Annual Comprehensive Financial Report

For the Fiscal Year Ended
June 30, 2026

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

955 Campbell Road, Houston, Texas 77024

Prepared By The Department of Financial Services:

David Bender, CPA
Associate Superintendent for Finance

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT
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SPRING BRANCH INDEPENDENT SCHOOL DISTRICT
PRINCIPAL OFFICIALS AND ADVISORS

BOARD OF TRUSTEES

Courtney Anderson, President
Community Volunteer/Parent

David Slattery, Vice President
Architect

Ted Tredenmick, Secretary
Partner at Daniels & Tredenmick PLLC

Caroline H. Bennett, Trustee
General Manager of Spring Branch-Memorial Sports Association/Former Educator

Walter Agnew, Jr., Trustee
Natural Gas Scheduler at Kinder Morgan

Chris Earnest, Trustee
Partner at Pay Governance, LLC

Jennifer Hyland, Trustee
Travel Advisor/Dyslexia Advocate

ADMINISTRATION

Jennifer Blaine, Ed. D., Superintendent of Schools

David Bender, CPA, Associate Superintendent for Finance

CONSULTANTS AND ADVISORS

Whitley Penn, LLP
Houston, Texas - Independent Auditors

Hunton Andrews Kurth, L.L.P.
Houston, Texas - Bond Counsel

Post Oak Municipal Advisors LLC
Houston, Texas - Co-Financial Advisor

Masterson Advisors LLC
Houston, Texas - Co-Financial Advisor

CERTIFICATE OF BOARD

Spring Branch Independent School District	Harris	101-920
Name of School District	County	District Number

We, the undersigned, certify that the annual financial reports for the above named school district were reviewed and approved for the year ended June 30, 2026, at a meeting of the Board of Trustees of such school district on the 16th of November 2026.

President of the Board	Secretary of the Board

November 16, 2026

To the Board of Trustees and Taxpayers of the Spring Branch Independent School District:

The Texas Education Code requires that all school districts file a complete set of financial statements with the Texas Education Agency (TEA) within 150 days of the close of each fiscal year. The financial statements must be presented in conformity with generally accepted accounting principles (GAAP) and audited by a firm of licensed certified public accountants in accordance with auditing standards generally accepted in the United States of America and Government Auditing Standards, issued by the Comptroller General of the United States. Pursuant to that requirement, we hereby issue the Annual Comprehensive Financial Report of the Spring Branch Independent School District (the "District") for the fiscal year ended June 30, 2026.

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

The District's financial statements have been audited by Whitley Penn L.L.P., CPAs, a firm of licensed certified public accountants. The goal of the independent audit was to provide reasonable assurance that the financial statements of the District for the fiscal year ended June 30, 2026, are free of material misstatement. The independent audit involved examining, on a test basis, evidence supporting the amounts and disclosures in the financial statements; assessing the accounting principles used and significant estimates made by management; and evaluating the overall financial statement presentation. The independent auditor concluded, based upon the audit, that there was a reasonable basis for rendering an unmodified opinion and that the District's financial statements for the fiscal year ended June 30, 2026, are fairly presented in conformity with GAAP. The independent auditors' report is presented as the first component of the financial section of this report.

The independent audit of the financial statements of the District was part of a broader, federally mandated "Single Audit" designed to meet the special needs of federal grantor agencies. The standards governing Single Audit engagements require the independent auditor to report not only on the fair presentation of the financial statements, but also on the audited government's internal controls and compliance with legal requirements, with special emphasis on internal controls and legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

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 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 District

The Spring Branch Independent School District (SBISD) has a proud history that has shaped it into one of Texas' most respected public school systems. Established in 1946, SBISD's mission is to inspire minds and shape lives through a commitment to providing high-quality education for Every Child.

Covering 44 square miles of tree-lined neighborhoods, retail centers, and business districts west of downtown Houston, SBISD serves more than 30,700 students from around the world. The district reflects the diversity of its community, with a student population that is approximately 51 percent Hispanic, 28 percent White, 7 percent Asian, 5 percent African American, and 3 percent American Indian or of two or more ethnicities, according to the latest Texas Education Agency (TEA) reports.

More than 200,000 residents live within the district's boundaries, which include the City of Houston and the incorporated villages of Bunker Hill, Hedwig, Hilshire, Hunters Creek, Piney Point, and Spring Valley. Many families have lived in the area for generations, while others are new to the community or have returned because of SBISD's reputation for educational excellence. The district also maintains a strong focus on fiscal responsibility, offering all available tax exemptions under Texas law, which helps keep school taxes lower for homeowners.

A Vision for Every Child

SBISD's vision, Spring Branch T-2-4, prepares every student to graduate and go on to earn a technical certificate, military service, or a two- or four-year degree. Guided by priorities in literacy, numeracy, student supports, and Career and Technical Education (CTE), and supported by its District of Innovation (DOI) status, the district provides a strong academic foundation under the leadership of Superintendent of Schools Dr. Jennifer Blaine.

Students have access to Advanced Placement® (AP), Advanced Academic (AAC), Dual Credit and Dual Enrollment courses, as well as specialized programs in Dual Language, International Baccalaureate® (IB), STEM, the arts, and CTE. Gifted and Talented, Special Education and English for Speakers of Other Languages programs support the diverse needs of district learners.

SBISD operates 23 elementary schools, six middle schools, and four high schools, along with two district charter schools:

- Westchester Academy for International Studies (WAIS), which offers the IB program for grades 6–12 and was recently named one of the top 100 charter high schools in the nation (U.S. News and World Report)
- Cornerstone Academy, a middle school with a long track record of academic success.

In addition to high rankings for both WAIS and Cornerstone, six SBISD elementary schools and a comprehensive middle school were also included in U.S. News and World Reports Fall 2026 rankings of best elementary and middle schools in the Houston area and statewide.

To ensure a strong start for its youngest learners, the district offers full-day prekindergarten for in-district four-year-olds and half-day programs for qualifying three-year-olds. Four Schools for Early Learning, along with several elementary campuses, provide both free and tuition-based options designed to prepare Every Child for success in school.

Innovation and Opportunity

The Spring Branch Academic Institute (SBAI), established in 2013, serves highly gifted students from kindergarten through 12th grade. A unique program in the Houston region, SBAI is co-located under a school-within-a-school model at Thornwood Elementary, Spring Forest Middle, and Stratford High. In Fall 2026, SBAI was ranked the top elementary and middle school in Texas. (U.S. News and World Report)

SBISD also supports bilingualism through dual language programs at Cedar Brook, Pine Shadows, and Sherwood Elementary Schools, with additional options available at secondary campuses.

In 2024, SBISD established the RISE College Academy at Northbrook High School, and added the Tiger College Academy at Spring Woods High School in Fall 2025. In partnership with Houston City College and University of Texas OnRamps®, both programs provide qualifying student cohorts the opportunity to earn an associate degree and high school diploma concurrently, saving tens of thousands of dollars in college tuition costs.

Excellence and Recognition

SBISD's dedication to excellence is recognized across Texas and beyond. The district has been named a District of Distinction by the Texas Art Education Association (TAEA) for six consecutive years (2021–2026) and has twice been a Large District Finalist for the H-E-B Excellence in Education Award (2023, 2025), honoring leadership, innovation, and student achievement. SBISD has also been named a Career and Technical Education District of Distinction for three consecutive years and in Summer 2026 was named a Texas Way District of Distinction, a prestigious recognition honoring school districts that demonstrate excellence in sportsmanship, leadership and community involvement.

The district's highest priority is the safety and security of our students, staff and campuses. The SBISD Police Department has placed a certified peace officer on every campus, and for two years the SBISD Chief of Police and SBISD Police Department have earned the prestigious Region 4 Rod Paige School Safety Award.

Safe schools, strong programs, effective leadership, and dedicated educators and staff ensure learning environments where students succeed.

Student Achievement

SBISD students continue to outperform their peers across the Houston region, Texas and the nation. In Spring 2026, SBISD was named a District on the Rise, and spotlighted in the Harvard University Education Scorecard as one of only 108 districts nationwide, and the only district in Texas to demonstrate continued academic growth in both reading and math at a more accelerated rate than their peers. This marked the second straight year for SBISD to earn accolades in this prestigious national study.

For 2026, SBISD reached the 96th percentile in Relative Performance, statewide among peer districts with similar percentages of economically disadvantaged students, representing the highest ranking earned since the Texas Education Agency began tracking the metric.

On the Spring 2026 state STAAR assessment, Spring Branch ISD outperformed the State and the Region overall in Grades 3-8 in Math and Reading and Grade 8 Social Studies at the Approaches, Meets, and Masters levels. Most notably, SBISD Math 3-8 was 13% and 10% points above the State and Region at the Meets Level and 11% and 9% points above at the Masters Level. Reading also had high marks with SBISD Reading 3-8 performing 9% and 6% points above the State and Region at the Meets level and 12% and 9% percentage points above at the Masters Level.

High school results are equally strong. On the 2026 STAAR End-of-Course exams, SBISD outperformed Region IV and the State in Algebra I, Biology, and US History at the Approaches, Meets, and Masters level. We also outperformed the State and Region in English I and II at Meets and Masters levels

SBISD students also excel on national college readiness exams. In 2025-26, SBISD juniors continued to outperform their peers with a total mean score that is 47 points higher than the State and 41 points higher than all Global Testers. In Advanced Placement (AP) testing, more than 3,000 secondary students took nearly 7,000 exams in 2025, and 74 percent earned a score of 3 or higher, a ten percentage point increase from the previous year.

Community Partnership and Support

None of this success would be possible without the continued support of the Spring Branch community, which plays an essential role in student success.

In 2017, voters approved the largest bond program in district history, investing $898.4 million to rebuild nine of the oldest elementary schools and one middle school. The bond program also provides funds for strengthening campus security, upgrading athletic facilities, modernizing music and CTE classrooms, and replacing aging buses.

Voters reaffirmed their commitment in 2022, by approving a $381.6 million bond program focused on CTE and key facility improvements. The bond program funds the reconstruction of The Guthrie Center, upgrades to the Agricultural Science Center, and CTE improvements to multiple campuses. It also addresses post–Hurricane Harvey facility needs, such as new code requirements, added classrooms at Valley Oaks Elementary, and districtwide technology updates. The new state-of-the-art Guthrie Center opened in August 2026.

In May 2025, voters once again demonstrated their support by approving a $558.6 million athletics-focused bond program to enhance aged facilities for current and future generations. The bond program will fund the reconstruction of the W.W. Emmons Natatorium, major renovations and additions to Darrell Tully Stadium and Don Coleman Coliseum, and athletic upgrades at Memorial, Northbrook, Spring Woods, and Stratford High Schools.

Beyond financial support, SBISD's tradition of service and community engagement is one of its greatest strengths. With nearly 14,000 volunteers and hundreds of community partners, SBISD is strengthened by the time, talent, and generosity of those who give back.

During the 2025–2026 school year, volunteer participation reached record levels, affirming the district's shared commitment to Collective Greatness and Every Child remains as strong as ever. From tutoring and mentoring to classroom and program support, SBISD volunteers continue to make a lasting, positive impact on students' lives.

Factors Affecting Financial Condition

The information presented in the financial statements is perhaps best understood when it is considered from the broader perspective of the environment within which the District operates.

Local Economy: The District is in Harris County approximately 10 miles West of downtown Houston. Houston, the 4th largest city in the United States, is a diverse vibrant metro with a strong economy. The District is in a desirable area of greater Houston with ongoing redevelopment. Residents of the District enjoy ready access to leading companies in key global industries including energy, life science, manufacturing, logistics and aerospace, as well as many colleges and universities, a dynamic cultural arts community, and excellent recreational opportunities.

For the fiscal years ending June 30, 2026, 2025, and 2024 taxable property values in the District increased 1.8%, 2.2% and 5.3%, respectively. The Harris County unemployment rate was 5.2% in August 2026, 4.4% in August 2025 and 4.8% in August 2024. District officials expect continued growth in taxable property values and low unemployment over the long term.

See Table 12 Demographic and Economic Statistics of this report for additional information.

Relevant Financial Policies

Budget: Budget planning is an integral part of overall program planning so that the budget effectively reflects the District's programs and activities and provides the resources to implement them. In the budget planning process, general educational goals, specific program goals, and alternatives for achieving program goals are considered, as well as input from the District and campus-level planning and decision-making committees. Budget planning and evaluation are continuous processes and are a part of each month's activities.

Fund Balance: Recognizing fund balance as a key in maintaining a strong financial position, the Board policy on annual operating budgets stipulates a goal of maintaining an adequate fund balance. The goal for the general fund balance is 19% of

the current budget expenditures (except for non-spendable or restricted), while the goal for debt service fund balance is 25% of the current year debt service requirements.

Financial Planning: Spring Branch T-2-4 the District's transformative and groundbreaking vision is the foundation for the District's management and decision making. Spring Branch T-2-4 success results in every SBISD graduate completing a technical certificate, military training, or a two-year or four-year degree. SBISD will increase the number of students achieving T-2-4. During the budget process, expenditures to support Spring Branch T-2-4 are identified and receive top funding priority.

The District maintains a Technology Roadmap and a Long-Range Facilities Plan. Estimated taxable values are a major factor in forecasting, as the District generates approximately 75% of general fund revenue and 91% of debt service revenue from local taxes. Other major factors used in developing these forecasts include the number of students enrolled and in average daily attendance, salaries, insurance, and cost of inflationary items such as utilities and insurance. Forecasts are prepared then reviewed several times a year and shared with the Board, staff, community, and other stakeholders.

Awards and Acknowledgements

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 (ACFR) for the fiscal year ended June 30, 2025. To be awarded a Certificate of Achievement, the government published an easily readable and efficiently organized ACFR. This report satisfied both GAAP and applicable legal requirements.

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

The TEA has awarded the District a rating of "A - Superior" on the 2025-2026 Financial Integrity Rating System of Texas (FIRST) assessment. FIRST requires Texas public schools to be accountable for their financial management practices. The District's rating was based on performance against twenty indicators of financial accountability as TEA paused scoring on the administrative cost ratio indicator (Indicator 13) for the 2025-2026 rating cycle. The district's numeric score on the indicators was a perfect 100 out of 100 demonstrating the quality of the District's financial management practices and reporting system.

The preparation of this report would not have been possible without the efficient and dedicated services of the entire staff of the Financial Services Department. We would like to express our appreciation to all members of the department who assisted and contributed to the preparation of this report. Credit also must be given to the Board of Trustees for their unfailing support for maintaining the highest standards of professionalism in the management of the District's finances. Finally, we would like to thank the residents of the District for their support of and belief in our public school system, and the teachers and campus teams who provide the quality education for which our District is known.

Respectfully submitted,

_____
Dr. Jennifer Blaine, Ed. D.
Superintendent of Schools

_____
David Bender, CPA

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF ACHIEVEMENT FOR EXCELLENCE IN FINANCIAL REPORTING

The Government Finance Officers Association of the United States and Canada (GFOA) awarded a Certificate of Achievement for Excellence in Financial Reporting to Spring Branch Independent School District, Texas for its Annual Comprehensive Financial Report for the fiscal year ended June 30, 2025**.**

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report (ACFR), whose contents conform to program standards. Such report must satisfy both accounting principles, generally accepted in the United States of America and applicable legal requirements.

Receiving the award is recognition that a school system has met the highest standards of excellence in government accounting and financial reporting.

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Spring Branch Independent School District
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2025



and issued to the public 140 days after the fiscal year end

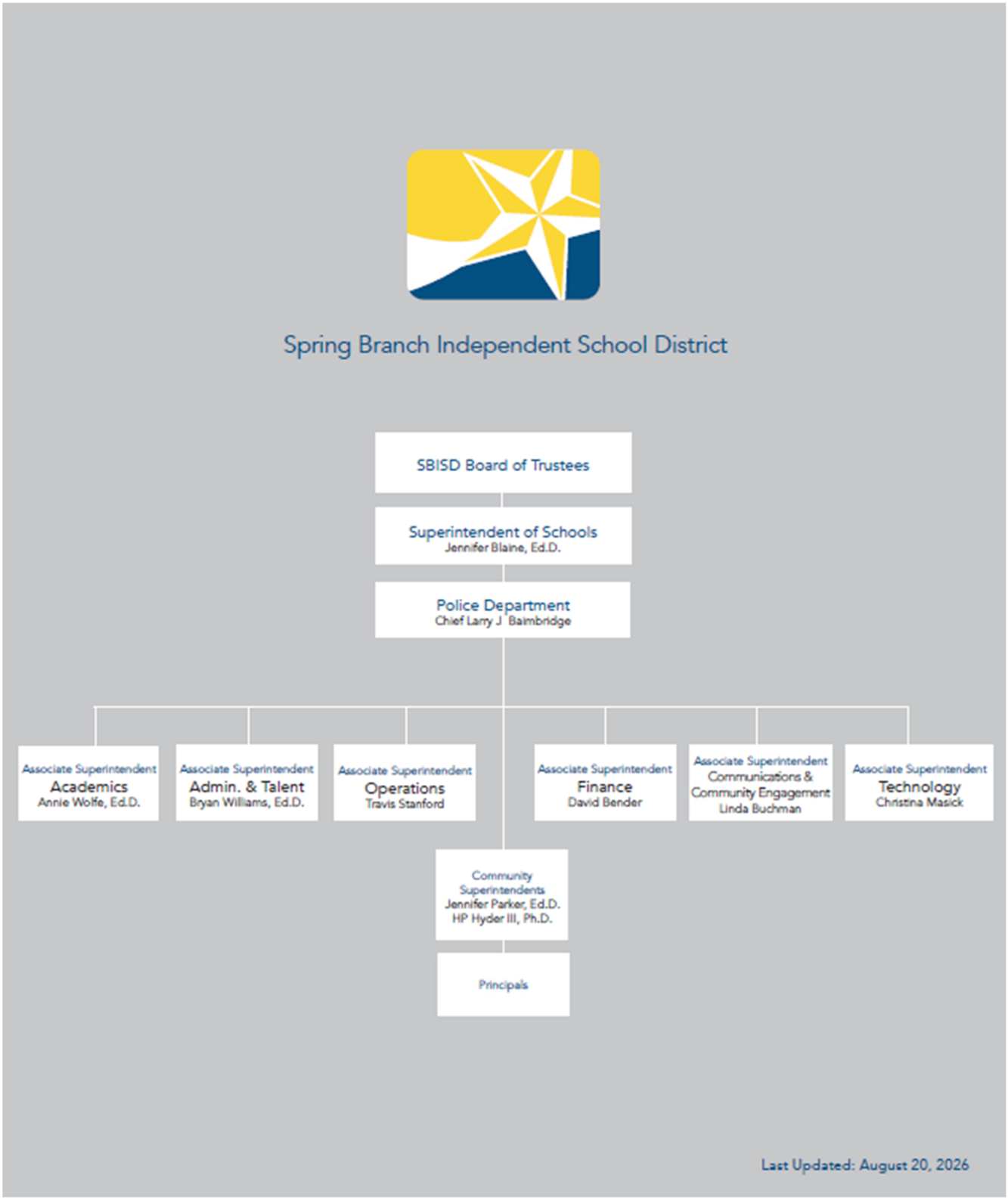
Christopher P. Morrill

Executive Director/CEO

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

ORGANIZATIONAL CHART

For the Year Ended June 30, 2026



FINANCIAL SECTION


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Spring Branch Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Spring Branch Independent School District (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements referred to above present fairly, in all material respects, the respective financial position of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2026, 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 (*Government Auditing Standards*). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the District, and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audit. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinions.

Responsibilities of Management for the Financial Statements

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

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

Auditor's Responsibilities for the Audit of the Financial Statements

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

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

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

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that management's discussion and analysis, budgetary comparison information, pension information, and other-post employment benefit information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with GAAS, 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 individual fund statements, budget comparisons, and required Texas Education Agency (TEA) schedules, are presented for purposes of additional analysis and are not a required part of the basic financial statements. Such information is the responsibility of management and was derived from and relates directly to the underlying accounting and other records used to prepare the basic financial statements.

The information has been subjected to the auditing procedures applied in the audit of the basic financial statements and certain additional procedures, including comparing and reconciling such information directly to the underlying accounting and other records used to prepare the basic financial statements or to the basic financial statements themselves, and other additional procedures in accordance with GAAS. In our opinion, the individual fund statements, budget comparisons, and required TEA schedules, are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information

Management is responsible for the other information included in the annual report. The other information comprises the introductory section, statistical section, and Schedule L-1 but does not include the basic financial statements and our auditor's report thereon. Our opinions on the basic financial statements do not cover the other information, and we do not express an opinion or any form of assurance thereon.

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

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 16, 2026 on our consideration of the District's internal control over financial reporting and on our tests of its compliance with certain provisions of laws, regulations, contracts, and grant agreements and other matters. The purpose of that report is solely to describe the scope of our testing of internal control over financial reporting and compliance and the results of that testing, and not to provide an opinion on the effectiveness of the District's internal control over financial reporting or on compliance. That report is an integral part of an audit performed in accordance with *Government Auditing Standards* in considering the District's internal control over financial reporting and compliance.

Houston, Texas
November 16, 2026


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

As management of the Spring Branch Independent School District (the "District"), we offer readers of the District's financial statements this narrative overview and analysis of the financial activities of the District for the fiscal year ended June 30, 2026. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in our letter of transmittal, which can be found on pages iii to vii of this report.

Overview of the Financial Statements

This discussion and analysis is intended to serve as an introduction to the District's basic financial statements. The District's basic financial statements comprise three components: 1) government-wide financial statements, 2) fund financial statements, and 3) notes to the financial statements. This report also contains other supplementary information in addition to the basic financial statements themselves, including schedules required by the District's state oversight agency, the Texas Education Agency (TEA).

Government-Wide Financial Statements. The focus of government-wide financial statements is on the overall financial position and activities of the District. The District's government-wide financial statements include the Statement of Net Position and the Statement of Activities (on pages 17 through 19), which are prepared using accounting principles that are similar to commercial enterprises. These statements provide information about the activities of the District as a whole and present a longer-term view of the District's capital assets, debt obligations, and other financial matters.

The Statement of Net Position includes all the District's assets, deferred outflow of resources, liabilities, and deferred inflows of resources at the end of the year, with the residual of these elements reported as *net position*. This difference is similar to the total owner's equity presented by a commercial enterprise. All the District's assets are reported whether they serve the current year or future years. Liabilities are considered regardless of whether they must be paid in the current or future years. Although the purpose of the District is not to accumulate net position, in general, as the amount increases, it may indicate that the financial position of the District is improving over time. To fully assess the overall health of the District, however, other factors should be considered as well, such as changes in the District's average daily attendance, property tax base and the condition of the District's capital assets.

The purpose of the Statement of Activities is to present the revenues and expenses of the District. Again, the items presented on the Statement of Activities are measured in a manner similar to the approach used by a commercial enterprise in that revenues are recognized when earned or established criteria are satisfied, and expenses are reported when incurred by the District. Thus, revenues are reported even when they may not be collected for several months after the end of the accounting period and expenses are recorded even though they may not have used cash during the current period.

The District's revenues are divided into those provided by outside parties who share the costs of some programs, such as tuition received for summer school and grants provided by the U.S. Department of Education to assist children with disabilities or from disadvantaged backgrounds (program revenues), and revenues provided by the taxpayers or by TEA in the equalization funding processes (general revenues). Although the Statement of Activities looks different from a commercial enterprise income statement, the financial statement is different only in format, not substance.

The District's business-type activities include the District's tuition/fee-based self-sustaining programs, such as athletic concessions, after school programs, employee childcare, facility rental and summer school. Business-type activities are intended to recover all or a significant portion of their costs through user fees and charges.

The District does not have any component units for which it is financially accountable.

Fund Financial Statements. Fund financial statements (starting on page 20) report the District's operations in more detail than the government-wide statements by providing information about the District's funds. For governmental activities, these statements reflect how services were financed in the short term as well as resources remaining for future spending. They reflect the flow of current financial resources, and supply the basis for tax levies and the appropriations budget. For proprietary activities, fund financial statements tell how goods or services of the District were sold to employees, students and community members, and how the sales revenues covered the expenses of the goods or services. The remaining statements, fiduciary statements, provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of others.

