<u>Human Capital Risk</u>	<u>Education Technology Dig In</u>	
<b>OPERATING REVENUES</b>				
5700 Charges for services	\$ 7,678,083	\$ 1,193,094	\$ 322,371	\$ 9,193,548
5020 Total operating revenues	7,678,083	1,193,094	322,371	9,193,548
<b>OPERATING EXPENSES</b>				
6100 Payroll costs	920,741	101,440	-	1,022,181
6200 Professional and contracted services	5,407,763	226,147	-	5,633,910
6300 Supplies and materials	3,132	-	196,180	199,312
6400 Other operating costs	313,944	278,478	-	592,422
6030 Total operating expenses	6,645,580	606,065	196,180	7,447,825
Operating income/(loss)	1,032,503	587,029	126,191	1,745,723
8911 Transfers out	(500,000)	-	-	(500,000)
1300 Change in net position	532,503	587,029	126,191	1,245,723
0100 Total net position July 1 - beginning	17,858,008	6,612,446	1,459,107	25,929,561
<b>3900 TOTAL NET POSITION, JUNE 30 (ENDING)</b>	<b>\$ 18,390,511</b>	<b>\$ 7,199,475</b>	<b>\$ 1,585,298</b>	<b>\$ 27,175,284</b>

**Fort Worth Independent School District**  
Combining Statement of Cash Flows  
Internal Service Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit H-8**

	<u>753</u>	<u>770</u>	<u>771</u>	<u>Total</u>
	<u>Insurance</u>	<u>Human Capital</u>	<u>Education</u>	<u>Internal</u>
	<u>Fund</u>	<u>Risk</u>	<u>Technology</u>	<u>Service</u>
			<u>Dig In</u>	<u>Fund</u>
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>				
Cash received from user charges	\$ 6,729,923	\$ 1,193,094	\$ 322,371	\$ 8,245,388
Cash payments to employees for services	(922,961)	(101,745)	-	(1,024,706)
Cash payments for insurance claims	(5,303,830)	-	-	(5,303,830)
Cash payments to suppliers for goods and services	(3,132)	(226,147)	-	(229,279)
Cash payments for operating costs		(865,202)	(322,371)	(1,187,573)
Net cash provided by (used in) operating activities	500,000	-	-	500,000
<b>CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES</b>				
Cash received from other funds	(500,000)	-	-	(500,000)
Net cash provided by (used in) noncapital financing activities	(500,000)	-	-	(500,000)
<b>NET CHANGE IN CASH AND TEMPORARY INVESTMENTS</b>				
	-	-	-	-
Cash - July 1	-	-	-	-
<b>CASH - JUNE 30</b>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
<b>RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH USED IN OPERATING ACTIVITIES</b>				
Operating income (loss)	\$ 1,032,503	\$ 587,029	\$ 126,191	\$ 1,745,723
Adjustments to reconcile operating income (loss) to net cash used in operating activities:				
Changes in assets and liabilities:				
Receivables	-	-	-	-
Other current assets	-	-	-	-
Accounts payable	(5,681)	(40,213)	-	(45,894)
Accrued wages and deductions	(2,220)	(305)	-	(2,525)
Due from other funds	(948,160)	(546,511)	(126,191)	(1,620,862)
Due to other funds	-	-	-	-
Accrued expenses	423,558	-	-	423,558
Due to other governments	-	-	-	-
<b>NET CASH PROVIDED BY (USED IN) OPERATING ACTIVITIES</b>	<u>\$ 500,000</u>	<u>\$ -</u>	<u>\$ -</u>	<u>\$ 500,000</u>

# **Custodial Funds**

**Fort Worth Independent School District**

**Exhibit H-9**

Combining Statement of Net Position

Custodial Funds

June 30, 2025

	<u>865</u>	<u>890</u>	<u>891</u>	<u></u>
	<u>Student Activity Fund</u>	<u>Custodial Funds</u>	<u>Custodial Campus Funds</u>	<u>Total</u>
<b>ASSETS</b>				
Cash and temporary investments	\$ 1,797,831	\$ -	\$ 339,854	\$ 2,137,685
Other receivables	-	8,136	-	8,136
<b>TOTAL ASSETS</b>	<u>\$ 1,797,831</u>	<u>\$ 8,136</u>	<u>\$ 339,854</u>	<u>\$ 2,145,821</u>
<b>LIABILITIES</b>				
Accounts payable	\$ 891,107	\$ 1,714	\$ 113,268	\$ 1,006,089
<b>TOTAL LIABILITIES</b>	<u>\$ 891,107</u>	<u>\$ 1,714</u>	<u>\$ 113,268</u>	<u>\$ 1,006,089</u>
<b>NET POSITION</b>				
Restricted for other purposes	906,724	6,422	226,586	1,139,732
<b>TOTAL NET POSITION</b>	<u>\$ 906,724</u>	<u>\$ 6,422</u>	<u>\$ 226,586</u>	<u>\$ 1,139,732</u>

**Fort Worth Independent School District**  
Combining Statement of Changes in Net Position  
Custodial Funds  
For the Fiscal Year Ended June 30, 2025

**Exhibit H-10**

	<u>865</u>	<u>890</u>	<u>891</u>	<u></u>
	<b>Student Activity Fund</b>	<b>Custodial Funds</b>	<b>Custodial Campus Funds</b>	<b>Total</b>
<b>ADDITIONS</b>				
Revenue from student activities	\$ 949,780	\$ -	\$ 107,662	\$ 1,057,442
Investment earnings	514	-	1,719	2,233
Total additions	<u>950,294</u>	<u>-</u>	<u>109,381</u>	<u>1,059,675</u>
<b>DEDUCTIONS</b>				
Supplies and materials for student activities	\$ 908,976	\$ 1,714	\$ 111,745	\$ 1,022,435
Total deductions	<u>\$ 908,976</u>	<u>\$ 1,714</u>	<u>\$ 111,745</u>	<u>\$ 1,022,435</u>
Change in net position	41,318	(1,714)	(2,364)	37,240
<b>NET POSITION</b>				
Net position - beginning of the year	<u>865,406</u>	<u>8,136</u>	<u>228,950</u>	<u>1,102,492</u>
<b>NET POSITION - END OF THE YEAR</b>	<u>\$ 906,724</u>	<u>\$ 6,422</u>	<u>\$ 226,586</u>	<u>\$ 1,139,732</u>



# **Budget Comparison Reporting**

**Fort Worth Independent School District**

**Exhibit H-11**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget to Actual - Debt Service Fund (GAAP Basis)  
 For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Final Budget Positive or (Negative)
	Original	Final		
<b>REVENUES</b>				
5700 Local and intermediate sources	\$ 154,978,343	\$ 145,612,434	\$ 145,955,632	\$ 343,198
5800 State program revenues	13,475,846	15,027,885	15,556,775	528,890
Total revenues	168,454,189	160,640,319	161,512,407	872,088
<b>EXPENDITURES</b>				
0071 Debt service	168,454,189	168,454,189	169,025,567	(571,378)
Total expenditures	168,454,189	168,454,189	169,025,567	(571,378)
Excess (deficiency) of revenues over expenditures	-	(7,813,870)	(7,513,160)	300,710
<b>OTHER FINANCING SOURCES (USES)</b>				
7911 Issuance of refunding bonds	-	88,825,000	88,825,000	-
7916 Premium on Refunded Bonds	-	5,584,702	5,584,702	-
8949 Payment to refunded bond/escrow agent	-	(93,743,077)	(93,743,077)	-
Total other financing sources (uses)	-	666,625	666,625	-
Net change in fund balance	-	(7,147,245)	(6,846,535)	300,710
Fund balance - beginning	54,599,967	54,599,967	54,599,967	-
<b>FUND BALANCE - ENDING</b>	<b>\$ 54,599,967</b>	<b>\$ 47,452,722</b>	<b>\$ 47,753,432</b>	<b>\$ 300,710</b>

**Fort Worth Independent School District**

**Exhibit H-12**

Schedule of Revenues, Expenditures, and Changes in Fund Balance  
 Budget to Actual - Food Service Fund (GAAP Basis)  
 For the Fiscal Year Ended June 30, 2025

	Budgeted Amounts		Actual Amounts	Final Budget Positive or (Negative)	
	Original	Final			
<b>OPERATING REVENUES</b>					
5700	Charges for services	\$ 2,161,260	\$ 2,161,260	\$ 1,292,245	\$ (869,015)
5020	Total revenues	2,161,260	2,161,260	1,292,245	(869,015)
<b>OPERATING EXPENSES</b>					
0035	Food service	47,804,760	59,920,410	45,279,109	14,641,301
0051	Plant maintenance and operations	34,667	35,507	37,483	(1,976)
6030	Total expenses	47,839,427	59,955,917	45,316,592	14,639,325
	Operating loss	(45,678,167)	(57,794,657)	(44,024,347)	13,770,310
<b>NON-OPERATING REVENUE</b>					
7955	Earnings from temporary investments	820,295	820,295	1,429,720	609,425
7912	Gain on disposal	81,434	81,434	-	(81,434)
7989	State matching and other	176,817	176,817	182,819	6,002
7952	National school breakfast program	9,540,000	9,540,000	9,339,906	(200,094)
7953	National school lunch program	30,000,000	30,000,000	29,070,729	(929,271)
7954	USDA commodities program	3,224,621	3,224,621	3,252,490	27,869
7953	Afterschool snack reimbursement	375,000	375,000	356,958	(18,042)
7989	Other federal program revenue	1,460,000	1,460,000	1,461,059	1,059
7020	Total non-operating revenues	45,678,167	45,678,167	45,093,681	(585,545)
	Income (loss) before transfers	-	(12,116,490)	1,069,334	13,184,765
1300	Change in net position	-	(12,116,490)	1,069,334	13,184,765
0100	Net position - beginning	27,129,076	27,129,076	27,129,076	-
3900	<b>FUND BALANCE - ENDING</b>	<b>\$ 27,129,076</b>	<b>\$ 15,012,586</b>	<b>\$ 28,198,410</b>	<b>\$ 13,184,765</b>



# **Compliance Schedules**

**Fort Worth Independent School District**

Schedule of Delinquent Taxes Receivable

For the Fiscal Year Ended June 30, 2025

Year Ended June 30	1		2	3	10
	Tax Rates			Assessed/ Appraised Value For School Tax Purposes	Beginning Balance 7/1/2024
	Maintenance	Debt Service			
2016 and prior years	\$ VARIOUS	\$ VARIOUS	\$	VARIOUS	\$ 6,474,097
2017	1.04000	0.31200		31,815,557,572	766,678
2018	1.06000	0.29200		32,245,650,444	760,286
2019	1.06000	0.29200		35,945,325,671	933,452
2020	0.99000	0.29200		41,608,135,850	1,256,638
2021	1.08640	0.29200		40,677,121,525	1,357,585
2022	1.05120	0.29200		44,808,184,623	1,721,200
2023	0.98960	0.29200		49,408,302,960	3,391,347
2024	0.79040	0.27200		53,601,943,794	12,369,034
2025	0.78690	0.27550		56,592,712,831	-
<b>1000 TOTALS</b>					<u>\$ 29,030,317</u>

8000 - Taxes refunded under section 26.1115, tax code,  
for owners who received an exemption as provided by section 11.42(f), tax code

9000 - Portion of row 1000 for taxes paid into tax increment zone under chapter 311, tax code

**Exhibit J-1**

<b>20</b>	<b>31</b>	<b>32</b>	<b>40</b>	<b>50</b>	<b>99</b>
<b>Current Year's Total Levy</b>	<b>Maintenance Collections</b>	<b>Debt Service Collections</b>	<b>Entire Year's Adjustments</b>	<b>Ending Balance 6/30/2025</b>	<b>Total Taxes Refunded Under Section 26.1115(c)</b>
\$ -	\$ 218,697	\$ 46,844	\$ (686,304)	\$ 5,522,252	
-	37,764	11,329	(37,278)	680,307	
-	28,239	7,779	(46,712)	677,556	
-	40,853	11,254	(27,239)	854,106	
-	46,557	13,732	(54,616)	1,141,733	
-	127,834	34,359	(89,718)	1,105,674	
-	242,259	67,294	(66,417)	1,345,230	
-	361,614	106,702	(672,607)	2,250,424	
-	590,827	203,321	(8,045,309)	3,529,577	
<u>563,612,473</u>	<u>407,748,076</u>	<u>142,755,832</u>	<u>(445,258)</u>	<u>12,663,307</u>	
<u>\$ 563,612,473</u>	<u>\$ 409,442,720</u>	<u>\$ 143,258,446</u>	<u>\$ (10,171,458)</u>	<u>\$ 29,770,166</u>	

\$ 682,296

\$ 171

**Data  
 Codes**

**Responses**

**Section A: Compensatory Education Programs**

---

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.	\$ 93,920,620
AP4	Actual direct program expenditures for state compensatory education programs during the District's fiscal year. (PICs 24, 26, 28, 29, 30)	\$ 56,188,990

**Section B: Bilingual Education Programs**

---

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.	\$ 18,138,675
AP8	Actual direct program expenditures for bilingual education programs during the District's fiscal year. (PICs 25)	\$ 11,466,381

# **Statistical Section**



## **Fort Worth Independent School District**

### Statistical Section Overview

(Unaudited)

This statistical section is organized in five sections:

- **Financial Trends** – Compiles information reported in the Annual Comprehensive Financial Report over the past ten years (2016-2025) as a result of the implementation of GASB 34 reporting. Information for Government Wide statements dates back to 2002 when the District implemented GASB 34. These schedules report how the District's financial position has changed over time.
- **Revenue Capacity Information** – Provides information regarding the District's major own source revenue (property taxes) and the stability/growth of that revenue for the past ten year period.
- **Debt Capacity Information** – Provides information on the District's outstanding debt, the District's ability to repay the debt, and its ability to issue additional debt, if needed, for the past ten years, where applicable.
- **Demographic and Economic Information** – Provides information regarding the District's socioeconomic environment; specifically, its taxpayers, employers, and the changes to those groups over the past ten years, if available.
- **Operating Information** – Provides information on the District's employees, operations of the District, and facilities for the period stated in the reports.



# Financial Trends

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Net Position by Component

Last Ten Fiscal Periods (Unaudited)

(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Governmental activities</b>				
Net investment in capital assets	\$ 802,861,547	\$ 712,042,708	\$ 569,405,771	\$ 531,509,491
Restricted for				
Federal or State programs	747,138	3,039,913	3,030,469	2,886,359
Debt service	24,091,268	30,728,583	56,640,831	52,734,196
Unrestricted	<u>(247,234,833)</u>	<u>(243,217,276)</u>	<u>(183,497,722)</u>	<u>(298,280,935)</u>
<b>Total governmental net position</b>	<u>580,465,120</u>	<u>502,593,928</u>	<u>445,579,349</u>	<u>288,849,111</u>
<b>Business-type activities</b>				
Net investment in capital assets	2,989,987	3,421,163	552,842	962,154
Restricted for				
Food service	27,858,423	26,707,913	21,338,381	10,791,533
Leadership Learning Center and Terrell Event Center	-	7,061	7,059	9,853
Unrestricted	<u>(2,935,286)</u>	<u>(3,000,000)</u>	<u>-</u>	<u>-</u>
<b>Total business-type net position</b>	<u>27,913,124</u>	<u>27,136,137</u>	<u>21,898,282</u>	<u>11,763,540</u>
<b>Total primary government</b>				
Net investment in capital assets	805,851,534	715,463,871	569,958,613	532,471,645
Restricted for				
Grant programs	747,138	3,039,913	3,030,469	2,886,359
Debt service	24,091,268	30,728,583	56,640,831	52,734,196
Food service	27,858,423	26,707,913	21,338,381	10,791,533
Leadership Learning Center and Terrell Event Center	-	7,061	7,059	9,853
Unrestricted	<u>(250,170,119)</u>	<u>(246,217,276)</u>	<u>(183,497,722)</u>	<u>(298,280,935)</u>
<b>Total net position</b>	<u>\$ 608,378,244</u>	<u>\$ 529,730,065</u>	<u>\$ 467,477,631</u>	<u>\$ 300,612,651</u>

**Table I**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 469,585,812	\$ 399,789,146	\$ 334,806,833	\$ 319,693,028	\$ 283,147,692	\$ 273,172,056
3,796,350	4,751,754	2,222,206	5,482,036	7,318,969	11,133,669
44,573,729	44,939,497	38,446,387	37,077,837	33,977,954	33,847,284
<u>(383,386,644)</u>	<u>(463,570,684)</u>	<u>(425,165,394)</u>	<u>(395,992,651)</u>	<u>44,142,709</u>	<u>53,195,849</u>
<u>134,569,247</u>	<u>(14,090,287)</u>	<u>(49,689,968)</u>	<u>(33,739,750)</u>	<u>368,587,324</u>	<u>371,348,858</u>
2,431,778	4,244,146	6,138,768	7,683,220	8,409,055	3,348,552
2,958,164	4,953,421	-	(2,344,641)	1,822,655	10,442,807
9,855	11,198	11,198	61,243	61,242	11,095
<u>-</u>	<u>-</u>	<u>(4,925,645)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<u>5,399,797</u>	<u>9,208,765</u>	<u>1,224,321</u>	<u>5,399,822</u>	<u>10,292,952</u>	<u>13,802,454</u>
472,017,590	404,033,292	340,945,601	327,376,248	291,556,747	276,520,608
3,796,350	4,751,754	2,222,206	5,482,036	7,318,969	11,133,669
44,573,729	44,939,497	38,446,387	37,077,837	33,977,954	33,847,284
2,958,164	4,953,421	-	(2,344,641)	1,822,655	10,442,807
9,855	11,198	11,198	61,243	61,242	11,095
<u>(383,386,644)</u>	<u>(463,570,684)</u>	<u>(430,091,039)</u>	<u>(395,992,651)</u>	<u>44,142,709</u>	<u>53,195,849</u>
<u>\$ 139,969,044</u>	<u>\$ (4,881,522)</u>	<u>\$ (48,465,647)</u>	<u>\$ (28,339,928)</u>	<u>\$ 378,880,276</u>	<u>\$ 385,151,312</u>

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

Government - Wide Expenses, Program Revenues, and Change in Net Position

Last Ten Fiscal Periods (Unaudited)

(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Expenses</b>				
<b>Governmental activities</b>				
11 Instruction	\$ 564,586,017	\$ 602,792,593	\$ 572,706,753	\$ 537,360,826
12 Instructional resources and media	11,258,465	12,322,006	13,049,099	17,131,165
13 Curriculum development and instructional staff development	38,140,564	49,702,526	54,166,418	41,276,094
21 Instructional leadership	17,175,349	19,376,911	21,775,953	16,288,368
23 School leadership	53,894,202	56,159,139	53,091,844	48,522,047
31 Guidance, counseling, and evaluation	47,753,180	53,482,494	49,845,834	47,543,835
32 Social work services	7,005,180	10,063,130	9,949,676	7,635,931
33 Health services	11,985,481	11,509,025	10,550,059	9,736,905
34 Student (pupil) transportation	24,922,241	24,969,706	23,859,046	24,846,971
35 Food services	72,474	1,705,218	1,135,458	195,621
36 Cocurricular/Extracurricular activities	23,903,235	23,648,523	21,403,309	17,948,600
41 General administration	23,139,890	23,085,094	24,468,378	22,726,119
51 Plant maintenance and operations	90,893,737	95,460,301	93,197,177	89,717,678
52 Security and monitoring services	29,739,606	17,505,717	14,005,171	12,513,676
53 Data processing services	22,470,247	27,500,068	30,318,862	30,348,118
61 Community services	8,724,512	12,413,634	11,680,337	10,746,861
71 Debt Service	71,538,662	75,005,586	51,228,506	42,660,954
81 Facilities acquisition and construction	-	-	-	-
91 Contracted instructional services between public schools	5,227,921	4,111,116	2,483,811	-
93 Payments to Fiscal Agent	-	153,160	219,190	320,285
95 Payments to Juvenile Justice Alternative Education Programs	13,674	6,708	8,127	24,510
97 Payments to Tax Increment Fund	-	-	-	-
99 Other Intergovernmental Charges	3,022,105	2,910,352	2,889,867	2,772,413
<b>Total government activities expenses</b>	<u>1,055,466,742</u>	<u>1,123,883,007</u>	<u>1,062,032,875</u>	<u>980,316,977</u>
<b>Business-Type Activities</b>				
Food services	45,316,592	40,080,544	37,637,574	43,139,877
Terrell Event Center	350,000	-	102,645	89,583
Leadership Learning Center	-	4,006	30,291	35,878
<b>Total Business-Type Activities</b>	<u>45,666,592</u>	<u>40,084,550</u>	<u>37,770,510</u>	<u>43,265,338</u>
<b>Total Primary Government Expenses</b>	<u>1,101,133,334</u>	<u>1,163,967,557</u>	<u>1,099,803,385</u>	<u>1,023,582,315</u>
<b>Program Revenues</b>				
<b>Governmental Activities</b>				
Charges for services:				
Cocurricular/Extracurricular Activities	3,476,391	3,876,313	34,185,728	2,473,489
Instruction	2,471,251	2,528,754	2,828,804	2,429,003
Other				
Grants and contributions:				
Instruction	76,640,219	119,249,882	157,985,379	170,556,052
Food service	928,978	1,475,251	2,125,655	1,100,720
Other	109,145,637	117,060,432	121,841,363	104,648,133
<b>Business-Type Activities</b>				
Charges for Services	1,356,959	1,086,136	2,064,868	1,260,748
Operating grants and contributions	43,663,961	42,961,301	44,963,321	48,097,757
<b>Total primary government program revenues</b>	<u>237,683,396</u>	<u>288,238,069</u>	<u>365,995,118</u>	<u>330,565,902</u>
<b>Net (Expense) Revenue</b>				
Governmental Activities	(862,804,266)	(879,692,375)	(743,065,946)	(699,109,580)
Business Type Activities	(645,672)	3,962,887	9,257,679	6,093,167
<b>Total Primary Government</b>	<u>\$ (863,449,938)</u>	<u>\$ (875,729,488)</u>	<u>\$ (733,808,267)</u>	<u>\$ (693,016,413)</u>