Laws and contracts require the District to establish some programs, such as a program funded by a grant received from the U.S. Department of Education. The District's administration establishes program revenue and cost centers to help control and manage money for particular program purposes (such as campus activities).

All of the District's funds can be divided into three categories: governmental funds, proprietary funds and fiduciary funds.

Governmental funds **-** Governmental funds are used to account for essentially the same functions reported as governmental activities in the government-wide financial statements. However, unlike the government-wide financial statements, governmental fund financial statements focus on near-term inflows and outflows of spendable resources, as well as on balances of spendable resources available at the end of the fiscal year. Such information may be useful in evaluating a government's near-term financing requirements. The focus of governmental funds is narrower than that of the government-wide financial statements therefore it is useful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the government's near-term financing decisions. Both, the Balance Sheet and the Statement of Revenues, Expenditures, and Changes in Fund Balances for governmental funds provide a reconciliation to facilitate this comparison between governmental funds and governmental activities.

The District maintains four governmental funds. Information is presented separately in fund financial statements for the general, special revenue, debt service, and capital projects funds, all of which are major funds. The District adopts annual appropriations budgets at the revenue source and functional expenditure levels for its general fund, the food service program included in the special revenue fund, and debt service fund as required by TEA. Budgetary comparison schedules have been provided to demonstrate finance-related legal compliance with these budgets.

Proprietary funds **-** Proprietary funds provide the same type of information as the government-wide financial statements, only in more detail. There are two proprietary fund types. Enterprise funds are used to report the same function presented as business-type activities in the government-wide financial statements. The District has one business-type activity (enterprise fund), which consists of tuition-based self-sustaining programs, such as childcare and facilities rentals. The second type of proprietary fund is the internal service fund. Internal service funds are an accounting device used to accumulate and allocate costs internally among the various functions. The District has one internal service fund, the Workers' Compensation Fund. The basic proprietary fund financial statements can be found on pages 27 to 29 of this report.

Fiduciary funds **-** Fiduciary funds are used to account for resources held for the benefit of parties outside the government. The District is the fiduciary for money raised by student activities, property taxes collected on behalf of other governments, and scholarships in private-purpose funds. All the District's fiduciary activities are reported in separate Statements of Fiduciary Net Position and Changes in Fiduciary Net Position on pages 30 and 31. We exclude these resources from the District's government-wide financial statements because the District cannot use these assets to finance its operations. The District is only responsible for ensuring that the assets reported in these funds are used for their intended purposes.

Notes to the Financial Statements. The notes to the financial statements (starting on page 33) provide narrative explanations or additional data needed for generally accepted full disclosure in the government-wide and fund financial statements.

Other Information. In addition to the basic financial statements and accompanying notes, this report also presents certain required supplementary information that further explains and supports the information in the financial statements. The District has presented the general fund budget to actual comparisons in the Required Supplementary Information found on page 80 of this report. The District's debt service fund and food service program included in the special revenue fund have appropriated budgets in accordance with requirements of TEA. Debt service fund and food service program budget to actual are presented in Other Supplementary Information beginning on page 89.

Financial Summary and Detailed Analysis

The government-wide financial statements for the District's overall financial position and operations for the fiscal years ended June 30, 2026, and June 30, 2025, are summarized as follows.

Table I - Net Position Summary

	Governmental Activities		Business-Type Activities		Total	
	2026	2025	2026	2025	2026	2025
Assets						
Current and other assets	$ 823,012,376	$ 679,268,836	$ 5,538,608	$ 5,246,573	$ 828,550,984	$ 684,515,409
Capital assets	1,316,166,418	1,228,661,545	209,606	269,878	1,316,376,024	1,228,931,423
Total Assets	2,139,178,794	1,907,930,381	5,748,214	5,516,451	2,144,927,008	1,913,446,832
Total Deferred Outflows of Resources	66,252,126	68,733,094	-	-	66,252,126	68,733,094
Liabilities						
Current liabilities	136,365,930	129,488,613	449,227	457,727	136,815,157	129,946,340
Long-term liabilities	1,408,071,151	1,331,768,729	-	-	1,408,071,151	1,331,768,729
Total Liabilities	1,544,437,081	1,461,257,342	449,227	457,727	1,544,886,308	1,461,715,069
Total Deferred Inflows of Resources	104,860,613	95,120,899	523,296	575,625	105,383,909	95,696,524
Net Position:						
Net investment in capital assets	564,553,616	508,813,094	209,606	269,878	564,763,222	509,082,972
Restricted	41,062,289	42,181,119	-	-	41,062,289	42,181,119
Unrestricted	(137,360,180)	(130,708,979)	4,566,085	4,213,221	(132,794,095)	(126,495,758)
Total Net Position	$ 468,255,725	$ 420,285,234	$ 4,775,691	$ 4,483,099	$ 473,031,416	$ 424,768,333

The District's assets and deferred outflows of resources exceeded its liabilities and deferred inflows of resources by $473.0 million as of June 30, 2026, an increase of $48.3 million from June 30, 2025. Net position may serve over time as a useful indicator of the District's financial position.

At June 30, 2026, $564.8 million of the District's net position represented its net investment in capital assets, while $40.9 million was restricted for specific purposes. The District's remaining unrestricted net position was a deficit of $132.7 million.

Governmental activities' current and other assets increased by $143.7 million, or 21.2%, from $679.3 million to $823.0 million, primarily due to bond proceeds received during fiscal year 2026 that were invested pending expenditure on future construction projects. Capital assets increased by $87.5 million, or 7.1%, primarily because capital additions and construction activity exceeded depreciation during the year. Additional information regarding significant capital asset activity is presented in the Capital Assets section below.

Governmental activities' long-term liabilities increased by $164.2 million, or 12.3%, from $1.332 billion to $1.496 billion, primarily due to debt issued during fiscal year 2026. Additional information regarding significant long-term financing activity is presented in the Debt and Long-Term Financing section below.

Table II - Change in Net Position

	Governmental Activities		Business-Type Activities		Total	
	2026	2025	2026	2025	2026	2025
Revenues						
Program Revenues:						
Charges for services	$ 7,201,718	$ 6,995,235	$ 3,523,726	$ 3,090,117	$ 10,725,444	$ 10,085,352
Operating grants and contributions	66,934,541	73,963,241	-	-	66,934,541	73,963,241
General Revenues:						
Property taxes	403,938,659	422,928,943	-	-	403,938,659	422,928,943
State grants and other grants	52,457,411	28,895,282	-	-	52,457,411	28,895,282
Interest	29,244,581	31,493,884	177,199	206,821	29,421,780	31,700,705
Other	9,524,503	5,305,558	-	-	9,524,503	5,305,558
Total Revenues	569,301,413	569,582,143	3,700,925	3,296,938	573,002,338	572,879,081
Expenses						
Instructional	278,221,443	251,817,721	-	-	278,221,443	251,817,721
Instruction resources and media	1,373,847	1,118,482	-	-	1,373,847	1,118,482
Curriculum/staff development	7,712,168	10,524,581	-	-	7,712,168	10,524,581
Instructional/leadership	5,414,595	5,517,499	-	-	5,414,595	5,517,499
School leadership	22,334,283	22,301,647	-	-	22,334,283	22,301,647
Guidance and counseling services	22,978,004	23,427,874	-	-	22,978,004	23,427,874
Social work services	138,955	147,374	-	-	138,955	147,374
Health services	4,348,876	4,231,986	-	-	4,348,876	4,231,986
Student (pupil) transportation	12,750,148	12,598,504	-	-	12,750,148	12,598,504
Child nutrition	19,882,154	20,856,343	-	-	19,882,154	20,856,343
Cocurricular/extracurricular	11,633,283	11,066,225	-	-	11,633,283	11,066,225
General administration	10,758,290	9,898,429	-	-	10,758,290	9,898,429
Plant maintenance and operations	42,175,800	42,501,448	-	-	42,175,800	42,501,448
Security and monitoring services	10,051,932	9,514,009	-	-	10,051,932	9,514,009
Data processing	10,750,465	13,438,351	-	-	10,750,465	13,438,351
Community services	2,750,378	3,238,433	-	-	2,750,378	3,238,433
Interest and fiscal charges	46,195,598	46,412,566	-	-	46,195,598	46,412,566
Facilities planning	6,765,724	138,042	-	-	6,765,724	138,042
Purchase of WADA to reduce excess local revenue	1,333,715	18,223,392	-	-	1,333,715	18,223,392
Payments to districts of SSAs	538,951	553,009	-	-	538,951	553,009
Other intergovernmental charges	3,222,313	3,198,727	-	-	3,222,313	3,198,727
Other business-type activities	-	-	3,408,333	3,106,902	3,408,333	3,106,902
Total Expenses	521,330,922	510,724,642	3,408,333	3,106,902	524,739,255	513,831,544
Increase (decrease) in net position	47,970,491	58,857,501	292,592	190,036	48,263,083	59,047,537
Net Position, Beginning (2025 restated)	420,285,234	361,427,733	4,483,099	4,293,063	424,768,333	365,720,796
Net Position, Ending	$ 468,255,725	$ 420,285,234	$ 4,775,691	$ 4,483,099	$ 473,031,416	$ 424,768,333

Governmental Activities. Governmental activities increased the District's net position by $48.3 million during 2026, compared with an increase of $59 million in the prior year. The smaller increase in net position resulted primarily from governmental expenses increasing $10.6 million, or 2.1%, while governmental revenues remained relatively consistent with the prior year, decreasing by $281 thousand, or less than 0.1%. The increase in expenses was primarily attributable to higher instructional expenditures, employee compensation costs, facility maintenance needs, and other inflationary pressures affecting District operations.

Although total governmental revenues remained relatively consistent with the prior year, the composition of revenues changed significantly. State grants and other grants increased $23.6 million, or 81.5%, from the prior year during fiscal year 2026 due to legislative changes to public school finance and revisions to Foundation School Program funding estimates. Although these changes improved the district's reported operating results, subsequent entitlement calculations resulted in a significant year-end payable to the Texas Education Agency. Consequently, not all funding recognized during fiscal year 2026 represents recurring resources available for future operations. Property tax revenues decreased $19.0 million, or 4.5%, due to the decline was primarily attributable to reductions in the district's adopted tax rate, which offset a portion of the benefit generated by valuation growth.

Operating grants and contributions decreased $7.0 million, or 9.5%, from the prior year due to federal pandemic-related funding programs continued to phase out. The reduction was expected and reflects the conclusion of temporary federal funding sources that had augmented District revenues in prior years.

Business-type activities. Business-type activities increased net position by $293 thousand during 2026 compared with $190 thousand during 2025. Revenues increased $404 thousand, while expenses increased $301 thousand, resulting in a $103 thousand improvement in the annual change in net position. The change was attributable to higher charges for services rates in FY 2026.

Detailed Analysis of Governmental Funds

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

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

General Fund. The general fund is the primary operating fund of the District. At fiscal year end 2026, unassigned fund balance of the general fund was $34,423,056 while the total fund balance was $89,459,415. During fiscal year 2026 the fund balance of the general fund decreased by $13,697,881.

General Fund revenues increased by $8.2 million (2.3%), from $362.4 million in the prior year to $370.5 million in the current year. The increase was primarily attributable to a $24.9 million increase in state program revenues due to an increase in the state aid allocation. This increase was partially offset by a $19.1 million (6.2%) decrease in local and intermediate revenues, primarily due to a decrease in the maintenance and operations (M&O) tax rate.

General Fund expenditures increased by $4.6 million (1.2%), from $382.4 million in the prior year to $387.0 million in the current year. The increase was primarily attributable to a $22.1 million (10.4%) increase in instruction expenditures due to increased employee compensation, including salary increases funded in part by the Teacher Retention Allotment established by House Bill 2. Conversely, contracted instructional services decreased by $16.9 million (92.7%) due to a reduction in recapture obligations. Together, these changes represented the most significant year-over-year changes in instructional-related expenditures.

Debt Service Fund. On June 30, 2026 the debt service fund had a total fund balance of $38,359,844 all of which is restricted for the payment of debt. The net increase in the fund balance during fiscal year 2026 in the debt service fund was $2,018,242, this was primarily due to a slight increase in property tax values with no change on the interest and sinking tax rate.

Special Revenue Fund. The special revenue fund is used to account for all financial resources restricted to, or committed for, specific purposes by a grantor. The fund balance of the special revenue fund was $23,407,278 on June 30, 2026, a decrease of $852,434 from June 30, 2025.

Total revenues decreased by $7.1 million (10.5%), from $67.1 million in fiscal year 2025 to $60.1 million in fiscal year 2026, primarily due to a $9.1 million decrease in state program revenues Safety and Facilities Enhancement (SAFE) Grant. This decrease was partially offset by a $1.5 million increase in local, intermediate, and out-of-state revenues including campus activity funds and contributions from parent organizations and the Spring Branch Education Foundation. Federal program revenues remained relatively consistent with the prior year, increasing by $619 thousand (1.5%).

Total expenditures decreased by $12.4 million (17.3%), from $71.5 million in fiscal year 2025 to $59.1 million in fiscal year 2026. The decrease was primarily attributable to lower spending associated with the SAFE Grant program, including reductions of $7.3 million in capital outlay and $3.8 million in security and monitoring services following significant safety-related projects completed in the prior year. Food service expenditures also declined by $2.7 million as fiscal year 2025 included one-time kitchen renovations and equipment replacement costs. These decreases were partially offset by a $2.6 million increase in instructional expenditures related to the state-funded Instructional Materials and Technology Allotment.

Other financing uses exceeded other financing sources by $1.8 million in fiscal year 2026, compared with $162 thousand in fiscal year 2025. This change was primarily attributable to a $1.9 million increase in transfers out to reimburse other funds for FEMA-related storm expenditures incurred in prior years. The increase was partially offset by a $127 thousand increase in transfers in from the General Fund to cover negative student account balances and to recognize proceeds from auction sales.

Capital Project Fund. The capital projects fund is used to account for financial resources to be used for the construction and renovation of District facilities. Scope of work under 2017 and 2022 voter authorized construction and renovation programs was ongoing in fiscal year 2026. The fund balance of the District's capital projects fund was $527,739,328 on June 30, 2026. The capital projects fund began the year with $385,688,731 in fund balance. A fund balance increase of $142,050,597 was Bond proceeds received during the year exceeded current construction expenditures, resulting in an increase in resources available for future capital projects.

Significant Capital Asset and Long-term Financing Activity

Capital Assets. At June 30, 2026, the district had $1.316 billion (net of accumulated depreciation/amortization of $507.7 million) invested in a broad range of capital assets, including facilities and equipment for instruction, transportation, athletics, administration, and maintenance.

The district continued implementation of voter-approved bond programs during fiscal year 2026 through significant investments in facility modernization, infrastructure improvements, technology enhancements, and safety and security projects. Construction activity remained strong throughout the year, resulting in continued growth in the district's capital assets and construction in progress balances.

Major projects underway include the rebuilding of nine elementary schools and one middle school, construction and expansion of career and technical education facilities, renovations to four high schools, improvements to two athletic stadiums, and relocation and construction of a new natatorium. These projects are intended to modernize aging facilities, support student programming, and address long-term facility needs across the district.

During fiscal year 2026, the district continued to place bond-funded improvements into service while advancing multiple projects through planning, design, and construction phases.

Table III - Capital Asset Summary

	Governmental Activities		Business- Type Activities	
	2026	2025	2026	2025
Land	$ 26,495,124	$ 26,707,184	$ -	$ -
Buildings and improvements	1,030,815,045	1,026,457,929	66,041	68,447
Furniture and equipment	39,106,010	37,547,161	137,850	198,939
Vehicles	19,078,277	13,362,318	5,715	2,492
Construction in progress	192,846,725	117,326,807	-	-
Right to use SBITAs	7,825,237	7,260,146	-	-
Total Capital Assets, Net of Depreciation\Amortization	$ 1,316,166,418	$ 1,228,661,545	$ 209,606	$ 269,878

Additional information on the District's capital assets can be found in Note 9 starting on page 54 of this report.

Long-Term Financing Activity. Long-term debt activity during fiscal year 2026 included the issuance of approximately $332.5 million in bonds, consisting of $317.3 million of Unlimited Tax School Building and Refunding Bonds, Series 2025, and $15.1 million of Refunding Bonds, Series 2026. Approximately $267.2 million of proceeds were deposited into project funds for voter-approved capital improvements, while refunding transactions were completed to refinance certain outstanding obligations and generate debt service savings. After principal retirements and refunding activity, outstanding bonded debt totaled approximately $1.20 billion at June 30, 2026.

The district retained approximately $506.4 million of voter-authorized but unissued bonds to support future phases of its capital improvement program at June 30, 2026.

The district continued to maintain strong underlying credit ratings of Aa1 from Moody's Investors Service and AA from S&P Global Ratings, with enhanced ratings of Aaa/AAA through the Texas Permanent School Fund Guarantee Program.

These investments position the district to continue addressing facility renewal, enrollment and programmatic needs, technology improvements, and safety enhancements while maintaining high-quality learning environments for students.

Table IV - District's Outstanding Debt

	Governmental Activities	
	2026	**2025**
General obligation bonds	$ 1,279,079,866	$ 1,107,846,701
Arbitrage payable	9,495,984	8,595,491
Lease payable	-	493,863
Subscription payable	895,889	1,284,871
Total Outstanding Debt	$ 1,289,471,739	$ 1,118,220,926

More detailed information about the District's long-term liabilities is presented in Note 10 to the financial statements starting on page 57 of this report.

Currently Known Facts, Decisions or Conditions

Several known factors are expected to influence the district's financial position and operating results in fiscal year 2027 and beyond. District management continues to monitor these conditions and incorporate them into financial planning, budget development, and long-term forecasting activities.

Public School Funding Environment. The district continues to operate in a challenging public education funding environment characterized by increasing costs for employee compensation, health insurance, utilities, transportation, technology, and school safety. Although legislative changes improved state funding during fiscal year 2026, future funding levels remain dependent on actions of the Texas Legislature, student enrollment, attendance, property values, and school finance formula calculations.

Foundation School Program Settle-Up. Subsequent entitlement calculations resulted in approximately $24.9 million payable to the Texas Education Agency at June 30, 2026. The liability will be recovered through future Foundation School Program payment reductions and is expected to affect fiscal year 2027 cash receipts. Management has incorporated these payment offsets into its cash flow projections and budget planning.

Enrollment Trends. Like many public school districts across Texas, the District continues to monitor enrollment and attendance trends closely. Changes in student enrollment and average daily attendance directly affect state funding and may influence future staffing, operational, and budget decisions. Average Daily Attendance declined at Spring Branch ISD from 29,765 to 28,816 during fiscal year 2026, continuing recent enrollment trends experienced by many public school districts in the Houston region. Continued declines in average daily attendance may place future pressure on state funding levels, making enrollment stabilization an important factor in the district's long-term financial outlook.

Regional Economic Conditions. The district continues to benefit from its location within the Houston metropolitan area, one of the nation's largest and most diverse regional economies. Ongoing commercial and residential development within and surrounding the district has contributed to continued growth in taxable property values and has helped maintain a strong local tax base. Taxable values increased to approximately $43 billion during fiscal year 2026 and continued to benefit from redevelopment activity throughout the Spring Branch, Memorial, and Energy Corridor areas.

Major employment sectors in the region include energy, healthcare, engineering, manufacturing, logistics, and professional services, providing economic diversity that supports long-term property value stability and local revenue generation.

At the same time, management continues to monitor economic conditions that could affect future revenues and expenditures, including inflationary pressures, interest rate changes, housing market trends, workforce availability, and potential economic slowdowns. These factors may affect future property valuations, operating costs, and construction pricing associated with the district's capital improvement program.

90th Texas Legislative Session. The district will closely monitor the upcoming 90th Texas Legislature session, where public school funding is expected to remain a significant topic of discussion. Key issues likely to affect the district include adjustments to the basic allotment, recapture reform, teacher compensation funding, school safety mandates, special education funding, and property tax relief measures. Given continuing inflationary pressures and increasing operational costs, the outcome of legislative actions may have a significant impact on the district's future financial condition and ability to maintain programs and services without reliance on fund balance.

Requests for Information. This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the district's finances and to show the district's accountability for the money it receives. Questions concerning the information provided in this report or requests for additional information should be addressed to the Office of the Associate Superintendent for Finance, Spring Branch Independent School District, 955 Campbell Road, Houston, Texas, 77024.

BASIC FINANCIAL STATEMENTS


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit A-1

STATEMENT OF NET POSITION

June 30, 2026

Data Control Codes		Governmental Activities	Business-Type Activities	Total
	Assets			
1110	Cash and cash equivalents	$ 23,598,310	$ 21,446	$ 23,619,756
1120	Investments - current	608,538,199	4,890,369	613,428,568
1225	Property taxes receivables, net	17,059,830	-	17,059,830
1240	Due from other governments	15,740,416	-	15,740,416
1250	Accrued interest	5,197,334	-	5,197,334
1260	Internal balances	9,057	(9,057)	-
1290	Other receivables, net	13,045,503	635,850	13,681,353
1300	Inventories	2,604,567	-	2,604,567
1410	Prepaid items	2,358,724	-	2,358,724
1910	Long-term investments	134,860,436	-	134,860,436
	Capital assets not subject to depreciation/amortization:			
1510	Land	26,495,124	-	26,495,124
1580	Construction in progress	192,846,725	-	192,846,725
	Capital assets net of depreciation/amortization:			
1520	Buildings and improvements, net	1,030,815,045	66,041	1,030,881,086
1530	Furniture and equipment, net	39,106,010	137,850	39,243,860
1540	Vehicles, net	19,078,277	5,715	19,083,992
1553	SBITA Assets, net	7,825,237	-	7,825,237
1000	**Total Assets**	2,139,178,794	5,748,214	2,144,927,008
	Deferred Outflows of Resources			
	Deferred loss on refunding	623,625	-	623,625
	Deferred outflows - pension	36,494,323	-	36,494,323
	Deferred outflows - other post employment benefits	29,134,178	-	29,134,178
1700	**Total Deferred Outflows of Resources**	66,252,126	-	66,252,126
	Liabilities			
2110	Accounts payable	35,152,420	16,196	35,168,616
2140	Interest payable	22,610,969	-	22,610,969
2150	Payroll deductions and withholdings	7,338,465	-	7,338,465
2160	Accrued wages payable	43,627,842	410,240	44,038,082
2180	Due to other governments	24,941,954	-	24,941,954
2190	Due to student groups	39,107	8,991	48,098
2200	Accrued expenditures/expenses	1,806,432	-	1,806,432
2300	Unearned revenue	848,741	13,800	862,541
	Long-term Liabilities:			
	Due within one year:			
2501	Bonds, SBITAs, Compensated absences	87,877,501	-	87,877,501
2502	Due in more than one year	1,211,949,940	-	1,211,949,940
2540	Net pension liability	131,828,646	-	131,828,646
2545	Net other post-employment benefits liability	64,292,565	-	64,292,565
2000	**Total Liabilities**	1,632,314,582	449,227	1,632,763,809
	Deferred Inflows of Resources			
	Deferred inflows - leases	10,054,766	523,296	10,578,062
	Deferred inflows - pensions	16,191,227	-	16,191,227
	Deferred inflows - other post employment benefits	78,614,620	-	78,614,620
2600	**Total Deferred Inflows of Resources**	104,860,613	523,296	105,383,909
	Net Position			
3200	Net investment in capital assets	564,553,616	209,606	564,763,222
	Restricted for:			
3820	Federal and state programs	12,300,460	-	12,300,460
3820	Food service	8,574,214	-	8,574,214
3850	Debt service	20,187,615	-	20,187,615
3900	Unrestricted	(137,360,180)	4,566,085	(132,794,095)
3000	**Total Net Position**	$ 468,255,725	$ 4,775,691	$ 473,031,416