Table II

2021	2020	2019	2018	2017	2016
\$ 572,962,994	\$ 601,163,608	\$ 592,004,725	\$ 368,635,111	\$ 561,595,108	\$ 499,236,131
13,262,365	13,755,951	12,729,225	9,021,598	12,119,191	11,858,744
40,685,467	43,625,310	37,112,712	19,150,272	33,787,858	27,922,644
16,788,414	17,923,398	15,989,758	9,243,422	14,966,447	15,193,941
54,213,176	61,115,235	53,478,414	34,221,384	51,246,026	44,584,056
51,712,975	56,567,662	50,669,398	33,255,044	45,506,925	38,101,223
7,831,677	8,670,761	8,313,468	4,050,831	7,008,419	5,832,000
11,132,578	10,845,085	10,267,758	6,669,441	10,073,988	8,856,234
20,846,543	22,395,369	22,810,605	18,094,791	22,752,179	22,337,874
3,845,559	5,941,806	5,431,769	(6,771,288)	5,608,845	(1,267,463)
17,439,158	16,977,673	18,081,026	14,624,621	16,342,030	14,384,740
20,417,708	20,989,420	19,700,246	13,581,517	15,905,143	14,943,058
90,739,484	80,562,688	82,059,757	64,511,864	81,710,332	77,157,754
12,281,995	13,051,661	11,961,915	14,003,871	11,661,702	10,888,670
23,572,704	16,419,924	15,893,043	11,315,479	13,893,711	14,957,046
9,561,939	9,142,802	10,114,134	7,386,206	9,070,709	7,667,672
41,260,600	26,707,234	34,773,014	36,005,836	40,899,904	30,552,392
-	-	-	3,425,277	-	-
-	-	-	-	-	-
310,752	46,933	-	(342)	1,303,857	-
-	14,448	81,915	55,470	36,249	69,531
-	-	-	-	-	731,751
2,567,701	2,574,339	2,501,724	2,363,897	2,217,444	2,091,085
<u>1,011,433,789</u>	<u>1,028,491,307</u>	<u>1,003,974,606</u>	<u>662,844,302</u>	<u>957,706,067</u>	<u>846,099,083</u>
37,041,687	46,344,799	54,193,879	54,236,312	52,912,830	48,553,162
90,099	103,121	38,323	-	-	-
17,395	30,038	45,336	61,549	54,024	107,022
<u>37,149,181</u>	<u>46,477,958</u>	<u>54,277,538</u>	<u>54,297,861</u>	<u>52,966,854</u>	<u>48,660,184</u>
<u>1,048,582,970</u>	<u>1,074,969,265</u>	<u>1,058,252,144</u>	<u>717,142,163</u>	<u>1,010,672,921</u>	<u>894,759,267</u>
1,501,661	3,089,886	4,469,449	3,974,260	982,833	1,147,912
2,480,814	3,371,666	3,471,210	2,426,748	5,536,482	5,769,725
166,960,862	128,950,963	95,169,945	(14,547,021)	95,265,255	81,447,580
2,665,437	3,738,499	2,847,869	1,866,435	3,699,879	382,983
91,971,143	92,365,775	76,296,707	14,086,537	70,929,546	45,830,228
648,306	2,056,159	2,872,356	2,923,520	2,814,282	2,944,844
32,464,557	35,641,639	47,084,280	46,393,929	46,615,429	45,818,040
<u>298,692,780</u>	<u>269,214,587</u>	<u>232,211,816</u>	<u>57,124,408</u>	<u>225,843,706</u>	<u>183,341,312</u>
(745,853,872)	(796,974,518)	(821,719,426)	(655,037,343)	(781,292,072)	(711,520,655)
(4,036,318)	(8,780,160)	(4,320,902)	(4,980,412)	(3,537,143)	102,700
<u>\$ (749,890,190)</u>	<u>\$ (805,754,678)</u>	<u>\$ (826,040,328)</u>	<u>\$ (660,017,755)</u>	<u>\$ (784,829,215)</u>	<u>\$ (711,417,955)</u>

**Fort Worth Independent School District**  
Fiscal Year Ended June 30, 2025  
General Revenues and Total Change in Net Position  
Last Ten Fiscal Periods (Unaudited)  
(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Net (Expense)/Revenue</b>				
Total primary government net expense	\$ (863,449,938)	\$ (875,729,488)	\$ (733,808,267)	\$ (693,016,413)
<b>General Revenues</b>				
Property taxes - Maintenance & Operations	412,448,737	403,860,648	486,647,749	459,464,208
Property taxes - Debt Service	144,312,061	138,278,141	143,376,267	127,445,928
State aid-formula grants	325,192,242	334,360,455	226,113,103	262,790,738
Other Grants and contributions	-	-	-	-
Investment earnings	57,103,149	58,395,732	35,963,404	1,819,167
Miscellaneous	1,612,208	1,924,166	7,081,825	1,950,814
Extraordinary Item - Resource	-	-	-	-
Gain on disposal of capital assets	-	(108,180)	699,246	10,933
Transfers to / from business type activities	7,061	(4,008)	(85,410)	(92,344)
<b>Total General revenues</b>	<u>940,675,458</u>	<u>936,706,954</u>	<u>899,796,184</u>	<u>853,389,444</u>
<b>Business-type activities</b>				
Investment earnings	1,429,720	1,262,570	653,889	22,309
Miscellaneous	-	8,390	137,764	155,923
Prior period adjustments	-	-	-	-
Transfers from governmental activities	(7,061)	4,008	85,410	92,344
<b>Total Business-type activities</b>	<u>1,422,659</u>	<u>1,274,968</u>	<u>877,063</u>	<u>270,576</u>
<b>Total Primary Government</b>	<u>942,098,117</u>	<u>937,981,922</u>	<u>900,673,247</u>	<u>853,660,020</u>
<b>Change in Net Position</b>	<u>\$ 78,648,179</u>	<u>\$ 62,252,434</u>	<u>\$ 166,864,980</u>	<u>\$ 160,643,607</u>

**Table III**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ (749,890,190)	\$ (805,754,678)	\$ (826,040,328)	\$ (660,017,755)	\$ (784,829,215)	\$ (711,417,955)
453,520,874	404,563,718	375,476,339	358,148,751	318,025,775	300,485,264
121,057,313	118,279,738	104,769,698	98,760,661	95,997,808	89,335,683
296,962,660	315,701,651	310,993,529	349,218,464	355,985,485	353,793,382
-	-	-	-	-	-
949,104	9,847,992	13,872,019	7,756,780	4,414,090	1,453,414
494,265	452,360	657,623	1,621,666	4,107,380	5,098,727
1,482,005	-	-	-	-	-
20,095,432	470	-	-	-	(629,878)
(48,247)	(16,271,730)	-	-	-	-
<u>894,513,406</u>	<u>832,574,199</u>	<u>805,769,208</u>	<u>815,506,322</u>	<u>778,530,538</u>	<u>749,536,592</u>
2,487	1,310	13,872	16,961	27,641	18,195
176,616	491,564	131,529	70,318	-	-
-	-	-	327,376,248	-	-
48,247	16,271,730	-	-	-	-
<u>227,350</u>	<u>16,764,604</u>	<u>145,401</u>	<u>327,463,527</u>	<u>27,641</u>	<u>18,195</u>
<u>894,740,756</u>	<u>849,338,803</u>	<u>805,914,609</u>	<u>1,142,969,849</u>	<u>778,558,179</u>	<u>749,554,787</u>
<u>\$ 144,850,566</u>	<u>\$ 43,584,125</u>	<u>\$ (20,125,719)</u>	<u>\$ 482,952,094</u>	<u>\$ (6,271,036)</u>	<u>\$ 38,136,832</u>

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Fund Balances, Governmental Funds

Last Ten Fiscal Periods (Unaudited)

(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>General Fund</b>				
Non Spendable	\$ 4,538,176	\$ 2,765,756	\$ 1,783,773	\$ 1,026,720
Spendable				
Committed	-	-	-	-
Assigned	51,709,741	24,550,349	56,030,137	48,288,693
Unassigned	<u>284,546,923</u>	<u>347,141,956</u>	<u>343,861,365</u>	<u>301,916,939</u>
<b>Total General fund</b>	<u>340,794,840</u>	<u>374,458,061</u>	<u>401,675,275</u>	<u>351,232,352</u>
<b>Other Governmental Funds</b>				
Non Spendable	3,384,812	153,436	59,500	686,325
Restricted				
Grant Funds	747,138	3,039,913	3,030,469	2,886,359
Retirement of Long Term Debt	47,753,432	54,599,967	78,286,720	69,139,410
Construction	596,382,318	724,562,193	479,593,379	140,549,419
Committed				
Campus Activity Funds	5,074,924	4,756,601	3,671,495	3,368,741
Unassigned	<u>(1,030,257)</u>	<u>-</u>	<u>-</u>	<u>-</u>
<b>Total other governmental funds</b>	<u>652,312,367</u>	<u>787,112,110</u>	<u>564,641,563</u>	<u>216,630,254</u>
<b>Total Governmental Funds</b>	<u>\$ 993,107,207</u>	<u>\$ 1,161,570,171</u>	<u>\$ 966,316,838</u>	<u>\$ 567,862,606</u>

**Table IV**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 1,122,828	\$ 675,067	\$ 735,962	\$ 989,674	\$ 1,031,100	\$ 1,129,127
-	-	-	450,000	450,000	450,000
50,988,103	55,407,829	28,754,177	37,756,561	48,348,906	20,976,664
<u>229,288,907</u>	<u>149,896,048</u>	<u>172,805,232</u>	<u>174,085,900</u>	<u>140,130,911</u>	<u>161,175,215</u>
<u>281,399,838</u>	<u>205,978,944</u>	<u>202,295,371</u>	<u>213,282,135</u>	<u>189,960,917</u>	<u>183,731,006</u>
18,905	60,129	525	-	-	-
3,796,350	4,751,754	2,222,206	5,481,511	7,318,969	2,278,740
58,270,492	56,962,795	48,695,325	49,608,871	45,775,973	43,238,141
2,996,832	141,722,391	160,924,085	255,053,071	200,403,658	72,150,748
3,414,299	3,474,986	5,896,427	2,817,737	2,964,038	11,932,574
-	-	-	-	-	-
<u>68,496,878</u>	<u>206,972,055</u>	<u>217,738,568</u>	<u>312,961,190</u>	<u>256,462,638</u>	<u>129,600,203</u>
<u>\$ 349,896,716</u>	<u>\$ 412,950,999</u>	<u>\$ 420,033,939</u>	<u>\$ 526,243,325</u>	<u>\$ 446,423,555</u>	<u>\$ 313,331,209</u>

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Governmental Funds Revenues

Last Ten Fiscal Periods (Unaudited)

(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Federal sources</b>				
Federal source revenue	\$ 1,984,814	\$ 6,968,781	\$ 3,467,808	\$ 25,377,961
Other revenue	10,115,648	7,578,456	14,622,082	14,831,570
Passed through state agencies	77,103,225	138,186,617	205,672,897	200,193,894
<b>Total federal sources</b>	<u>89,203,687</u>	<u>152,733,854</u>	<u>223,762,787</u>	<u>240,403,425</u>
<b>State sources</b>				
Per capita and foundation	369,521,639	334,360,455	226,113,103	262,790,738
Other state revenue	42,672,144	64,487,334	51,876,578	43,900,439
<b>Total state sources</b>	<u>412,193,783</u>	<u>398,847,789</u>	<u>277,989,681</u>	<u>306,691,177</u>
<b>Local sources</b>				
Local maintenance and debt service tax	557,242,370	540,134,887	631,359,772	590,711,319
Interest	57,103,149	58,395,732	35,963,404	1,819,167
Revenue from intermediate sources	10,059,396	9,597,376	41,826,037	10,805,374
<b>Total local sources</b>	<u>624,404,915</u>	<u>608,127,995</u>	<u>709,149,213</u>	<u>603,335,860</u>
<b>Total revenues</b>	<u>\$ 1,125,802,385</u>	<u>\$ 1,159,709,638</u>	<u>\$ 1,210,901,681</u>	<u>\$ 1,150,430,462</u>

**Table V**

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ 2,049,853	\$ 2,014,017	\$ 1,981,904	\$ 4,171,177	\$ 4,770,307	\$ 11,300,361
9,836,401	11,540,629	7,986,280	7,311,160	10,804,180	10,064,887
151,308,744	70,401,386	65,605,818	43,069,004	71,272,553	73,918,443
<u>163,194,998</u>	<u>83,956,032</u>	<u>75,574,002</u>	<u>54,551,341</u>	<u>86,847,040</u>	<u>95,283,691</u>
296,962,660	315,701,651	310,221,103	347,438,465	356,485,759	354,150,832
44,334,432	56,384,007	44,777,177	43,069,004	44,050,014	53,729,851
<u>341,297,092</u>	<u>372,085,658</u>	<u>354,998,280</u>	<u>390,507,469</u>	<u>400,535,773</u>	<u>407,880,683</u>
576,696,492	520,465,354	483,166,040	456,892,395	415,894,765	388,153,883
949,104	9,847,992	13,872,019	7,756,780	4,414,090	1,453,414
10,893,048	16,164,072	15,487,265	16,707,028	16,707,028	16,823,771
<u>588,538,644</u>	<u>546,477,418</u>	<u>512,525,324</u>	<u>481,356,203</u>	<u>437,015,883</u>	<u>406,431,068</u>
<u>\$1,093,030,734</u>	<u>\$ 1,002,519,108</u>	<u>\$ 943,097,606</u>	<u>\$ 926,415,013</u>	<u>\$ 924,398,696</u>	<u>\$ 909,595,442</u>

**Fort Worth Independent School District**  
**Fiscal Year Ended June 30, 2025**  
**Governmental Funds Expenditures and Debt Service Ratio**  
**Last Ten Fiscal Periods (Unaudited)**  
**(Accrual Basis of Accounting)**

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Operational Expenditures</b>				
Instruction	\$ 523,843,418	\$ 545,096,124	\$ 553,311,372	\$ 533,784,073
Instruction resources and media services	11,385,908	12,102,869	13,362,821	17,829,806
Curriculum development and staff instructional development	39,280,243	47,827,359	56,303,543	45,909,985
Instructional Leadership	17,270,061	18,902,076	22,660,192	17,433,359
School leadership	54,803,158	54,982,286	54,644,363	52,237,253
Guidance, counseling, and evaluation services	48,605,315	52,485,668	51,248,604	50,892,116
Social work services	7,086,302	9,929,064	10,151,829	8,048,975
Health services	12,191,313	11,269,358	10,815,829	10,450,450
Student (pupil) Transportation	29,515,651	27,890,538	22,605,842	21,970,880
Food service	643,371	795,876	2,023,861	2,898,668
Cocurricular/Extracurricular activities	23,602,036	22,611,923	21,088,242	17,877,486
General administration	23,324,378	22,853,337	24,834,562	23,423,518
Plant maintenance and operations	90,788,110	102,052,624	92,938,486	90,092,519
Security and monitoring services	31,738,627	17,371,581	14,173,781	12,654,732
Data processing services	23,505,384	26,977,700	30,201,560	30,450,282
Community services	8,944,780	12,060,873	12,090,177	11,636,030
Facilities acquisition/construction	170,827,430	91,454,625	128,237,472	161,406,452
<b>Total operational expenditures</b>	<u>1,117,355,485</u>	<u>1,076,663,881</u>	<u>1,120,692,536</u>	<u>1,108,996,584</u>
<b>Intergovernmental</b>				
Payments to fiscal agent	-	153,160	219,190	320,285
Payments to juvenile justice alternative ed. program	13,674	6,708	8,127	24,510
Contracted instructional services between public schools	5,227,921	4,111,116	2,483,811	-
Payments to Tax Increment Fund	-	-	-	-
Other Intergovernmental Charges	3,022,105	2,910,352	2,889,867	2,772,413
<b>Total intergovernmental</b>	<u>8,263,700</u>	<u>7,181,336</u>	<u>5,600,995</u>	<u>3,117,208</u>
<b>Debt Service</b>				
Principal	98,762,796	116,892,735	90,927,991	71,406,021
Interest and fiscal charges	71,958,830	65,767,597	55,033,154	49,206,122
<b>Total debt service expenditures</b>	<u>170,721,626</u>	<u>182,660,332</u>	<u>145,961,145</u>	<u>120,612,143</u>
<b>Total expenditures</b>	<u>1,296,340,811</u>	<u>1,266,505,549</u>	<u>1,272,254,676</u>	<u>1,232,725,935</u>
<b>Capital outlay (from Exhibit C-4)</b>	<u>184,130,067</u>	<u>100,024,330</u>	<u>129,652,704</u>	<u>150,241,363</u>
<b>Total Expenditures less expenditures for capital outlay</b>	<u>\$ 1,112,210,744</u>	<u>\$ 1,166,481,219</u>	<u>\$ 1,142,601,972</u>	<u>\$ 1,082,484,572</u>
<b>Debt service as a percentage of noncapital expenditures</b>	15.3%	15.7%	12.8%	11.1%

Table VI

	2021	2020	2019	2018	2017	2016
\$	511,213,200	\$ 499,758,352	\$ 517,689,319	\$ 500,825,814	\$ 495,739,255	\$ 488,438,896
	12,748,915	12,373,687	11,975,732	11,952,001	11,791,389	12,132,330
	37,672,392	35,886,909	33,078,117	29,144,174	30,596,212	29,587,197
	15,987,045	16,150,510	15,016,112	13,761,844	14,212,364	15,712,755
	51,358,779	53,389,150	49,739,509	49,955,872	48,601,123	46,257,419
	49,264,466	49,872,613	47,373,370	45,617,732	43,083,862	39,128,318
	7,494,730	7,730,962	7,830,981	7,014,565	6,720,180	5,992,503
	10,608,691	9,441,864	9,502,452	9,516,491	9,528,656	9,140,934
	18,145,065	17,821,703	20,739,623	23,760,424	22,590,772	26,912,525
	1,602,391	369,584	972,688	627,444	413,725	573,709
	16,119,789	14,831,814	16,548,404	17,103,301	14,991,760	14,450,356
	20,066,432	19,802,762	18,979,323	17,249,181	15,382,363	15,148,840
	89,514,397	76,398,836	79,569,888	80,444,343	80,702,670	78,021,391
	11,775,845	12,186,513	11,412,309	14,875,827	12,517,766	11,036,652
	22,231,848	14,591,612	15,342,378	13,671,666	14,075,763	14,232,973
	9,055,268	7,845,283	9,361,841	9,358,237	8,541,256	7,996,974
	309,400,844	183,249,707	75,655,980	110,363,345	100,775,137	103,052,515
	<u>1,194,260,097</u>	<u>1,031,701,861</u>	<u>940,788,026</u>	<u>955,242,261</u>	<u>930,264,253</u>	<u>917,816,287</u>
	310,752	46,933	-	-	1,303,857	-
	-	14,448	81,915	55,470	36,249	69,531
	-	-	-	-	-	-
	-	-	-	-	-	731,751
	<u>2,567,701</u>	<u>2,574,339</u>	<u>2,501,724</u>	<u>2,363,555</u>	<u>2,217,444</u>	<u>2,091,085</u>
	<u>2,878,453</u>	<u>2,635,720</u>	<u>2,583,639</u>	<u>2,419,025</u>	<u>3,557,550</u>	<u>2,892,367</u>
	75,300,000	70,605,000	65,120,000	58,375,000	60,575,000	56,075,000
	<u>47,785,357</u>	<u>43,748,233</u>	<u>43,017,412</u>	<u>40,597,201</u>	<u>38,428,403</u>	<u>31,813,411</u>
	<u>123,085,357</u>	<u>114,353,233</u>	<u>108,137,412</u>	<u>98,972,201</u>	<u>99,003,403</u>	<u>87,888,411</u>
	<u>1,320,223,907</u>	<u>1,148,690,814</u>	<u>1,051,509,077</u>	<u>1,056,633,487</u>	<u>1,032,825,206</u>	<u>1,008,597,065</u>
	<u>301,751,238</u>	<u>179,110,307</u>	<u>76,676,504</u>	<u>115,335,575</u>	<u>105,899,132</u>	<u>107,281,075</u>
\$	<u>1,018,472,669</u>	<u>\$ 969,580,507</u>	<u>\$ 974,832,573</u>	<u>\$ 941,297,912</u>	<u>\$ 926,926,074</u>	<u>\$ 901,315,990</u>
	12.1%	11.8%	11.1%	10.5%	10.7%	9.8%