Data Control Codes	Functions/Programs	Expenses	Program Revenue: Charges for Services	Program Revenue: Operating Grants and Contributions
	Governmental Activities			
11	Instruction	$ 278,221,443	$ 2,670,611	$ 25,544,666
12	Instructional resources and media services	1,373,847	-	80,003
13	Curriculum and staff development	7,712,168	-	2,365,443
21	Instructional leadership	5,414,595	-	754,083
23	School leadership	22,334,283	-	217,709
31	Guidance, counseling, and evaluation Services	22,978,004	-	7,156,462
32	Social work services	138,955	-	1,066
33	Health services	4,348,876	-	3,449,929
34	Student transportation	12,750,148	-	843,598
35	Food service	19,882,154	3,731,721	16,954,127
36	Extracurricular activities	11,633,283	575,653	168,732
41	General administration	10,758,290	115,000	5,100,585
51	Plant maintenance and operations	42,175,800	59,379	176,091
52	Security and monitoring services	10,051,932	49,354	751,610
53	Data processing services	10,750,465	-	503,361
61	Community services	2,750,378	-	699,172
72	Interest on long-term debt	44,538,053	-	45,792
73	Debt issuance costs and fees	1,657,545	-	824,547
81	Facilities Repairs and maintenance	6,765,724	-	758,614
91	Purchase of WADA to reduce excess local revenue	1,333,715	-	-
93	Payments related to shared services arrangements	538,951	-	538,951
99	Other intergovernmental charges	3,222,313	-	-
TG	**Total Governmental Activities**	521,330,922	7,201,718	66,934,541
	Business-Type Activities			
01	Athletic rentals/concessions	888,616	1,004,083	-
02	Employee childcare	1,984,600	1,624,278	-
03	After school programs	249,541	325,559	-
04	Fine arts	9,995	10,475	-
05	Facility rentals	150,573	361,076	-
06	Summer school	121,925	195,561	-
07	CTE programs	3,083	2,694	-
TB	**Total Business-Type Activities**	3,408,333	3,523,726	-
TP	**Total Primary Government**	$ 524,739,255	$ 10,725,444	$ 66,934,541

Data Control Codes	Functions/Programs	Net (Expense) Revenue and Changes in Net Position Primary Government: Governmental Activities	Business-Type Activities	Total
	Governmental Activities			
11	Instruction	$ (250,006,166)	$ -	$ (250,006,166)
12	Instructional resources and media services	(1,293,844)	-	(1,293,844)
13	Curriculum and staff development	(5,346,725)	-	(5,346,725)
21	Instructional leadership	(4,660,512)	-	(4,660,512)
23	School leadership	(22,116,574)	-	(22,116,574)
31	Guidance, counseling, and evaluation Services	(15,821,542)	-	(15,821,542)
32	Social work services	(137,889)	-	(137,889)
33	Health services	(898,947)	-	(898,947)
34	Student transportation	(11,906,550)	-	(11,906,550)
35	Food service	803,694	-	803,694
36	Extracurricular activities	(10,888,898)	-	(10,888,898)
41	General administration	(5,542,705)	-	(5,542,705)
51	Plant maintenance and operations	(41,940,330)	-	(41,940,330)
52	Security and monitoring services	(9,250,968)	-	(9,250,968)
53	Data processing services	(10,247,104)	-	(10,247,104)
61	Community services	(2,051,206)	-	(2,051,206)
72	Interest on long-term debt	(44,492,261)	-	(44,492,261)
73	Debt issuance costs and fees	(832,998)	-	(832,998)
81	Facilities Repairs and maintenance	(6,007,110)	-	(6,007,110)
91	Purchase of WADA to reduce excess local revenue	(1,333,715)	-	(1,333,715)
93	Payments related to shared services arrangements	-	-	-
99	Other intergovernmental charges	(3,222,313)	-	(3,222,313)
TG	**Total Governmental Activities**	(447,194,663)	-	(447,194,663)
	Business-Type Activities			
01	Athletic rentals/concessions	-	115,467	115,467
02	Employee childcare	-	(360,322)	(360,322)
03	After school programs	-	76,018	76,018
04	Fine arts	-	480	480
05	Facility rentals	-	210,503	210,503
06	Summer school	-	73,636	73,636
07	CTE programs	-	(389)	(389)
TB	**Total Business-Type Activities**	-	115,393	115,393
TP	**Total Primary Government**	(447,194,663)	115,393	(447,079,270)
Data Control Codes				
	General Revenues			
MT	Property taxes, levied for general purposes	279,079,176	-	279,079,176
DT	Property taxes, levied for debt service	124,859,483	-	124,859,483
SF	State-aid formula grants	52,457,411	-	52,457,411
IE	Investment earnings	29,244,581	177,199	29,421,780
MI	Miscellaneous	9,524,503	-	9,524,503
TR	**Total General Revenues**	495,165,154	177,199	495,342,353
CN	Change in net position	47,970,491	292,592	48,263,083
NB	**Net Position - Beginning**	420,285,234	4,483,099	424,768,333
NE	**Net Position - Ending**	$ 468,255,725	$ 4,775,691	$ 473,031,416

Data Control Codes		General Fund	Special Revenue Fund	Debt Service Fund
	Assets			
1110	Cash and cash equivalents	$ 3,220,621	$ 11,046,769	$ 170,701
1120	Current investments	153,982,500	9,223,445	32,873,453
	Receivables:			
1220	Property taxes - delinquent	16,213,395	-	5,799,507
1230	Allowance for uncollectible taxes (credit)	(3,846,635)	-	(1,106,437)
1240	Receivables from other governments	5,389,548	5,289,508	5,061,360
1250	Accrued interest	681,174	-	-
1260	Due from other funds	841,455	879,661	-
1290	Other receivables	54,486	12,940,501	-
1300	Inventories	2,193,620	410,947	-
1410	Prepaid items	2,324,825	5,030	-
1990	Long-term investments	-	-	-
1000	**Total Assets**	$ 181,054,989	$ 39,795,861	$ 42,798,584
	Liabilities, Deferred Inflows of Resources and Fund Balances			
	Liabilities:			
2110	Accounts payable	$ 4,802,797	$ 769,744	$ -
2150	Payroll deductions and withholdings	7,300,130	38,335	-
2160	Accrued wages payable	39,487,195	4,054,967	-
2170	Due to other funds	868,748	838,555	-
2180	Payable to other governments	24,940,565	1,389	-
2190	Due to student and employee groups	39,102	5	-
2200	Accrued expenditures	1,806,432	-	-
2300	Unearned revenue	217,919	630,822	-
2000	**Total Liabilities**	79,462,888	6,333,817	-
	Deferred Inflows of Resources			
	Unavailable revenue - property taxes	12,132,686	-	4,438,740
	Deferred inflows - leases	-	10,054,766	-
2600	**Deferred Inflows of Resources**	12,132,686	10,054,766	4,438,740
	Fund Balances:			
	Nonspendable:			
3410	Inventories	2,193,620	-	-
3430	Prepaid items	2,324,824	5,030	-
	Restricted:			
3450	Grant funds	-	8,574,214	-
3470	Capital acquisitions and obligations	-	-	-
3480	Debt service	-	-	38,359,844
3490	Other	-	12,302,403	-
	Committed:			
3545	Other	-	2,525,631	-
	Assigned:			
3570	Capital expenditures for equipment	3,650,000	-	-
3590	Other	46,867,915	-	-
	Unassigned:			
3600	Unassigned	34,423,056	-	-
3000	**Total Fund Balances**	89,459,415	23,407,278	38,359,844
4000				
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 181,054,989	$ 39,795,861	$ 42,798,584

Data Control Codes		Capital Projects Fund	Total Governmental Funds
	Assets		
1110	Cash and cash equivalents	$ 5,517,617	$ 19,955,708
1120	Current investments	412,458,801	608,538,199
	Receivables:		
1220	Property taxes - delinquent	-	22,012,902
1230	Allowance for uncollectible taxes (credit)	-	(4,953,072)
1240	Receivables from other governments	-	15,740,416
1250	Accrued interest	4,516,160	5,197,334
1260	Due from other funds	44	1,721,160
1290	Other receivables	-	12,994,987
1300	Inventories	-	2,604,567
1410	Prepaid items	-	2,329,855
1990	Long-term investments	134,860,436	134,860,436
1000	**Total Assets**	$ 557,353,058	$ 821,002,492
	Liabilities, Deferred Inflows of Resources and Fund Balances		
	Liabilities:		
2110	Accounts payable	$ 29,523,695	$ 35,096,236
2150	Payroll deductions and withholdings	-	7,338,465
2160	Accrued wages payable	85,675	43,627,837
2170	Due to other funds	4,360	1,711,663
2180	Payable to other governments	-	24,941,954
2190	Due to student and employee groups	-	39,107
2200	Accrued expenditures	-	1,806,432
2300	Unearned revenue	-	848,741
2000	**Total Liabilities**	29,613,730	115,410,435
	Deferred Inflows of Resources		
	Unavailable revenue - property taxes	-	16,571,426
	Deferred inflows - leases	-	10,054,766
2600	**Deferred Inflows of Resources**	-	26,626,192
	Fund Balances:		
	Nonspendable:		
3410	Inventories	-	2,193,620
3430	Prepaid items	-	2,329,854
	Restricted:		
3450	Grant funds	-	8,574,214
3470	Capital acquisitions and obligations	527,739,328	527,739,328
3480	Debt service	-	38,359,844
3490	Other	-	12,302,403
	Committed:		
3545	Other	-	2,525,631
	Assigned:		
3570	Capital expenditures for equipment	-	3,650,000
3590	Other	-	46,867,915
	Unassigned:		
3600	Unassigned	-	34,423,056
3000	**Total Fund Balances**	527,739,328	678,965,865
4000			
	Total Liabilities, Deferred Inflows of Resources, and Fund Balances	$ 557,353,058	$ 821,002,492


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit C-2*

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

June 30, 2026

Data Control Codes		
	Total Fund Balance, Governmental Funds	$ 678,965,865
	Amounts reported for governmental activities in the statement of Net position are different because:	
1	Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	1,316,166,418
2	Property taxes receivable have been levied and are due this year, but are not available soon enough to pay for the current period's expenditures, these property taxes and related penalty and interest amounts (net of allowance for uncollectible accounts).	16,571,426
	Long-term liabilities, including bonds payable, are not due and payable in the current period, and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of:	
3	General obligation bonds	(1,196,655,000)
4	Premiums on issuance	(82,424,866)
5	Subscription based IT agreements	(895,889)
6	Accrued compensated absences	(10,355,702)
7	Accrued interest payable	(22,610,969)
8	Net pension liability	(131,828,646)
9	Net other post employment liability	(64,292,565)
10	Deferred loss on refunding	623,625
11	Deferred outflow related to TRS pension	36,494,323
12	Deferred outflow related to TRS OPEB	29,134,178
13	Deferred inflow related to TRS pension	(16,191,227)
14	Deferred inflow related to TRS OPEB	(78,614,620)
16	Arbitrage payable	(9,495,984)
17	Addition of Internal Service fund net position	3,665,358
29	**Total Net Position - Governmental Activities (See A-1)**	$ 468,255,725

Data Control Codes		General Fund	Special Revenue Fund	Debt Service Fund
	Revenues			
5700	Local, intermediate, and out-of-state	$ 288,085,725	$ 12,892,377	$ 125,411,816
5800	State program revenues	74,158,641	4,738,620	11,559,734
5900	Federal program revenues	8,280,621	42,429,775	-
5020	**Total Revenues**	370,524,987	60,060,772	136,971,550
	Expenditures			
	Current:			
0011	Instruction	235,147,412	22,039,558	-
0012	Instruction resources and media services	1,291,103	122,818	-
0013	Curriculum and instructional staff development	5,915,675	2,198,638	-
0021	Instructional leadership	4,928,927	676,606	-
0023	School leadership	22,976,243	160,960	-
0031	Guidance, counseling and evaluation services	17,139,324	6,872,069	-
0032	Social work services	144,300	-	-
0033	Health services	4,396,947	101,265	-
0034	Student transportation	9,935,754	784,552	-
0035	Food services	482,614	20,117,163	-
0036	Extracurricular activities	7,625,336	1,100,436	-
0041	General administration	11,337,072	76,016	-
0051	Facilities maintenance and operations	41,486,758	133,002	-
0052	Security and monitoring services	9,970,392	434,027	-
0053	Data processing services	6,967,423	2,104,203	-
0061	Community services	1,634,419	548,194	-
	Debt service:			
0071	Principal on long-term debt	881,649	398,727	83,085,000
0072	Interest on long-term debt	40,765	29,540	51,761,541
0073	Bond issuance costs and fees	-	-	527,211
	Capital outlay:			
0081	Facilities acquisition and construction	127,132	684,498	-
	Intergovernmental:			
0091	Purchase of WADA to reduce excess local revenue	1,333,715	-	-
0093	Payments related to shared services arrangements	-	538,951	-
0099	Other intergovernmental charges	3,222,313	-	-
6030	**Total Expenditures**	386,985,273	59,121,223	135,373,752
1100	Excess (deficiency) of revenues over expenditures	(16,460,286)	939,549	1,597,798
	Other Financing Sources (Uses)			
7901	Refunding bonds issued	-	-	76,695,000
7911	Issuance of capital related debt	-	-	-
7912	Sale of real or personal property	396,791	18,091	-
7913	Proceeds from right to use leased assets and SBITAs	555,540	-	-
7915	Transfers in	1,919,416	109,342	-
7916	Premium or discount on issuance of bonds	-	-	5,629,835
8911	Transfers out	(109,342)	(1,919,416)	-
8949	Payment to Bond Refunding Escrow Agent	-	-	(81,904,391)
7080	**Total Other Financing Sources (Uses)**	2,762,405	(1,791,983)	420,444
1200	Net change in fund balances	(13,697,881)	(852,434)	2,018,242
0100	**Fund Balances - Beginning**	103,157,296	24,259,712	36,341,602
3000	**Fund Balances - Ending**	$ 89,459,415	$ 23,407,278	$ 38,359,844

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - GOVERNMENTAL FUNDS
For the Year Ended June 30, 2026

Data Control Codes		Capital Projects Fund	Total Governmental Funds
	Revenues		
5700	Local, intermediate, and out-of-state	$ 21,517,085	$ 447,907,003
5800	State program revenues	-	90,456,995
5900	Federal program revenues	-	50,710,396
5020	**Total Revenues**	21,517,085	589,074,394
	Expenditures		
	Current:		
0011	Instruction	-	257,186,970
0012	Instruction resources and media services	-	1,413,921
0013	Curriculum and instructional staff development	-	8,114,313
0021	Instructional leadership	-	5,605,533
0023	School leadership	-	23,137,203
0031	Guidance, counseling and evaluation services	-	24,011,393
0032	Social work services	-	144,300
0033	Health services	-	4,498,212
0034	Student transportation	7,535,235	18,255,541
0035	Food services	-	20,599,777
0036	Extracurricular activities	27,490	8,753,262
0041	General administration	-	11,413,088
0051	Facilities maintenance and operations	-	41,619,760
0052	Security and monitoring services	-	10,404,419
0053	Data processing services	-	9,071,626
0061	Community services	-	2,182,613
	Debt service:		
0071	Principal on long-term debt	148,543	84,513,919
0072	Interest on long-term debt	34,349	51,866,195
0073	Bond issuance costs and fees	1,657,545	2,184,756
	Capital outlay:		
0081	Facilities acquisition and construction	138,919,851	139,731,481
	Intergovernmental:		
0091	Purchase of WADA to reduce excess local revenue	-	1,333,715
0093	Payments related to shared services arrangements	-	538,951
0099	Other intergovernmental charges	-	3,222,313
6030	**Total Expenditures**	148,323,013	729,803,261
1100	Excess (deficiency) of revenues over expenditures	(126,805,928)	(140,728,867)
	Other Financing Sources (Uses)		
7901	Refunding bonds issued	-	76,695,000
7911	Issuance of capital related debt	255,790,000	255,790,000
7912	Sale of real or personal property	-	414,882
7913	Proceeds from right to use leased assets and SBITAs	-	555,540
7915	Transfers in	-	2,028,758
7916	Premium or discount on issuance of bonds	13,066,525	18,696,360
8911	Transfers out	-	(2,028,758)
8949	Payment to Bond Refunding Escrow Agent	-	(81,904,391)
7080	**Total Other Financing Sources (Uses)**	268,856,525	270,247,391
1200	Net change in fund balances	142,050,597	129,518,524
0100	**Fund Balances - Beginning**	385,688,731	549,447,341
3000	**Fund Balances - Ending**	$ 527,739,328	$ 678,965,865

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit C-4

RECONCILIATION OF THE STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE OF GOVERNMENTAL FUNDS TO THE STATEMENT OF ACTIVITIES

For the Year Ended June 30, 2026

Data Control Codes		
	Net Change in Fund Balances - Total Governmental Funds (From C-3)	$ 129,518,524
	Amounts reported for governmental activities in the statement of activities (B-1) are different because:	
1	Governmental funds report capital outlays as expenditures. However, in the statement of activities, the cost of those assets is allocated over their estimated useful lives as depreciation/amortization expense. This is the amount by which capital outlays exceeded depreciation/amortization.	
	Capital expenditures reclassified to assets.	145,861,687
	Depreciation\Amortization expense charged to each function in the Statement of Activities	(53,417,574)
2	Governmental funds report the entire net sales price (proceeds) from sale of an asset as revenue because it provides current financial resources. In contrast, the Statement of Activities reports only the gain (loss) on the sale of the assets. Thus, the change in net position differs from the change in fund balance by the cost of the asset sold.	(4,939,240)
3	Property tax revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds.	1,552,943
4	Repayment of bond principal and lease payments are expenditure in the governmental fund, but the repayment reduces long-term liabilities in the statement of net position.	83,085,000
5	Payment to escrow agent for payment of refunded bonds	81,904,391
6	Proceeds from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(332,485,000)
7	Issuance of subscription IT arrangement that is reported as an other financing source in the governmental funds. In the government-wide financial statements, issuance are treated as an increase in long-term liabilities.	(555,540)
8	Premium from issuance of long-term debt is reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in long-term liabilities.	(18,696,360)
9	Repayment of lease payable	493,863
10	Repayment of subscription based I.T. arrangements	944,522
	Some expenses reported in the statement of activities do not require the use of current financial resources and these are not reported as expenditures in governmental funds:	
11	Changes in net pension and OPEB liabilities, and related deferred outflows and inflows of resources	8,264,600
12	Change in interest payable not recognized in fund statements	(10,741,891)
13	Increase in accrued compensated absences	(529,425)
14	Amortization of bond premiums	15,123,195
15	Amortization on deferred loss on refunding	3,464,583
16	Arbitrage interest	(900,493)
17	Internal service funds are used by management to charge the costs of certain activities, such as insurance and printing, to individual funds. The net revenue (expense) of the internal service funds is reported with governmental funds.	22,706
	Change in Net Position of Governmental Activities (See B-1)	$ 47,970,491

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit D-1*

STATEMENT OF NET POSITION
PROPRIETARY FUNDS
June 30, 2026

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Assets		
Current Assets:		
Cash and cash equivalents	$ 21,446	$ 3,642,602
Investments	4,890,369	-
Receivables:		
Due from other funds	15,121	-
Lease receivables	607,508	-
Other receivables	28,342	50,516
Prepaid items	-	28,869
Total Current Assets	5,562,786	3,721,987
Non-Current Assets:		
Building and improvements	73,164	-
Furniture and equipment	361,325	-
Vehicles	217,403	-
Accumulated depreciation/amortization - buildings and improvements	(7,123)	-
Accumulated depreciation/amortization - vehicles	(211,688)	-
Accumulated depreciation/amortization - furniture and equipment	(223,475)	-
Total Non-Current Assets	209,606	-
Total Assets	5,772,392	3,721,987
Liabilities		
Current Liabilities:		
Accounts payable	16,196	56,184
Accrued wages payable	410,240	5
Due to other funds	24,178	440
Due to others	8,991	-
Unearned revenue	13,800	-
Total Current Liabilities	473,405	56,629
Total Liabilities	473,405	56,629
Deferred Inflows of Resources		
Deferred Inflows - leases	523,296	-
Deferred Inflows of Resources	523,296	-
Net Position		
Investment in capital assets	209,606	-
Unrestricted net position	4,566,085	3,665,358
Total Net Position	$ 4,775,691	$ 3,665,358

See notes to the financial statements.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit D-2*

STATEMENT OF REVENUES, EXPENSES AND CHANGES IN NET POSITION
PROPRIETARY FUNDS
For the Year Ended June 30, 2026

	Business-Type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Operating Revenues		
Local and intermediate sources	$ 3,523,726	$ 1,333
Interfund services provided and used	-	1,454,264
Total Operating Revenues	3,523,726	1,455,597
Operating Expenses		
Payroll costs	2,804,051	281,430
Purchased and contracted services	158,450	137,541
Supplies and materials	78,167	190,789
Claims expense and other operating expenses	301,155	823,131
Depreciation/amortization	55,969	-
Total Operating Expenses	3,397,792	1,432,891
Operating Income	125,934	22,706
Other Non-Operating Revenues		
Investment earnings	177,199	-
Loss on disposal of property	(10,541)	-
Total Other Non-Operating Revenues	166,658	-
Change in net position	292,592	22,706
Total Net Position - Beginning	4,483,099	3,642,652
Total Net Position - Ending	$ 4,775,691	$ 3,665,358

See notes to the financial statements.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit D-3

STATEMENT OF CASH FLOWS
PROPRIETARY FUNDS
For the Year Ended June 30, 2026

	Business-type Activities - Enterprise Fund	Governmental Activities - Internal Service Fund
Cash Flows from Operating Activities:		
Cash received from customers	$ 3,496,784	$ -
Receipts from interfund charges for insurance services	-	4,721,527
Payments to suppliers for goods and services	(567,268)	(1,171,041)
Payments to employees	(2,775,375)	(281,429)
Net Cash Provided by (Used in) Operating Activities	154,141	3,269,057
Cash Flows from Capital and Related Financing Activities:		
Purchase of capital assets	(6,238)	-
Net Cash Provided by (Used in) Capital and Related Financing Activities	(6,238)	-
Cash Flows from Investing Activities:		
Purchase of investments	(383,227)	-
Interest on investments	177,199	-
Net Cash Provided by Investing Activities	(206,028)	-
Net increase (decrease) in cash and cash equivalents	(58,125)	3,269,057
Cash and Cash Equivalents - Beginning of Year	79,571	373,545
Cash and Cash Equivalents - End of Year	$ 21,446	$ 3,642,602
Reconciliation to Statement of Net Position:		
Cash and cash equivalents	$ 21,446	$ 3,642,602
Cash and Cash Equivalents Per Statement of Net Position	$ 21,446	$ 3,642,602
Reconciliation of Operating Income to Net Cash Used for by Operating Activities:		
Operating income	$ 125,934	$ 22,706
Adjustments to Reconcile Operating Income to Net Cash Provided (used for) by operating activities:		
Depreciation/amortization	55,969	-
Change in Assets and Liabilities:		
Decrease (increase) in interfund receivables	(2,433)	3,269,326
Decrease (increase) in receivable	29,073	(3,396)
Decrease (increase) in Prepaid Items	-	(1,013)
Increase (decrease) in accounts payable	(35,923)	(19,007)
Increase (decrease) in accrued wages payable	28,676	1
Increase (decrease) in interfund payables	6,427	440
Increase (decrease) in Due to Others	(53)	-
Increase (decrease) in unearned revenue	(1,200)	-
Increase (decrease) in unavailable inflows	(52,329)	-
Net Cash Provided (used in) by Operating Activities	$ 154,141	$ 3,269,057

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit E-1*

STATEMENT OF FIDUCIARY NET POSITION

June 30, 2026

	Private Purpose Trust Fund	Total Custodial Funds
Assets		
Cash and cash equivalents	$ 2,082	$ -
Investments	268,744	5,521,671
Other receivables	-	124,299
Prepaid items	-	27,925
Total Assets	270,826	5,673,895
Liabilities		
Accounts payable	-	26,192
Payroll deductions and withholding	-	737,562
Due to others	-	1,868,158
Total Liabilities	-	2,631,912
Net Position		
Restricted - other	$ 270,826	$ 3,041,983

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit E-2*

STATEMENT OF CHANGES IN FIDUCIARY NET POSITION

For the Year Ended June 30, 2026

	Private Purpose Trust Fund	Total Custodial Funds
Additions		
Gifts and contributions	$ 2,854	$ 2,403,658
Property tax collections	-	40,096,651
Earnings on investments	10,227	237,415
Total Additions	13,081	42,737,724
Deductions		
Community service	8,340	2,319,190
General administration	-	40,158,093
Total Deductions	8,340	42,477,283
Change in net position	4,741	260,441
Net Position - Beginning of Year	266,085	2,781,542
Net Position - End of Year	$ 270,826	$ 3,041,983

See notes to the financial statements.