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Other Financing Sources and Uses and Net Change in Fund Balances

Governmental Funds

Last Ten Fiscal Periods (Unaudited)

(Accrual Basis of Accounting)

	<u>2025</u>	<u>2024</u>	<u>2023</u>	<u>2022</u>
<b>Excess (deficiency) of revenues over (under) expenditures</b>	\$ (170,538,426)	\$ (106,795,911)	\$ (61,352,995)	\$ (82,295,473)
<b>Other Financing Sources (Uses)</b>				
Sale of bonds	88,825,000	273,645,000	413,795,000	338,260,000
Issuance of right to use leased assets	-	-	523,524	-
Issuance of right to use subscription assets	901,776	670,182	704,258	-
Sale of real and personal property	-	-	750,910	10,933
Transfers in	507,061	-	-	25,000,000
Premium (discount) on issuance of bonds	5,584,702	28,373,340	39,499,690	45,275,323
Transfers out	-	(939,387)	(791,506)	(303,389)
Payment to bond refunding escrow agent (use)	(93,743,077)	-	-	(108,491,106)
Proceeds from insurance settlements	-	300,109	5,325,351	509,602
<b>Total other financing sources (uses)</b>	<u>2,075,462</u>	<u>302,049,244</u>	<u>459,807,227</u>	<u>300,261,363</u>
Restatement - Prior Period Adjustment	-	-	-	-
<b>Net change in fund balances</b>	(168,462,964)	195,253,333	398,454,232	217,965,890
<b>Beginning Fund Balance</b>	<u>1,161,570,171</u>	<u>966,316,838</u>	<u>567,862,606</u>	<u>349,896,716</u>
<b>Ending Fund Balance</b>	<u>\$ 993,107,207</u>	<u>\$ 1,161,570,171</u>	<u>\$ 966,316,838</u>	<u>\$ 567,862,606</u>

Table VII

<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>	<u>2017</u>	<u>2016</u>
\$ (227,193,173)	\$ (146,171,706)	\$ (105,160,132)	\$ (106,329,203)	\$ (108,426,509)	\$ (99,001,623)
121,725,000	196,315,000	-	162,340,000	382,025,000	-
-	-	-	-	-	-
-	-	-	-	-	-
22,137,561	470	-	-	-	-
-	3,568,024	-	7,795,220	-	-
19,283,467	21,222,420	-	24,309,528	56,383,180	-
(429,014)	(16,581,881)	(990,227)	(8,295,199)	(665,401)	(1,430,722)
-	(65,555,000)	-	-	(196,223,924)	-
1,482,005	-	-	-	-	(629,878)
<u>164,199,019</u>	<u>138,969,033</u>	<u>(990,227)</u>	<u>186,149,549</u>	<u>241,518,855</u>	<u>(2,060,600)</u>
-	-	-	-	-	8,854,935
(62,994,154)	(7,202,673)	(106,150,359)	79,820,346	133,092,346	(101,062,223)
<u>412,890,870</u>	<u>420,093,543</u>	<u>526,243,902</u>	<u>446,423,556</u>	<u>313,331,210</u>	<u>405,538,498</u>
<u>\$ 349,896,716</u>	<u>\$ 412,890,870</u>	<u>\$ 420,093,543</u>	<u>\$ 526,243,902</u>	<u>\$ 446,423,556</u>	<u>\$ 313,331,210</u>



## **Revenue Capacity Information**



**Fort Worth Independent School District**  
 Fiscal Year Ended June 30, 2025  
 Assessed and Actual Value of Taxable Property  
 Governmental Funds  
 Last Ten Fiscal Periods (Unaudited)  
 (Accrual Basis of Accounting)

**Table VIII**

<b>Tax Year</b>	<b>Commercial</b>	<b>Residential</b>	<b>Other</b>	<b>Exemptions</b>	<b>Total Taxable Value</b>	<b>Total Direct Rate</b>
2016	\$ 21,502,076,670	\$ 16,392,782,075	\$ 1,051,370,963	\$ 9,368,554,745	\$ 29,577,674,963	1.352
2017	23,597,964,954	18,441,970,074	598,695,124	10,823,072,580	31,815,557,572	1.352
2018	24,898,293,010	20,182,367,413	2,071,679,878	14,906,689,857	32,245,650,444	1.352
2019	26,279,074,840	21,789,807,245	2,229,911,285	14,353,467,699	35,945,325,671	1.352
2020	28,767,056,016	24,285,641,873	2,210,394,759	13,654,956,798	41,608,135,850	1.282
2021	29,870,548,759	25,325,189,991	2,158,237,265	16,676,854,490	40,677,121,525	1.378
2022	30,577,828,207	27,127,633,511	2,092,247,838	14,989,524,933	44,808,184,623	1.343
2023	33,618,955,044	30,640,950,561	2,462,595,907	15,570,189,962	51,152,311,550	1.282
2024	38,085,228,868	35,957,190,247	3,026,884,428	23,467,359,749	53,601,943,794	1.062
2025	39,939,688,273	38,488,466,205	2,390,680,343	24,226,121,990	56,592,712,831	1.062

Source: Tax reports obtained from Tarrant Appraisal District  
 Notes: Assessed Value = Actual Value

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Direct and Overlapping Property Tax Rates

Last Ten Fiscal Periods (Unaudited)

(Rate per \$100 of Assessed Value)

Overlapping Property Tax Rates (1) %

<u>Fiscal Year End June 30,</u>	<u>Direct M &amp; O Rate</u>	<u>Direct I &amp; S Rate</u>	<u>Total Direct Fort Worth ISD</u>	<u>City of Arlington</u>	<u>City of Benbrook</u>	<u>City of Edgecliff Village</u>	<u>City of Forest Hill</u>
2016	1.04	0.312	1.352	0.6480	0.6575	0.3052	0.9961
2017	1.04	0.312	1.352	0.6448	0.6500	0.2704	0.9900
2018	1.06	0.292	1.352	0.6398	0.6400	0.2704	0.9900
2019	1.06	0.292	1.352	0.6348	0.6400	0.2704	0.9929
2020	0.99	0.292	1.282	0.6240	0.6278	0.2578	0.9929
2021	1.09	0.292	1.378	0.6225	0.6225	0.2720	0.9973
2022	1.05	0.292	1.343	0.6198	0.6175	0.2850	0.9973
2023	0.99	0.292	1.282	0.5998	0.5950	0.2674	0.8828
2024	0.79	0.272	1.062	0.5898	0.5650	0.2518	0.7241
2025	0.79	0.276	1.062	0.5898	0.5550	0.3693	0.7241

(1) Total Assessed Rate of Government Entity including operations and debt

Source: Tarrant Appraisal District

**Table IX****Overlapping Property Tax Rates (1) %**

<u>City of Fort Worth</u>	<u>City of Haltom</u>	<u>City of Kennedale</u>	<u>Tarrant County</u>	<u>Tarrant County Hospital</u>	<u>Tarrant County College</u>	<u>City of Westover Hills</u>	<u>City of White Settle- ment</u>
0.8550	0.6999	0.7475	0.2640	0.2279	0.1495	0.3505	0.6707
0.8350	0.6999	0.7675	0.2540	0.2279	0.1447	0.3550	0.7557
0.8050	0.6682	0.7775	0.2440	0.2244	0.1401	0.3550	0.7621
0.7850	0.6530	0.7257	0.2340	0.2244	0.1361	0.3872	0.7622
0.7475	0.6658	0.7350	0.2340	0.2244	0.1302	0.4260	0.7322
0.7475	0.6658	0.7741	0.2340	0.2244	0.1302	0.4470	0.7462
0.7325	0.6457	0.7641	0.2290	0.2244	0.1302	0.4789	0.7418
0.7125	0.6082	0.7062	0.2240	0.2244	0.1302	0.4868	0.7121
0.6725	0.5673	0.7062	0.1945	0.1945	0.1122	0.4763	0.6672
0.6725	0.5807	0.7062	0.1875	0.1825	0.1123	0.4700	0.6798

**Fort Worth Independent School District**  
 Fiscal Year Ended June 30, 2025  
 Property Tax Levies and Collections (Unaudited)  
 Last Ten Fiscal Periods

<b>Fiscal Year</b>	<b>Original Taxes Levied for the Fiscal Year</b>	<b>Subsequent Adjustments To Levy</b>	<b>Final Adjusted Levy</b>
2016	\$ 353,129,279	\$ 31,625,400	\$ 384,754,679
2017	391,365,753	21,022,606	412,388,359
2018	435,961,194	15,818,181	451,779,375
2019	480,484,902	3,934,221	484,419,123
2020	511,179,533	10,971,688	522,151,221
2021	540,881,545	38,475,251	579,356,796
2022	571,222,059	19,099,772	590,321,831
2023	606,408,065	22,033,156	628,441,221
2024	559,692,646	(14,953,080)	544,739,566
2025	563,612,473	(481,338)	563,131,135

Source: Tarrant County Tax Office

**Table X**

<b>Collected within the Year of Levy</b>		<b>Collections in subsequent years</b>	<b>Total Collections and cumulative adjustments to date</b>	
<b>Amount</b>	<b>Percentage of Levy</b>		<b>Amount</b>	<b>Percentage of Adjusted Levy</b>
\$ 374,731,904	97.40%	\$ 7,975,119	\$ 382,707,023	99.47%
401,595,217	97.38%	8,041,003	409,636,220	99.33%
441,301,406	97.68%	9,810,531	451,111,937	99.85%
475,008,702	98.06%	12,837,664	487,846,366	100.71%
509,121,776	97.50%	13,654,156	522,775,932	100.12%
567,471,188	97.95%	11,592,455	579,063,643	99.95%
577,575,435	97.84%	12,836,710	590,412,145	100.02%
615,996,027	98.02%	11,160,554	627,156,581	99.80%
532,370,531	97.73%	11,480,343	543,850,874	99.84%
550,503,907	97.76%	-	550,503,907	97.76%

**Fort Worth Independent School District**

**Table XI**

Fiscal Year Ended June 30, 2025  
 Principal Property Tax Payers (Unaudited)  
 Current Year and Nine Years Ago

Taxpayer	Tax Year of 2025			Tax Year of 2016		
	Taxable Assessed Valuation	Percent of Total Assessed Taxable Value	Rank	Taxable Assessed Valuation	Percent of Total Assessed Taxable Value	Rank
Atmos Energy/Mid Tex Division	\$ 447,893,632	0.79%	1			
Oncor Electric Delivery	380,763,640	0.67%	2			
CH Realty IX-Knightvest MF FW Berkeley	345,527,000	0.61%	3			
DDR/DTC City Investments LP Etal	250,000,000	0.44%	4			
Charter Communications Operating LLC	223,517,191	0.39%	5			
Clearfork Tradition II LLC	205,547,886	0.36%	6			
Pecos Housing Finance Corporation	189,500,000	0.33%	7			
F7 SSSM LLC	171,207,983	0.30%	8			
Mercantile Partners / Mercantile Partners PL	165,591,258	0.29%	9			
Omni Fort Worth Partnership LP	153,500,003	0.27%	10			
DDR/DTC City Investments LP Etal				\$ 257,099,070	0.87%	1
Oncor Electric Delivery				231,197,668	0.78%	2
Carlyle/Cypress West 7th LP				216,349,215	0.73%	3
XTO Energy Inc				184,018,138	0.62%	4
Chesapeake Operating (WI)				149,494,630	0.51%	5
F7 SSSM LLC				148,283,280	0.50%	6
Miller Coors				147,079,496	0.50%	7
Behringer Harvard Burnett PLZ				146,653,756	0.50%	8
Wal-Mart Real Estate Bus Trust/Stores TX LLC				118,001,014	0.40%	9
Ben E Keith Co				114,337,751	0.39%	10
<b>Total</b>	<u>\$ 2,533,048,593</u>	<u>4.48%</u>		<u>\$ 1,712,514,018</u>	<u>5.79%</u>	

Source: Tax information obtained from Tarrant Appraisal District.

## **Debt Capacity Information**



**Fort Worth Independent School District****Table XII**

Fiscal Year Ended June 30, 2025

Legal Debt Margin Information (Unaudited)

Last Ten Fiscal Periods

<b>Fiscal Year</b>	<b>Assessed Value</b>	<b>Debt Limit (10% of assessed value)</b>	<b>Total net debt applicable to limit</b>	<b>Legal Debt Margin</b>	<b>Total net debt applicable to limit as a % of Debt Limit</b>
2016	\$ 31,815,557,572	\$ 3,181,555,757	\$ 684,634,198	\$ 2,496,921,559	21.52%
2017	31,815,557,572	3,181,555,757	816,539,027	2,365,016,730	25.66%
2018	32,245,650,444	3,224,565,044	916,671,129	2,307,893,915	28.43%
2019	35,945,325,671	3,594,532,567	852,464,676	2,742,067,891	23.72%
2020	41,608,135,850	4,160,813,585	1,101,918,135	3,058,895,450	26.48%
2021	40,677,121,525	4,067,712,153	1,159,068,981	2,908,643,172	28.49%
2022	44,808,184,623	4,480,818,462	1,360,711,789	3,120,106,673	30.37%
2023	51,152,311,550	5,115,231,155	1,721,566,732	3,393,664,423	33.66%
2024	53,601,943,794	5,360,194,379	1,894,193,195	3,466,001,184	35.34%
2025	56,592,712,831	5,659,271,283	1,778,674,338	3,880,596,945	31.43%

Source: Assessed Value from Tarrant County Appraisal District

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Outstanding Debt by Type (Unaudited)

Last Ten Fiscal Periods

**Table XIII**

Fiscal Year	Governmental Activities				Total Primary Government	Per Capita	Per Student Enrolled
	Contractual Obligations	General Obligation Bonds	Leases Payable	Subscriptions Payable			
2016	\$ -	\$ 726,415,000	\$ -	\$ -	\$ 726,415,000	\$ 100	\$ 8,342
2017	-	862,315,000	-	-	862,315,000	116	9,863
2018	-	966,280,000	-	-	966,280,000	131	11,205
2019	-	901,160,000	-	-	901,160,000	120	10,663
2020	-	1,101,918,135	-	-	1,101,918,135	141	13,294
2021	-	1,159,068,981	-	-	1,159,068,981	148	15,053
2022	-	1,358,301,491	2,410,298	-	1,360,711,789	175	18,179
2023	-	1,712,253,438	8,630,887	682,407	1,721,566,732	217	23,544
2024	-	1,886,167,453	7,586,880	438,862	1,894,193,195	238	26,656
2025	-	1,771,279,616	6,970,056	424,666	1,778,674,338	220	25,263

Note: See tables 16 and 20 for population and enrollment data used to calculate per capita and per student enrolled information.

**Fort Worth Independent School District**  
 Fiscal Year Ended June 30, 2025  
 Ratio of Net General Bonded Debt To Assessed  
 Value and Net Bonded Debt Per Capita (Unaudited)  
 Last Ten Fiscal Periods

**Table XIV**

<u>Year</u>	<u>City of Fort Worth Population</u>	<u>FWISD Assessed Value</u>	<u>Gross Bonded Debt</u>	<u>Less Debt Service Funds</u>	<u>Net Bonded Debt</u>	<u>Ratio of Debt to Value</u>	<u>Net Bonded Debt Per Capita</u>
2016	833,319	\$29,577,674,963	\$ 726,415,000	\$ 41,780,802	\$ 684,634,198	2.31%	822
2017	869,945	31,815,557,572	862,315,000	45,775,973	816,539,027	2.57%	939
2018	874,168	32,245,650,444	966,280,000	49,608,871	916,671,129	2.84%	1,049
2019	895,008	35,945,325,671	901,160,000	48,695,325	852,464,675	2.37%	952
2020	932,116	41,608,135,850	1,101,918,135	56,962,796	1,044,955,339	2.51%	1,121
2021	938,055	40,677,121,525	1,159,068,981	58,108,796	1,100,960,185	2.71%	1,174
2022	958,692	44,808,184,623	1,358,301,491	69,139,413	1,289,162,078	2.88%	1,345
2023	956,709	51,152,311,550	1,712,253,438	78,286,720	1,633,966,718	3.19%	1,708
2024	978,468	53,601,943,794	1,886,167,453	54,599,967	1,831,567,486	3.42%	1,872
2025	1,032,106	56,592,712,831	1,771,279,616	47,753,432	1,723,526,184	3.05%	1,670

Source: City of Fort Worth population estimates furnished by City of Fort Worth.

**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Direct and Overlapping Governmental Activities Debt (Unaudited)

**Table XV**

<b>Governmental Unit</b>	<b>Debt Outstanding</b>	<b>Estimated Percentage Applicable*</b>	<b>Estimated Share of Direct and Overlapping Debt</b>
<b>DIRECT:</b>			
Fort Worth Independent School District	\$ 1,778,674,338	100%	\$ 1,778,674,338
<b>Total Direct Debt</b>			<b>1,778,674,338</b>
<b>OVERLAPPING:</b>			
City of Arlington	669,080,000	0.26%	1,739,608
City of Benbrook	19,780,000	100.00%	19,780,000
City of Forest Hill	580,000	73.50%	426,300
City of Fort Worth	1,100,695,000	40.87%	449,854,047
City of Haltom City	79,040,000	4.04%	3,193,216
City of Kennedale	38,220,000	4.86%	1,857,492
City of Saginaw	96,890,000	0.00%	-
City of Sansom Park	9,988,000	6.23%	622,252
Tarrant County	314,050,000	19.93%	62,590,165
Tarrant County College District	547,535,000	19.93%	109,123,726
Tarrant County Hospital District	431,255,000	19.93%	85,949,122
Tarrant Regnl WD	98,710,000	48.18%	47,558,478
Town of Westover Hills	5,880,000	100.00%	5,880,000
City of Westworth Village	5,150,000	98.94%	5,095,410
City of White Settlement	31,160,000	1.78%	554,648
<b>Total Overlapping Debt</b>			794,224,464
<b>Total Direct and Overlapping Tax Supported Debt</b>			<b>\$ 2,572,898,802</b>
<b>Total Assessed Taxable Valuation</b>			<b>\$ 56,592,712,831</b>
<b>Total Population</b>			1,032,106
<b>Ratio of Direct and Overlapping Tax Supported Debt to Taxable Assessed Valuation</b>			4.55%
<b>Per Capita Overlapping Total Direct and Overlapping Tax Supported Debt</b>			\$ 2,493

Source: Municipal Advisory Council of Texas  
Texas Municipal Reports

Notes:

(1) No outstanding debt

(2) That portion of the District overlapping the City of White Settlement is federal land not subject to ad valorem property tax

\* Estimated percentage applicable to each entity is calculated by the amount of land that is served by the Fort Worth Independent School District.