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

Note 1 - Summary of Significant Accounting Policies

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

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

The following is a summary of the most significant accounting policies.

A. Reporting Entity

The District is considered an independent entity for financial reporting purposes and is considered a primary government. The Board of Trustees (the "Board") is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the GASB in its Statement No. 61, *The Financial Reporting Entity: Omnibus; an amendment of GASB Statements No. 14 and No. 34*. The District is not financially accountable for any other organizations; therefore, no component units are included within the reporting entity. The District receives funding from local, state, and federal government sources and must comply with the requirements of these funding entities.

As required by U.S. generally accepted accounting principles, these basic financial statements have been prepared, based on considerations regarding the potential for inclusion of other entities, organizations, or functions, as part of the District's financial reporting entity. The District has implemented GASB Statement No. 39, *Determining Whether Certain Organizations are Component Units.* The District receives support from various Parent Teacher Associations (PTA), booster clubs and foundation organizations. None of these organizations meet the criteria specified by GASB No. 39 to be included in the District's financial statements. Therefore, there are no component units included within the reporting entity.

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

B. Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities are government-wide financial statements. They report information on all of the Spring Branch Independent School District operating activities and activities other than the District's fiduciary activities. For the most part, the effect of interfund activities has been removed from these statements. Governmental activities include programs supported primarily by taxes, state foundation funds, grants and other intergovernmental revenues. The District's business-type activities rely to a significant extent on fees and charges for support.

Note 1 - Summary of Significant Accounting Policies (continued)

B. Government-Wide and Fund Financial Statements (continued)

The Statement of Activities demonstrates how other people or entities that participate in programs the District operates have shared in the payment of direct costs. The "Charges for Services" column includes payments made by parties that purchase, use, or directly benefit from goods or services provided by a given function or segment of the District. Examples include school lunch charges, etc. The "Operating Grants and Contributions" column includes amounts paid by organizations outside the District to help meet the operational or capital requirements of a given function. Examples include grants under the Elementary and Secondary Education Act (ESEA). If a revenue is not a program revenue, it is a general revenue used to support all of the District's functions. Property taxes are considered general revenues.

Interfund activities between governmental funds and proprietary funds appear as “Due To/Due From” on the Governmental Fund Balance Sheet and Proprietary Fund Statement of Net Position. All interfund transactions between governmental funds are eliminated on the government-wide statements except for internal services provided. Interfund activities between governmental funds and the enterprise fund remain on the government-wide statements and appear on the government-wide Statement of Net Position as internal balances.

The fund financial statements provide reports on the financial condition and results of operations for three fund categories - governmental, proprietary, and fiduciary. Since the resources in the fiduciary funds cannot be used for District operations, they are not included in the government-wide statements. The District considers all governmental and enterprise funds to be major and reports their financial condition and results of operations in a separate column.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations. All other revenues and expenses are non-operating.

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation

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

Governmental fund financial statements use the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current liabilities and fund balances are included on the balance sheet. Operating statements of these funds present net increases and decreases in current assets (i.e., revenues and other financing sources, and expenditures and other financing uses).

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available. It recognizes expenditures in the accounting period in which the fund liability is incurred, if measurable, except for unmatured interest and principal on long-term debt, which is recognized when due.

The expenditures are recognized for compensated absences and claims and judgments when amounts are due and payable. The District considers all revenues available if they are collectible within sixty days after year-end.

Note 1 - Summary of Significant Accounting Policies (continued)

C. Measurement Focus, Basis of Accounting, and Financial Statement Presentation (continued)

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

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

The Proprietary Funds and Fiduciary Funds are accounted for on a flow of economic resources measurement focus and utilize the accrual basis of accounting. This basis of accounting recognizes revenues in the accounting period in which they are earned and become measurable and expenses in the accounting period in which they are incurred and become measurable. The fund balance is segregated into net investment in capital assets, restricted net position, and unrestricted net position.

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

D. Fund Accounting

The accounts of the District are organized on the basis of funds in accordance with the provisions of the Resource Guide. Each fund is considered to be a separate accounting entity. The operations of each fund are accounted for by providing a separate set of self-balancing accounts, which comprise its assets, liabilities, fund balance, revenues, and expenditures or expenses. For financial statement presentation, the District's fund financial statements provide more detailed information about the District's funds-not the District as a whole. All of the District's governmental and enterprise funds are considered major funds in accordance with generally accepted financial reporting criteria.

Governmental Funds:

General Fund **-** The General Fund is the government's primary operating fund. It is used to account for all financial transactions not properly includable in other funds. The principal sources of revenues include local property taxes, state funding under the Foundation School Program, interest earnings on fund investments, and federal source revenues. Expenditures include all costs associated with the daily operations of the District, except for specific programs funded by the federal or state government, food service, debt service and capital projects.

Special Revenue Fund **-** The Special Revenue Fund is used to account for all financial resources restricted for a specific purpose as identified by the grantor or committed by the Board. Specifically, this type of fund is used to account for the District's food service program, including local and federal revenue sources, for federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods and other revenue specific programs. Project accounting is employed to maintain integrity for the various sources of revenues. Resources accounted for in these programs are awarded to the District for the purpose of accomplishing specific educational tasks as defined by grantors in contracts or other agreements.

Note 1 - Summary of Significant Accounting Policies (continued)

D. Fund Accounting (continued)

Governmental Funds:

Debt Service Fund - The Debt Service Fund is used to account for the payment of interest and principal on all bonds of the District. The primary sources of revenue for debt service is local property taxes.

Capital Projects Fund - The Capital Projects Fund is used to account for the expenditures of resources accumulated from sales of bonds and related interest earnings for the renovation, acquisition and construction of school facilities.

Proprietary Funds:

Proprietary funds distinguish operating revenues and expenses from nonoperating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund's principal ongoing operations.

Enterprise Fund - The Enterprise fund is used to account for revenues and expenses related to the District's tuition/fee-based self-sustaining programs such as Employee Child Care, and Facilities Rentals. The District accounts for revenues and expenses related to services provided to parties inside the District. Revenues are received based on fees charged for services. Expenses include payments to employees and charges incurred in administering the programs.

Internal Service Fund - The district's internal service fund is used to account for the operations of the District's partially self-funded workers' compensation plan, which is supported by employer contributions. Expenses include plan benefit payments to employees and charges incurred in administering the plan.

Fiduciary Funds:

Private Purpose Trust Funds - Funds set up for handling specific scholarship money received by the District.

Custodial Funds - The Custodial Funds are used to account for activities of student groups, the employee's medical flexible spending accounts and for property tax collections for other governments. The Custodial Funds accounts for resources held in a custodial capacity by the District and consists of funds that are property of students and others and cannot be used by the District in operations.

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity

1. Cash and Cash Equivalents

The District's cash and cash equivalents are considered to be cash on hand, demand deposits. For the purpose of the Statement of Cash Flows, the Proprietary Fund Types consider temporary investments, with maturity of three months or less when purchased, to be cash equivalents. For cash management purposes, the District transfers balances to either a money market mutual fund or an externally pooled investment account. The cash is transferred back to the District as needed.

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

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

2. Investments

Investments consist largely of certificates of deposit, commercial paper, U.S. government agency securities, corporation obligation short-term, money markets, and government investment pools. The District's investments are carried at fair value based on quoted market prices at year-end, in accordance with U.S. generally accepted accounting principles. Investments having a maturity of three months or less are reported as cash and cash equivalents.

The District categorizes fair value measurements of its investments based on the hierarchy established by generally accepted accounting principles. GASB Statement No. 72, *Fair Value Measurement and Application,* provides a framework for measuring fair value. The fair value hierarchy, which has three levels, is based on the valuation inputs used to measure an asset's fair value: Level 1 inputs are quoted prices in active markets for identical assets; Level 2 inputs are significant other observable inputs; Level 3 inputs are significant unobservable inputs. The District's local government investment pools are recorded at amortized costs as permitted by GASB Statement No. 79 *Certain Investment Pools and Pool Participants.*

The three levels of fair value hierarchy that describes the inputs that are used to measure assets and liabilities are:

- Level 1 inputs are quoted prices (unadjusted) for identical assets and 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. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.
- 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.

Fair values are provided by Hilltop Securities Asset Management, LLC (HSAM). HSAM's source for pricing government securities (Treasuries and agencies) and most commercial paper is SVC, a subsidiary of SS&C and an information aggregator. SVC uses a number of sources for their pricing data, with most government securities and commercial paper pricing provided by Interactive Data Corp (IDC), an independent third-party pricing service, which is the largest source provider of fixed income pricing. Interactive Data's evaluations are based on market data. Interactive Data utilizes evaluated pricing models that vary by asset class and incorporate available trade, bid and other market information.

Because many fixed income securities do not trade on a daily basis, Interactive Data's evaluated pricing applications apply available information as applicable through processes such as benchmark curves, benchmarking of like securities, sector groupings, and matrix pricing, to prepare evaluations. SVC and/or IDC provide some, but not all, of the commercial paper (CP) pricing, while HSAM estimates other CP prices based on comparable market offers of similar issuers with comparable credit ratings and maturity dates. All pricing and fair values are based on Level 2 inputs.

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

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

3. Short-Term Interfund Receivables/Payables

During the course of operations, transactions occur between individual funds for specified purposes. These receivables and payables are classified as "due from other funds" or "due to other funds" on the combined fund balance sheets.

4. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at first-in, first-out method and they include consumable transportation, instructional, food consumables and various other supplies. Inventories of governmental funds are valued at cost and expenditures are recorded when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities are recorded at fair value supplied by the Texas Department of Human Services on the date received. Commodity inventory is recorded at fair values supplied by the Texas Department of Human Services. Although commodities are received at no cost, their fair value is supplied by the State and recorded as inventory and revenue when received in the government funds. A portion of fund balance is non-spendable to reflect minimum inventory quantities considered necessary for the District's continuing operations, generally in an amount equal to inventory values on hand at the end of the year. If there is a constraint on how the eventual proceeds can be spent, the fund balance is classified to reflect that constraint (restricted, committed, or assigned), rather than included as part of nonspendable fund balance. For the Special Revenue Fund, child nutrition inventory is classified according to the applicable constraint on the use of the resources associated with the inventory. Accordingly, the related fund balance is reported as restricted, committed, or assigned, as applicable, rather than as nonspendable fund balance.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both the government-wide and fund financial statements. The cost of prepaid items is recorded as expenditures/expenses when consumed rather than when purchased.

5. Capital Assets

Capital Assets, which include land, buildings, furniture and equipment, are reported in the applicable governmental or business-type activities column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $10,000 and an estimated useful life of more than one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed (except for intangible right-to-use lease assets). Costs of the Facilities Acquisition and Construction function that relate to overall planning of District facilities, managing overall District assets and overall construction projects are treated as period costs and are not capitalized unless related to specific assets. Donated capital assets are recorded at acquisition value at the date of donation. Donated capital assets, donated works of art and similar items, and capital assets received in a service concession arrangement are reported at their acquisition value on the date donated.

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

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

5. Capital Assets (continued)

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend assets lives are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed. When assets are retired or otherwise disposed of, the related costs or other recorded amounts are removed. Buildings, furniture and equipment of the District are depreciated/amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Infrastructure	50
Buildings	40
Building Improvements	15 - 40
Temporary Buildings	40
Buses	15
Vehicles	10
Furniture, Fixtures and Equipment	5 - 15
Right to us lease equipment	Shorter of asset useful life or lease term
Subscription assets	Subscription term

6. Deferred Outflow/Inflows of Resources

Deferred outflows and inflows of resources are reported in the statement of financial position as described below:

A *deferred outflow of resources* is a consumption of a government's net position (a decrease in assets in excess of any related decrease in liabilities or an increase in liabilities in excess of any related increase in assets) by the government that is applicable to a future reporting period. The District has three items that qualify for reporting in this category:

- Deferred outflows of resources for refunding - Reported in the government-wide financial statement of net position, this deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt.

- Deferred outflows of resources for pension - Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) differences between projected and actual earnings on pension plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five-year period. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

6. Deferred Outflow/Inflows of Resources (continued)

- Deferred outflows of resources for OPEB - Reported in the government wide financial statement of net position, this deferred outflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of OPEB liabilities. The deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on postemployment plan investments will be amortized over a closed five-year period. The remaining postemployment related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

A *deferred inflow of resources* is an acquisition of a government's net position (an increase in assets in excess of any related increase in liabilities or a decrease in liabilities in excess of any related decrease in assets) by the government that is applicable to a future reporting period. The District has four items that qualify for reporting in this category:

- Deferred inflows of resources for unavailable revenues - Reported only in the governmental funds balance sheet, unavailable revenues from property taxes and leases arise under the modified accrual basis of accounting. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available.
- Deferred inflows of resources for pension - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences and 3) changes in the District's proportional share of pension liabilities. These pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.
- Deferred inflows of resources for OPEB - Reported in the government wide financial statement of net position, this deferred inflow results from OPEB plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between projected and actual earnings on OPEB plan investments; 2) changes in actuarial assumptions; 3) differences between expected and actual actuarial experiences and 4) changes in the District's proportional share of OPEB liabilities. The deferred inflows of resources related to postemployment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred inflows resulting from differences between projected and actual earnings on postemployment plan investments will be amortized over a closed five-year period. The remaining postemployment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.
- Deferred inflows of resources for leases - Reported in the government-wide and proprietary fund financial statements, this deferred inflow results from lease agreements where the District is the lessor. This 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.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

7. Long-Term Obligations

- In the government-wide financial statements and proprietary fund types in the fund financial statements, long-term debt and other long-term obligations are reported as liabilities in the applicable governmental activities, business-type activities, or proprietary fund type statement of net position.

- Bond premiums and discounts are deferred and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of the applicable bond premium or discount. Bond issuance costs are recognized as an expense in the period incurred.

- In the fund financial statements, governmental fund types recognize bond premiums and discounts, as well as bond issuance costs, during the current period. The face amount of debt issued, including lease liabilities are 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.

8. Transactions Between Funds

Transactions which constitute reimbursements to a fund for expenditures or expenses initially made from that fund, which are properly attributable to another fund, are recorded as expenditures or expenses in the reimbursing fund and as reductions of the expenditures or expenses in the fund that is reimbursed.

Other legally authorized transfers are treated as operating transfers and are included in the results of operations of the governmental funds.

9. Compensated Absences

The District recognizes liabilities 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 during or upon separation from employment. The liability for compensated absences is reported as incurred in the government-wide and proprietary fund financial statements and is accounted for as assigned fund balance in the governmental funds - general fund. A liability for compensated absences is recorded in the governmental funds only if the liability has matured (i.e., are due for payment). The liability for compensated absences includes salary-related benefits, where applicable.

The District maintains a policy allowing employees meeting established requirements to be compensated for unused sick leave at retirement. Annual vacation time is granted to full-time employees assigned to the auxiliary salary schedule in positions normally requiring 12 months of service and non-duty days are allowed for certain employees on a 223 and 230 day work calendar. No more than 30 days may be accumulated.

10. Pensions

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

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

11. Other Post-Employment Benefits (OPEB)

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

12. Leases

Lessee: The District is a lessee for several noncancellable leases for equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $400,000 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 amount of the lease liability, adjusted for lease payments made at or before the lease commencement date, plus certain initial direct costs. Subsequently, the lease asset is amortized on a straight-line basis over its useful life.

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

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

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

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

Lessor: The District is a lessor for noncancellable leases agreements. The District recognizes a lease receivable and a deferred revenue in the government-wide and proprietary 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.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

12. Leases (continued)

Key estimates and judgments 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 noncancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

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

13. Subscription Based Information Technology Arrangements (SBITAs)

The District is under contract for various SBITAs for the right to use subscription assets (software). The SBITAs are noncancellable, and the District recognizes a SBITA liability and an intangible right to use SBITA asset in the government-wide financial statements. The District recognizes SBITA liabilities with an initial, individual value of $100,000 or more.

At the commencement of the SBITA, the District initially measures the SBITA liability at the present value of payments expected to be made during the SBITA term. Subsequently, the SBITA liability is reduced by the principal portion of SBITA payments made. The SBITA asset is initially measured as the sum of (1) the initial SBITA liability amount, (2) payments made to the SBITA vendor before commencement of the subscription term, and (3) capitalizable implementation costs, less any incentives received from the SBITA vendor at or before the commencement of the subscription term. Key estimates and judgments related to SBITA include how the District determines (1) the discount rate it uses to discount the expected SBITA payments to present value, (2) SBITA term, and (3) SBITA payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.

- The SBITA term includes the noncancellable period of the SBITA and payments included in the measurement of the SBITA liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

The District monitors changes in circumstances that would require a remeasurement of its SBITA and will remeasure the SBITA asset and liability if certain changes occur that are expected to significantly affect the amount of the SBITA liability. SBITA assets are reported with other capital assets and SBITA liabilities are reported with long-term debt on the statement of net position.

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

14. Fund Balance

Governmental Accounting Standards Board Statement No. 54, *Fund Balance Reporting and Governmental Fund Type Definitions,* provides more defined fund balance categories to make the nature and extent of the constraints placed on a government's fund balance more transparent.

The following classifications describe the relative strength of the spending constraints:

Nonspendable fund balance - Amounts that are not in spendable form or are required to be maintained intact. As such, the inventory and prepaid items have been properly classified in the Governmental Funds Balance Sheet (Exhibit C-1). If there is a constraint on how the eventual proceeds can be spent, the fund balance is classified to reflect that constraint (restricted, committed, or assigned), rather than included as part of nonspendable fund balance. For the Special Revenue Fund the inventory for child nutrition is considered as restricted.

Restricted fund balance - Amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors.

Committed fund balance - Amounts constrained to specific purposes by the District itself, using its highest level of decision-making authority (i.e. the Board of Trustees). To be reported as committed, amounts cannot be used for any other purposes unless the District takes the same highest level of action to remove or change the constraint. The District establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. A fund balance commitment is further indicated in the budget document as a commitment of the fund. In the Special Revenue Fund the District has committed 100 percent of *Campus Activity* related funds.

Assigned fund balance - Amounts the District intends or tentatively intends to use for a specific purpose. Assignment can be expressed by the District's Board of Trustees. For detail discussion on assigned fund balance as of June 30, 2026, see Note 14.

Unassigned fund balance - Amounts that are available for any purpose. Positive amounts are reported only in the general fund.

When an expenditure is incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. The District has not adopted a policy stating which fund balance category is spent first when committed, assigned or unassigned fund balances are available. By default, the District will consider amounts to have been spent first out of committed funds, then assigned and finally unassigned funds. Board policy states that the District will strive to maintain an annual fund balance in the general operating fund in which the total fund balance is (except for nonspendable and restricted) 19 percent of the total operating expenditures. The debt service fund balance is targeted at 25 percent of the current year debt service requirements.

15. Use of Estimates

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

Note 1 - Summary of Significant Accounting Policies (continued)

E. Other Accounting Policies - Assets, Deferred Outflows of Resources, Liabilities, Deferred Inflows of Resources and Net Position or Equity (continued)

16. Data Control Codes

The data control codes refer to the account code structure prescribed by TEA in the Financial Accountability System Resource Guide. TEA requires school districts to display these codes in the financial statements submitted to them in order to ensure accuracy in building a statewide database for policy development and funding plans.

17. Risk Disclosures – Concentrations and Constraints

In accordance with GASB Statement No. 102, Certain Risk Disclosures, the District evaluates whether it has vulnerabilities due to concentrations or constraints that could make it susceptible to a substantial impact. A concentration is defined as a lack of diversity related to an aspect of a significant inflow or outflow of resources, such as reliance on a single revenue source or vendor. A constraint is a limitation imposed by an external party or by formal action of the government's highest level of decision-making authority, such as statutory spending caps or debt limits.

The District assesses whether the concentration or constraint is known prior to issuance of the financial statements, whether it makes the District vulnerable to a substantial impact, and whether an event associated with the concentration or constraint has occurred, begun to occur, or is more likely than not to occur within 12 months of the issuance date. If all three criteria are met, the District discloses in the notes the nature of the concentration or constraint, the event or events that could cause a substantial impact, and the actions taken to mitigate the risk prior to issuance. If mitigating actions eliminate these conditions before issuance, disclosure is not required.

18. Implementation of New Accounting Standards

GASB issued Statement No. 103, *Financial Reporting Model Improvements,* in April 2024. The primary objective of this Statement is to improve 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. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The requirements of this statement were implemented in 2026 and the impact is reflected in the financial statements.

GASB issued Statement No. 104, Disclosure of Certain Capital Assets, in September 2024. The primary objective of this Statement is to provide users of government financial statements with essential information about certain types of capital assets. The requirements of this Statement are effective for fiscal years beginning after June 15, 2025, and all reporting periods thereafter. The requirements of this statement were implemented in 2026 and the impact is reflected in the financial statements. See Note 9 for more information.

Note 2 - Reconciliation of Government-wide and Fund Financial Statements

A. Reconciliation of Certain Differences Between the Governmental Fund Balance Sheet and the Government-Wide Statement of Net Position

Exhibit C-2 provides the reconciliation between the fund balance for total governmental funds on the governmental fund balance sheet and the net position for governmental activities as reported in the government-wide statement of net position. One element of that reconciliation explains that capital assets are not financial resources and are therefore not reported in governmental funds. In addition, long-term liabilities, including bonds payable and net pension liability, are not due and payable in the current period and are not reported as liabilities in the funds. Also, the property taxes receivable which is included as deferred in the fund financial statements are adjusted based on when the tax levy was made and adjusted for uncollectible amounts.

B. Explanation of Certain Differences Between the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances and the Government-Wide Statement of Activities

Exhibit C-4 provides a reconciliation between the net changes in fund balance as shown on the governmental fund statement of revenues, expenditures, and changes in fund balances and the changes in net position of governmental activities as reported on the government-wide statement of activities. One element of that reconciliation explains that current year capital outlays and debt principal payments are expenditures in the fund financial statements, but should be shown as increases in capital assets and decreases in long-term debt in the government-wide statements. This adjustment affects both the net position balance and the change in net position. The debt payments on retirement of debt are recorded as expenditures for fund basis financial statements but are a reduction of debt in the government wide financial statements. The capital asset additions are expenditures in the fund basis financial statements but are capitalized in the government-wide financial statements. The fund-basis financial statements do not include depreciation/amortization expense. The depreciation/amortization expense is a deduction to reconcile to the Government-Wide Statement of Activities. New debt issues are treated as other financing sources for fund-basis financial statements, but for the government-wide statements, those amounts are recorded as a liability. Property taxes are adjusted for the accrual basis and the unearned revenues are adjusted based on prior year levies and current year uncollectible amounts.

Note 3 - Stewardship, Compliance, and Accountability

A. 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. Encumbrances outstanding at year-end are commitments that do not constitute expenditures or liabilities. Since under Texas law, appropriations lapse at the end of each fiscal year, outstanding encumbrances are appropriately provided for in the subsequent fiscal year's budget to provide for the liquidation of the prior commitments. Outstanding encumbrances as of June 30, 2026, are $2,061,980 for general fund, $528,271 for special revenue fund, $129,081,263 for capital projects fund, $3,959 for proprietary fund, and $31,206 for the fiduciary funds.

Note 4 - Deposits (Cash) and Investments

A. Deposits (Cash)

Deposits and investment transactions of the District are regulated by State statutes through provisions of Chapter 23, Subchapter E, Sections 23.71 through 23.8 (the School Depository Act) of the Texas Education Code and other Code sections referenced therein and through provisions of the Texas Revised Civil Statutes, Title 47, Articles 2529c, and 2548a regarding security for District funds in depository institutions.

Note 4 - Deposits (Cash) and Investments (continued)

A. Deposits (Cash) (continued)

In accordance with applicable statutes, the District has a depository contract with an area bank (Depository). All depository contracts have an initial term of two years and may be renewed for three additional two year terms. Depository contracts are awarded on the basis of competitive bids received from area banks and can be awarded to more than one bank if the bids received are relatively equal.

The District may place funds with the Depository in interest and non-interest bearing accounts. Statutes and the depository contract require that all funds in the depository institution be fully secured by federal depository insurance or a combination of federal depository insurance and acceptable collateral securities and/or an acceptable surety bond.

The collateral securities must be delivered to the District or placed with an independent trustee institution with safekeeping receipts delivered to the District. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping receipts are issued in the name of the Depository with proper indication that the collateral securities are pledged by the Depository to secure funds of the District.

Acceptable collateral securities include direct obligations of the United States of America (U.S.), bonds of any agency of the U.S. (except Farmers Home Administration Insured Notes), Bonds of the State of Texas or of any county, school district, city, or town of the State of Texas as authorized by the Public Funds Collateral Act (Chapter 2257, Texas Government Code).

The District must approve all collateral securities prior to the security being pledged.

All demand and time deposits in the depository bank were entirely covered by federal depository insurance and by acceptable collateral securities held in the District's name by an agent of the District at year-end in accordance with provisions of the depository contract.

At June 30, 2026, the carrying amount of the District’s deposits including money market accounts was $23,621,838 and the bank balance was $26,863,497. The District deposits in Wells Fargo were secured by $36,031,692 of pledged collateral and $250,000 of FDIC coverage. In addition, certificates of deposit were secured by $118,384,424 of pledged collateral and FDIC coverage at various other institutions.

B. Investments

The Board of Trustees of the District has adopted a written investment policy (the “Investment Policy”) regarding the investment of its funds as defined in the Public Funds Investment Act (Chapter 2256, Texas Government Code). The Public Funds Investment Act (the “Act”) requires an annual audit of investment practices. Audit procedures in this area, conducted as part of the audit, disclosed that in the area of investment practices, management reports, and establishment of appropriate policies, the District was in substantial compliance with the requirements of the Act. Additionally, the investments and investment practices of the District are in compliance with the Boards' investment policies.

The Investment Policy emphasizes safety of principal and liquidity, addresses investment diversification, yield, and maturity, and addresses the quality and capability of investment personnel. The Investment Policy includes a list of authorized investment instruments, a maximum allowable stated maturity of any individual investment and the maximum average dollar weighted maturity allowed for fund groups. In addition, it includes an “Investment Strategy Statement” that specifically addresses each fund’s investment options and describes the priorities of suitability of investment type, preservation and safety of principal, liquidity, marketability, diversification and yield.

Note 4 - Deposits (Cash) and Investments (continued)

B. Investments (continued)

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

1. Obligations of the United States or its agencies and instrumentalities;
2. Direct obligations of the State of Texas, or its agencies and instrumentalities;
3. Other obligations, the principal and interest on which are unconditionally guaranteed or insured by the State of Texas or the United States, or its agencies and instrumentalities;
4. 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; and have a stated maturity no longer than ten years;
5. Certificates of deposit fully collateralized and guaranteed or insured by the FDIC;
6. Repurchase agreements fully collateralized (102%), pledged to and 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, with a defined termination date, and placed through a primary government securities dealer;
7. Commercial paper having a stated maturity of 270 days or fewer and a rating of not less than A-1/P-1 by two nationally recognized credit rating agencies; or a fully secured irrevocable letter of credit from a U.S. bank and one A-1/P-1 credit rating;
8. Money Market Mutual Funds approved by the Board, with its funds only in investments approved by the Investment Policy;
9. Public Funds Investment Pools approved by the Board, with its funds only in investments approved by the Investment Policy.

A summary of the District's cash and investments at June 30, 2026, are shown below.

	Cash and Money Market	Certificates of Deposit	External Investment Pools	U.S. Government Securities	Total
Governmental Funds					
General fund	$ 3,220,621	$ -	$ 69,895,894	$ 84,086,606	$ 157,203,121
Special revenue fund	11,046,769	-	9,223,445	-	20,270,214
Debt service fund	170,701	-	32,873,453	-	33,044,154
Capital projects fund	5,517,617	111,164,976	41,170,987	394,983,274	552,836,854
Total Governmental Funds	19,955,708	111,164,976	153,163,779	479,069,880	763,354,343
Internal Service Fund	3,642,602	-	-	-	3,642,602
Total Governmental Activities	23,598,310	111,164,976	153,163,779	479,069,880	766,996,945
Business-type Activities					
Enterprise fund	21,446	-	4,890,369	-	4,911,815
Fiduciary Funds	2,082	-	5,790,415	-	5,792,497
Total Cash and Investments	$ 23,621,838	$ 111,164,976	$ 163,844,563	$ 479,069,880	$ 777,701,257

Note 4 - Deposits (Cash) and Investments (continued)

B. Investments (continued)

For reporting purposes cash deposits are considered by the District as cash equivalents.

The District's investments are registered, or held by the District's agent in the District's name. Therefore, the District is not exposed to custodial credit risk. Custodial Credit risk for investments is the risk that, in event of the failure of the counterparty (e.g. broker dealer) to a transaction, a government will not be able to recover the value of its investments or collateral securities that are in the possession of another party. The District's policy requires that a third-party custodian hold all securities owned by the District.

The District generally holds all investments to maturity. The District did not purchase any derivative investment products during the fiscal year 2026 nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2026.

The following table includes the portfolio balance, credit rating, and percentage of the portfolio balance by investment type and weighted average days to maturity of investments held by the District as of June 30, 2026:

	Fair Value
Investment Type	
Certificates of Deposit	$ 111,164,976
Local Government Investment Pools: *	
Logic	24,294,405
TexPool	128,869,374
TexSTAR	4,890,369
Total	158,054,148
Primary Government	
Investments-Securities:	
Federal National Mortgage Association	7,968,212
Federal Farm Credit Bank	17,045,487
U.S. Treasury Notes	454,056,181
Total	479,069,880
Fiduciary Funds:	
Local Government Investment Pools: *	
TexSTAR	5,790,415
Total	5,790,415
Total Investments	$ 754,079,419

* Per GASB 79, valued at amortized cost.

Investments' fair value measurements are as follows at June 30, 2026:

Investments	Fair Value	Level 1 Inputs	Level 2 Inputs	Level 3 Inputs
Certificates of Deposit	$ 111,164,976	$ -	$ 111,164,976	$ -
Debt securities:				
U.S. Treasury Notes	454,056,181	-	454,056,181	-
U.S. Agency Securities	25,013,699	-	25,013,699	-
Total	$ 590,234,856	$ -	$ 590,234,856	$ -

Note 4 - Deposits (Cash) and Investments (continued)

B. Investments (continued)

Local Government Investment Pools

As of June 30, 2026, the District's investments included the Texas Local Government Investment Pool (TexPool), Local Government Investment Cooperative (LOGIC) and the Texas Short Term Asset Reserve Program (TexSTAR). The TexPool, LOGIC and TexSTAR investment pools' investments are not evidenced by securities that exist in physical or book entry form and, accordingly, do not have custodial risk.

TexPool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1987, as amended. The Texas State Comptroller of Public Accounts exercises oversight responsibility over TexPool. Federated Investors manages the daily operations of the pool under a contract with the Comptroller.

LOGIC is overseen by a Governing Board consisting of individuals from participating Government Entities in the pool. The business and affairs of LOGIC are managed by the Board. J.P. Morgan Asset Management provides investment management, fund accounting, transfer agency and custodial services for the pool and Hilltop Securities Inc. provides administrative, marketing and participant services. Together, these organizations bring to the LOGIC program a proven and noted track record in local government investment pool management.

TexSTAR is an investment pool managed by J.P. Morgan Fleming Asset Management (USA), Inc. (JPMFAM) and Hilltop Securities Asset Management, Inc. (HSAM). JPMFAM provides investment services and HSAM provides participant services and marketing. Custodial, transfer agency, fund accounting and depository services are provided by JPMorgan Chase Bank and/or its subsidiary J.P. Morgan Investor Services Co. TexSTAR will seek to maintain a credit rating no lower than AAA, AAAm, or the equivalent by at least one nationally recognized rating agency.

The value of District portions in TexPool, LOGIC` and TexSTAR are the same as the value of the shares. The external pooled funds use amortized cost rather than fair value to report net position to compute share price. Accordingly, the fair value of the positions of the pooled funds is the same as the value of the external pool shares. The funds are structured similar to a money market mutual fund which allows shareholders the ability to deposit or withdraw funds on a daily basis. Interest rates are also adjusted on a daily basis. Such funds seek to maintain a constant net asset value of $1, although this cannot be fully guaranteed. TexPool, LOGIC and TexSTAR pooled funds have a weighted average maturity of 47, 51 and 40 days respectively. However, the District can redeem its share position within one day when necessary.

The District invests in various types of investment securities at June 30, 2026. These include U.S. Government Agencies, Treasury Notes, certificates of deposit and commercial paper in which the carrying value reflect the fair value of the investments. The District estimates the fair value of the investments using inputs such as interest rates and yield curves that are observable at commonly quoted intervals.

Investment Risk

The risk exposure for governmental and business-type activities, major funds, the internal service fund, and fiduciary fund types of the District are not significantly greater than the deposit and investment risk of the overall primary government. The District's Investment Policy segregates the portfolios into strategic categories including:

1. General Fund
2. Debt Service Fund
3. Capital Projects Fund
4. Special Revenue and Other Special-Purpose Funds

Note 4 - Deposits (Cash) and Investments (continued)

B. Investments (continued)

Investment Risk (continued)

The District's Investment Policy seeks to control credit risk. Such risk is controlled by investing only in instruments of the highest credit quality; pre-qualifying the brokers and financial institutions with whom the District conducts business; obtaining sufficient collateral when required; diversifying investments among security types, issuers, and maturity dates; limiting final and weighted average maturities; and closely monitoring credit ratings.

In accordance with GASB 79, TexPool, LOGIC and TexStar do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amounts. Both pools do not impose any liquidity fees or redemption gates.

Interest Rate Risk

Interest rate risk is the risk that changes in interest rates may adversely affect the value of the investments. The District monitors interest rate risk utilizing weighted average maturity analysis. In accordance with the Investment Policy, the District reduces its exposure to declines in fair values by limiting the weighted average maturity of its investment portfolio to no more than 365 days, with the exception of debt service and capital projects funds which are matched to a specific cash flow for liquidity. In addition, the District shall not directly invest in an individual security maturing more than three years from the date of purchase. All investments at year-end complied with the Investment Policy in regard to maximum maturity dates and weighted average maturity limitations.

Adjustment to Investment's Fair Value

The District's portfolio value fluctuates in an inverse relationship to any change in interest rate. Accordingly, if interest rates have risen, the portfolio value will have declined. If interest rates have fallen, the portfolio value will have risen. Fair values of U.S. Treasury Notes, U.S. Government Agency Securities, certificates of deposit and short-term Corporate Obligations, are based on quoted market values. The investments are reported by the District at fair value in accordance with Governmental Accounting Standards. The amount of increase or decrease in the fair value of investments is included in investment income.

The District recorded a decrease in the fair value of investments for the year that is included in investment income.

	Governmental Funds	Proprietary Fund	Fiduciary Fund	Total
Interest income	$ 30,130,331	$ 177,199	$ 247,642	$ 30,555,172
Net decrease in fair value of investments	(885,750)	-	-	(885,750)
Total Investment Income	$ 29,244,581	$ 177,199	$ 247,642	$ 29,669,422

Note 5 - Property Taxes

Property taxes are levied by October 1st or within 60 days of receiving a certified roll in conformity with Subtitle E, Texas Property Tax Code. Taxes are due on receipt of the tax bill and are delinquent if not paid before February 1st of the year following the year in which imposed. On January 1st of each year, a tax lien attaches to property to secure the payment of all taxes, penalties, and interest ultimately imposed. Appraised values are established by the Central Appraisal District (CAD) of Harris County, Texas. Taxes are levied by the District's Board of Trustees based on the appraised values received from Harris Central Appraisal District. Billing and collection of tax levies are performed by the District.

Note 5 - Property Taxes (continued)

Property tax rates, established in accordance with state law, are levied on real and personal property within the District's boundaries for use in financing general government and debt service expenditures. Tax rates levied to finance general government and debt service expenditures for the fiscal year were $0.7186 and $0.3045, respectively, based on an assessed property valuation of approximately $40.1 billion resulting in an adjusted tax levy of approximately $410.1 million. Allowances for uncollectible taxes are based on 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.

Governmental funds net property taxes receivable at June 30, 2026, consisted of the following:

	General Fund	Debt Service Fund	Totals
Delinquent Taxes:			
Current year levy	$ 5,510,992	$ 2,335,231	$ 7,846,223
Prior years' levies	5,619,352	1,843,427	7,462,779
Total Delinquent Taxes	11,130,344	4,178,658	15,309,002
Penalty and interest on delinquent taxes	5,083,051	1,620,849	6,703,900
Total Delinquent Taxes and Penalty and Interest	16,213,395	5,799,507	22,012,902
Less allowance for uncollectible taxes	(3,846,635)	(1,106,437)	(4,953,072)
Net Property Taxes Receivable	$ 12,366,760	$ 4,693,070	$ 17,059,830

Note 6 - Receivables Due From Other Governments

Receivables due from other governments at June 30, 2026, consisted of the following:

	General Fund	Special Revenue Fund	Debt Service Fund	Total
Due From Other Governments				
Federal	$ 1,431,655	$ 5,123,522	$ -	$ 6,555,177
State	3,957,893	165,986	5,061,360	9,185,239
Total Due from Other Governments	$ 5,389,548	$ 5,289,508	$ 5,061,360	$ 15,740,416

Note 7 - Payables Due To Other Governments

Payables due to other governments at June 30, 2026, consisted of the following:

	General Fund	Special Revenue Fund	Total
Due To Other Governments			
State:			
Texas Education Agency	$ 24,940,565	$ 1,389	$ 24,941,954
Total Due To Other Governments	$ 24,940,565	$ 1,389	$ 24,941,954

Note 8 - Interfund Receivables, Payables and Transfers

Interfund balances consist of short-term lending/borrowing arrangements that result primarily from payroll, warehouse ordering, accounts payable and other regularly occurring charges that are paid by the general fund and then charged back to the appropriate other fund. Additionally, some lending/borrowing may occur between two or more governmental funds. Amounts due to/from other funds at June 30, 2026, consisted of the following:

	Interfund Receivables	Interfund Payables
Governmental Funds		
General fund	$ 841,455	$ 868,748
Special revenue fund	879,661	838,555
Capital projects fund	356,789	361,105
Total Governmental Funds	2,077,905	2,068,408
Proprietary Funds		
Enterprise fund	15,121	24,178
Internal service fund	-	440
Total Proprietary Funds	15,121	24,618
Total - All Funds	$ 2,093,026	$ 2,093,026

Interfund transfers are defined as “flow of assets without equivalent flows of assets in return and without a requirement for repayment”. The District report the following transfers during the year ended June 30, 2026.

	Transfers In		
	General Fund	Special Revenue Fund	Total
Transfers Out			
General fund	$ -	$ 109,342	$ 109,342
Special revenue fund	1,919,416	-	1,919,416
	$ 1,919,416	$ 109,342	$ 2,028,758

The transfer into General Fund matched FEMA payments with the related expenditures. The transfer into Special Revenue Fund from General Fund was for negative student accounts.

Note 9 - Capital Assets

Capital asset activity for the governmental and business-type activities of the District for the year ended June 30, 2026, are as follows:

	Balance July 1, 2025	Additions	Transfers	Retirements	Balance June 30, 2026
Governmental Activities					
Capital Assets Not Being Depreciated:					
Land	$ 26,707,184	$ -	$ -	$ (212,060)	$ 26,495,124
Construction in progress	117,326,807	130,026,363	(54,455,163)	(51,282)	192,846,725
Total Capital Assets, Not Being Depreciated	144,033,991	130,026,363	(54,455,163)	(263,342)	219,341,849
Capital Assets Being Depreciated\Amortized:					
Buildings and improvements	1,435,558,429	491,354	46,201,971	(10,192,468)	1,472,059,286
Furniture and equipment	75,373,974	3,815,778	8,253,192	(7,090,898)	80,352,046
Vehicles	34,289,532	7,954,676	-	(2,116,162)	40,128,046
Right-to-use lease assets - equipment	2,259,128	-	-	(2,259,128)	-
Right-to-use subscription based assets	9,451,088	3,573,516	-	(1,028,953)	11,995,651
Total Capital Assets, Being Depreciated\Amortized at Historical Cost	1,556,932,151	15,835,324	54,455,163	(22,687,609)	1,604,535,029
Less: Accumulated Depreciation\Amortization:					
Buildings and improvements	(409,100,500)	(38,013,584)	-	5,869,843	(441,244,241)
Furniture and equipment	(37,826,813)	(10,181,679)	-	6,762,456	(41,246,036)
Vehicles	(20,927,214)	(2,213,882)	-	2,091,327	(21,049,769)
Right-to-use lease assets - equipment	(1,807,302)	(451,825)	-	2,259,127	-
Right-to-use subscription based assets	(2,642,768)	(2,556,602)	-	1,028,956	(4,170,414)
Total Accumulated Depreciation\Amortization	(472,304,597)	(53,417,572)	-	18,011,709	(507,710,460)
Governmental Activities Capital Assets, Net	$ 1,228,661,545	$ 92,444,115	$ -	$ (4,939,242)	$ 1,316,166,418
Business-type Activities					
Capital Assets Being Depreciated:					
Buildings and improvements	$ 73,164	$ -	$ -	$ -	$ 73,164
Furniture and equipment	430,866	6,238	-	(75,779)	361,325
Vehicles	246,042	-	-	(28,639)	217,403
Total Capital Assets, Being Depreciated at Historical Cost	750,072	6,238	-	(104,418)	651,892
Less: Accumulated Depreciation for:					
Buildings and improvements	(4,717)	(2,406)	-	-	(7,123)
Furniture and equipment	(231,927)	(49,961)	-	58,413	(223,475)
Vehicles	(243,550)	(3,603)	-	35,465	(211,688)
Total Accumulated Depreciation	(480,194)	(55,970)	-	93,878	(442,286)
Business-type Activities Capital Assets, Net	269,878	(49,732)	-	(10,540)	209,606
Totals	$ 1,228,931,423	$ 92,394,383	$ -	$ (4,949,782)	$ 1,316,376,024

Note 9 - Capital Assets (continued)

Depreciation/amortization expense of the governmental activities was charged to the functions/programs as follows:

		Depreciation/ Amortization Expense
Governmental Activities Depreciation/Amortization Expense:		
11	Instruction	$ 39,848,340
21	Instructional leadership	24,236
34	Student transportation	2,450,575
35	Food services	615,332
36	Cocurricular/extracurricular activities	3,094,614
41	General administration	174,717
51	Facilities maintenance and operations	1,271,626
52	Security and monitoring services	258,677
53	Data processing services	5,466,452
81	Facilities acquisition and construction	213,003
Total Governmental Activities Depreciation/Amortization Expense		$ 53,417,572
Business-type Activities Depreciation Expense:		
36	Cocurricular/extracurricular activities	$ 23,318
51	Plant maintenance and operations	30,246
61	Community services	2,406
Total Business-type Activities Depreciation Expense		$ 55,970

The District's net investment in capital assets calculation is shown below and is presented on the Statement of Net Position.

	Governmental Activities	Business-type Activities - Enterprise Fund
Capital Assets, Net of Depreciation/Amortization	$ 1,316,166,418	$ 209,606
Less:		
General obligation bonds	(1,196,655,000)	-
Premiums	(82,424,866)	-
SBITAs	(895,889)	-
Capital related payables	(29,970,475)	-
Plus:		
Loss on refunding	623,625	-
Unspent bond proceeds	557,709,803	-
Net Investment in Capital Assets per Exhibit A-1	$ 564,553,616	$ 209,606

Note 9 - Capital Assets (continued)

A summary of capital projects having construction in progress as of June 30, 2026, is scheduled as follows:

Description of Project	Construction in Progress at Cost	Approved Project Budget	Estimated Remaining Commitment
Memorial High	$ 75,900	$ 24,244,169	$ 24,168,269
Northbrook High	3,303,229	53,477,539	50,174,310
Spring Woods High	2,937,298	5,350,692	2,413,394
Stratford High	17,371,205	30,484,336	13,113,131
Guthrie Center	105,126,829	146,303,304	41,176,475
Westchester Academy	550,277	1,750,810	1,200,533
Spring Branch Education Center	-	242,581	242,581
Landrum Middle	-	200,000	200,000
Memorial Middle	503,350	3,513,315	3,009,965
Northbrook Middle	-	6,922,210	6,922,210
Spring Branch Middle	456,504	5,075,032	4,618,528
Spring Forest Middle	660,725	5,423,393	4,762,668
Spring Oaks Middle	164,976	1,046,529	881,553
Spring Woods Middle	124,484	4,842,264	4,717,780
Buffalo Creek Elementary	391,940	1,173,430	781,490
Bunker Hill Elementary	-	149,999	149,999
Cedar Brook Elementary	393,465	882,642	489,177
Edgewood Elementary	-	250,000	250,000
Frostwood Elementary	388,920	942,142	553,222
Hollibrook Elementary	-	250,000	250,000
Housman Elementary	-	233,597	233,597
Hunters Creek Elementary	-	150,000	150,000
Meadow Wood Elementary	-	48,826	48,826
Memorial Drive Elementary	-	1,694,660	1,694,660
Nottingham Elementary	-	177,121	177,121
Ridgecrest Elementary	-	167,549	167,549
Shadow Oaks Elementary	-	250,000	250,000
Sherwood Elementary	39,568,644	53,250,784	13,682,140
Spring Branch Elementary	-	116,545	116,545
Terrace Elementary	8,785,518	55,753,313	46,967,795
Thornwood Elementary	90,165	2,936,951	2,846,786
Treasure Forest Elementary	-	170,758	170,758
Valley Oaks Elementary	-	3,513,337	3,513,337
Westwood Elementary (new)	-	181,184	181,184
Woodview Elementary	-	1,511,465	1,511,465
Bear Blvd	-	150,000	150,000
Lion Lane	-	150,000	150,000
Tiger Trail	-	150,000	150,000
Wildcat Way	-	150,000	150,000
Ag Farm	-	385,036	385,036
District Wide Programs	9,091,108	28,572,590	19,481,482
Athletic Facilities	2,862,188	136,796,516	133,934,333
Transition Campuses	-	5,424,563	5,424,563
Technology Projects	-	32,518,643	32,518,643
	$ 192,846,725	$ 616,977,825	$ 424,131,105

Note 10 - Long-Term Debt and Debt Service Requirements

The District issues general obligation bonds to provide funds for the renovation, acquisition, construction and equipment of major capital facilities. The general obligation bonds are direct obligations and pledge the full faith and credit of the District.

General long-term debt consists of bonds payable, leases, SBITAs and compensated absences and arbitrage. Bonds are payable solely from future revenues of the Debt Service Fund which consists principally of property taxes collected by the District, state aid and investment income. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bonds indentures. The District has never defaulted on any bond principal or interest payment. Debt service requirements for accrued compensated absences are generally payable from the General Fund when due.

On October 2, 2009 and December 7, 2010, the District issued Unlimited Tax Schoolhouse Bonds, Taxable Series 2009 and 2010, also known as direct payment Build America Bonds (BABS) which provides for a direct reimbursement of up to 35 percent of the interest paid on the bonds. The District received reimbursements totaling $2,664,881 during the fiscal year.

In August 2025, the District issued $317,340,000 of Unlimited Tax School Building and Refunding Bonds, Series 2025. The bonds bear interest at 5.00 percent and mature annually through February 1, 2049. The bonds were issued at a premium of $18,696,360.

Of the total principal issued, $255,790,000 represents school building bonds. Proceeds from the new-money portion of the bonds were used for the construction, acquisition, renovation, and equipment of school facilities and related capital improvements authorized by the District's 2017, 2022, and 2025 bond elections.

The remaining $61,550,000 represents refunding bonds issued to refund $66,595,000 of the District's outstanding Unlimited Tax Refunding Bonds, Series 2015B. The District deposited $66,768,791 with an escrow agent to provide for the payment of the refunded bonds, which were redeemed on August 26, 2025. As a result of the transaction, the refunded bonds were legally defeased and are no longer reported as liabilities of the District.