## **Demographic and Economic Information**



**Fort Worth Independent School District**  
 Fiscal Year Ended June 30, 2025  
 Demographic and Economic Statistics (Unaudited)

**Table XVI**

**Demographics for the entire Dallas, Fort Worth, Arlington Metropolitan Center**

<b>Calendar Year</b>	<b>Population(A)</b>	<b>Disposable Personal Income(B) (in \$1,000)</b>	<b>Per Capita Disposable Personal Income(B)</b>	<b>Unemployment Rate(C)</b>
2016	7,268,910	\$ 367,157,163	\$ 50,511	3.6%
2017	7,424,256	379,456,928	51,110	3.7%
2018	7,399,662	392,168,735	52,998	3.8%
2019	7,539,711	405,306,388	53,756	3.3%
2020	7,803,240	418,884,152	53,681	8.2%
2021	7,807,900	432,916,771	55,446	6.7%
2022	7,759,615	467,550,112	60,254	5.7%
2023	7,943,685	504,954,121	63,567	5.5%
2024	7,943,685	550,399,992	69,288	5.3%
2025	8,100,037	599,935,992	74,066	3.8%

Sources: A. Census Reporter  
 B. Texas Labor Market  
 C. From Bureau of Labor Statistics

**Fort Worth Independent School District**

**Table XVII**

Fiscal Year Ended June 30, 2025

Principal Employers (Unaudited)

Current Year and Nine Years Ago

Employer	2025			2016		
	Approx. # Employees	Rank	% of Total Jobs	Approx. # Employees	Rank	% of Total Jobs
Lockheed Martin Tactical Air	19,200	1	3.84%			
Fort Worth ISD	9,900	2	1.98%			
American Airlines Group	8,900	3	1.78%			
Cook Children's Health System	8,400	5	1.68%			
City of Fort Worth	7,500	4	1.50%			
Texas Health Resources	7,000	6	1.40%			
Alcon Laboratories Inc.	4,500	7	0.90%			
Bell Helicopter-Texton, Inc.	4,200	8	0.84%			
BNSF Railway	3,100	9	0.62%			
Texas Christian University	2,600	10	0.52%			
American Airlines Group				24,000	1	6.43%
Lockheed Martin Tactical Air				13,700	2	3.67%
NAS Fort Worth JRB				11,000	3	2.95%
Fort Worth ISD				12,000	4	3.21%
City of Fort Worth				6,200	5	1.66%
JPS Health Network				6,000	6	1.61%
Alcon Laboratories Inc.				5,900	7	1.58%
Cook Children's Health System				5,900	8	1.58%
Tarrant County College				5,600	9	1.50%
Tarrant County Government				5,000	10	1.34%
<b>Totals by Top Ten Employer</b>	75,300		15.07%	95,300		25.52%
<b>Total Jobs Reported</b>	500,020			373,406		

Source: Fort Worth Chamber of Commerce-Economic Development  
MAC -Texas Municipal Report

# **Operating Information**



**Fort Worth Independent School District**

**Table XVIII**

Fiscal Year Ended June 30, 2025

Full-time Equivalent District Employees by Type (Unaudited)

Last Ten Fiscal Periods

Fiscal Year	Professional Staff				Support Staff			Total Staff	
	Teachers	Professional Support	Campus Administration	Central Administration	Total Professional Staff	Educational Aides	Auxiliary Staff		Total Support Staff
2016	5,603	1,440	313	54	7,410	876	2,356	3,232	10,642
2017	5,689	1,469	322	51	7,531	877	2,383	3,260	10,791
2018	5,684	1,431	325	59	7,499	875	2,422	3,297	10,796
2019	5,778	1,539	317	48	7,682	881	2,959	3,840	11,522
2020	5,569	1,600	321	46	7,536	837	2,496	3,333	10,869
2021	5,488	1,659	318	41	7,506	808	2,335	3,143	10,649
2022	5,070	1,639	294	42	7,045	771	2,266	3,037	10,082
2023	4,929	1,565	475	39	7,008	774	2,186	2,960	9,968
2024	4,808	1,547	447	60	6,862	764	2,248	3,012	9,874
2025	4,722	1,305	450	54	6,531	752	2,115	2,867	9,398
<b>% Change from 2016 to 2025</b>	-15.7%	-9.4%	43.8%	0.0%	-11.9%	-14.2%	-10.2%	-11.3%	-11.7%

Note: Support Staff includes librarians, counselors, school nurses, etc.  
 Source: Public Education Information Management System (PEIMS) Reports.

**Fort Worth Independent School District****Table XIX**

Fiscal Year Ended June 30, 2025  
 Teacher Base Salaries (Unaudited)  
 Last Ten Fiscal Periods

<b>Fiscal Year</b>	<b>Minimum Salary (A)</b>	<b>Maximum Salary (A)</b>	<b>District Average Salary (B)</b>	<b>Statewide Minimum Salary (C)</b>	<b>Statewide Maximum Salary (C)</b>
2016	\$ 50,000	\$ 82,991	\$ 56,455	\$ 28,080	\$ 45,510
2017	51,000	84,651	57,220	28,080	45,510
2018	52,000	86,344	58,197	28,080	45,510
2019	53,000	88,070	58,418	28,080	45,510
2020	54,000	88,070	61,997	33,660	54,540
2021	55,500	88,070	62,422	33,660	54,540
2022	58,000	88,070	65,389	33,660	54,540
2023	60,000	88,070	67,083	33,660	54,540
2024	62,000	82,037	68,965	33,660	54,540
2025	63,000	78,111	69,118	33,660	54,540

Sources: A. Fort Worth ISD Teachers Salary Schedule  
 B. PEIMS Reports  
 C. TEA Salary Schedule



**Fort Worth Independent School District**

Fiscal Year Ended June 30, 2025

Operating Statistics (Unaudited)

Last Ten Fiscal Periods

<u>Fiscal Year</u>	<u>Enrollment</u>	<u>C3 Direct Operating Expenditures(A)</u>	<u>Cost per Pupil</u>	<u>Percent Change from PY</u>	<u>B1 Direct Operating Expenses(B)</u>
2016	87,080	\$ 814,763,772	\$ 9,356	4.87%	\$ 885,166,312
2017	87,428	833,046,666	9,528	2.19%	969,773,017
2018	86,234	844,878,916	9,798	1.40%	1,022,543,215
2019	84,510	866,779,772	10,257	2.53%	1,022,543,215
2020	82,891	849,573,577	10,249	-2.03%	1,046,626,257
2021	76,997	887,737,706	11,530	4.30%	1,007,165,826
2022	74,850	948,420,541	12,671	6.40%	977,798,891
2023	73,122	992,455,064	13,573	4.44%	1,042,973,884
2024	71,060	985,209,256	13,864	-0.74%	1,081,780,635
2025	70,405	946,528,055	13,444	-4.09%	1,020,836,408

Notes: A. Total governmental funds expenditures less capital and debt expenditures.

B. Total primary government expenses less capital and debt expenses.

C. From Table 18.

D. FWISD Food Services

Average Daily Enrollment provided by TEA enrollment report.

**Table XX**

	<b>Cost per Pupil</b>	<b>Percent Change from PY</b>	<b>Teaching Staff(C)</b>	<b>Pupil- Teacher Ratio</b>	<b>Students Receiving Free or Reduced-Price Meals(D)</b>	<b>Percentage of Students Receiving Free or Reduced-Price Meals</b>
\$	10,165	2.95%	5,603	15.5	75,443	87%
	11,092	8.36%	5,689	15.4	76,497	87%
	11,858	6.46%	5,684	15.2	75,814	88%
	12,100	2.00%	5,778	14.6	61,794	73%
	12,627	4.17%	5,569	14.9	69,637	84%
	13,081	3.47%	5,488	14.0	76,997	100%
	13,063	-0.13%	5,070	14.8	74,850	100%
	14,263	8.41%	4,929	14.8	73,122	100%
	15,223	6.31%	4,808	14.8	71,060	100%
	14,499	1.63%	4,722	14.9	70,405	100%

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

School Building Information

Last Ten Fiscal Years (Unaudited)

Elementary Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2025	(1) Enrollment 2025	(2) Permanent Square Feet 2025	(2) # Portable Bldgs 2025
Alice Carlson Applied Learn Ctr.	1926	5.3	297	379	49,176	0
Alice Contreras	1996	9.3	548	442	66,154	0
A. M. Pate	1965	8.0	614	227	55,281	3
Atwood McDonald	1967	6.3	625	261	61,339	4
Benbrook	1953	8.5	597	346	60,544	1
Bill J. Elliott	1988	10.0	535	381	53,027	3
Bonnie Brae	2003	13.6	469	326	61,679	0
Boulevard Heights	1932	4.1	50	32	47,514	0
Bruce Shulkey	1958	5.9	601	400	64,568	0
Burton Hill	1958	12.0	622	365	59,633	2
Carroll Peak	1989	5.1	670	489	67,603	2
Carter Park	1957	6.0	653	445	62,962	3
Cesar Chavez	2002	42.4	562	447	61,679	0
Charles E. Nash	1927	4.5	238	213	31,794	2
Christene C. Moss	1957	5.5	515	393	61,393	1
Clifford Davis	2002	10.0	522	868	61,690	6
Como	1954	3.0	594	422	56,832	2
Como Montessori (now Success HS)	1949	3.1	523	0	54,931	0
Daggett Montessori (K-8)	1980	5.7	557	546	83,729	0
David K. Sellars	1967	9.2	568	436	54,597	6
D. McRae	1990	5.2	750	543	65,606	2
De Zavala	1914	4.3	516	274	63,411	2
Diamond Hill	1988	5.8	615	482	56,221	3
Dolores Huerta	2004	6.3	581	443	69,174	1
E. M. Daggett	1926	5.9	832	482	88,367	0
East Handley	1958	8.2	429	329	46,155	5
Eastern Hills	1958	11.9	768	459	67,448	2
Edward J. Briscoe	1988	17.1	508	288	49,758	2
George C. Clarke	1914	4.3	554	388	64,152	2
Glen Park	1953	6.4	693	451	57,392	7
Greenbriar	1958	6.0	562	468	59,824	4
H. V. Helbing	1947	3.7	607	369	53,663	1
Harlean B. Beal	2002	4.4	495	333	65,975	1
Hazel Harvey Peace	2010	7.1	650	448	75,000	0
Hubbard Heights	1922	8.0	706	508	78,133	4
J. T. Stevens	1967	8.0	549	361	56,924	0
John T. White	2011	12.6	650	369	80,000	2
Lily B. Clayton	1923	7.3	502	476	62,747	0
Lowery Road	2000	20.0	800	414	61,447	0
Luella Merrett	1949	7.0	650	456	61,701	2
M. G. Ellis Primary (now Admin offices)	2002	2.5	614	0	67,730	0
M. H. Moore	1954	6.0	620	453	73,096	0
Manuel Jara	1990	7.0	627	567	55,683	4

Sources: (1) PEIMS Report

(2) FWISD Facilities Management Records

Table XXI

Square Feet 2024	Square Feet 2023	Square Feet 2022	Square Feet 2021	Square Feet 2020	Square Feet 2019	Square Feet 2018	Square Feet 2017	Square Feet 2016
49,176	49,176	49,176	49,176	49,176	49,176	49,176	49,176	49,176
66,154	66,154	66,154	66,154	66,154	66,154	61,554	61,554	61,554
55,281	55,281	55,281	55,281	55,281	55,281	55,281	55,281	55,281
61,339	61,339	61,339	61,339	61,339	61,339	53,499	53,499	53,499
60,544	60,544	60,544	60,544	60,544	60,544	60,544	60,544	60,544
53,027	53,027	53,027	53,027	53,027	53,027	53,027	53,027	53,027
61,679	61,679	61,679	61,679	61,679	61,679	61,679	61,679	61,679
47,514	47,514	47,514	47,514	47,514	47,514	47,514	47,514	47,514
64,568	64,568	64,568	64,568	64,568	64,568	64,568	64,568	64,568
59,633	59,633	59,633	59,633	59,633	59,633	59,633	59,633	59,633
67,603	67,603	67,603	67,603	67,603	67,603	67,471	67,603	67,603
62,962	62,962	62,962	62,962	62,962	62,962	62,962	62,962	62,962
61,679	61,679	61,679	61,679	61,679	61,679	61,679	61,679	61,679
31,794	31,794	31,794	31,794	31,794	31,794	31,794	31,794	31,794
61,393	61,393	61,393	61,393	61,393	61,393	61,393	61,393	61,393
61,690	61,690	61,690	61,690	61,690	61,690	61,690	61,690	61,690
56,832	56,832	56,832	56,832	56,832	56,832	56,832	56,832	56,832
54,931	54,931	54,931	54,931	54,931	54,931	54,381	54,381	54,381
83,729	83,729	83,729	83,729	83,729	83,729	83,729	83,729	83,729
54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597	54,597
65,606	65,606	65,606	65,606	65,606	65,606	65,050	65,606	65,606
63,411	63,411	63,411	63,411	63,411	63,411	53,411	63,411	53,411
56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221	56,221
69,174	69,174	69,174	69,174	69,174	69,174	69,174	69,174	69,174
88,367	88,367	88,367	88,367	88,367	88,367	88,367	88,367	88,367
46,155	46,155	46,155	46,155	46,155	46,155	46,155	46,155	46,155
67,448	67,448	67,448	67,448	67,448	67,448	67,448	67,448	67,448
49,758	49,758	49,758	49,758	49,758	49,758	49,758	49,758	49,758
64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152	64,152
57,392	57,392	57,392	57,392	57,392	57,392	57,392	57,392	57,392
59,824	59,824	59,824	59,824	59,824	59,824	59,824	59,824	59,824
53,663	53,663	53,663	53,663	53,663	53,663	53,663	53,663	53,663
65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975	65,975
75,000	75,000	75,000	75,000	75,000	75,000	76,052	75,000	75,000
78,133	78,133	78,133	78,133	78,133	78,133	78,133	78,133	78,133
56,924	56,924	56,924	56,924	56,924	56,924	56,924	56,924	56,924
80,000	80,000	80,000	80,000	80,000	80,000	76,100	76,100	76,100
62,747	62,747	62,747	62,747	62,747	62,747	62,747	62,747	62,747
61,447	61,447	61,447	61,447	61,447	61,447	61,447	61,447	61,447
61,701	61,701	61,701	61,701	61,701	61,701	61,701	61,701	61,701
67,730	67,730	67,730	67,730	67,730	67,730	67,730	67,730	67,730
73,096	73,096	73,096	73,096	73,096	73,096	73,096	73,096	73,096
55,683	55,683	55,683	55,683	55,683	55,683	55,683	55,683	55,683

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

School Building Information

Last Ten Fiscal Years (Unaudited)

Elementary Schools (cont.)	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2025	(1) Enrollment 2025	(2) Permanent Square Feet 2025	(2) # Portable Bldgs 2025
Mary Louise Phillips	1948	7.2	554	394	63,762	2
Maude I. Logan	1957	7.3	647	320	61,740	1
Maudrie M. Walton	1958	7.9	528	271	52,980	3
Meadowbrook	1933	15.0	687	455	72,867	2
Milton L. Kirkpatrick	1959	5.0	436	296	42,117	5
Mitchell Blvd.	1953	6.0	495	339	50,905	1
Morningside	1934	9.8	924	401	84,470	1
Natha Howell	1958	6.3	455	349	42,727	4
North Hi Mount	1936	5.0	271	386	39,791	5
Oakhurst	1927	7.7	779	466	76,646	0
Oaklawn	1950	5.9	673	395	59,128	1
Overton Park	2020	5.0	650	510	91,867	0
Richard J. Wilson	1913	3.1	672	508	71,172	0
Ridglea Hills	1958	8.0	725	742	67,764	2
Riverside Applied Learning Ctr	1955	6.1	341	202	41,472	1
Rolling Hills ES	2023	15.0	925	528	118,000	0
Rosemont (merged bldg with RMS)	2011	6.7	650		80,000	0
Rufino Mendoza, Sr.	1910	3.9	568	342	54,027	0
Sagamore Hill	1998	5.0	687	408	82,012	3
Sam Rosen	1909	4.1	608	407	63,444	3
Seminary Hills Park	2004	9.9	548	378	65,918	0
South Hi Mount	1936	7.0	594	510	64,495	3
South Hills	1954	5.7	800	649	74,636	3
Springdale	1953	4.1	615	393	64,259	3
Sunrise - McMillan	1958	6.0	554	417	54,788	2
S. S. Dillow	1937	8.0	697	432	61,490	2
T. A. Sims	1989	8.0	733	566	58,544	3
Tanglewood	1960	6.0	588	575	71,001	0
Van-Zandt Guinn	2016	4.9	600	366	60,000	0
Versia Williams	1955	2.7	429	307	34,580	5
W. J. Turner	1949	4.1	627	341	66,490	0
W. M. Green	1959	6.0	574	532	53,762	5
Washington Heights	2015	4.0	420	268	60,000	0
Waverly Park	1958	6.8	766	638	68,794	5
Westcliff	1954	5.1	417	534	52,063	3
Westcreek	1967	6.0	756	389	71,627	2
Western Hills	1961	10.3	875	499	74,420	8
Western Hills Primary	2000	6.6	588	499	61,612	4
West Handley	1954	5.0	431	341	60,177	0
Westpark	2015	7.0	650	358	80,281	3
Woodway	1990	10.0	681	521	62,630	1
Worth Heights	1955	7.2	792	439	70,843	0

Sources: (1) PEIMS Report  
 (2) FWISD Facilities Management Records

Table XXI

Square Feet 2024	Square Feet 2023	Square Feet 2022	Square Feet 2021	Square Feet 2020	Square Feet 2019	Square Feet 2018	Square Feet 2017	Square Feet 2016
63,762	63,762	63,762	63,762	63,762	63,762	63,762	63,762	63,762
61,740	61,740	61,740	61,740	61,740	61,740	61,740	61,740	61,740
52,980	52,980	52,980	52,980	52,980	52,980	52,980	52,980	52,980
72,867	72,867	72,867	72,867	72,867	72,867	72,867	72,867	72,867
42,117	42,117	42,117	42,117	42,117	42,117	42,117	42,117	42,117
50,905	50,905	50,905	50,905	50,905	50,905	50,905	50,905	50,905
84,470	84,470	84,470	84,470	84,470	84,470	84,470	84,470	84,470
42,727	42,727	42,727	42,727	42,727	42,727	42,727	42,727	42,727
39,791	39,791	39,791	39,791	39,791	39,791	39,791	39,791	39,791
76,646	76,646	76,646	76,646	76,646	76,646	76,646	76,646	76,646
59,128	59,128	59,128	59,128	59,128	59,128	59,128	59,128	59,128
91,867	91,867	91,867	91,867	91,867				
71,172	71,172	71,172	71,172	71,172	71,172	68,542	68,542	68,542
67,764	67,764	67,764	67,764	67,764	67,764	61,864	61,864	61,864
41,472	41,472	41,472	41,472	41,472	41,472	41,472	41,472	41,472
118,000								
80,000	80,000	80,000	80,000	80,000	80,000	80,000	80,000	81,200
54,027	54,027	54,027	54,027	54,027	54,027	54,027	54,027	54,027
82,012	82,012	82,012	82,012	82,012	82,012	82,021	85,021	82,021
63,444	63,444	63,444	63,444	63,444	63,444	57,296	57,296	57,296
65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918	65,918
64,495	64,495	64,495	64,495	64,495	64,495	64,495	64,495	64,495
74,636	74,636	74,636	74,636	74,636	74,636	84,091	74,636	74,636
64,259	64,259	64,259	64,259	64,259	64,259	55,159	55,159	55,159
54,788	54,788	54,788	54,788	54,788	54,788	51,388	51,388	51,388
61,490	61,490	61,490	61,490	61,490	61,490	61,490	61,490	61,490
58,544	58,544	58,544	58,544	58,544	58,544	58,544	58,544	58,544
71,001	71,001	71,001	69,234	69,234	63,234	63,234	63,234	63,234
60,000	60,000	60,000	60,000	60,000	40,212	40,212	40,212	40,212
34,580	34,580	34,580	34,580	34,580	34,580	34,580	34,580	34,580
66,490	66,490	66,490	66,490	66,490	66,490	66,490	66,490	66,490
53,762	53,762	53,762	53,762	53,762	53,762	53,762	53,762	53,762
60,000	60,000	60,000	60,000	60,000	60,000	32,255	33,000	59,255
68,794	68,794	68,794	68,794	68,794	68,794	68,794	68,794	68,794
52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063	52,063
71,627	71,627	71,627	71,627	71,627	71,627	71,627	71,627	71,627
74,420	74,420	74,420	74,420	74,420	64,420	64,420	64,420	64,420
61,612	61,612	61,612	61,612	61,612	61,612	61,612	61,612	61,612
60,177	60,177	60,177	60,177	60,177	60,177	60,177	41,677	41,677
80,281	80,281	80,281	80,281	80,281	80,281	45,706	45,706	45,706
62,630	62,630	62,630	62,630	62,630	62,630	57,730	57,730	57,730
70,843	70,843	70,843	70,843	70,843	70,843	70,843	70,843	70,843

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

School Building Information

Last Ten Fiscal Years (Unaudited)

Middle Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2025	(1) Enrollment 2025	(2) Permanent Square Feet 2025	(2) # Portable Bldgs 2025
FWISD - District Service Ctr (former INA/ALA)	1965	12.1	1,155	n/a	139,967	0
Benbrook Middle/High School	2011	33	1,950	1,479	275,423	0
J. Martin Jacquet	1981	25.3	855	580	108,137	4
E. M. Daggett Middle	1954	7.6	413	353	83,104	6
Forest Oak Middle	1953	15.5	889	1,045	105,715	14
Leadership Academy at Forest Oak 6th Grade	1953	6	458	0	47,064	3
Handley Middle	1980	20	634	0	92,302	5
J. P. Elder Middle	1918	14.9	1,095	646	156,425	5
Jean McClung Middle	2011	12.3	800	514	172,990	0
Kirkpatrick Middle	1949	5.8	608	485	74,814	1
Leonard Middle	1962	15	799	568	117,419	6
McLean 6th Grade	1950	4.6	540	388	50,414	2
Meadowbrook Middle	1953	11	926	728	119,030	8
Morningside Middle	1959	13.2	769	415	107,289	7
Riverside Middle	1949	12.2	975	739	130,903	5
Applied Learning Academy	1922	9.2	469	330	56,354	1
Rosemont Middle	1936	20.5	926	1,166	210,322	7
W. A. Meacham Middle	1960	20	675	680	114,398	0
W. C. Stripling Middle	1928	7.7	803	518	98,848	0
W. P. McLean Middle	1953	15.2	1,000	757	109,348	6
Wedgwood 6th Grade	1960	7.6	469		56,354	1
Wedgwood Middle	1964	12	855	701	143,703	5
William James Middle	1926	8	1,234	711	132,411	7
William Monnig Middle	1951	7	784	459	99,792	4
Young Men's Leadership Academy	1952	10	476	418	78,117	9
Young Women's Leadership Academy	1925	1	275	403	78,000	0

Sources: (1) PEIMS Report

(2) FWISD Facilities Management Records

**Table XXII**

<b>Square Feet 2024</b>	<b>Square Feet 2023</b>	<b>Square Feet 2022</b>	<b>Square Feet 2021</b>	<b>Square Feet 2020</b>	<b>Square Feet 2019</b>	<b>Square Feet 2018</b>	<b>Square Feet 2017</b>	<b>Square Feet 2016</b>
139,967	139,967	139,967	139,967	139,967	139,967	139,967	139,967	139,967
275,423	275,423	275,423	245,423	172,288	172,288	172,288	172,288	
108,137	108,137	108,137	108,137	108,137	108,137	108,137	108,137	108,137
83,104	83,104	83,104	83,104	83,104	83,104	83,104	83,104	83,104
105,715	105,715	105,715	105,715	105,715	105,715	105,715	105,715	105,715
47,064	47,064	47,064	47,064	47,064	47,064	47,064	47,064	47,064
92,302	92,302	92,302	92,302	92,302	92,302	92,302	92,302	92,302
156,425	156,425	156,425	156,425	156,425	156,425	156,425	156,425	156,425
172,990	172,990	172,990	172,990	172,990	172,990	172,990	172,990	
74,814	74,814	74,814	74,814	71,194	71,194	71,194	71,194	71,194
117,419	117,419	117,419	117,419	117,419	117,419	117,419	117,419	117,419
50,414	50,414	50,414	50,414	36,964	36,964	36,964	36,964	36,964
119,030	119,030	119,030	119,030	119,030	119,030	119,030	119,030	119,030
107,289	107,289	107,289	107,289	107,289	107,289	107,289	107,289	107,289
130,903	130,903	130,903	130,903	129,883	130,903	130,903	130,903	110,335
52,648	52,648	52,648	52,648	52,648	52,648	52,648	52,648	52,648
210,322	210,322	210,322	130,322	130,322	130,322	130,322	130,322	130,322
114,398	114,398	114,398	114,398	114,398	114,398	114,398	114,398	94,728
98,848	98,848	98,848	98,848	98,848	98,848	98,848	98,848	98,848
109,348	109,348	109,348	109,348	100,462	100,462	100,462	100,462	100,462
56,354	56,354	56,354	56,354	56,354	56,354	56,354	56,354	56,354
143,703	143,703	143,703	143,703	143,703	143,703	143,703	143,703	118,195
132,411	132,411	132,411	132,411	132,411	132,411	132,411	132,411	132,411
99,792	99,792	99,792	99,792	99,792	99,792	99,792	99,792	99,792
78,117	78,117	78,117	71,017	71,017	71,017	71,017	71,017	71,017
78,000	78,000	78,000	78,000	78,000	37,502	37,502	37,502	37,502

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

School Building Information

Last Ten Fiscal Years (Unaudited)

<b>Senior High Schools</b>	(2) <b>Constructed</b>	(2) <b>Acreage</b>	(2) <b>Permanent Capacity 2025</b>	(1) <b>Enrollment 2025</b>	(2) <b>Permanent Square Feet 2025</b>	(2) <b># Portable Bldgs 2025</b>
Amon Carter-Riverside	1935	18	1,475	1,040	226,673	2
Arlington Heights	1936	32	2,050	1,899	274,667	0
Diamond Hill-Jarvis	1952	21	1,095	877	198,367	1
Eastern Hills	1959	20	1,601	1,189	271,561	1
North Side High	1937	32	1,800	1,676	233,649	8
O. D. Wyatt	1968	30	1,541	1,499	281,940	1
Paul Laurence Dunbar	1967	14	1,560	820	205,177	4
Polytechnic High	1936	19	1,540	1,377	251,576	1
R. L. Paschal	1936	25	2,414	2,126	304,744	4
South Hills	1969	28	2,036	1,846	195,447	7
Southwest High	1967	58	1,560	1,155	229,583	12
Trimble Technical	1917	11	2,115	1,924	363,320	0
Western Hills	1969	33	1,478	856	183,055	14
I. M. Terrell	1907	8.5	800	470	185,000	0

Sources: (1) PEIMS Report

(2) FWISD Facilities Management Records

**Table XXIII**

<b>Square Feet 2024</b>	<b>Square Feet 2023</b>	<b>Square Feet 2022</b>	<b>Square Feet 2021</b>	<b>Square Feet 2020</b>	<b>Square Feet 2019</b>	<b>Square Feet 2018</b>	<b>Square Feet 2017</b>	<b>Square Feet 2016</b>
226,673	139,243	139,243	139,243	110,533	110,533	110,533	110,533	110,533
274,667	227,595	227,595	217,595	217,595	217,595	217,595	217,595	217,595
198,367	143,784	143,784	134,784	134,784	134,784	134,784	134,784	134,784
271,561	260,924	205,621	205,621	205,621	160,619	160,619	160,619	160,619
233,649	224,649	219,680	219,680	219,680	179,680	179,680	179,680	179,680
281,940	250,700	250,700	250,700	250,700	250,700	250,700	250,700	250,700
205,177	200,727	200,727	200,727	200,727	200,727	200,727	200,727	200,727
251,576	181,093	181,093	167,044	167,044	167,044	167,044	167,044	167,044
304,744	304,744	304,744	304,744	272,466	272,466	272,466	272,466	272,466
195,447	195,447	195,447	195,447	195,447	195,447	195,447	195,447	195,447
229,583	221,580	205,636	205,636	205,636	205,636	205,636	205,636	205,636
363,320	363,320	363,320	363,320	363,320	363,320	363,320	363,320	363,320
183,055	183,055	179,095	179,095	176,495	176,495	176,495	176,495	176,495
185,000	185,000	185,000	91,058	91,058	91,058	91,058	91,058	91,058

# Fort Worth Independent School District

Fiscal Year Ended June 30, 2025

School Building Information

Last Ten Fiscal Years (Unaudited)

Other Schools	(2) Constructed	(2) Acreage	(2) Permanent Capacity 2025	(1) Enrollment 2025	(2) Permanent Square Feet 2025	(2) # Portable Bldgs 2025
Jo Kelly School	1943	5.8	139	42	19,928	1
Texas Academy of Bio-Medical*	N/A	N/A	N/A	374	N/A	0
Middle Level Learning Center	N/A	N/A	N/A		N/A	
Metro Opportunity School	1980	20.0	634	75	92,302	5
New Lives School*	1990	N/A	N/A		N/A	0
World Languages Institute	1955	6.0	600	520	64,113	0
Children's Medical Center*				42		
Dentention Center*				102		
Insights Learning Center**				8		
Juvenile Justice Alt Education*				24		
Marine Creek Collegiate HS*				350		
PK Satellite Centers*				169		
Success High	1949	3.1	523	583	54,931	
Tarrant Co College South*				347		
Tarrant Youth Recovery*				9		
Transition Center*				116		
International Newcomer Acad	1953	6	458	430	47,064	3

Sources: (1) PEIMS Report

(2) FWISD Facilities Management Records

Notes:

\* Non-FWISD Property

**Table XXIV**

Square Feet 2024	Square Feet 2023	Square Feet 2022	Square Feet 2021	Square Feet 2020	Square Feet 2019	Square Feet 2018	Square Feet 2017	Square Feet 2016
19,928	19,928	19,928	19,928	19,928	19,928	19,928	20,800	19,928
N/A			29,647	29,647	29,647	64,113	24,578	29,647
N/A			64,113	64,113	64,113	67,079	67,079	64,113
92,302	73,428	73,428	73,428	73,428	73,428	73,428	76,325	73,428
N/A	N/A	N/A	N/A	N/A	N/A	37,820	37,820	37,820
64,113	64,113							
54,931	54,931	54,931						
29,647	29,647	29,647						







FORT WORTH  
INDEPENDENT SCHOOL DISTRICT

**APPENDIX C**  
**FORM OF CO-BOND COUNSEL'S OPINION**

*(This Page Intentionally Blank)*

## **Proposed Form of Opinion of Co-Bond Counsel**

*An opinion in substantially the following form will be delivered by Norton Rose Fulbright US LLP and Kelly Hart & Hallman LLP, Co-Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.*

[CLOSING DATE]

IN REGARD to the authorization and issuance of the "Fort Worth Independent School District Unlimited Tax Refunding Bonds, Series 2025A," dated December 15, 2025, in the aggregate principal amount of \$129,925,000 (the "Bonds"), we have examined into their issuance by the Fort Worth Independent School District (the "District") solely to express legal opinions as to the validity of the Bonds, the defeasance and discharge of the District's outstanding obligations being refunded by the Bonds and the exclusion of the interest on the Bonds from gross income for federal income tax purposes, and for no other purpose. We have not been requested to investigate or verify, and we neither expressly nor by implication render herein any opinion concerning, the financial condition or capabilities of the District, the disclosure of any financial or statistical information or data pertaining to the District and used in the sale of the Bonds, or the sufficiency of the security for or the value or marketability of the Bonds.

THE BONDS are issued in fully registered form only and in denominations of \$5,000 or any integral multiple thereof (within a maturity). The Bonds mature on February 15 in each of the years specified in the pricing certificate (the "Pricing Certificate") executed pursuant to an order adopted by the Board of Trustees of the District authorizing the issuance of the Bonds (the "Order" and, jointly with the Pricing Certificate, the "Bond Order"), without right of prior redemption. The Bonds accrue interest from the date, at the rates, and in the manner and interest is payable on the dates, all as provided in the Bond Order.

IN RENDERING THE OPINIONS herein we have examined and rely upon (i) original or certified copies of the proceedings relating to the issuance of the Bonds, including the Bond Order, an Escrow Agreement (the "Escrow Agreement") by and between the District and Zions Bancorporation, National Association (the "Escrow Agent"), a special report of Frost CPA LLC, in conjunction with Public Finance Partners LLC (the "Verification Agent"), and an examination of the initial Bond executed and delivered by the District (which we found to be in due form and properly executed); (ii) certifications of officers of the District relating to the expected use and investment of proceeds of the sale of the Bonds and certain other funds of the District and (iii) other documentation and such matters of law as we deem relevant. In the examination of the proceedings relating to the issuance of the Bonds, we have assumed the authenticity of all documents submitted to us as originals, the conformity to original copies of all documents submitted to us as certified copies, and the accuracy of the statements contained in such documents and certifications.

BASED ON OUR EXAMINATION, we are of the opinion that, under applicable laws of the United States of America and the State of Texas in force and effect on the date hereof:

1. The Bonds have been duly authorized by the District and, when issued in compliance with the provisions of the Bond Order, are valid, legally binding, and enforceable obligations of the District, payable from the proceeds of an ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property within the District, except to the extent that the enforceability thereof may be affected by bankruptcy, insolvency, reorganization, moratorium, or other similar laws affecting creditors' rights or the exercise of judicial discretion in accordance with general principles of equity.

2. The Escrow Agreement has been duly authorized, executed and delivered and, assuming the due authorization, execution or acceptance, and delivery thereof by the Escrow Agent, is a binding and enforceable agreement in accordance with its terms, and the bonds being refunded by the Bonds have been defeased and are regarded as being outstanding only for the purpose of receiving payment from the funds held in a trust fund by the Escrow Agent, pursuant to the Escrow Agreement and in accordance with the provisions of Texas Government Code, Chapter 1207, as amended. In rendering this opinion, we have relied upon the special report of the Verification Agent as to the sufficiency of the cash and investments deposited with the Escrow Agent pursuant to the Escrow Agreement for the purposes of paying the outstanding bonds refunded and to be retired with the proceeds of the Bonds and the interest thereon.

3. Pursuant to section 103 of the Internal Revenue Code of 1986, as amended to the date hereof (the "Code"), and existing regulations, published rulings, and court decisions thereunder, and assuming continuing compliance after the date hereof by the District with the provisions of the Bond Order relating to sections 141 through 150 of the Code, interest on the Bonds for federal income tax purposes (a) will be excludable from the gross income, as defined in section 61 of the Code, of the owners thereof, and (b) will not be included in computing the alternative minimum taxable income of the owners thereof who are individuals.

WE EXPRESS NO OTHER OPINION with respect to any other federal, state, or local tax consequences under present law or any proposed legislation resulting from the receipt or accrual of interest on, or the acquisition or disposition of, the Bonds. Ownership of tax-exempt obligations such as the Bonds may result in collateral federal tax consequences to, among others, financial institutions, life insurance companies, property and casualty insurance companies, certain foreign corporations doing business in the United States, "S" corporations with subchapter "C" earnings and profits, corporations subject to the alternative minimum tax on adjusted financial statement income, owners of interests in a financial asset securitization investment trust, individual recipients of Social Security or Railroad Retirement benefits, individuals otherwise qualifying for the earned income tax credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase or carry, or who have paid or incurred certain expenses allocable to, tax-exempt obligations.

OUR OPINIONS ARE BASED on existing law, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of result and are not binding on the Internal Revenue

Page 3 of Legal Opinion of Co-Bond Counsel

Re: "Fort Worth Independent School District Unlimited Tax Refunding Bonds, Series 2025A,"  
dated December 15, 2025

Service; rather, such opinions represent our legal judgment based upon our review of existing law that we deem relevant to such opinions and in reliance upon the representations and covenants referenced above.

*(This Page Intentionally Blank)*

## **APPENDIX D**

### **THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM**

*The following is incorporated into the offering document to which it is attached. Such information has been provided by the Texas Education Agency and is not guaranteed as to accuracy or completeness by, and should not be construed as a representation by, the District, the Underwriters or the Co-Municipal Advisors.*

*(This Page Intentionally Blank)*

(Dated: April 4, 2025)

**The following is to be included in the main body of all offering documents for debt guaranteed by the Permanent School Fund:**

**THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM**

Subject to satisfying certain conditions, the payment of the Bonds will be guaranteed by the corpus of the Permanent School Fund of the State of Texas. In the event of default, registered owners will receive all payments due on the Bonds from the Permanent School Fund, and the Charter District Bond Guarantee Reserve would be the first source to pay debt service if a charter school was unable to make such payment. See “Appendix [ ] – THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM” for pertinent information regarding the Permanent School Fund Guarantee Program. The disclosure regarding the Permanent School Fund Guarantee Program in Appendix [ ] is incorporated herein and made a part hereof for all purposes.

**The following is to be included as an appendix to all offering documents on debt guaranteed by the Permanent School Fund:**

APPENDIX \_\_\_\_\_

*The following is incorporated into the offering document to which it is attached.*

**THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM**

This disclosure statement provides information relating to the program (the “Guarantee Program”) administered by the Texas Education Agency (the “TEA”) with respect to the Texas Permanent School Fund guarantee of tax-supported bonds issued by Texas school districts and the guarantee of revenue bonds issued by or for the benefit of Texas charter districts. The Guarantee Program was authorized by an amendment to the Texas Constitution in 1983 and is governed by Subchapter C of Chapter 45 of the Texas Education Code, as amended (the “Act”). While the Guarantee Program applies to bonds issued by or for both school districts and charter districts, as described below, the Act and the program rules for the two types of districts have some distinctions. For convenience of description and reference, those aspects of the Guarantee Program that are applicable to school district bonds and to charter district bonds are referred to herein as the “School District Bond Guarantee Program” and the “Charter District Bond Guarantee Program,” respectively.

Some of the information contained in this Section may include projections or other forward-looking statements regarding future events or the future financial performance of the Texas Permanent School Fund (the “PSF” or the “Fund”). Actual results may differ materially from those contained in any such projections or forward-looking statements.

The regular session of the 89th Texas Legislature (the “Legislature”) convened on January 14, 2025, and is scheduled to conclude on June 2, 2025. As of the date of this disclosure, the regular

session is underway. The Texas Governor may call one or more special sessions at the conclusion of the regular session. During this time, the Legislature may enact laws that materially change current law as it relates to the Guarantee Program, the TEA, the State Board of Education (the “SBOE”), the Permanent School Fund Corporation (the “PSF Corporation”), the Act, and Texas school finance generally. No representation is made regarding any actions the Legislature has taken or may take, but the TEA, SBOE, and PSF Corporation monitor and analyze legislation for any developments applicable thereto.

## **History and Purpose**

The PSF supports the State’s public school system in two major ways: distributions to the constitutionally established Available School Fund (the “ASF”), as described below, and the guarantee of school district and charter district issued bonds through the Guarantee Program. The PSF was created in 1845 and received its first significant funding with a \$2,000,000 appropriation by the Legislature in 1854 expressly for the benefit of the public schools of Texas, with the sole purpose of assisting in the funding of public education for present and future generations. The Constitution of 1876 described that the PSF would be “permanent,” and stipulated that certain lands and all proceeds from the sale of these lands should also constitute the PSF. Additional acts later gave more public domain land and rights to the PSF. In 1953, the U.S. Congress passed the Submerged Lands Act that relinquished to coastal states all rights of the U.S. navigable waters within state boundaries. If the State, by law, had set a larger boundary prior to or at the time of admission to the Union, or if the boundary had been approved by Congress, then the larger boundary applied. After three years of litigation (1957-1960), the U.S. Supreme Court on May 31, 1960, affirmed Texas’ historic three marine leagues (10.35 miles) seaward boundary. Texas proved its submerged lands property rights to three leagues into the Gulf of Mexico by citing historic laws and treaties dating back to 1836. All lands lying within that limit belong to the PSF. The proceeds from the sale and the mineral-related rental of these lands, including bonuses, delay rentals and royalty payments, become the corpus of the Fund. Prior to the approval by the voters of the State of an amendment to the constitutional provision under which the Fund was established and administered, which occurred on September 13, 2003 (the “Total Return Constitutional Amendment”), and which is further described below, only the income produced by the PSF could be used to complement taxes in financing public education, which primarily consisted of income from securities, capital gains from securities transactions, and royalties from the sale of oil and natural gas. The Total Return Constitutional Amendment provides that interest and dividends produced by Fund investments will be additional revenue to the PSF.

On November 8, 1983, the voters of the State approved a constitutional amendment that provides for the guarantee by the PSF of bonds issued by school districts. On approval by the State Commissioner of Education (the “Education Commissioner”), bonds properly issued by a school district are fully guaranteed by the PSF. See “The School District Bond Guarantee Program.”