The refunding resulted in an accounting gain of $4,561,914, which was recognized in the current period. The refunding also reduced aggregate debt service requirements by approximately $3,887,599 and resulted in an economic gain of approximately $3,167,649, based on the present value of the debt service savings.

On March 2, 2026, the District issued $15,145,000 of Series 2026 refunding bonds through a private placement. The bonds bear interest at 3.39 percent and matured on May 1, 2026. Proceeds from the issuance, together with $101,850 of District funds, were used to refund $15,145,000 of the District's outstanding Unlimited Tax Refunding Bonds, Series 2015B.

The District deposited approximately $15,197,166 with the paying agent for the redemption of the Series 2015B bonds, consisting of $15,145,000 of principal and approximately $52,166 of accrued interest. The refunded bonds were called and redeemed on March 2, 2026.

The refunding reduced aggregate future debt service requirements by approximately $7.0 million and resulted in an economic gain, measured as the difference between the present value of the old and new debt service requirements, of approximately $801,000. The economic gain represented approximately 5.29 percent of the principal amount of the refunded bonds.

The Series 2026 refunding bonds required total debt service of approximately $15,229,000, consisting of $15,145,000 of principal and approximately $84,000 of interest

Note 10 - Long-Term Debt and Debt Service Requirements (continued)

A summary of general long-term debt transactions of the District for the fiscal year ended June 30, 2026, follows:

	Balance July 1, 2025	Issued and Additions	Retired and Refunded	Balance June 30, 2026	Due Within One Year
Bonds Payable					
General obligation bonds	$ 1,028,995,000	$ 332,485,000	$ (164,825,000)	$ 1,196,655,000	$ 86,070,000
Plus premiums on bonds at issuance	78,851,701	18,696,360	(15,123,195)	82,424,866	-
Total Bonds Payable	1,107,846,701	351,181,360	(179,948,195)	1,279,079,866	86,070,000
Arbitrage payable	8,595,491	900,493	-	9,495,984	-
Leases payable	493,863	-	(493,863)	-	-
Subscription based payable	1,284,871	555,540	(944,522)	895,889	433,929
Compensated absences*	9,826,277	529,425	-	10,355,702	1,373,572
Total Long-Term Debt	$ 1,128,047,203	$ 353,166,818	$ (181,386,580)	$ 1,299,827,441	$ 87,877,501

*- The change in compensated absences above is a net change for the year

Bonds Payable

Bonded debt, at June 30, 2026, is comprised of the following individual issues:

Series		Issue Amount	Interest Rate (%)	Matures	Amount Outstanding
2009B	BABS	$ 62,085,000	5.89	2039	$ 62,085,000
2010B	BABS	75,000,000	5.54 - 6.04	2039	70,815,000
2014A	Schoolhouse Bonds	31,390,000	3.50 - 3.75	2036	11,515,000
2015B	Refunding Bonds	153,550,000	4.00 - 5.00	2038	15,405,000
2018	Schoolhouse Bonds	132,345,000	3.50 - 5.00	2043	100,260,000
2019	Schoolhouse Bonds	230,880,000	2.63 - 5.00	2043	193,765,000
2020	Schoolhouse Bonds	155,630,000	1.75 - 5.00	2044	74,865,000
2022	Schoolhouse Bonds	307,375,000	4.25 - 5.00	2047	226,115,000
2023	Schoolhouse Bonds	165,405,000	4.00 - 5.00	2048	128,660,000
2025	School and Refunding Bonds	317,340,000	5.00	2049	313,170,000
			Total Bonds Payable		1,196,655,000
			Plus Unamortized Premiums on Issuance		82,424,866
			Total Bonds Payable		1,279,079,866
			Less Current Portion		86,070,000
			Long-Term Portion Bonds Payable		$ 1,193,009,866

Note 10 - Long-Term Debt and Debt Service Requirements (continued)

Annual Debt Service Requirements

Annual requirements to amortize all bonded debt outstanding as of June 30, 2026, follow:

Fiscal Year	Principal	Interest	Total
2027	$ 86,070,000	$ 54,934,033	$ 141,004,033
2028	81,055,000	50,607,211	131,662,211
2029	81,425,000	46,546,879	127,971,879
2030	51,380,000	42,467,787	93,847,787
2031	53,085,000	39,890,658	92,975,658
2032	53,030,000	37,150,389	90,180,389
2033	57,985,000	34,693,071	92,678,071
2034	60,360,000	32,073,830	92,433,830
2035	62,855,000	29,365,112	92,220,112
2036	65,930,000	26,421,131	92,351,131
2037	62,435,000	23,421,776	85,856,776
2038	59,135,000	20,657,868	79,792,868
2039	61,515,000	17,993,113	79,508,113
2040	48,705,000	15,209,112	63,914,112
2041	50,705,000	13,252,850	63,957,850
2042	52,810,000	11,176,075	63,986,075
2043	55,000,000	9,007,525	64,007,525
2044	33,455,000	6,847,400	40,302,400
2045	29,615,000	5,483,575	35,098,575
2046	30,970,000	4,140,850	35,110,850
2047	32,385,000	2,736,275	35,121,275
2048	16,650,000	1,267,100	17,917,100
2049	10,100,000	505,000	10,605,000
Total	$ 1,196,655,000	$ 525,848,620	$ 1,722,503,620
Less Current Portion	86,070,000		
Long-Term Portion	$ 1,110,585,000		

The District is in compliance with all significant bond compliance requirements. As of June 30, 2026, the District had $506.4 million authorized, but unissued bonds.

Note 11 - Leases

Lease Receivable

Business-type activities lease receivable. The District is leasing property for cell towers to a third party. The lease is for fifteen years and the District received monthly payments of $5,609 in fiscal year 2026. Payment increase 2% each year. The District recognized $52,330 in lease revenue and $26,715 in interest revenue during the current fiscal year related to this lease. As of June 30, 2026, the District's receivable for lease payments was $607,508. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $523,296.

Note 11 – Leases (continued)

Lease Receivable (continued)

Special Revenue Fund lease receivable. The District is leasing broad band channel capacity to a third party. The lease is for ten years and the District received eight monthly payments of $82,572 and four monthly payments of $85,049 in fiscal year 2026. The District recognized $833,023 in lease revenue and $73,576 in interest revenue during the current fiscal year related to this lease. As of June 30, 2026, the District's receivable for lease payments was $10,063,780. Also, the District has a deferred inflow of resources associated with this lease that will be recognized as revenue over the lease term. As of June 30, 2026, the balance of the deferred inflow of resources was $10,054,716.

Note 12 - SBITAs Liabilities

The District is under contract for noncancellable SBITAs that convey control of the right to use software. The following table lists SBITAs payable and right to use assets as of June 30, 2026.

				SBITAs Liability	
Description	Start Date	End Date	Interest Rate	Original Amount	Liability as of June 30, 2026
Abre IO Inc.	8/1/2025	7/31/2028	5.4%	$ 555,540	$ 360,540
CISCO Duo	7/1/2023	6/30/2028	7.2%	498,332	205,500
Kronos	7/1/2023	6/30/2028	7.2%	799,877	329,849
				$ 1,853,749	$ 895,889

				Right to Use Assets		
Description	Start Date	End Date	Interest Rate	Original Amount	Accumulated Amortization June 30, 2026	Net Balance June 30, 2026
Savas Learning Science E-Textbooks	6/30/2024	6/30/2032	7.2%	$ 1,194,552	$ (311,081)	$ 883,471
McGrawHill Science E-Textbooks	6/30/2024	6/30/2032	7.2%	1,282,869	(334,080)	948,789
McGrawHill Texas E-Textbooks	7/1/2025	6/30/2030	5.6%	395,458	(79,092)	316,366
Vista - Foreign Language	7/1/2025	6/30/2028	5.6%	409,471	(136,490)	272,981
CEV Multi-media	8/1/2025	7/31/2028	5.6%	123,460	(37,724)	85,736
Art of Education	7/1/2025	7/1/2027	5.6%	132,105	(66,053)	66,052
Coughlin - Capstone	7/1/2025	7/1/2027	5.4%	114,668	(57,334)	57,334
Edynamic - CTE	7/1/2025	6/30/2028	5.6%	304,425	(101,475)	202,950
Sequel - Bond Server	4/30/2026	3/31/2031	5.6%	433,444	(14,450)	418,994
Sequel - FortiGate Firewall	6/30/2026	6/30/2031	5.6%	1,104,948	(18,416)	1,086,532
Aruba WIFI Network	2/24/2025	2/23/2030	6.6%	105,458	(28,122)	77,336
Centegix Safety Platform	6/1/2025	5/31/2030	6.6%	2,714,000	(588,033)	2,125,967
CISCO Duo	7/1/2023	6/30/2028	7.2%	498,332	(298,999)	199,333
Kronos	7/1/2023	6/30/2028	7.2%	866,927	(520,156)	346,771
Crowdstrike	1/1/2023	6/30/2027	5.8%	394,810	(307,075)	87,735
Crowdstrike - Rubrick	12/1/2023	4/30/2027	7.2%	310,452	(232,839)	77,613
Finalsite Composer	11/1/2023	10/31/2026	7.1%	286,443	(254,616)	31,827
Canvas	7/1/2022	6/30/2027	5.8%	768,289	(614,631)	153,658
Abre IO Inc.	8/1/2025	7/31/2028	5.4%	555,540	(169,748)	385,792
				$ 11,995,651	$ (4,170,414)	$ 7,825,237

All amounts paid were previously included in the measurement of the subscription liability and there were no other related outflows of resources for the period such as variable payments or termination penalties. In addition, there were no commitments incurred prior to commencement of any SBITA term and there were no impairment losses related to SBITA assets.

Note 12 - SBITAs Liabilities (continued)

The future principal and interest SBITA payments as of June 30, 2026, were as follows:

Fiscal Year	Principal	Interest	Payment
2027	$ 433,929	$ 57,907	$ 491,836
2028	461,960	29,876	491,836
Total	$ 895,889	$ 87,783	$ 983,672

Note 13 - Deferred Outflows/Inflows of Resources and Unearned Revenue

Deferred Outflows of Resources

A deferred charge on refunding results from the difference in the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred loss on refunding as of June 30, 2026 was $623,625. Detailed discussions on deferred outflows for pension and OPEB are presented in Note 17 - Pension Plan and Other Post-Employment Benefits and Note 18 – Defined Other Post-Employment Benefit Plans.

Deferred Inflows of Resources

Detailed discussions on deferred inflows for pension and OPEB are presented in Note 17 - Pension Plan, Other Post-Employment Benefits and Note 18 - Defined Other Post-Employment Benefit Plans, which only affect government-wide financial statements. Deferred inflows of resources related to leases represent amounts associated with lease receivables that are applicable to future reporting periods. These amounts are recognized as lease revenue over the respective lease terms, see note 11 for detailed discussion. Property taxes that have not been collected within 60 days of year-end are considered unavailable in the fund financial statements.

Unearned revenue at year-end represents funds received in advance for which expenditures have not been incurred as is the case with grant revenue. A summary of deferred inflows and unearned revenue are as follows:

	Unavailable	Unearned
Deferred Inflows of Resources		
General fund - property taxes	$ 12,132,686	$ -
Debt service fund - property taxes	4,438,740	-
Special revenue fund - lease receivable	10,054,766	-
Enterprise fund - lease receivable	523,296	-
Unearned Revenue		
General fund	-	217,919
Unearned revenue on grants	-	630,822
Enterprise fund	-	13,800
Total Deferred Inflows of Resources and Unearned Revenue	$ 27,149,488	$ 862,541

Note 14 - Fund Balance

Fund Balance Classifications - Restricted, Committed and Assigned

According to District policy CE Local, the Board may establish assignments or commitments of fund balance from time to time in order to meet specific District needs. Assignments and commitments of fund balance shall be vetted and approved by the Board. Furthermore, commitments of fund balance shall be submitted to the Board for approval. The District assigns portions of the fund balance to indicate the administration's tentative plans for future use of financial resources. The assignment is determined by management at the end of each fiscal year.

A summary of restricted, committed and assigned fund balance as of June 30, 2026, for all governmental fund types follows:

	General Fund	Special Revenue Fund	Debt Service Fund	Capital Projects Fund
Restricted Fund Balance				
Grant funds	$ -	$ 8,574,214	$ -	$ -
Debt service	-	-	38,359,844	-
Capital acquisitions and obligations	-	-	-	527,739,328
Other:				
Advance Placement-Campus Awards	-	48,694	-	-
Locally funded	-	137,887	-	-
Local technology	-	5,774,462	-	-
Donations - locally funded	-	6,333,909	-	-
PledgeCent	-	7,451	-	-
Total Other	-	12,302,403	-	-
Total Restricted	-	20,876,617	38,359,844	527,739,328
Committed Fund Balance				
Other:				
Campus activity	-	2,525,631	-	-
Total Committed	-	2,525,631	-	-
Assigned Fund Balance				
Capital equipment replacement	3,650,000	-	-	-
Other:				
Compensated absences	9,863,000	-	-	-
Natural disaster	11,692,000	-	-	-
Subsequent year expenditures	25,312,915	-	-	-
Total Other	46,867,915	-	-	-
Total Assigned	50,517,915	-	-	-
Totals	$ 50,517,915	$ 23,402,248	$ 38,359,844	$ 527,739,328

Note 15 - Revenues from Local, Intermediate and Out-of-State Sources

A summary of local revenues recorded in the governmental funds for the fiscal year ended June 30, 2026, follows:

	General	Special Revenue	Debt Service	Capital Projects	Total
Property taxes	$ 275,290,538	$ -	$ 123,416,993	$ -	$ 398,707,531
Penalties, interest and other related tax income	2,897,601	-	850,622	-	3,748,223
Tuition and fees	2,048,810	-	-	-	2,048,810
Investment income	6,407,239	290,940	1,144,201	21,402,201	29,244,581
Food sales	-	3,676,154	-	-	3,676,154
Cocurricular activities	575,653	-	-	-	575,653
Insurance recovery	20,350	-	-	-	20,350
PTA donations	-	5,458,108	-	-	5,458,108
Student activities	-	2,247,679	-	-	2,247,679
Lease revenue	-	829,108	-	-	829,108
Other	845,534	390,388	-	114,884	1,350,806
Total	$ 288,085,725	$ 12,892,377	$ 125,411,816	$ 21,517,085	$ 447,907,003

Note 16 - General Fund Federal Program Revenues

A summary of federal program revenues received in the General Fund for the fiscal year ended June 30, 2026, follows:

Program or Grant	Assistance Listing Number	Amount Recorded in General Fund
Indirect Costs:		
School Breakfast Program	10.553	$ 277,172
National School Lunch	10.555	965,753
ESEA, Title X, Part C Education for the Homeless	84.196A	5,183
ESEA, Title I, Part A - Improving Basic Programs	84.010A	457,151
IDEA, Part B - Formula	84.027A	298,410
IDEA, Part B - Preschool	84.173A	5,047
Carl D. Perkins Basic Grant Formula Grant	84.048A	17,320
ESEA, Title II, Part A - Supporting Effective Instruction	84.367A	58,144
ESEA, Title III, Part A - LEA	84.365A	79,339
ESEA, Title IV, Part A, Subpart 1	84.424A	34,573
Total Indirect Costs		2,198,092
Direct Costs:		
Medicaid Administration Claiming Program	93.778	282,637
SHARS Program	n/a	3,036,251
Build America Bonds Subsidized Interest	n/a	2,664,881
ROTC	n/a	98,760
Total Direct Costs		6,082,529
Total Federal Program Revenues		$ 8,280,621

Note 17 - Employee Retirement Systems and Pension Plans

Plan Description

The District participates in a multiple-employer, cost-sharing, defined benefit pension that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS). 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 the system.

Pension Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about publications; or by writing to TRS at attention Finance Division, 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 percent (multiplier) times the average of the five highest annual creditable salaries times years of credited service to arrive at the annual standard annuity except for members who are grandfathered, the three highest annual salaries are used. The normal service retirement is at age 65 with 5 years of credited service or when the sum of the member's age and years of credited service equals 80 or more years. Early retirement is at age 55 with 5 years of service credit or earlier than 55 with 30 years of service credit. There are additional provisions for early retirement if the sum of the member's age and years of service credit total at least 80, but the member is less than age 60 or 62 depending on date of employment, or if the member was grandfathered under a previous rule. There are no automatic post-employment benefit changes; including automatic COLAs. Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the Plan description in (A) above.

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.

Note 17 - Employee Retirement Systems and Pension Plans (continued)

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year. Employee contribution rates are set in state statute, Texas Government Code 825.402.

	Contribution Rates		
	September 1, 2025 to June 30, 2026	July 1, 2025 to August 31, 2025	Contribution Amounts
Active Employee	8.25%	8.25%	$ 24,535,567
Non-employer contributing entity (State)	8.25%	8.25%	15,764,013
District	8.25%	8.25%	13,048,177

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

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

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

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

- All public schools, charter schools, and regional educational service centers must contribute 2.0% of the member's salary beginning in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

Note 17 - Employee Retirement Systems and Pension Plans (continued)

Actuarial Assumptions

The total pension liability in the August 31, 2024 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2024, rolled forward to August 31, 2025
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 30, 2025	5.23% - 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)	2124
Inflation	2.30%
Salary Increases	3.20% to 9.20% including inflation
Benefit changes during the year	None
Ad hoc post-employment benefit changes	None

Effective with the measurement date of August 31, 2025, the salary increase assumption was modified to reflect anticipated changes in future contribution levels resulting from the enactment of House Bill 2 (HB2) by the 2025 Texas Legislature. Except for the change in salary increase assumption, the actuarial assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2024. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2024.

Discount Rate

A single discount rate of 7.00 percent was used to measure the total pension liability. The single discount rate was based on the expected rate of return on pension plan investments of 7.00 percent. The projection of flows used to determine this single discount rate assumed that contributions from active members, employers and the non-employer contributing entity will be made at the rates set by the legislature during the 2019 session. It is assumed that future employer and state contributions will be 9.54% of payroll in fiscal year 2026 and thereafter. This includes all employer and state contributions for active and rehired retirees.

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

The long-term rate of return on pension plan investments is 7.00 percent. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighting the expected future real rates of return by the target asset allocation percentage and by adding expected inflation.

Note 17 - Employee Retirement Systems and Pension Plans (continued)

Discount Rate (continued)

Best estimates of geometric real rates of return for each major asset class included in the System's target asset allocation as of August 31, 2025 are summarized below:

Asset Class	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return[3]	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
All Country	39.00%	4.14%	2.18%
USA	0.00%	3.85%	0.00%
Non-U.S. Developed	5.00%	4.60%	0.31%
Emerging Markets	1.00%	4.71%	0.07%
Private Equity	12.00%	6.80%	1.19%
Stable Value			
Government Bonds - Nominal	10.00%	2.59%	0.33%
Government Bonds - Real	6.00%	1.97%	0.13%
Absolute Return[1]	0.00%	3.91%	0.00%
Stable Value Hedge Funds	5.00%	1.68%	0.09%
Real Return			
Real Estate	15.00%	4.60%	0.86%
Energy, Natural Resources & Infrastructure	6.00%	4.86%	0.36%
Commodities	0.00%	2.96%	0.00%
Risk Parity	5.00%	4.38%	0.26%
Asset Allocation Leverage			
Cash	2.00%	0.51%	0.01%
Asset Allocation Leverage	-6.00%	0.81%	-0.05%
Inflation Expectation			2.30%
Volatility Drag[4]			-0.71%
Expected Return	100.00%		7.33%

[1] Absolute Return includes Credit Sensitive Investments.

[2] Target allocations are based on the fiscal year 2025 policy model.

[3] Capital Market Assumptions (CMA) come from Meketa Investment Group's 2025 CMAs.

[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Note 17 - Employee Retirement Systems and Pension Plans (continued)

Discount Rate Sensitivity Analysis

The following table presents the Net Pension Liability of the plan using the discount rate of 7.00 percent, and what the net pension liability would be if it were calculated using a discount rate that is one percentage point lower (6.00 percent) or one percentage point higher (8.00 percent) than the current rate.

	Discount Rate		
	1% Decrease	Current Rate	1% Increase
	6.00%	7.00%	8.00%
District's proportional share of the net pension liability	$ 204,330,053	$ 131,828,646	$ 64,619,600

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

At June 30, 2026, the District reported a liability of $131,828,646 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

District's proportion of the net pension liability	0.2094%
District's proportionate share of the collective net pension liability	$ 131,828,646
State's proportionate share that is associated with District	158,937,173
Total	$ 290,765,819

The net pension liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 and the total pension lability used to calculate the net pension liability was determined by an actuarial valuation as of that date. The employer's proportion of the net pension liability was based on the employer's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2024 through August 31, 2025.

At August 31, 2025, the District's proportion of the collective net pension liability was 0.2094 percent which was an increase of 0.0033 percent from its proportion measured as of August 31, 2024.

The General, Capital Projects and Special Revenue Funds are used to liquidate pension liabilities.

Note 17 - Employee Retirement Systems and Pension Plans (continued)

Changes in Assumptions and Benefits Since the Prior Actuarial Valuation

The 2025 Texas Legislature passed HB2, which modified the future compensation structure for active employees covered by the System. As a result, a new salary increase assumption was adopted for determining the Net Pension Liability as of the August 31, 2025 measurement date. All other actuarial assumptions and methods remain the same as used in the determination of the prior year's Net Pension Liability. There have been no changes to the benefit provisions since the prior valuation.

For the year ended June 30, 2026, the District recognized pension expense of $13,940,542. The District also recognized on-behalf pension expense and revenue of $14,755,190 for support provided by the State.

At June 30, 2026, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 7,909,357	$ (461,914)
Changes of assumption	12,642,656	-
Net difference between projected and actual earnings on pension plan investments	-	(5,991,009)
Changes in proportion and differences between District contributions and proportionate share of contributions	4,874,655	(9,738,304)
District contributions subsequent to the measurement date of the net pension liability	11,067,655	-
Total	$ 36,494,323	$ (16,191,227)

Deferred outflows of resources resulting from District contributions subsequent to the measurement date in the amount of $11,067,655 will be recognized as a reduction of the net pension liability in the measurement year 2026. The net amounts of the District's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Fiscal Year	Pension Expense Amount	Balance of Deferred Outflows (Inflows)
2027	$ 13,255,474	$ (4,020,033)
2028	405,561	(4,425,594)
2029	(5,307,748)	882,154
2030	(800,858)	1,683,012
2031	1,683,012	-
	$ 9,235,441	

Note 18 - Defined Other Post-Employment Benefit Plans

A. 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 OPEB plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature.

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

B. OPEB Plan Fiduciary Net Position

Detail information about the Teacher Retirement System's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (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, or by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

C. Benefits Provided

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

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

The 88th Legislature amended the Texas Insurance Code Chapter 1575 via Senate Bill 1854 allowing TRS to offer coverage for dental and vision care to retirees. In accordance with Chapter 1575.1601, TRS established the TRS-Care Dental and TRS-Care Vision plans. TRS-Care Dental and TRS-Care Vision are optional plans that are available to retirees who are eligible for TRS-Care. This includes their dependents, surviving spouses, and surviving dependent children. Retirees do not have to be enrolled in TRS-Care medical and pharmacy plans to be eligible TRS-Care Dental and TRS-Care Vision. The first enrollment period for the plans began in October 2024 and coverage started in January 2025.

The General Appropriations Act passed by the 88th Legislature included funding to maintain TRS-Care premiums at their current level through 2025. Also, the 86th Legislature passed Senate Bill 1682 which requires TRS to establish a contingency reserve in the TRS-Care fund equal to 60 days of expenditures. This amount is estimated at $381,400,000 as of August 31, 2025.

Note 18 - Defined Other Post-Employment Benefit Plans (continued)

C. Benefits Provided (continued)

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

TRS-Care Monthly Premium Rates

	Medicare	Non-Medicare	TRS-Care Dental	TRS-Care Vision
Retiree or Surviving Spouse	$ 75	$ 200	$ 41.64	$ 6.89
Retiree and Spouse	280	689	83.29	13.79
Retiree or Surviving Spouse and Children	408	408	87.45	15.57
Retiree and Family	613	999	129.93	24.08

D. Contributions

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

Texas Insurance Code, section 1575.202 establishes the state's contribution rate which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate which is 0.65% of salary. Section 1575.204 establishes a public school contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the employer. The actual public school contribution rate is prescribed by the Legislature in the General Appropriations Act, which is 0.75% of each active employee's pay for fiscal year 2026. The following table shows contributions to the TRS-Care plan by type of contributor.