In 2011, legislation was enacted that established the Charter District Bond Guarantee Program as a new component of the Guarantee Program. That legislation authorized the use of the PSF to guarantee revenue bonds issued by or for the benefit of certain open-enrollment charter schools that are designated as “charter districts” by the Education Commissioner. On approval by the

Education Commissioner, bonds properly issued by a charter district participating in the Guarantee Program are fully guaranteed by the PSF. The Charter District Bond Guarantee Program became effective on March 3, 2014. See “The Charter District Bond Guarantee Program.”

State law also permits charter schools to be chartered and operated by school districts and other political subdivisions, but bond financing of facilities for school district-operated charter schools is subject to the School District Bond Guarantee Program, not the Charter District Bond Guarantee Program.

While the School District Bond Guarantee Program and the Charter District Bond Guarantee Program relate to different types of bonds issued for different types of Texas public schools, and have different program regulations and requirements, a bond guaranteed under either part of the Guarantee Program has the same effect with respect to the guarantee obligation of the Fund thereto, and all guaranteed bonds are aggregated for purposes of determining the capacity of the Guarantee Program (see “Capacity Limits for the Guarantee Program”). The Charter District Bond Guarantee Program as enacted by State law has not been reviewed by any court, nor has the Texas Attorney General (the “Attorney General”) been requested to issue an opinion, with respect to its constitutional validity.

Audited financial information for the PSF is provided annually through the PSF Corporation’s Annual Comprehensive Financial Report (the “Annual Report”), which is filed with the Municipal Securities Rulemaking Board (“MSRB”). The Texas School Land Board’s (the “SLB”) land and real assets investment operations, which are part of the PSF as described below, are also included in the annual financial report of the Texas General Land Office (the “GLO”) that is included in the annual comprehensive report of the State of Texas. The Annual Report includes the Message From the Chief Executive Officer of the PSF Corporation (the “Message”) and the Management’s Discussion and Analysis (“MD&A”). The Annual Report for the year ended August 31, 2024, as filed with the MSRB in accordance with the PSF undertaking and agreement made in accordance with Rule 15c2-12 (“Rule 15c2-12”) of the United States Securities and Exchange Commission (the “SEC”), as described below, is hereby incorporated by reference into this disclosure. Information included herein for the year ended August 31, 2024, is derived from the audited financial statements of the PSF, which are included in the Annual Report as it is filed and posted. Reference is made to the Annual Report for the complete Message and MD&A for the year ended August 31, 2024, and for a description of the financial results of the PSF for the year ended August 31, 2024, the most recent year for which audited financial information regarding the Fund is available. The 2024 Annual Report speaks only as of its date and the PSF Corporation has not obligated itself to update the 2024 Annual Report or any other Annual Report. The PSF Corporation posts (i) each Annual Report, which includes statistical data regarding the Fund as of the close of each fiscal year, (ii) the most recent disclosure for the Guarantee Program, (iii) the PSF Corporation’s Investment Policy Statement (the “IPS”), and (iv) monthly updates with respect to the capacity of the Guarantee Program (collectively, the “Web Site Materials”) on the PSF Corporation’s web site at <https://texaspsf.org> and with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org). Such monthly updates regarding the Guarantee Program are also incorporated herein and made a part hereof for all purposes. In addition to the Web Site Materials, the Fund is required to make quarterly filings with the SEC under Section 13(f) of the Securities Exchange Act of 1934. Such

filings, which consist of a list of the Fund's holdings of securities specified in Section 13(f), including exchange-traded (*e.g.*, NYSE) or NASDAQ-quoted stocks, equity options and warrants, shares of closed-end investment companies and certain convertible debt securities, are available from the SEC at [www.sec.gov/edgar](http://www.sec.gov/edgar). A list of the Fund's equity and fixed income holdings as of August 31 of each year is posted to the PSF Corporation's web site and filed with the MSRB. Such list excludes holdings in the Fund's securities lending program. Such list, as filed, is incorporated herein and made a part hereof for all purposes.

## **Management and Administration of the Fund**

The Texas Constitution and applicable statutes delegate to the SBOE and the PSF Corporation the authority and responsibility for investment of the PSF's financial assets. The SBOE consists of 15 members who are elected by territorial districts in the State to four-year terms of office. The PSF Corporation is a special-purpose governmental corporation and instrumentality of the State entitled to sovereign immunity, and is governed by a nine-member board of directors (the "PSFC Board"), which consists of five members of the SBOE, the Land Commissioner, and three appointed members who have substantial background and expertise in investments and asset management, with one member being appointed by the Land Commissioner and the other two appointed by the Governor with confirmation by the Senate.

The PSF's non-financial real assets, including land, mineral and royalty interests, and individual real estate holdings, are held by the GLO and managed by the SLB. The SLB is required to send PSF mineral and royalty revenues to the PSF Corporation for investment, less amounts specified by appropriation to be retained by the SLB.

The Texas Constitution provides that the Fund shall be managed through the exercise of the judgment and care under the circumstances then prevailing which persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital (the "Prudent Person Standard"). In accordance with the Texas Constitution, the SBOE views the PSF as a perpetual endowment, and the Fund is managed as an endowment fund with a long-term investment horizon. For a detailed description of the PSFC Board's investment objectives, as well as a description of the PSFC Boards's roles and responsibilities in managing and administering the Fund, see the IPS and Board meeting materials (available on the PSF Corporation's website).

As described below, the Total Return Constitutional Amendment restricts the annual pay-out from the Fund to both (i) 6% of the average of the market value of the Fund, excluding real property, on the last day of each of the sixteen State fiscal quarters preceding the Regular Session of the Legislature that begins before that State fiscal biennium, and (ii) the total-return on all investment assets of the Fund over a rolling ten-year period.

By law, the Education Commissioner is appointed by the Governor, with Senate confirmation, and assists the SBOE, but the Education Commissioner can neither be hired nor dismissed by the SBOE. The PSF Corporation has also engaged outside counsel to advise it as to its duties with

respect to the Fund, including specific actions regarding the investment of the PSF to ensure compliance with fiduciary standards, and to provide transactional advice in connection with the investment of Fund assets in non-traditional investments. TEA's General Counsel provides legal advice to the SBOE but will not provide legal advice directly to the PSF Corporation.

The Total Return Constitutional Amendment shifted administrative costs of the Fund from the ASF to the PSF, providing that expenses of managing the PSF are to be paid "by appropriation" from the PSF. In January 2005, the Attorney General issued a legal opinion, Op. Tex. Att'y Gen. No. GA-0293 (2005), stating that the Total Return Constitutional Amendment does not require the SBOE to pay from such appropriated PSF funds the indirect management costs deducted from the assets of a mutual fund or other investment company in which PSF funds have been invested.

The Act requires that the Education Commissioner prepare, and the SBOE approve, an annual status report on the Guarantee Program (which is included in the Annual Report). The State Auditor or a certified public accountant audits the financial statements of the PSF, which are separate from other financial statements of the State. Additionally, not less than once each year, the PSFC Board must submit an audit report to the Legislative Budget Board ("LBB") regarding the operations of the PSF Corporation. The PSF Corporation may contract with a certified public accountant or the State Auditor to conduct an independent audit of the operations of the PSF Corporation, but such authorization does not affect the State Auditor's authority to conduct an audit of the PSF Corporation in accordance with State laws.

For each biennium, beginning with the 2024-2025 State biennium, the PSF Corporation is required to submit a legislative appropriations request ("LAR") to the LBB and the Office of the Governor that details a request for appropriation of funds to enable the PSF Corporation to carry out its responsibilities for the investment management of the Fund. The requested funding, budget structure, and riders are sufficient to fully support all operations of the PSF Corporation in state fiscal years 2026 and 2027. As described therein, the LAR is designed to provide the PSF Corporation with the ability to operate as a stand-alone state entity in the State budget while retaining the flexibility to fulfill its fiduciary duty and provide oversight and transparency to the Legislature and Governor.

### **The Total Return Constitutional Amendment**

The Total Return Constitutional Amendment requires that PSF distributions to the ASF be determined using a "total-return-based" approach that provides that the total amount distributed from the Fund to the ASF: (1) in each year of a State fiscal biennium must be an amount that is not more than 6% of the average of the market value of the Fund, excluding real property (the "Distribution Rate"), on the last day of each of the sixteen State fiscal quarters preceding the Regular Session of the Legislature that begins before that State fiscal biennium, in accordance with the rate adopted by: (a) a vote of two-thirds of the total membership of the SBOE, taken before the Regular Session of the Legislature convenes or (b) the Legislature by general law or appropriation, if the SBOE does not adopt a rate as provided by clause (a); and (2) over the ten-year period consisting of the current State fiscal year and the nine preceding State fiscal years may not exceed the total return on all investment assets of the Fund over the same ten-year period (the "Ten Year

Total Return”). In April 2009, the Attorney General issued a legal opinion, Op. Tex. Att’y Gen. No. GA-0707 (2009) (“GA-0707”), with regard to certain matters pertaining to the Distribution Rate and the determination of the Ten Year Total Return. In GA-0707 the Attorney General opined, among other advice, that (i) the Ten Year Total Return should be calculated on an annual basis, (ii) a contingency plan adopted by the SBOE, to permit monthly transfers equal in aggregate to the annual Distribution Rate to be halted and subsequently made up if such transfers temporarily exceed the Ten Year Total Return, is not prohibited by State law, provided that such contingency plan applies only within a fiscal year time basis, not on a biennium basis, and (iii) the amount distributed from the Fund in a fiscal year may not exceed 6% of the average of the market value of the Fund or the Ten Year Total Return. In accordance with GA-0707, in the event that the Ten Year Total Return is exceeded during a fiscal year, transfers to the ASF will be halted. However, if the Ten Year Total Return subsequently increases during that biennium, transfers may be resumed, if the SBOE has provided for that contingency, and made in full during the remaining period of the biennium, subject to the limit of 6% in any one fiscal year. Any shortfall in the transfer that results from such events from one biennium may not be paid over to the ASF in a subsequent biennium as the SBOE would make a separate payout determination for that subsequent biennium.

In determining the Distribution Rate, the SBOE has adopted the goal of maximizing the amount distributed from the Fund in a manner designed to preserve “intergenerational equity.” The definition of intergenerational equity that the SBOE has generally followed is the maintenance of purchasing power to ensure that endowment spending keeps pace with inflation, with the ultimate goal being to ensure that current and future generations are given equal levels of purchasing power in real terms. In making this determination, the SBOE takes into account various considerations, and relies upon PSF Corporation and TEA staff and external investment consultants, which undertake analysis for long-term projection periods that includes certain assumptions. Among the assumptions used in the analysis are a projected rate of growth of student enrollment State-wide, the projected contributions and expenses of the Fund, projected returns in the capital markets and a projected inflation rate.

The Texas Constitution also provides authority to the GLO or another entity (described in statute as the SLB or the PSF Corporation) that has responsibility for the management of revenues derived from land or other properties of the PSF to determine whether to transfer an amount each year to the ASF from the revenue derived during the current year from such land or properties. The Texas Constitution limits the maximum transfer to the ASF to \$600 million in each year from the revenue derived during that year from the PSF from the GLO, the SBOE or another entity to the extent such entity has the responsibility for the management of revenues derived from such land or other properties. Any amount transferred to the ASF pursuant to this constitutional provision is excluded from the 6% Distribution Rate limitation applicable to SBOE transfers.

The following table shows amounts distributed to the ASF from the portions of the Fund administered by the SBOE (the “PSF(SBOE)”), the PSF Corporation (the “PSF(CORP)”), and the SLB (the “PSF(SLB)”).

**Annual Distributions to the Available School Fund<sup>1</sup>**

<u>Fiscal Year Ending</u>	<u>2015</u>	<u>2016</u>	<u>2017</u>	<u>2018</u>	<u>2019</u>	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2023</u> <sup>2</sup>	<u>2024</u>
PSF(CORP) Distribution	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$2,076	\$2,156
PSF(SBOE) Distribution	839	1,056	1,056	1,236	1,236	1,102	1,102	1,731	-	-
PSF(SLB) Distribution	-	-	-	-	300	600	600 <sup>3</sup>	415	115	-
Per Student Distribution	173	215	212	247	306	347	341	432	440	430

<sup>1</sup> In millions of dollars. Source: Annual Report for year ended August 31, 2024.

<sup>2</sup> Reflects the first fiscal year in which distributions were made by the PSF Corporation.

<sup>3</sup> In September 2020, the SBOE approved a special, one-time transfer of \$300 million from the portion of the PSF managed by the SBOE to the portion of the PSF managed by the SLB, which amount is to be transferred to the ASF by the SLB in fiscal year 2021. In approving the special transfer, the SBOE determined that the transfer was in the best interest of the PSF due to the historic nature of the public health and economic circumstances resulting from the COVID-19 pandemic and its impact on the school children of Texas.

In November 2024, the SBOE approved a \$3.6 billion distribution to the ASF for State fiscal biennium 2026-2027. In making its determination of the 2026-2027 Distribution Rate, the SBOE took into account the planned distribution to the ASF by the PSF Corporation of \$1.2 billion for the biennium.

Efforts to achieve the intergenerational equity objective, as described above, result in changes in the Distribution Rate for each biennial period. The following table sets forth the Distribution Rates announced by the SBOE in the fall of each even-numbered year to be applicable for the following biennium.

<u>State Fiscal Biennium</u>	<u>2010-11</u>	<u>2012-13</u>	<u>2014-15</u>	<u>2016-17</u>	<u>2018-19</u>	<u>2020-21</u>	<u>2022-23</u>	<u>2024-25</u>	<u>2026-27</u>
<u>SBOE Distribution Rate</u> <sup>1</sup>	2.5%	4.2%	3.3%	3.5%	3.7%	2.974%	4.18%	3.32%	3.45%

<sup>1</sup> Includes only distributions made to the ASF by the SBOE; see the immediately preceding table for amounts of direct SLB distributions to the ASF. In addition, the PSF Corp approved transfers of \$600 million per year directly to the ASF for fiscal biennium 2026-27.

## **PSF Corporation Strategic Asset Allocation**

The PSFC Board sets the asset allocation policy for the Fund, including determining the available asset classes for investment and approving target percentages and ranges for allocation to each asset class, with the goal of delivering a long-term risk adjusted return through all economic and market environments. The IPS includes a combined asset allocation for all Fund assets (consisting of assets transferred for management to the PSF Corporation from the SBOE and the SLB). The IPS provides that the Fund's investment objectives are as follows:

- Generate distributions for the benefit of public schools in Texas;
- Maintain the purchasing power of the Fund, after spending and inflation, in order to maintain intergenerational equity with respect to distributions from the Fund;
- Provide a maximum level of return consistent with prudent risk levels, while maintaining sufficient liquidity needed to support Fund obligations; and
- Maintain a AAA credit rating, as assigned by a nationally recognized securities rating organization.

The table below sets forth the current strategic asset allocation of the Fund that was adopted September 2024 (which is subject to change from time to time):

Asset Class	Strategic Asset Allocation	Range	
		Min	Max
Cash	2.0%	0.0%	n/a
Core Bonds	10.0%	5.0%	15.0%
High Yield	2.0%	0.0%	7.0%
Bank Loans	4.0%	0.0%	9.0%
Treasury Inflation Protected Securities	2.0%	0.0%	7.0%
Large Cap Equity	14.0%	9.0%	19.0%
Small/Mid-Cap Equity	6.0%	1.0%	11.0%
Non-US Developed Equity	7.0%	2.0%	12.0%
Absolute Return	3.0%	0.0%	8.0%
Real Estate	12.0%	7.0%	17.0%
Private Equity	20.0%	10.0%	30.0%
Private Credit	8.0%	3.0%	13.0%
Natural Resources	5.0%	0.0%	10.0%
Infrastructure	5.0%	0.0%	10.0%

The table below sets forth the comparative investments of the PSF for the fiscal years ending August 31, 2023 and 2024, as set forth in the Annual Report for the 2024 fiscal year. As of January 1, 2023, the assets of the PSF(SBOE) and the PSF(SLB) were generally combined (referred to herein as the PSF(CORP)) for investment management and accounting purposes.

### Comparative Investment Schedule – PSF(CORP)

Fair Value (in millions) August 31, 2024 and 2023				
ASSET CLASS	August 31, 2024	August 31, 2023	Amount of Increase (Decrease)	Percent Change
<b>EQUITY</b>				
Domestic Small Cap	\$3,651.3	\$ 2,975.1	\$ 676.2	22.7%
Domestic Large Cap	8,084.6	7,896.5	188.1	2.4%
Total Domestic Equity	11,735.9	10,871.6	864.3	8.0%
International Equity	4,131.1	7,945.5	(3,814.4)	-48.0%
<b>TOTAL EQUITY</b>	<b>15,867.0</b>	<b>18,817.1</b>	<b>(2,950.1)</b>	<b>-15.7%</b>
<b>FIXED INCOME</b>				
Domestic Fixed Income	-	5,563.7	-	-
US Treasuries	-	937.5	-	-
Core Bonds	8,151.6	-	-	-
Bank Loans	2,564.1	-	-	-
High Yield Bonds	2,699.5	1,231.6	1,467.9	119.2%
Emerging Market Debt	-	869.7	-	-
<b>TOTAL FIXED INCOME</b>	<b>13,415.2</b>	<b>8,602.5</b>	<b>4,812.7</b>	<b>55.9%</b>
<b>ALTERNATIVE INVESTMENTS</b>				

Absolute Return	3,106.0	3,175.8	(69.8)	-2.2%
Real Estate	6,101.0	6,525.2	(424.2)	-6.5%
Private Equity	8,958.8	8,400.7	558.1	6.6%
Emerging Manager Program	-	134.5	-	-
Real Return	-	1,663.7	-	-
Private Credit	2,257.9	-	-	-
Real Assets	4,648.1	4,712.1	(64.0)	-1.4%
<b>TOT ALT INVESTMENTS</b>	<b>25,071.8</b>	<b>24,612.0</b>	<b>459.8</b>	<b>1.9%</b>
UNALLOCATED CASH	<u>2,583.2</u>	<u>348.2</u>	<u>2,235</u>	<u>641.9%</u>
TOTAL PSF(CORP) INVESTMENTS	56,937.2	\$ 52,379.8	\$ 4,557.4	8.7%

Source: Annual Report for year ended August 31, 2024.

The table below sets forth the investments of the PSF(SLB) for the year ended August 31, 2024.

### Investment Schedule - PSF(SLB)<sup>1</sup>

Fair Value (in millions) August 31, 2024

Investment Type	As of <u>8-31-24</u>
Investments in Real Assets	
Sovereign Lands	\$ 277.47
Discretionary Internal Investments	457.01
Other Lands	153.15
Minerals <sup>(2), (3)</sup>	<u>4,540.61</u> <sup>(6)</sup>
Total Investments <sup>(4)</sup>	5,428.23
Cash in State Treasury <sup>(5)</sup>	0
Total Investments & Cash in State Treasury	\$ 5,428.23

<sup>1</sup> Unaudited figures from Table 5 in the FY 2024 Unaudited Annual Financial Report of the Texas General Land Office and Veterans Land Board.

<sup>2</sup> Historical Cost of investments at August 31, 2024 was: Sovereign Lands \$838,730.24; Discretionary Internal Investments \$318,902,420.97; Other Lands \$37,290,818.76; and Minerals \$13,437,063.73.

<sup>3</sup> Includes an estimated 1,000,000.00 acres in freshwater rivers.

<sup>4</sup> Includes an estimated 1,747,600.00 in excess acreage.

<sup>5</sup> Cash in State Treasury is managed by the Treasury Operations Division of the Comptroller of Public Accounts of the State of Texas.

<sup>6</sup> Future Net Revenues discounted at 10% and then adjusted for risk factors. A mineral reserve report is prepared annually by external third-party petroleum engineers.

The asset allocation of the Fund's financial assets portfolio is subject to change by the PSF Corporation from time to time based upon a number of factors, including recommendations to the PSF Corporation made by internal investment staff and external consultants. Fund performance may also be affected by factors other than asset allocation, including, without limitation, the general performance of the securities markets and other capital markets in the United States and abroad, which may be affected by different levels of economic activity; decisions of political officeholders; significant adverse weather events; development of hostilities in and among nations;

cybersecurity threats and events; changes in international trade policies or practices; application of the Prudent Person Standard, which may eliminate certain investment opportunities for the Fund; management fees paid to external managers and embedded management fees for some fund investments; and PSF operational limitations impacted by Texas law or legislative appropriation. The Guarantee Program could also be impacted by changes in State or federal law or regulations or the implementation of new accounting standards.

### **The School District Bond Guarantee Program**

The School District Bond Guarantee Program requires an application be made by a school district to the Education Commissioner for a guarantee of its bonds. If the conditions for the School District Bond Guarantee Program are satisfied, the guarantee becomes effective upon approval of the bonds by the Attorney General and remains in effect until the guaranteed bonds are paid or defeased, by a refunding or otherwise.