	Contribution Rates		
	September 1, 2025 to June 30, 2026	July 1, 2025 to August 31, 2025	Contribution Amounts
Active Employee	0.65%	0.65%	$ 1,933,096
Non-Employer Contributing Entity (State)	1.25%	1.25%	5,935,872
District:			
District, Excluding Federal/Private Funding	0.75%	0.75%	2,257,778
Federal/Private Funding	1.25%	1.25%	225,189
Total District			2,482,967
Total			$ 10,351,935

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

Note 18 - Defined Other Post-Employment Benefit Plan (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2024. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2025. The actuarial valuation was determined using the following actuarial assumptions:

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. All the demographic assumptions, including rates of retirement, termination, and disability, and most of the economic assumptions, including general inflation and salary increases, used in the OPEB valuation were identical to those used in the respective TRS pension valuation. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2023.

The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2024 TRS pension actuarial valuation that was rolled forward to August 31, 2025: (a) Rates of Mortality, (b) Rates of Retirement, (c) Rates of Termination, (d) Rates of Disability, (e) General Inflation, and (f) Wage Inflation.

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

Additional Actuarial Methods and Assumptions:

Valuation Date	August 31, 2024, rolled forward to August 31, 2025
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	5.23% as of August 31, 2025
Aging factors	Based on the Society of Actuaries' 2013 Study "Health Care Costs - From Birth to Death".
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs.
Projected Salary Increases	3.20% to 9.20% including inflation
Healthcare Trend Rate	The initial medical trend rate was 7.35% for non-Medicare retirees and 9.00% for Medicare retirees. The initial prescription drug trend rate was 9.00% for all retirees. The initial trend rates decrease to an ultimate trend rate of 4.25% over a period of 14 years.
Election Rate	Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at age 65.
Ad Hoc Post-Employment Benefit Changes	None

Note 18 - Defined Other Post-Employment Benefit Plan (continued)

F. Discount Rate

A single discount rate of 5.23 percent was used to measure the Total OPEB Liability. This was an increase of 1.36 percent in the discount rate since the previous year.

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

The source of the municipal bond rate is the Fidelity "20-year Municipal GO AA Index" as of August 31, 2025 using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

G. Discount Rate Sensitivity Analysis

Discount Rate – The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1% less than and 1% greater than the discount rate that was used (5.23%) in measuring the Net OPEB Liability.

	Discount Rate		
	1% Decrease (4.23%)	Current Rate (5.23%)	1% Increase (6.23%)
District's proportional share of the net OPEB liability	$ 75,504,884	$ 64,292,565	$ 55,052,825

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

At June 30, 2026, the District reported a liability of $64,292,565 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

District's proportionate share of the collective net OPEB liability	$	64,292,565
State's proportionate share that is associated with District		85,298,304
Total	$	149,590,869

The Net OPEB Liability was measured as of August 31, 2024 and rolled forward to August 31, 2025 and the Total OPEB Liability used to calculate the Net OPEB Liability was determined by an actuarial valuation as of that date. The District's proportion of the Net OPEB Liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2024 through August 31, 2025.

At August 31, 2025, the District's proportion of the collective Net OPEB Liability was 0.2579 percent which was an increase of 0.0015 percent from its proportion measured as of August 31, 2024.

Note 18 - Defined Other Post-Employment Benefit Plan (continued)

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

The General, Capital Projects and Special Revenue Funds are used to liquidate pension liabilities.

Healthcare Cost Trend Rates – The following schedule shows the impact of the Net OPEB Liability if a healthcare trend rate that is 1% less than and 1% greater than the health trend rates assumed.

	Healthcare Cost Trend Rate		
	1% Decrease	Trend Rate	1% Increase
District's proportional share of the net OPEB liability	$ 53,160,916	$ 64,292,565	$ 78,426,475

Changes Since the Prior Actuarial Valuation

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

- The single discount rate changed from 3.87% as of August 31, 2024, to 5.23% as of August 31, 2025.
- The salary increase rates were revised to match those used in the pension valuation, and the health care trend rates were reset to reflect the plan's anticipated experience.

Changes of Benefit Terms Since the Prior Measurement Date

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

For the year ended June 30, 2026, the District recognized negative OPEB expense of $6,669,657. The District also recognized negative on-behalf OPEB expense and revenue of $9,855,526 for support provided by the State.

At June 30, 2026, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$ 12,578,144	$ (38,289,894)
Changes of assumption	7,950,320	(26,406,671)
Net difference between projected and actual earnings on OPEB plan investments	-	(395,409)
Changes in proportion and differences between District contributions and proportionate share of contributions	6,515,204	(13,522,646)
District contributions subsequent to the measurement date of the net OPEB liability	2,090,510	-
Total	$ 29,134,178	$ (78,614,620)

Note 18 - Defined Other Post-Employment Benefit Plan (continued)

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

The District reported $2,090,510 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the measurement year 2026. The net amounts of the District's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year Ended June 30:	OPEB Expense Amount	Balance of Deferred Outflows (Inflows)
2027	$ (9,503,525)	$ (42,067,427)
2028	(11,345,516)	(30,721,911)
2029	(10,011,400)	(20,710,511)
2030	(6,985,335)	(13,725,176)
2031	(6,255,495)	(7,469,681)
Thereafter	(7,469,681)	-
	$ (51,570,952)	

I. Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, effective January 1, 2006, established prescription drug coverage for Medicare beneficiaries known as Medicare Part D. One of the provisions of Medicare Part D allows for the Texas Public School Retired Employee Group Insurance Program (TRS-Care) to receive retiree drug subsidy payments from the federal government to offset certain prescription drug expenditures for eligible TRS-Care participants. For the fiscal years ended June 30, 2026, 2025, and 2024, the subsidy payments received by TRS-Care on-behalf of the District were $2,443,698, $2,006,327 and $1,513,864 respectively. The information for the year ended June 30, 2026 is an estimate provided by the Teacher Retirement System. These payments are recorded as equal revenues and expenditures in the governmental funds financial statements of the District.

Note 19 - Risk Management

The District is exposed to various risks related to torts: theft of, damage to, and destruction of assets; errors and omissions; and natural disasters. The District's risk management program encompasses various means of protecting the District against loss by obtaining property, casualty, liability, health and workers compensation insurance coverage through commercial carriers. Settled claims have not exceeded insurance coverage in any of the previous three fiscal years. There has not been any significant reduction in insurance coverage from the previous year.

Health Care Coverage

The District sponsors a fully-insured insurance plan to provide health care benefits to staff members and their dependents. Partial staff member contributions are required for personal coverage and staff member contributions are required for coverage of dependents.

Note 19 - Risk Management (continued)

Letter of Credit

In June of 2019 Wells Fargo Bank, N.A, issued a Standby Letter of Credit (SBLC) for drawings of up to $599,000 for the benefit of Liberty Mutual Insurance Company. The District is administering an Owner Controlled Insurance Program under which insurance policies were purchased from Liberty Mutual to insure risks on construction projects financed by the 2017 and 2022 bond authorizations. Liberty Mutual required the District to provide the SBLC as a condition of issuing the insurance policies. If the District does not make deductible or loss limit payments due under the terms of the insurance policies Liberty Mutual may draw against the SBLC. As of fiscal year end no amounts were drawn, or expected to be drawn, on the SBLC. The District intends to annually renew the SBLC with an ultimate expiration date in June 2027.

Workers' Compensation Aggregate Deductible

During the year ended June 30, 2026, Spring Branch ISD met its statutory workers' compensation obligations through participation in the TASB Risk Management Fund (the Fund). The Fund was created and is operated under the provisions of the Interlocal Cooperation Act, Chapter 791 of the Texas Government Code. The Fund's Workers Compensation Program is authorized by Chapter 504, Texas Labor Code. All members participating in the Fund execute Interlocal Agreements that define the responsibilities of the parties. The Fund provides statutory workers' compensation benefits to its members' injured employees.

Spring Branch ISD participates in the Fund's reimbursable aggregate deductible program. As such, the member is responsible for a certain amount of claims liability as outlined on the member's Contribution and Coverage Summary document. After the member's deductible has been met, the Fund is responsible for additional claims liability.

The Fund and its members are protected against higher than expected claims costs through the purchase of stop loss coverage for any claim in excess of the Fund's self-insured retention of $2 million. The Fund uses the services of an independent actuary to determine reserve adequacy and fully funds those reserves. As of August 31, 2025, the Fund carries a discounted reserve of $50,816,828 for future development on reported claims and claims that have been incurred but not yet reported. For the year-ended June 30, 2026, the Fund anticipates no additional liability to members beyond their contractual obligations for payment of contributions and reimbursable aggregate deductibles.

The Fund engages the services of independent auditors to conduct a financial audit after the close of each year on August 31. The audit is accepted by the Fund's Board of Trustees in February of the following year. The Fund's audited financial statements as of August 31, 2025, are available on the TASB Risk Management Fund website and have been filed with the Texas Department of Insurance in Austin.

Note 20 - Compensated Absences

Sick Leave Policy

The District has established policies regarding the compensation of employees for unused sick leave upon retirement from service. An employee who is eligible to retire under the state retirement system, who selects the retirement system annuity options available, and who has been employed by the District for a continuous period of at least five years at the time of retirement shall be reimbursed for each day of unused local sick leave at a rate based on a percentage of the employee's average salary over the ten continuous years preceding retirement. Compensation for unused sick leave is limited and based on the years employed with the District, which are used to calculate the number of days and salary amounts that will be paid upon retirement.

Note 20 - Compensated Absences (continued)

Sick Leave Policy (continued)

The District records the payments for sick leave as an expenditure in the General Fund. The District records a liability at year-end in the General Fund for payments to be made to employees who have given notice before the end of the fiscal year and the amounts will be paid out of current resources early in the following fiscal year. As of June 30, 2026, the General Fund did not report a liability.

The District estimates the long-term portion of the sick leave liability and records this amount in the government-wide financials as a long-term liability. The long-term liability for compensated absences was $10,355,702 as of June 30, 2026. The management of the District has assigned a portion of the fund balance in the General Fund to pay for accrued sick leave liability.

Note 21 - Shared Service Arrangements

The District participates in a Shared Service Arrangement (SSA) for deaf education services with four other school districts. Approximately 21.6% of the students served by the SSA are attributable to the District. The District does not account for the revenues or expenditures for this program and does not disclose them in these financial statements. The District neither has a joint ownership interest in fixed assets purchased by the fiscal agent, nor does the District have a net equity interest in the fiscal agent. The fiscal agent is neither accumulating significant financial resources nor fiscal contingencies that would give rise to a future additional benefit or burden to Spring Branch Independent School District. The fiscal agent manager is responsible for all financial activities of the SSA. The expenditures attributable to the District's participation for the year ended June 30, 2026 totaled $538,951.

Note 22 - Litigation, Commitments and Contingencies

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

The District received significant financial assistance from federal and state governmental agencies in the form of grants. The disbursements of funds received under these programs generally requires compliance with terms and conditions specified in the grant agreements and are subject to audit by the grantor agencies and the TEA. Any disallowed claims resulting from such audits could become a liability of the General Fund. However, in the opinion of management, such disallowed claims, if any, will not have a material effect on any of the financial statements of the individual fund types included herein or on the overall financial position of the District at year-end.

Note 23 - Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Revenue Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of the amount earned on investments purchased with bond proceeds, over the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five-year anniversary date of the bond issue. The District's estimated arbitrage liability was $9,495,984 as of June 30, 2026.

Note 24 - Subsequent Event

Bond Issuance. The District issued $204,650,000 of Unlimited Tax Schoolhouse Bonds, Series 2026B, dated October 15, 2026, with delivery occurring on November 4, 2026. The bonds bear interest at rates ranging from 5.125% to 5.500% and mature from February 1, 2027 through February 1, 2050.

Proceeds from the bonds will be used for the construction, acquisition, and equipment of school facilities, including middle school and high school career and technical education facilities and renovations to four high schools; the construction and improvement of two stadiums; and payment of costs of issuance.

Credit rating change. On September 18, 2026 S&P Global Ratings (''S&P'') downgraded the rating of the Issuer from AA to AA-.

REQUIRED SUPPLEMENTARY INFORMATION

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit G-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCES - ORIGINAL BUDGET, AMENDED FINAL (GAAP BASIS) AND ACTUAL - GENERAL FUND

For the Fiscal Year Ended June 30, 2026

With Actual Totals for 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final Amended	Variance with Original Budget - Over (Under) Final Budget	Actual Amounts GAAP Basis	Variance with Final Budget - Over (Under) Actual Amounts	2025 Actual
	Revenues						
5700	Local and intermediate sources	$ 289,608,315	$ 285,767,300	$ 3,841,015	$ 288,085,725	$ 2,318,425	$ 307,223,871
5800	State program revenues	49,022,414	75,181,344	(26,158,930)	74,158,641	(1,022,703)	49,304,060
5900	Federal program revenues	7,492,500	8,121,218	(628,718)	8,280,621	159,403	5,822,185
5020	**Total Revenues**	346,123,229	369,069,862	(22,946,633)	370,524,987	1,455,125	362,350,116
	Expenditures						
	Current:						
11	Instruction	215,777,822	236,563,245	(20,785,423)	235,147,412	1,415,833	213,082,770
12	Instructional Resources and Media Services	2,076,204	1,351,721	724,483	1,291,103	60,618	1,142,674
13	Curriculum and Instructional Staff Development	8,483,046	5,998,395	2,484,651	5,915,675	82,720	8,095,775
21	Instructional leadership	5,585,647	5,067,699	517,948	4,928,927	138,772	4,859,743
23	School leadership	23,464,135	23,233,350	230,785	22,976,243	257,107	22,765,797
31	Guidance, Counseling and Evaluation Services	17,347,061	17,430,318	(83,257)	17,139,324	290,994	17,540,888
32	Social work services	162,730	177,730	(15,000)	144,300	33,430	152,417
33	Health services	4,608,377	4,526,457	81,920	4,396,947	129,510	4,217,216
34	Student transportation	8,763,189	10,147,556	(1,384,367)	9,935,754	211,802	10,093,575
35	Food services	86,182	536,189	(450,007)	482,614	53,575	473,914
36	Extracurricular activities	7,637,818	7,742,486	(104,668)	7,625,336	117,150	7,641,695
41	General administration	11,248,398	12,281,697	(1,033,299)	11,337,072	944,625	9,981,456
51	Facilities Maintenance and Operations	41,712,608	42,581,475	(868,867)	41,486,758	1,094,717	42,268,999
52	Security and Monitoring Services	10,369,883	10,179,368	190,515	9,970,392	208,976	8,979,237
53	Data processing services	7,413,938	7,034,812	379,126	6,967,423	67,389	7,204,243
61	Community services	1,484,755	1,702,436	(217,681)	1,634,419	68,017	1,549,877
71	Debt service	-	950,000	(950,000)	922,414	27,586	722,304
81	Facilities acquisition and construction	150,000	180,000	(30,000)	127,132	52,868	185,907
91	Purchase of WADA to reduce excess local revenue	1,344,223	1,464,223	(120,000)	1,333,715	130,508	18,223,392
99	Other intergovernmental charges	3,750,000	3,222,313	527,687	3,222,313	-	3,198,727
6030	**Total Expenditures**	371,466,016	392,371,470	(20,905,454)	386,985,273	5,386,197	382,380,606
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(25,342,787)	(23,301,608)	(2,041,179)	(16,460,286)	6,841,322	(20,030,490)
	Other Financing Sources (Uses)						
7912	Sale of real and personal property	50,000	314,124	(264,124)	396,791	82,667	68,298
7913	Right to use leased assets and SBITAs issued	-	555,540	(555,540)	555,540	-	-
7915	Transfers in	-	1,796,067	(1,796,067)	1,919,416	123,349	216,149
8911	Transfers out	-	(115,000)	115,000	(109,342)	5,658	(33,275)
7080	**Total Other Financing Sources (Uses)**	50,000	2,550,731	(2,500,731)	2,762,405	211,674	251,172
1200	Net change in fund balances	(25,292,787)	(20,750,877)	(4,541,910)	(13,697,881)	7,052,996	(19,779,318)
0100	**Fund Balance - Beginning**	103,157,296	103,157,296	-	103,157,296	-	122,936,614
3000	**Fund Balance - Ending**	$ 77,864,509	$ 82,406,419	$ (4,541,910)	$ 89,459,415	$ 7,052,996	$ 103,157,296

Budgets and Budgetary Accounting

Each school district in Texas is required by law to prepare annually a budget of anticipated revenues and expenditures for the General and Debt Service Funds and the Food Service program included in the Special Revenue Fund before the beginning of the fiscal year. For the fiscal year beginning July 1st, the Texas Education Code requires the budget to be prepared not later than June 19th and adopted by June 30th of each year. The District's administration determines budgetary funding priorities using a modified zero-based budgeting concept, which is consistent with GAAP. Final budget allocations are determined by the Board, which subsequently establishes a tax rate sufficient to support the approved budget. The annual budget, which is prepared on the modified accrual basis of accounting, must be adopted by the Board at a scheduled meeting after giving ten days public notice of the meeting. The District annually adopts legally authorized appropriated budgets for the General and Debt Service Funds and the Food Service program included in the Special Revenue Fund. The food service program budget is included in this report as it is considered a perspective difference regarding required supplemental information for presentation of major special revenue fund budget comparison information in accordance with generally accepted financial reporting practices.

The District's administration performs budget reviews during the year in which budget requirements are re-evaluated and revisions are recommended to the Board. The Board may approve amendments to the budget, which are required when a change is made to any one of the functional expenditure categories or revenue object accounts defined by the TEA. Expenditures may not legally exceed budgeted appropriations, as amended, at the function level by fund. Unexpended appropriations lapse at year-end.

Management may amend the budget without seeking Board approval if appropriations are not transferred between functions.

General Fund Budgetary Highlights

Significant Changes from Original to Final Budget. During the year, the District amended the budget to reflect changes in anticipated revenues, expenditures, and other financing sources. Budgeted state program revenues increased by $26.2 million (53.4%) from the original budget due to changes to the state funding formulas made during the 89th Legislative Session. Budgeted instruction expenditures increased by $20.8 million (9.6%) due to increase in payroll from state-mandated pay raises for teachers with 3 and 5 years of experience, plus the related benefit costs of higher salaries. The amendments, including changes in other financing sources, reduced the budgeted decrease in fund balance from $25.3 million to $20.8 million.

Final Budget Compared to Actual Results. Actual results were more favorable than the final budget, as the District's fund balance decreased by $13.7 million compared with a budgeted decrease of $20.8 million, a difference of $7.1 million. Actual revenues were $1.5 million (0.4%) more than the final budget, primarily because local and intermediate revenues were $2.3 million (0.8%) more than budgeted, partially offset by state program revenues that were $1.0 million (1.4%) less than budgeted, due to allocation of state funding. Actual expenditures were $5.4 million (1.4%) less than the final budget, including instruction expenditures that were $1.4 million (0.6%) less, facilities maintenance and operations expenditures that were $1.1 million (2.6%) less, and general administration expenditures that were $945,000 (7.7%) less, due to due to cost containment measures adopted during the year.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit G-2*

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY

Teacher Retirement System of Texas

For the Last Ten Measurement Years Ended August 31

	2025	2024	2023	2022	2021
District's proportion of the net pension liability	0.2094000%	0.2061000%	0.2346104%	0.2319953%	0.2159545%
District's proportionate share of the net pension liability	$ 131,828,646	$ 125,901,184	$ 161,154,719	$ 137,729,635	$ 54,995,975
State's proportionate share of the net pension liability associated with the District	158,937,173	162,024,382	189,291,722	172,087,144	81,236,331
Total	$ 290,765,819	$ 287,925,566	$ 350,446,441	$ 309,816,779	$ 136,232,306
District's covered payroll (for Measurement Year)	$ 282,934,237	$ 277,276,081	$ 286,449,314	$ 271,845,654	$ 260,870,242
District's proportionate share of the net pension liability as a percentage of it's covered payroll	46.59%	45.41%	56.26%	50.66%	21.08%
Plan fiduciary net position as a percentage of the total pension liability	78.24%	77.51%	73.15%	75.65%	88.79%
Plan's net pension liability as a percentage of covered payroll	101.96%	102.39%	122.32%	112.72%	51.08%

	2020	2019	2018	2017	2016
District's proportion of the net pension liability	0.2085450%	0.2152580%	0.2094941%	0.2013303%	0.2124879%
District's proportionate share of the net pension liability	$ 111,692,491	$ 111,897,876	$ 115,310,682	$ 64,374,610	$ 80,295,999
State's proportionate share of the net pension liability associated with the District	170,470,072	158,387,000	174,521,390	105,022,736	130,039,152
Total	$ 282,162,563	$ 270,284,876	$ 289,832,072	$ 169,397,346	$ 210,335,151
District's covered payroll (for Measurement Year)	$ 250,420,467	$ 232,079,599	$ 224,739,409	$ 216,179,463	$ 218,955,935
District's proportionate share of the net pension liability as a percentage of it's covered payroll	44.60%	48.22%	51.31%	29.78%	36.67%
Plan fiduciary net position as a percentage of the total pension liability	75.54%	75.24%	73.74%	82.17%	78.00%
Plan's net pension liability as a percentage of covered payroll	110.36%	114.93%	126.11%	75.93%	92.75%

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

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit G-3*

SCHEDULE OF THE DISTRICT CONTRIBUTIONS - PENSION

Teacher Retirement System of Texas

Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Contractually required contributions	$ 13,048,177	$ 12,146,025	$ 11,846,294	$ 11,958,647	$ 10,345,685
Contributions in relation to the contractual required contributions	13,048,177	12,146,025	11,846,294	11,958,647	10,345,685
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 297,390,259	$ 282,111,379	$ 281,823,908	$ 282,910,480	$ 268,626,065
Contributions as a percentage of covered payroll	4.39%	4.31%	4.20%	4.23%	3.85%

	2021	2020	2019	2018	2017
Contractually required contributions	$ 9,041,755	$ 8,431,324	$ 7,451,017	$ 7,018,331	$ 6,632,615
Contributions in relation to the contractual required contributions	9,041,755	8,431,324	7,451,017	7,018,331	6,632,615
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 259,366,018	$ 247,157,828	$ 230,577,415	$ 223,647,790	$ 216,419,381
Contributions as a percentage of covered payroll	3.49%	3.41%	3.23%	3.14%	3.06%

Changes of Assumptions

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

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

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

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

Measurement Year 2025: Salary increase assumption updated to reflect impact of 2025 legislation.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit G-4*

SCHEDULES OF REQUIRED SUPPLEMENTARY INFORMATION

SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY

Teacher Retirement System of Texas

For the Last Nine Measurement Years Ended August 31 (1)

	2025	2024	2023	2022	2021
District's proportion of the net OPEB liability	0.2579204%	0.2564000%	0.2900721%	0.2905528%	0.2779996%
District's proportionate share of the OPEB liability	$ 64,292,565	$ 77,820,342	$ 64,217,067	$ 69,569,985	$ 107,236,856
State's proportionate share of the net OPEB liability associated with the District	85,298,304	97,507,833	77,487,761	84,864,451	143,673,489
Total	$ 149,590,869	$ 175,328,175	$ 141,704,828	$ 154,434,436	$ 250,910,345
District's covered payroll (for Measurement Year)	$ 282,934,237	$ 277,276,081	$ 286,449,314	$ 271,845,654	$ 260,870,242
District's proportionate share of the OPEB liability as a percentage of it's covered payroll	22.72%	28.07%	22.42%	25.59%	41.11%
Plan fiduciary net position as a percentage of the total OPEB liability *	18.26%	13.70%	14.94%	11.52%	6.18%
Plan's net OPEB liability as a percentage of covered payroll *	54.93%	67.98%	51.86%	59.10%	100.13%

	2020	2019	2018	2017
District's proportion of the net OPEB liability	0.2776532%	0.2762276%	0.2728760%	0.2615663%
District's proportionate share of the OPEB liability	$ 105,548,504	$ 130,631,462	$ 136,249,530	$ 113,745,362
State's proportionate share of the net OPEB liability associated with the District	141,831,888	173,579,991	190,879,970	167,667,465
Total	$ 247,380,392	$ 304,211,453	$ 327,129,500	$ 281,412,827
District's covered payroll (for Measurement Year)	$ 250,420,467	$ 232,079,599	$ 224,739,409	$ 216,179,463
District's proportionate share of the OPEB liability as a percentage of it's covered payroll	42.15%	56.30%	60.60%	52.62%
Plan fiduciary net position as a percentage of the total OPEB liability *	4.99%	2.66%	1.57%	0.91%
Plan's net OPEB liability as a percentage of covered payroll *	101.46%	135.21%	146.64%	132.55%

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

* Net OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

Note (1): Ten years of data should be presented in this schedule, but data was unavailable prior to plan year 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit G-5*

SCHEDULES OF DISTRICT CONTRIBUTIONS - OPEB

Teacher Retirement System of Texas

Last Ten Fiscal Years

	2026	2025	2024	2023	2022
Contractually required contributions	$ 2,482,967	$ 2,370,845	$ 2,382,232	$ 2,516,857	$ 2,320,669
Contributions in relation to the contractual required contributions	2,482,967	2,370,845	2,382,232	2,516,857	2,320,669
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 297,390,259	$ 282,111,379	$ 281,823,908	$ 282,910,480	$ 268,626,065
Contributions as a percentage of covered payroll	0.83%	0.84%	0.85%	0.89%	0.86%

	2021	2020	2019	2018	2017
Contractually required contributions	$ 2,155,387	$ 2,084,951	$ 1,983,973	$ 1,802,591	$ 1,360,173
Contributions in relation to the contractual required contributions	2,155,387	2,084,951	1,983,973	1,802,591	1,360,173
Contribution deficiency (excess)	$ -	$ -	$ -	$ -	$ -
District's covered payroll	$ 259,366,018	$ 247,157,828	$ 230,577,415	$ 223,647,790	$ 216,419,381
Contributions as a percentage of covered payroll	0.83%	0.84%	0.86%	0.81%	0.63%

Notes to Required Supplementary Information - OPEB

Changes of Assumptions

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

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

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

Measurement Year 2021: The discount rate changed from 2.33% as of August 31, 2020 to 1.95% as of August 31, 2021.