In the event of default, holders of guaranteed school district bonds will receive all payments as and when may become due from the corpus of the PSF. Following a determination that a school district will be or is unable to pay maturing or matured principal or interest on any guaranteed bond, the Act requires the school district to notify the Education Commissioner not later than the fifth day before the stated maturity date of such bond or interest payment. Immediately following receipt of such notice, the Education Commissioner must cause to be transferred from the appropriate account in the PSF to the Paying Agent/Registrar an amount necessary to pay the maturing or matured principal and interest, as applicable. Upon receipt of funds for payment of such principal or interest, the Paying Agent/Registrar must pay the amount due and forward the canceled bond or evidence of payment of the interest to the State Comptroller of Public Accounts (the "Comptroller"). The Education Commissioner will instruct the Comptroller to withhold the amount paid, plus interest, from the first State money payable to the school district. The amount withheld pursuant to this funding "intercept" feature will be deposited to the credit of the PSF. The Comptroller must hold such canceled bond or evidence of payment of the interest on behalf of the PSF. Following full reimbursement of such payment by the school district to the PSF with interest, the Comptroller will cancel the bond or evidence of payment of the interest and forward it to the school district. The Act permits the Education Commissioner to order a school district to set a tax rate sufficient to reimburse the PSF for any payments made with respect to guaranteed bonds, and also sufficient to pay future payments on guaranteed bonds, and provides certain enforcement mechanisms to the Education Commissioner, including the appointment of a board of managers or annexation of a defaulting school district to another school district.

If a school district fails to pay principal or interest on a bond as it is stated to mature, other amounts not due and payable are not accelerated and do not become due and payable by virtue of the district's default. The School District Bond Guarantee Program does not apply to the payment of principal and interest upon redemption of bonds, except upon mandatory sinking fund redemption, and does not apply to the obligation, if any, of a school district to pay a redemption premium on its guaranteed bonds. The guarantee applies to all matured interest on guaranteed school district bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond order provision requiring an

interest rate change. The guarantee does not extend to any obligation of a school district under any agreement with a third party relating to guaranteed bonds that is defined or described in State law as a “bond enhancement agreement” or a “credit agreement,” unless the right to payment of such third party is directly as a result of such third party being a bondholder.

In the event that two or more payments are made from the PSF on behalf of a district, the Education Commissioner shall request the Attorney General to institute legal action to compel the district and its officers, agents and employees to comply with the duties required of them by law in respect to the payment of guaranteed bonds.

Generally, the regulations that govern the School District Bond Guarantee Program (the “SDBGP Rules”) limit guarantees to certain types of notes and bonds, including, with respect to refunding bonds issued by school districts, a requirement that the bonds produce debt service savings. The SDBGP Rules include certain accreditation criteria for districts applying for a guarantee of their bonds, and limit guarantees to districts that have less than the amount of annual debt service per average daily attendance that represents the 90th percentile of annual debt service per average daily attendance for all school districts, but such limitation will not apply to school districts that have enrollment growth of at least 25% over the previous five school years. The SDBGP Rules are codified in the Texas Administrative Code at 19 TAC section 33.6 and are available at <https://tea.texas.gov/finance-and-grants/state-funding/facilities-funding-and-standards/bond-guarantee-program>.

### **The Charter District Bond Guarantee Program**

The Charter District Bond Guarantee Program became effective March 3, 2014. The SBOE published final regulations in the Texas Register that provide for the administration of the Charter District Bond Guarantee Program (the “CDBGP Rules”). The CDBGP Rules are codified at 19 TAC section 33.7 and are available at <https://tea.texas.gov/finance-and-grants/state-funding/facilities-funding-and-standards/bond-guarantee-program>.

The Charter District Bond Guarantee Program has been authorized through the enactment of amendments to the Act, which provide that a charter holder may make application to the Education Commissioner for designation as a “charter district” and for a guarantee by the PSF under the Act of bonds issued on behalf of a charter district by a non-profit corporation. If the conditions for the Charter District Bond Guarantee Program are satisfied, the guarantee becomes effective upon approval of the bonds by the Attorney General and remains in effect until the guaranteed bonds are paid or defeased, by a refunding or otherwise.

Pursuant to the CDBGP Rules, the Education Commissioner annually determines the ratio of charter district students to total public school students, for the 2025 fiscal year, the ratio is 7.86%. At February 27, 2025, there were 188 active open-enrollment charter schools in the State and there were 1,222 charter school campuses authorized under such charters, though as of such date, 264 of such campuses are not currently serving students for various reasons; therefore, there are 958 charter school campuses actively serving students in Texas. Section 12.101, Texas Education Code, limits the number of charters that the Education Commissioner may grant to a total number

of 305 charters. While legislation limits the number of charters that may be granted, it does not limit the number of campuses that may operate under a particular charter. For information regarding the capacity of the Guarantee Program, see “Capacity Limits for the Guarantee Program.” The Act provides that the Education Commissioner may not approve the guarantee of refunding or refinanced bonds under the Charter District Bond Guarantee Program in a total amount that exceeds one-half of the total amount available for the guarantee of charter district bonds under the Charter District Bond Guarantee Program.

In accordance with the Act, the Education Commissioner may not approve charter district bonds for guarantee if such guarantees will result in lower bond ratings for public school district bonds that are guaranteed under the School District Bond Guarantee Program. To be eligible for a guarantee, the Act provides that a charter district’s bonds must be approved by the Attorney General, have an unenhanced investment grade rating from a nationally recognized investment rating firm, and satisfy a limited investigation conducted by the TEA.

The Charter District Bond Guarantee Program does not apply to the payment of principal and interest upon redemption of bonds, except upon mandatory sinking fund redemption, and does not apply to the obligation, if any, of a charter district to pay a redemption premium on its guaranteed bonds. The guarantee applies to all matured interest on guaranteed charter district bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond resolution provision requiring an interest rate change. The guarantee does not extend to any obligation of a charter district under any agreement with a third party relating to guaranteed bonds that is defined or described in State law as a “bond enhancement agreement” or a “credit agreement,” unless the right to payment of such third party is directly as a result of such third party being a bondholder.

In the event of default, holders of guaranteed charter district bonds will receive all payments as and when they become due from the corpus of the PSF. Following a determination that a charter district will be or is unable to pay maturing or matured principal or interest on any guaranteed bond, the Act requires a charter district to notify the Education Commissioner not later than the fifth day before the stated maturity date of such bond or interest payment and provides that immediately following receipt of notice that a charter district will be or is unable to pay maturing or matured principal or interest on a guaranteed bond, the Education Commissioner is required to instruct the Comptroller to transfer from the Charter District Reserve Fund to the district's paying agent an amount necessary to pay the maturing or matured principal or interest, as applicable. If money in the Charter District Reserve Fund is insufficient to pay the amount due on a bond for which a notice of default has been received, the Education Commissioner is required to instruct the Comptroller to transfer from the PSF to the district’s paying agent the amount necessary to pay the balance of the unpaid maturing or matured principal or interest, as applicable. If a total of two or more payments are made under the Charter District Bond Guarantee Program on charter district bonds and the Education Commissioner determines that the charter district is acting in bad faith under the program, the Education Commissioner may request the Attorney General to institute appropriate legal action to compel the charter district and its officers, agents, and employees to comply with the duties required of them by law in regard to the guaranteed bonds. As is the case with the School District Bond Guarantee Program, the Act provides a funding “intercept” feature

that obligates the Education Commissioner to instruct the Comptroller to withhold the amount paid with respect to the Charter District Bond Guarantee Program, plus interest, from the first State money payable to a charter district that fails to make a guaranteed payment on its bonds. The amount withheld will be deposited, first, to the credit of the PSF, and then to restore any amount drawn from the Charter District Reserve Fund as a result of the non-payment.

The CDBGP Rules provide that the PSF may be used to guarantee bonds issued for the acquisition, construction, repair, or renovation of an educational facility for an open-enrollment charter holder and equipping real property of an open-enrollment charter school and/or to refinance promissory notes executed by an open-enrollment charter school, each in an amount in excess of \$500,000 the proceeds of which loans were used for a purpose described above (so-called new money bonds) or for refinancing bonds previously issued for the charter school that were approved by the Attorney General (so-called refunding bonds). Refunding bonds may not be guaranteed under the Charter District Bond Guarantee Program if they do not result in a present value savings to the charter holder.

The CDBGP Rules provide that an open-enrollment charter holder applying for charter district designation and a guarantee of its bonds under the Charter District Bond Guarantee Program satisfy various provisions of the regulations, including the following: It must (i) have operated at least one open-enrollment charter school with enrolled students in the State for at least three years; (ii) agree that the bonded indebtedness for which the guarantee is sought will be undertaken as an obligation of all entities under common control of the open-enrollment charter holder, and that all such entities will be liable for the obligation if the open-enrollment charter holder defaults on the bonded indebtedness, provided, however, that an entity that does not operate a charter school in Texas is subject to this provision only to the extent it has received state funds from the open-enrollment charter holder; (iii) have had completed for the past three years an audit for each such year that included unqualified or unmodified audit opinions; and (iv) have received an investment grade credit rating within the last year. Upon receipt of an application for guarantee under the Charter District Bond Guarantee Program, the Education Commissioner is required to conduct an investigation into the financial status of the applicant charter district and of the accreditation status of all open-enrollment charter schools operated under the charter, within the scope set forth in the CDBGP Rules. Such financial investigation must establish that an applying charter district has a historical debt service coverage ratio, based on annual debt service, of at least 1.1 for the most recently completed fiscal year, and a projected debt service coverage ratio, based on projected revenues and expenses and maximum annual debt service, of at least 1.2. The failure of an open-enrollment charter holder to comply with the Act or the applicable regulations, including by making any material misrepresentations in the charter holder's application for charter district designation or guarantee under the Charter District Bond Guarantee Program, constitutes a material violation of the open-enrollment charter holder's charter.

From time to time, TEA has limited new guarantees under the Charter District Bond Guarantee Program to conform to capacity limits specified by the Act. The Charter District Bond Guarantee Program Capacity (the "CDBGP Capacity") is made available from the capacity of the Guarantee Program but is not reserved exclusively for the Charter District Bond Guarantee Program. See "Capacity Limits for the Guarantee Program." Other factors that could increase the CDBGP

Capacity include Fund investment performance, future increases in the Guarantee Program multiplier, changes in State law that govern the calculation of the CDBGP Capacity, as described below, changes in State or federal law or regulations related to the Guarantee Program limit, growth in the relative percentage of students enrolled in open-enrollment charter schools to the total State scholastic census, legislative and administrative changes in funding for charter districts, changes in level of school district or charter district participation in the Guarantee Program, or a combination of such circumstances.

**Capacity Limits for the Guarantee Program**

The capacity of the Fund to guarantee bonds under the Guarantee Program is limited to the lesser of that imposed by State law (the “State Capacity Limit”) and that imposed by regulations and a notice issued by the IRS (the “IRS Limit”, with the limit in effect at any given time being the “Capacity Limit”). From 2005 through 2009, the Guarantee Program twice reached capacity under the IRS Limit, and in each instance the Guarantee Program was closed to new bond guarantee applications until relief was obtained from the IRS. The most recent closure of the Guarantee Program commenced in March 2009 and the Guarantee Program reopened in February 2010 after the IRS updated regulations relating to the PSF and similar funds.

Prior to 2007, various legislation was enacted modifying the calculation of the State Capacity limit; however, in 2007, Senate Bill 389 (“SB 389”) was enacted, providing for increases in the capacity of the Guarantee Program, and specifically providing that the SBOE may by rule increase the capacity of the Guarantee Program from two and one-half times the cost value of the PSF to an amount not to exceed five times the cost value of the PSF, provided that the increased limit does not violate federal law and regulations and does not prevent bonds guaranteed by the Guarantee Program from receiving the highest available credit rating, as determined by the SBOE. SB 389 further provided that the SBOE shall at least annually consider whether to change the capacity of the Guarantee Program. Additionally, on May 21, 2010, the SBOE modified the SDBGP Rules, and increased the State Capacity Limit to an amount equal to three times the cost value of the PSF. Such modified regulations, including the revised capacity rule, became effective on July 1, 2010. The SDBGP Rules provide that the Education Commissioner will estimate the available capacity of the PSF each month and may increase or reduce the State Capacity Limit multiplier to prudently manage fund capacity and maintain the AAA credit rating of the Guarantee Program but also provide that any changes to the multiplier made by the Education Commissioner are to be ratified or rejected by the SBOE at the next meeting following the change. See “Valuation of the PSF and Guaranteed Bonds” below.

Since September 2015, the SBOE has periodically voted to change the capacity multiplier as shown in the following table.

<u>Changes in SBOE-determined multiplier for State Capacity Limit</u>	
<u>Date</u>	<u>Multiplier</u>
Prior to May 2010	2.50
May 2010	3.00
September 2015	3.25

February 2017	3.50
September 2017	3.75
February 2018 (current)	3.50

Since December 16, 2009, the IRS Limit was a static limit set at 500% of the total cost value of the assets held by the PSF as of December 16, 2009; however, on May 10, 2023, the IRS released Notice 2023-39 (the “IRS Notice”), stating that the IRS would issue regulations amending the existing regulations to amend the calculation of the IRS limit to 500% of the total cost value of assets held by the PSF as of the date of sale of new bonds, effective as of May 10, 2023.

The IRS Notice changed the IRS Limit from a static limit to a dynamic limit for the Guarantee Program based upon the cost value of Fund assets, multiplied by five. As of January 31, 2025 the cost value of the Guarantee Program was \$48,560,433,760 (unaudited), thereby producing an IRS Limit of \$242,802,168,800 in principal amount of guaranteed bonds outstanding.

As of January 31, 2025, the estimated State Capacity Limit is \$169,961,518,160, which is lower than the IRS Limit, making the State Capacity Limit the current Capacity Limit for the Fund.

Since July 1991, when the SBOE amended the Guarantee Program Rules to broaden the range of bonds that are eligible for guarantee under the Guarantee Program to encompass most Texas school district bonds, the principal amount of bonds guaranteed under the Guarantee Program has increased sharply. In addition, in recent years a number of factors have caused an increase in the amount of bonds issued by school districts in the State. See the table “Permanent School Fund Guaranteed Bonds” below. Effective March 1, 2023, the Act provides that the SBOE may establish a percentage of the Capacity Limit to be reserved from use in guaranteeing bonds (the “Capacity Reserve”). The SDBGP Rules provide for a maximum Capacity Reserve for the overall Guarantee Program of 5% and provide that the amount of the Capacity Reserve may be increased or decreased by a majority vote of the SBOE based on changes in the cost value, asset allocation, and risk in the portfolio, or may be increased or decreased by the Education Commissioner as necessary to prudently manage fund capacity and preserve the AAA credit rating of the Guarantee Program (subject to ratification or rejection by the SBOE at the next meeting for which an item can be posted). The CDBGP Rules provide for an additional reserve of CDBGP Capacity determined by calculating an equal percentage as established by the SBOE for the Capacity Reserve, applied to the CDBGP Capacity. Effective March 1, 2023, the Capacity Reserve is 0.25%. The Capacity Reserve is noted in the monthly updates with respect to the capacity of the Guarantee Program on the PSF Corporation’s web site at <https://texaspsf.org/monthly-disclosures/>, which are also filed with the MSRB.

Based upon historical performance of the Fund, the legal restrictions relating to the amount of bonds that may be guaranteed has generally resulted in a lower ratio of guaranteed bonds to available assets as compared to many other types of credit enhancements that may be available for Texas school district bonds and charter district bonds. However, the ratio of Fund assets to guaranteed bonds and the growth of the Fund in general could be adversely affected by a number of factors, including Fund investment performance, investment objectives of the Fund, an increase in bond issues by school districts in the State or legal restrictions on the Fund, changes in State

laws that implement funding decisions for school districts and charter districts, which could adversely affect the credit quality of those districts, the implementation of the Charter District Bond Guarantee Program, or significant changes in distributions to the ASF. The issuance of the IRS Notice and the Final IRS Regulations resulted in a substantial increase in the amount of bonds guaranteed under the Guarantee Program.

No representation is made as to how the capacity will remain available, and the capacity of the Guarantee Program is subject to change due to a number of factors, including changes in bond issuance volume throughout the State and some bonds receiving guarantee approvals may not close. If the amount of guaranteed bonds approaches the State Capacity Limit, the SBOE or Education Commissioner may increase the State Capacity Limit multiplier as discussed above.

### **2017 Legislative Changes to the Charter District Bond Guarantee Program**

The CDBGP Capacity is established by the Act. During the 85th Texas Legislature, which concluded on May 29, 2017, Senate Bill 1480 (“SB 1480”) was enacted. SB 1480 amended the Act to modify how the CDBGP Capacity is established effective as of September 1, 2017, and made other substantive changes to the Charter District Bond Guarantee Program. Prior to the enactment of SB 1480, the CDBGP Capacity was calculated as the Capacity Limit less the amount of outstanding bond guarantees under the Guarantee Program multiplied by the percentage of charter district scholastic population relative to the total public school scholastic population. SB 1480 amended the CDBGP Capacity calculation so that the Capacity Limit is multiplied by the percentage of charter district scholastic population relative to the total public school scholastic population prior to the subtraction of the outstanding bond guarantees, thereby increasing the CDBGP Capacity.

The percentage of the charter district scholastic population to the overall public school scholastic population has grown from 3.53% in September 2012 to 7.86% in February 2025. TEA is unable to predict how the ratio of charter district students to the total State scholastic population will change over time.

In addition to modifying the manner of determining the CDBGP Capacity, SB 1480 provided that the Education Commissioner’s investigation of a charter district application for guarantee may include an evaluation of whether the charter district bond security documents provide a security interest in real property pledged as collateral for the bond and the repayment obligation under the proposed guarantee. The Education Commissioner may decline to approve the application if the Education Commissioner determines that sufficient security is not provided. The Act and the CDBGP Rules also require the Education Commissioner to make an investigation of the accreditation status and financial status for a charter district applying for a bond guarantee.

Since the initial authorization of the Charter District Bond Guarantee Program, the Act has established a bond guarantee reserve fund in the State treasury (the “Charter District Reserve Fund”). Formerly, the Act provided that each charter district that has a bond guaranteed must annually remit to the Education Commissioner, for deposit in the Charter District Reserve Fund, an amount equal to 10% of the savings to the charter district that is a result of the lower interest

rate on its bonds due to the guarantee by the PSF. SB 1480 modified the Act insofar as it pertains to the Charter District Reserve Fund. Effective September 1, 2017, the Act provides that a charter district that has a bond guaranteed must remit to the Education Commissioner, for deposit in the Charter District Reserve Fund, an amount equal to 20% of the savings to the charter district that is a result of the lower interest rate on the bond due to the guarantee by the PSF. The amount due shall be paid on receipt by the charter district of the bond proceeds. However, the deposit requirement will not apply if the balance of the Charter District Reserve Fund is at least equal to 3.00% of the total amount of outstanding guaranteed bonds issued by charter districts. At January 31, 2025, the Charter District Reserve Fund contained \$120,355,020, which represented approximately 2.44% of the guaranteed charter district bonds. The Reserve Fund is held and invested as a non-commingled fund under the administration of the PSF Corporation staff.

### **Charter District Risk Factors**

Open-enrollment charter schools in the State may not charge tuition and, unlike school districts, charter districts have no taxing power. Funding for charter district operations is largely from amounts appropriated by the Legislature. Additionally, the amount of State payments a charter district receives is based on a variety of factors, including the enrollment at the schools operated by a charter district, and may be affected by the State's economic performance and other budgetary considerations and various political considerations.

Other than credit support for charter district bonds that is provided to qualifying charter districts by the Charter District Bond Guarantee Program, State funding for charter district facilities construction is limited to a program established by the Legislature in 2017, which provides \$60 million per year for eligible charter districts with an acceptable performance rating for a variety of funding purposes, including for lease or purchase payments for instructional facilities. Since State funding for charter facilities is limited, charter schools generally issue revenue bonds to fund facility construction and acquisition, or fund facilities from cash flows of the school. Some charter districts have issued non-guaranteed debt in addition to debt guaranteed under the Charter District Bond Guarantee Program, and such non-guaranteed debt is likely to be secured by a deed of trust covering all or part of the charter district's facilities. In March 2017, the TEA began requiring charter districts to provide the TEA with a lien against charter district property as a condition to receiving a guarantee under the Charter District Bond Guarantee Program. However, charter district bonds issued and guaranteed under the Charter District Bond Guarantee Program prior to the implementation of the new requirement did not have the benefit of a security interest in real property, although other existing debts of such charter districts that are not guaranteed under the Charter District Bond Guarantee Program may be secured by real property that could be foreclosed on in the event of a bond default.

As a general rule, the operation of a charter school involves fewer State requirements and regulations for charter holders as compared to other public schools, but the maintenance of a State-granted charter is dependent upon on-going compliance with State law and regulations, which are monitored by TEA. TEA has a broad range of enforcement and remedial actions that it can take as corrective measures, and such actions may include the loss of the State charter, the appointment of a new board of directors to govern a charter district, the assignment of operations to another

charter operator, or, as a last resort, the dissolution of an open-enrollment charter school. Charter holders are governed by a private board of directors, as compared to the elected boards of trustees that govern school districts.

As described above, the Act includes a funding “intercept” function that applies to both the School District Bond Guarantee Program and the Charter District Bond Guarantee Program. However, school districts are viewed as the “educator of last resort” for students residing in the geographical territory of the district, which makes it unlikely that State funding for those school districts would be discontinued, although the TEA can require the dissolution and merger into another school district if necessary to ensure sound education and financial management of a school district. That is not the case with a charter district, however, and open-enrollment charter schools in the State have been dissolved by TEA from time to time. If a charter district that has bonds outstanding that are guaranteed by the Charter District Bond Guarantee Program should be dissolved, debt service on guaranteed bonds of the district would continue to be paid to bondholders in accordance with the Charter District Bond Guarantee Program, but there would be no funding available for reimbursement of the PSF by the Comptroller for such payments. As described under “The Charter District Bond Guarantee Program,” the Act established the Charter District Reserve Fund, to serve as a reimbursement resource for the PSF.

### **Ratings of Bonds Guaranteed Under the Guarantee Program**

Moody’s Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc. rate bonds guaranteed by the PSF “Aaa,” “AAA” and “AAA,” respectively. Not all districts apply for multiple ratings on their bonds, however. See the applicable rating section within the offering document to which this is attached for information regarding a district’s underlying rating and the enhanced rating applied to a given series of bonds.

## Valuation of the PSF and Guaranteed Bonds

### Permanent School Fund Valuations

Fiscal Year Ended 8/31	Book Value <sup>(1)</sup>	Market Value <sup>(1)</sup>
2020	\$36,642,000,738	\$46,764,059,745
2021	38,699,895,545	55,582,252,097
2022	42,511,350,050	56,754,515,757
2023	43,915,792,841	59,020,536,667
2024 <sup>(2)</sup>	46,276,260,013	56,937,188,265

<sup>(1)</sup> SLB managed assets are included in the market value and book value of the Fund. In determining the market value of the PSF from time to time during a fiscal year, the current, unaudited values for PSF investment portfolios and cash held by the SLB are used. With respect to SLB managed assets shown in the table above, market values of land and mineral interests, internally managed real estate, investments in externally managed real estate funds and cash are based upon information reported to the PSF Corporation by the SLB. The SLB reports that information to the PSF Corporation on a quarterly basis. The valuation of such assets at any point in time is dependent upon a variety of factors, including economic conditions in the State and nation in general, and the values of these assets, and, in particular, the valuation of mineral holdings administered by the SLB, can be volatile and subject to material changes from period to period.

<sup>(2)</sup> At August 31, 2024, mineral assets, sovereign lands, other lands, and discretionary internal investments, had book values of approximately \$13.4 million, \$0.8 million, \$37.2 million, and \$318.9 million, respectively, and market values of approximately \$4,540.6 million, \$277.4 million, \$153.1 million, and \$457.0 million, respectively.

### Permanent School Fund Guaranteed Bonds

At 8/31	Principal Amount <sup>(1)</sup>
2020	\$90,336,680,245
2021	95,259,161,922
2022	103,239,495,929
2023	115,730,826,682
2024	125,815,981,603 <sup>(2)</sup>

<sup>(1)</sup> Represents original principal amount; does not reflect any subsequent accretions in value for compound interest bonds (zero coupon securities). The amount shown excludes bonds that have been refunded and released from the Guarantee Program. The TEA does not maintain records of the accreted value of capital appreciation bonds that are guaranteed under the Guarantee Program.

<sup>(2)</sup> At August 31, 2024 (the most recent date for which such data is available), the TEA expected that the principal and interest to be paid by school districts and charter districts over the remaining life of the bonds guaranteed by the Guarantee Program was \$196,294,405,488, of which \$70,478,423,885 represents interest to be paid. As shown in the table above, at August 31, 2024, there were \$125,815,981,603 in principal amount of bonds guaranteed under the Guarantee Program. Using the State Capacity Limit of \$169,961,518,160 (the State Capacity Limit is currently the Capacity Limit), net of the Capacity Reserve, as of January 31, 2025, 7.69% of the Guarantee Program's capacity was

available to the Charter District Bond Guarantee Program. As of January 31, 2025, the amount of outstanding bond guarantees represented 76.33% of the Capacity Limit (which is currently the State Capacity Limit). January 31, 2025 values are based on unaudited data, which is subject to adjustment.

**Permanent School Fund Guaranteed Bonds by Category<sup>(1)</sup>**

Fiscal Year Ended <u>8/31</u>	<u>School District Bonds</u>		<u>Charter District Bonds</u>		<u>Totals</u>	
	No. of <u>Issues</u>	Principal <u>Amount (\$)</u>	No. of <u>Issues</u>	Principal <u>Amount (\$)</u>	No. of <u>Issues</u>	Principal <u>Amount (\$)</u>
2020	3,296	87,800,478,245	64	2,536,202,000	3,360	90,336,680,245
2021	3,346	91,951,175,922	83	3,307,986,000	3,429	95,259,161,922
2022	3,348	99,528,099,929	94	3,711,396,000	3,442	103,239,495,929
2023	3,339	111,647,914,682	102	4,082,912,000	3,441	115,730,826,682
2024 <sup>(2)</sup>	3,330	121,046,871,603	103	4,769,110,000	3,433	125,815,981,603

<sup>(1)</sup> Represents original principal amount; does not reflect any subsequent accretions in value for compound interest bonds (zero coupon securities). The amount shown excludes bonds that have been refunded and released from the Guarantee Program.

<sup>(2)</sup> At January 31, 2025 (based on unaudited data, which is subject to adjustment), there were \$129,723,799,121 in principal amount of bonds guaranteed under the Guarantee Program, representing 3,437 school district issues, aggregating \$124,794,149,121 in principal amount and 109 charter district issues, aggregating \$4,929,650,000 in principal amount. At January 31, 2025 the projected guarantee capacity available was \$39,780,221,830 (based on unaudited data, which is subject to adjustment).

**Discussion and Analysis Pertaining to Fiscal Year Ended August 31, 2024**

The following discussion is derived from the Annual Report for the year ended August 31, 2024, including the Message from the Chief Executive Officer of the Fund, the Management’s Discussion and Analysis, and other schedules contained therein. Reference is made to the Annual Report, as filed with the MSRB, for the complete Message and MD&A. Investment assets managed by the PSF Corporation are referred to throughout this MD&A as the PSF(CORP). The Fund’s non-financial real assets are managed by the SLB and these assets are referred to throughout as the PSF(SLB) assets.

At the end of fiscal year 2024, the PSF(CORP) net position was \$57.3 billion. During the year, the PSF(CORP) continued implementing the long-term strategic asset allocation, diversifying the investment mix to strengthen the Fund. The asset allocation is projected to increase returns over the long run while reducing risk and portfolio return volatility. The PSF(CORP) is invested in global markets and liquid and illiquid assets experience volatility commensurate with the related indices. The PSF(CORP) is broadly diversified and benefits from the cost structure of its investment program. Changes continue to be researched, crafted, and implemented to make the cost structure more effective and efficient. The PSF(CORP) annual rates of return for the one-year, five-year, and ten-year periods ending August 31, 2024, net of fees, were 10.12%, 7.31%, and 6.32%, respectively (total return takes into consideration the change in the market value of the Fund during the year as well as the interest and dividend income generated by the Fund’s investments). See “Comparative Investment Schedule - PSF(CORP)” for the PSF(CORP) holdings as of August 31, 2024.

Effective February 1, 2024, Texas PSF transitioned into a new strategic asset allocation. The new allocation of the PSF Corporation updated the strategic asset allocation among public equities, fixed income, and alternative assets, as discussed herein. Alternative assets now include private credit, absolute return, private equity, real estate, natural resources, and infrastructure. For a description of the accrual basis of accounting and more information about performance, including comparisons to established benchmarks for certain periods, please see the 2024 Annual Report which is included by reference herein.

**PSF Returns Fiscal Year Ended 8-31-2024<sup>1</sup>**

<u>Portfolio</u>	<u>Return</u>	<u>Benchmark Return<sup>2</sup></u>
Total PSF(CORP) Portfolio	10.12	9.28
Domestic Large Cap Equities	27.30	27.14
Domestic Small/Mid Cap Equities	18.35	18.37
International Equities	18.82	18.08
Private Credit	1.41	0.93
Core Bonds	7.08	7.30
Absolute Return	11.50	8.87
Real Estate	(6.42)	(7.22)
Private Equity	4.62	4.23
High Yield	12.03	12.53
Natural Resources	12.36	6.42
Infrastructure	4.41	3.63
Bank Loans	3.02	3.23
Short Term Investment Portfolio	2.42	2.28

<sup>1</sup> Time weighted rates of return adjusted for cash flows for the PSF(CORP) investment assets. Does not include SLB managed real estate or real assets. Returns are net of fees. Source: Annual Report for year ended August 31, 2024.

<sup>2</sup> Benchmarks are as set forth in the Annual Report for year ended August 31, 2024.

The SLB is responsible for the investment of money in the Real Estate Special Fund Account (RESFA) of the PSF (also referred to herein as the PSF(SLB)). Pursuant to applicable law, money in the PSF(SLB) may be invested in land, mineral and royalty interest, and real property holdings. For more information regarding the investments of the PSF(SLB), please see the 2024 Unaudited Annual Financial Report of the Texas General Land Office and Veterans Land Board.

The Fund directly supports the public school system in the State by distributing a predetermined percentage of its asset value to the ASF. In fiscal year 2024, \$2.2 billion was distributed to the ASF, \$600 million of which was distributed by the PSF(CORP) on behalf of the SLB.

**Other Events and Disclosures**

State ethics laws govern the ethics and disclosure requirements for financial advisors and other service providers who advise certain State governmental entities, including the PSF. The SBOE code of ethics provides ethical standards for SBOE members, the Education Commissioner, TEA staff, and persons who provide services to the SBOE relating to the Fund. The PSF Corporation developed its own ethics policy that provides basic ethical principles, guidelines, and standards of conduct relating to the management and investment of the Fund in accordance with the requirements of §43.058 of the Texas Education Code, as amended. The SBOE code of ethics is codified in the Texas Administrative Code at 19 TAC sections 33.4 et seq. and is available on the

TEA web site at <https://tea.texas.gov/sites/default/files/ch033a.pdf>. The PSF Corporation's ethics policy is posted to the PSF Corporation's website at [texaspsf.org](https://texaspsf.org).

In addition, the SLB and GLO have established processes and controls over the administration of real estate transactions and are subject to provisions of the Texas Natural Resources Code and internal procedures in administering real estate transactions for Fund assets it manages.

As of August 31, 2024, certain lawsuits were pending against the State and/or the GLO, which challenge the Fund's title to certain real property and/or past or future mineral income from that property, and other litigation arising in the normal course of the investment activities of the PSF. Reference is made to the Annual Report, when filed, for a description of such lawsuits that are pending, which may represent contingent liabilities of the Fund.

### **PSF Continuing Disclosure Undertaking**

As of March 1, 2023, the TEA's undertaking pursuant to Rule 15c2-12 (the "TEA Undertaking") pertaining to the PSF and the Guarantee Program, is codified at 19 TAC 33.8, which relates to the Guarantee Program and is available at [available at https://tea.texas.gov/sites/default/files/ch033a.pdf](https://tea.texas.gov/sites/default/files/ch033a.pdf).

Through the codification of the TEA Undertaking and its commitment to guarantee bonds, the TEA has made the following agreement for the benefit of the issuers, holders, and beneficial owners of guaranteed bonds. The TEA (or its successor with respect to the management of the Guarantee Program) is required to observe the agreement for so long as it remains an "obligated person," within the meaning of Rule 15c2-12, with respect to guaranteed bonds. Nothing in the TEA Undertaking obligates the TEA to make any filings or disclosures with respect to guaranteed bonds, as the obligations of the TEA under the TEA Undertaking pertain solely to the Guarantee Program. The issuer or an "obligated person" of the guaranteed bonds has assumed the applicable obligation under Rule 15c2-12 to make all disclosures and filings relating directly to guaranteed bonds, and the TEA takes no responsibility with respect to such undertakings. Under the TEA Undertaking, the TEA is obligated to provide annually certain updated financial information and operating data, and timely notice of specified material events, to the MSRB.

The MSRB has established the Electronic Municipal Market Access ("EMMA") system, and the TEA is required to file its continuing disclosure information using the EMMA system. Investors may access continuing disclosure information filed with the MSRB at [www.emma.msrb.org](http://www.emma.msrb.org), and the continuing disclosure filings of the TEA with respect to the PSF can be found at <https://emma.msrb.org/IssueView/Details/ER355077> or by searching for "Texas Permanent School Fund Bond Guarantee Program" on EMMA.

### **Annual Reports**

The PSF Corporation, on behalf of the TEA, and the TEA will annually provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Guarantee Program and

the PSF of the general type included in this offering document under the heading “THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM.” The information also includes the Annual Report. The PSF Corporation will update and provide this information within six months after the end of each fiscal year.

The TEA and the PSF Corporation may provide updated information in full text or may incorporate by reference certain other publicly-available documents, as permitted by Rule 15c2-12. The updated information includes audited financial statements of, or relating to, the State or the PSF, when and if such audits are commissioned and available. In the event audits are not available by the filing deadline, unaudited financial statements will be provided by such deadline, and audited financial statements will be provided when available. Financial statements of the State will be prepared in accordance with generally accepted accounting principles as applied to state governments, as such principles may be changed from time to time, or such other accounting principles as the State Auditor is required to employ from time to time pursuant to State law or regulation. The financial statements of the Fund are required to be prepared to conform to U.S. Generally Accepted Accounting Principles as established by the Governmental Accounting Standards Board.

The Fund is composed of two primary segments: the financial assets (PSF(CORP)) managed by PSF Corporation, and the non-financial assets (PSF(SLB)) managed by the SLB. Each of these segments is reported separately und different bases of accounting.

The PSF Corporation reports as a special-purpose government engaged in business-type activities and reports to the State of Texas as a discretely presented component unit accounted for on an economic resources measurement focus and the accrual basis of accounting. Measurement focus refers to the definition of the resource flows measured. Under the accrual basis of accounting, all revenues reported are recognized in the period they are earned or when the PSF Corporation has a right to receive them. Expenses are recognized in the period they are incurred, and the subsequent amortization of any deferred outflows. Additionally, costs related to capital assets are capitalized and subsequently depreciated over the useful life of the assets. Both current and long-term assets and liabilities are presented in the statement of net position.

The SLB manages the Fund’s non-financial assets (PSF(SLB)), is classified as a governmental permanent fund and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, amounts are recognized as revenues in the period in which they are available to finance expenditures of the current period and are measurable. Amounts are considered measurable if they can be estimated or otherwise determined. Expenditures are recognized in the period in which the related liability is incurred, if measurable.

The State’s current fiscal year end is August 31. Accordingly, the TEA and the PSF Corporation must provide updated information by the last day of February in each year, unless the State changes its fiscal year. If the State changes its fiscal year, the TEA and PSF Corporation will notify the MSRB of the change.

## Event Notices

The TEA and the PSF Corporation will also provide timely notices of certain events to the MSRB. Such notices will be provided not more than ten business days after the occurrence of the event. The TEA or the PSF Corporation will provide notice of any of the following events with respect to the Guarantee Program: (1) principal and interest payment delinquencies; (2) non-payment related defaults, if such event is material within the meaning of the federal securities laws; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Guarantee Program, or other material events affecting the tax status of the Guarantee Program; (7) modifications to rights of holders of bonds guaranteed by the Guarantee Program, if such event is material within the meaning of the federal securities laws; (8) bond calls, if such event is material within the meaning of the federal securities laws, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of bonds guaranteed by the Guarantee Program, if such event is material within the meaning of the federal securities laws; (11) rating changes of the Guarantee Program; (12) bankruptcy, insolvency, receivership, or similar event of the Guarantee Program (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Guarantee Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Guarantee Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Guarantee Program); (13) the consummation of a merger, consolidation, or acquisition involving the Guarantee Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws; (14) the appointment of a successor or additional trustee with respect to the Guarantee Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws; (15) the incurrence of a financial obligation of the Guarantee Program, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Guarantee Program, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Guarantee Program, any of which reflect financial difficulties. (Neither the Act nor any other law, regulation or instrument pertaining to the Guarantee Program make any provision with respect to the Guarantee Program for bond calls, debt service reserves, credit enhancement, liquidity enhancement, early redemption, or the appointment of a trustee with respect to the Guarantee Program.) In addition, the TEA or the PSF Corporation will provide timely notice of any failure

by the TEA or the PSF Corporation to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

### **Availability of Information**

The TEA and the PSF Corporation have agreed to provide the foregoing information only to the MSRB and to transmit such information electronically to the MSRB in such format and accompanied by such identifying information as prescribed by the MSRB. The information is available from the MSRB to the public without charge at [www.emma.msrb.org](http://www.emma.msrb.org).

### **Limitations and Amendments**

The TEA and the PSF Corporation have agreed to update information and to provide notices of material events only as described above. The TEA and the PSF Corporation have not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The TEA and the PSF Corporation make no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell bonds at any future date. The TEA and the PSF Corporation disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the TEA and the PSF Corporation to comply with its agreement.

The continuing disclosure agreement is made only with respect to the PSF and the Guarantee Program. The issuer of guaranteed bonds or an obligated person with respect to guaranteed bonds may make a continuing disclosure undertaking in accordance with Rule 15c2-12 with respect to its obligations arising under Rule 15c2-12 pertaining to financial information and operating data concerning such entity and events notices relating to such guaranteed bonds. A description of such undertaking, if any, is included elsewhere in this offering document.

This continuing disclosure agreement may be amended by the TEA or the PSF Corporation from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the TEA or the PSF Corporation, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell guaranteed bonds in the primary offering of such bonds in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding bonds guaranteed by the Guarantee Program consent to such amendment or (b) a person that is unaffiliated with the TEA or the PSF Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the bonds guaranteed by the Guarantee Program. The TEA or the PSF Corporation may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12

are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling bonds guaranteed by the Guarantee Program in the primary offering of such bonds.

### **Compliance with Prior Undertakings**

Except as stated below, during the last five years, the TEA and the PSF Corporation have not failed to substantially comply with their previous continuing disclosure agreements in accordance with Rule 15c2-12. On April 28, 2022, TEA became aware that it had not timely filed its 2021 Annual Report with EMMA due to an administrative oversight. TEA took corrective action and filed the 2021 Annual Report with EMMA on April 28, 2022, followed by a notice of late filing made with EMMA on April 29, 2022. TEA notes that the 2021 Annual Report was timely filed on the TEA website by the required filing date and that website posting has been incorporated by reference into TEA's Bond Guarantee Program disclosures that are included in school district and charter district offering documents. On March 31, 2025, the TEA and the PSF Corporation became aware that the 2022 operating data was not timely filed with EMMA due to an administrative oversight. TEA and PSF Corporation took corrective action and filed a notice of late filing with EMMA on April 4, 2025. The annual operating data was previously posted to EMMA on March 31, 2023.

### **SEC Exemptive Relief**

On February 9, 1996, the TEA received a letter from the Chief Counsel of the SEC that pertains to the availability of the "small issuer exemption" set forth in paragraph (d)(2) of Rule 15c2-12. The letter provides that Texas school districts which offer municipal securities that are guaranteed under the Guarantee Program may undertake to comply with the provisions of paragraph (d)(2) of Rule 15c2-12 if their offerings otherwise qualify for such exemption, notwithstanding the guarantee of the school district securities under the Guarantee Program. Among other requirements established by Rule 15c2-12, a school district offering may qualify for the small issuer exemption if, upon issuance of the proposed series of securities, the school district will have no more than \$10 million of outstanding municipal securities.

*(This Page Intentionally Blank)*



Municipal Advisory Services  
Provided By