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

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

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

Measurement Year 2025: The discount rate changed from 3.87% as of August 31, 2024 to 5.23% as of August 31, 2025, revised the salary increase rates to match those used in the TRS pension valuation and updates to the health care trend assumptions.


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OTHER SUPPLEMENTARY INFORMATION

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit H-1

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN FUND BALANCE - ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL

DEBT SERVICE FUND

For the Fiscal Year Ended June 30, 2026

***With Actual Totals for** 2025*

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final Amended	Actual Amounts GAAP Basis	Variance With Final Budget	2025 Actual
	Revenues					
5700	Local, intermediate and out-of-State	$ 128,581,000	$ 125,426,514	$ 125,411,816	$ (14,698)	$ 124,618,807
5800	State program revenues	6,200,000	11,173,000	11,559,734	386,734	6,252,450
5020	**Total Revenues**	134,781,000	136,599,514	136,971,550	372,036	130,871,257
	Expenditures					
	Debt Service:					
0071	Principal on long-term debt	80,270,000	83,085,000	83,085,000	-	78,120,000
0072	Interest on long-term debt	53,694,048	51,761,541	51,761,541	-	50,026,465
0073	Bond issuance costs and fees	334,000	830,060	527,211	302,849	72,472
6030	**Total Expenditures**	134,298,048	135,676,601	135,373,752	302,849	128,218,937
7911	Refunding bonds issued	-	76,695,000	76,695,000	-	-
7916	Premium or discount on Issuance of Bonds	-	5,629,835	5,629,835	-	-
8940	Payment to refunded bond	-	(81,904,391)	(81,904,391)	-	-
7080	**Total Other Financing Sources and (Uses)**	-	420,444	420,444	-	-
1200	Net change in fund balance	482,952	1,343,357	2,018,242	674,885	2,652,320
0100	**Fund Balance - Beginning**	36,341,602	36,341,602	36,341,602	-	33,689,282
3000	**Fund Balance - Ending**	$ 36,824,554	$ 37,684,959	$ 38,359,844	$ 674,885	$ 36,341,602

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Exhibit H-2

SCHEDULE OF REVENUES, EXPENDITURES AND CHANGES IN PROGRAM BALANCES - ORIGINAL BUDGET, AMENDED FINAL AND ACTUAL - FOOD SERVICE PROGRAM

For the Fiscal Year Ended June 30, 2026

With Actual Totals for 2025

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final Amended	Actual Amounts GAAP Basis	Variance With Final Budget	2025 Actual
	Revenues					
5700	Local, intermediate and out-of-state	$ 3,400,000	$ 3,805,000	$ 4,022,661	$ 217,661	$ 3,613,202
5800	State program revenues	100,000	104,000	111,072	7,072	94,227
5900	Federal program revenues	16,450,000	16,240,000	16,626,921	386,921	16,974,149
5020	**Total Revenues**	19,950,000	20,149,000	20,760,654	611,654	20,681,578
	Expenditures					
0035	Food services	23,091,900	22,452,069	20,095,163	2,356,906	22,794,692
0051	Facilities maintenance and operations	30,000	30,000	21,339	8,661	-
0052	Security and monitoring services	-	-	-	-	-
6030	**Total Expenditures**	23,121,900	22,482,069	20,116,502	2,365,567	22,794,692
1100	Excess (deficiency) revenues over expenditures	(3,171,900)	(2,333,069)	644,152	2,977,221	(2,113,114)
	Other Financing Sources (Uses)					
7912	Sale of real and personal property	30,000	13,000	18,091	5,091	20,887
7910	Transfers in	-	1,476,334	1,470,676	(5,658)	75,800
8911	Transfers out	-	(1,361,334)	(1,361,334)	-	-
7080	**Total Other Financing Sources (Uses)**	30,000	128,000	127,433	(567)	96,687
1200	Net change in fund balance	(3,141,900)	(2,205,069)	771,585	2,976,654	(2,016,427)
0100	**Fund Balance - Beginning**	7,802,629	7,802,629	7,802,629	-	9,819,056
3000	**Fund Balance - Ending**	$ 4,660,729	$ 5,597,560	$ 8,574,214	$ 2,976,654	$ 7,802,629

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit H-3*

COMBINING STATEMENT OF FIDUCIARY NET POSITION - CUSTODIAL FUNDS

June 30, 2026

	Students Activity Fund	Property Tax Collections	Total Custodial Funds
Assets			
Cash and cash equivalents	$ -	$ -	$ -
Investments	5,521,671	-	5,521,671
Other receivables	90,425	33,874	124,299
Prepaid items	27,925	-	27,925
Total Assets	5,640,021	33,874	5,673,895
Liabilities			
Accounts payable	26,192	-	26,192
Payroll deductions and withholding	737,562	-	737,562
Due to others	1,834,284	33,874	1,868,158
Total Liabilities	2,598,038	33,874	2,631,912
Net Position			
Restricted - other	$ 3,041,983	$ -	$ 3,041,983

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit H-4*

COMBINING STATEMENT OF CHANGES IN FIDUCIARY NET POSITION - CUSTODIAL FUNDS

For the Year Ended June 30, 2026

	Student Activity Fund	Property Tax Collections	Total Custodial Funds
Additions			
Gifts and contributions	$ 2,403,658	$ -	$ 2,403,658
Property tax collections	-	40,096,651	40,096,651
Earnings on investments	237,415	-	237,415
Total Additions	2,641,073	40,096,651	42,737,724
Deductions			
Community service	2,319,190	-	2,319,190
General administration	-	40,158,093	40,158,093
Total Deductions	2,319,190	40,158,093	42,477,283
Change in net position	321,883	(61,442)	260,441
Net Position - Beginning of Year	2,720,100	61,442	2,781,542
Net Position - End of Year	$ 3,041,983	$ -	$ 3,041,983


Spring
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REQUIRED TEA SCHEDULES

Compliance schedules (Exhibits J-1 and J-4) are required
by the Texas Education Agency and are not a required disclosure
in the Annual Comprehensive Financial Report.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit J-1*

SCHEDULE OF DELINQUENT TAXES RECEIVABLE *Page 1 of 2*

For the Year Ended June 30, 2026

Fiscal Year	Tax Year	1 Tax Rates Maintenance	2 Tax Rates Debt Service	Tax Rates Total	3 Assessed/Appraised Value for School Tax Purposes	10 Beginning Balance 7/1/25	20 Current Year's Total Levy
2017 and prior	2016 and prior	Various	Various	Various	Various	$ 1,586,202	$ -
2018	2017	$ 1.0900	$ 0.3045	$ 1.3945	$ 29,887,294,371	409,102	-
2019	2018	1.1100	0.2845	1.3945	30,702,462,675	411,162	-
2020	2019	1.0165	0.3045	1.3210	32,460,980,636	540,182	-
2021	2020	1.0028	0.3045	1.3073	34,101,726,842	595,930	-
2022	2021	0.9998	0.3045	1.3043	34,957,178,563	751,851	-
2023	2022	0.9643	0.3045	1.2688	37,949,016,105	1,103,388	-
2024	2023	0.7744	0.3045	1.0789	38,608,606,049	2,308,256	-
2025	2024	0.7719	0.3045	1.0764	39,628,667,166	6,474,041	-
2026	2025	0.7186	0.3045	1.0231	40,084,769,847	-	410,107,280
1000 **Totals**						$ 14,180,114	$ 410,107,280

8000 Taxes Refunded

9000 Tax Increment

Fiscal Year	Tax Year	31 Maintenance and Operations Collections	32 Debt Service Collections	33 Total Collections	40 Entire Year's Adjustments	50 Ending Balance 6/30/26	99 Total Taxes Refunded Section 26.1115(c)
2017 and prior	2016 and prior	$ 151,214	$ 36,586	$ 187,800	$ (76,053)	$ 1,322,349	
2018	2017	21,693	6,174	27,867	(264)	380,971	
2019	2018	27,989	9,091	37,080	(882)	373,200	
2020	2019	45,129	14,002	59,131	(6,180)	474,871	
2021	2020	46,514	16,493	63,007	(24,304)	508,619	
2022	2021	32,820	11,217	44,037	(71,923)	635,891	
2023	2022	39,226	14,639	53,865	(148,743)	900,780	
2024	2023	(751,095)	(310,886)	(1,061,981)	(2,388,593)	981,644	
2025	2024	(2,514,014)	(855,030)	(3,369,044)	(7,958,630)	1,884,455	
2026	2025	277,933,383	124,327,674	402,261,057	-	7,846,223	
1000 **Totals**		$ 275,032,859	$ 123,269,960	$ 398,302,819	$ (10,675,572)	15,309,003	
					Penalty and interest receivable on taxes	6,703,899	
					Total Taxes Receivable Per Exhibit C-1	$ 22,012,902	
8000 Taxes Refunded							$ 264,919
9000 Tax Increment		$ -					

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Exhibit J-4*

BILINGUAL EDUCATION PROGRAM COMPLIANCE RESPONSES

For the Year Ended June 30, 2026

Data Codes	Bilingual Education Programs	Responses
AP1	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP3	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 7,407,895
AP4	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PIC 25)	$15,364,495

STATISTICAL SECTION

(Unaudited)

The statistical section of the Spring Branch Independent School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's economic condition and overall financial health. To assist financial statement users, the information contained within this section is categorized as follows:

Financial Trends

These schedules contain trend information to show how the District's financial performance and position have changed over time.

Revenue Capacity

These schedules contain information to help assess the factors affecting the District's most significant local revenue source, the property tax.

Debt Capacity

These schedules present information to help assess the affordability of the District's current debt burden and its ability to issue additional debt in the future.

Demographic and Economic Information

These schedules provide demographic and economic indicators to help in understanding the environment in which the District operates and to facilitate in comparisons over time.

Operating Information

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


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SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

General Information Regarding the District

(Unaudited)

General

Spring Branch Independent School District, encompassing about 44 square miles, is located in Harris County, a Gulf Coast County in Southeast Texas. The District is located approximately 10 miles from downtown Houston and includes part of the City of Houston and the incorporated villages of Bunker Hill, Hedwig, Hilshire, Hunters Creek, Piney Point and Spring Valley. Interstate Highway 10 (I.H. 10) runs east-west through the center of the District and Interstate 610, the inner loop, forms the District's eastern boundary.

Education

The Spring Branch Independent School District serves approximately 30,700 students in 23 elementary, 6 traditional middle, 4 traditional high, 2 charter, 5 pre-kindergarten and 2 special campuses. The District's schools are well-known for academics and an outstanding college preparatory program.

Economy

Harris County and the Houston Metropolitan area comprise a leading region of business development in the nation. The economy is based on petrochemicals, tourism, shipping, refining, chemicals, space exploration, medical research, manufacturing and education. The West Houston area, of which the District is a major component, is recognized as one of the most active centers of business and industrial development in the region. Industry in the District includes manufacturers of oil field machinery and equipment, fabricated metals, lumber, plastic and rubber products, tools and nonelectric machinery.

Numerous shopping centers, malls, other retail establishments and a wide variety of service oriented businesses are located within the District, and offer a complement to industry within the District.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

Table 1

	2026	2025	2024	2023	2022
Governmental Activities:					
Net investment in capital assets	$ 564,553,616	$ 508,813,094	$ 437,038,775	$ 365,359,283	$ 314,049,336
Restricted	41,062,289	42,181,119	42,361,602	47,313,039	45,734,253
Unrestricted	(137,360,180)	(130,708,979)	(117,898,988)	(91,873,143)	(108,655,023)
Total Governmental Activities Net Position	$ 468,255,725	$ 420,285,234	$ 361,501,389	$ 320,799,179	$ 251,128,566
Business-Type Activities:					
Net investment in capital assets	$ 209,606	$ 269,878	$ 127,074	$ 102,936	$ 149,071
Unrestricted	4,566,085	4,213,221	4,165,989	3,964,124	2,979,125
Total Business-Type Activities Net Position	$ 4,775,691	$ 4,483,099	$ 4,293,063	$ 4,067,060	$ 3,128,196
Primary Government:					
Net investment in capital assets	$ 564,763,222	$ 509,082,972	$ 437,165,849	$ 365,462,219	$ 314,198,407
Restricted	41,062,289	42,181,119	42,361,602	47,313,039	45,734,253
Unrestricted	(132,794,095)	(126,495,758)	(113,732,999)	(87,909,019)	(105,675,898)
Total Primary Government Net Position	$ 473,031,416	$ 424,768,333	$ 365,794,452	$ 324,866,239	$ 254,256,762

* Includes implementation of GASB 75 in Fiscal Year 2018, the District did not restate prior periods.

Source: The Statement of Net Position for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 1

Page 2 of 2

NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2021	2020	2019	2018*	2017
Governmental Activities:					
Net investment in capital assets	$ 270,125,553	$ 225,319,596	$ 181,212,480	$ 144,407,966	$ 102,444,943
Restricted	39,121,886	39,676,558	40,362,752	41,203,585	39,416,425
Unrestricted	(128,162,558)	(105,599,585)	(97,298,339)	(133,796,297)	30,193,017
Total Governmental Activities Net Position	$ 181,084,881	$ 159,396,569	$ 124,276,893	$ 51,815,254	$ 172,054,385
Business-Type Activities:					
Net investment in capital assets	$ 120,176	$ 87,292	$ 114,973	$ 131,178	$ 178,044
Unrestricted	1,899,402	2,678,267	2,723,990	2,061,598	1,682,378
Total Business-Type Activities Net Position	$ 2,019,578	$ 2,765,559	$ 2,838,963	$ 2,192,776	$ 1,860,422
Primary Government:					
Net investment in capital assets	$ 270,245,729	$ 225,406,888	$ 181,327,453	$ 144,539,144	$ 102,622,987
Restricted	39,121,886	39,676,558	40,362,752	41,203,585	39,416,425
Unrestricted	(126,263,156)	(102,921,318)	(94,574,349)	(131,734,699)	31,875,395
Total Primary Government Net Position	$ 183,104,459	$ 162,162,128	$ 127,115,856	$ 54,008,030	$ 173,914,807

* Includes implementation of GASB 75 in Fiscal Year 2018, the District did not restate prior periods.

Source: The Statement of Net Position for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 2

CHANGES IN NET POSITION

Page 1 of 4

LAST TEN FISCAL YEARS

(ACCRUAL BASIS OF ACCOUNTING)

	2026	2025	2024	2023	2022
Expenses					
Governmental Activities:					
Instruction	$ 278,221,443	$ 251,817,721	$ 273,078,361	$ 268,384,472	$ 247,677,247
Instructional resources and media services	1,373,847	1,118,482	3,512,048	3,767,422	3,953,222
Curriculum and instructional staff development	7,712,168	10,524,581	14,211,165	13,006,525	11,557,355
Instructional leadership	5,414,595	5,517,499	6,554,249	7,887,633	7,626,635
School leadership	22,334,283	22,301,647	22,165,261	22,091,380	21,240,692
Guidance, counseling, and evaluation services	22,978,004	23,427,874	25,262,344	24,261,716	21,452,688
Social work services	138,955	147,374	165,490	129,289	170,510
Health services	4,348,876	4,231,986	4,427,904	4,574,993	4,277,210
Student transportation	12,750,148	12,598,504	11,064,301	12,050,108	10,871,667
Food services	19,882,154	20,856,343	21,172,892	18,689,008	16,731,806
Cocurricular/extracurricular activities	11,633,283	11,066,225	10,696,871	10,219,356	9,201,555
General administration	10,758,290	9,898,429	10,197,471	10,733,209	10,032,603
Plant maintenance and operations	42,175,800	42,501,448	40,372,238	37,180,455	35,503,673
Security and monitoring services	10,051,932	9,514,009	8,732,119	6,910,409	5,961,978
Data processing services	10,750,465	13,438,351	11,899,139	10,951,740	11,307,496
Community services	2,750,378	3,238,433	3,527,406	4,592,614	3,878,573
Interest on long-term debt	44,538,053	45,989,292	50,703,860	39,813,551	32,627,773
Bond issuance costs and fees	1,657,545	423,274	1,598,384	2,280,282	11,540
Facilities repairs and maintenance	6,765,724	138,042	1,249,804	6,384,612	2,453,020
Purchase of WADA	1,333,715	18,223,392	1,197,012	80,261,074	64,424,029
Payments related to shared service arrangements	538,951	553,009	472,749	507,445	469,338
Other intergovernmental charges	3,222,313	3,198,727	3,599,448	3,370,081	3,258,181
Total Governmental Activities	521,330,922	510,724,642	525,860,516	588,047,374	524,688,791
Business-Type Activities:					
Athletic rentals/concessions	888,616	752,836	679,014	674,718	653,687
After school programs	249,541	-	-	-	-
Employee childcare	1,984,600	1,869,670	1,716,238	978,130	1,320,187
Community education	-	204,937	-	-	-
Fine arts	9,995	10,915	14,173	1,050	7,007
Facility rentals	150,573	126,802	125,967	133,421	117,662
Summer school	121,925	141,742	138,721	272,412	169,212
Other	3,083	-	-	-	-
Total Business-Type Activities	3,408,333	3,106,902	2,674,113	2,059,731	2,267,755
Total Expenses	524,739,255	513,831,544	528,534,629	590,107,105	526,956,546

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2021	2020	2019	2018	2017
Expenses					
Governmental Activities:					
Instruction	$ 260,149,036	$ 268,839,993	$ 234,722,680	$ 149,201,257	$ 217,226,205
Instructional resources and media services	3,958,358	3,786,825	3,897,560	2,461,202	3,620,703
Curriculum and instructional staff development	9,782,180	11,639,686	10,395,067	7,657,095	9,113,423
Instructional leadership	7,725,295	7,075,713	6,941,358	4,733,573	5,101,858
School leadership	21,645,150	23,117,862	21,475,508	13,637,365	20,535,843
Guidance, counseling, and evaluation services	20,691,243	19,316,645	16,858,291	10,954,681	15,111,937
Social work services	182,760	211,337	143,425	137,913	161,589
Health services	4,448,323	4,583,605	4,177,526	2,566,683	4,030,789
Student transportation	9,981,785	10,381,878	10,801,503	7,725,356	9,936,767
Food services	13,540,924	15,863,808	17,604,854	13,974,314	17,528,355
Cocurricular/extracurricular activities	8,635,191	8,721,830	8,229,674	6,477,887	7,582,955
General administration	9,918,824	9,972,097	12,886,945	7,215,439	9,504,505
Plant maintenance and operations	34,309,085	32,707,469	31,416,621	27,151,071	30,801,530
Security and monitoring services	5,963,087	5,753,602	4,768,930	2,672,749	3,926,287
Data processing services	22,589,357	10,815,413	10,542,995	7,151,303	8,817,215
Community services	1,957,161	2,277,797	2,393,819	1,165,671	2,420,472
Interest on long-term debt	29,139,200	30,444,451	24,697,652	24,731,864	26,390,567
Bond issuance costs and fees	1,702,707	704,049	703,044	879,365	1,249,427
Facilities repairs and maintenance	17,017,257	10,467,783	10,896,450	2,337,289	6,014,174
Purchase of WADA	59,724,360	39,442,568	84,582,729	75,118,321	51,059,269
Payments related to shared service arrangements	496,366	505,942	463,835	475,908	419,250
Other intergovernmental charges	3,181,412	3,160,915	3,195,108	3,058,519	2,870,107
Total Governmental Activities	546,739,061	519,791,268	521,795,574	371,484,825	453,423,227
Business-Type Activities:					
Athletic rentals/concessions	571,228	656,589	423,420	561,370	753,147
After school programs	-	-	-	-	-
Employee childcare	2,138,941	1,456,390	1,369,333	1,263,112	1,363,637
Community education	77	37,653	235,839	220,866	239,448
Fine arts	2,413	98,844	120,439	129,529	115,441
Facility rentals	6,139	333,334	584,159	568,117	483,485
Summer school	125,088	195,980	331,579	279,700	336,090
Other	55,553	86,152	35,213	66,380	60,662
Total Business-Type Activities	2,899,439	2,864,942	3,099,982	3,089,074	3,351,910
Total Expenses	549,638,500	522,656,210	524,895,556	374,573,899	456,775,137

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2026	2025	2024	2023	2022
Program Revenues					
Governmental Activities:					
Charges for services:					
Instruction	$ 2,670,611	$ 2,954,277	$ 2,845,892	$ 2,511,407	$ 2,201,712
Food services	3,731,721	3,245,437	2,512,784	2,310,397	447,003
Cocurricular/extracurricular activities	575,653	581,623	574,878	460,934	447,029
Other activities	223,733	213,898	320,309	288,060	392,779
Operating grants and contributions	66,934,541	73,963,241	87,484,182	125,442,062	109,715,647
Total Governmental Activities	74,136,259	80,958,476	93,738,045	131,012,860	113,204,170
Business-Type Activities:					
Charges for Services:					
Athletic rentals/concessions	1,004,083	751,044	674,019	691,852	633,018
After school programs	1,624,278	-	-	-	-
Employee childcare	325,559	1,524,860	1,545,619	1,638,787	2,263,121
Community education	-	292,000	-	-	-
Fine arts	10,475	11,463	9,948	19,617	17,122
Facility rentals	361,076	336,908	312,186	307,564	280,079
Summer school	195,561	173,842	138,424	223,688	179,383
Other	2,694	-	-	-	-
Total Business-Type Activities	3,523,726	3,090,117	2,680,196	2,881,508	3,372,723
Total Program Revenues	77,659,985	84,048,593	96,418,241	133,894,368	116,576,893
Net (Expense)/Revenue					
Governmental Activities	(447,194,663)	(429,766,166)	(432,122,471)	(457,034,514)	(411,484,621)
Business-Type Activities	115,393	(16,785)	6,083	821,777	1,104,968
Total Net (Expense)/Revenue	(447,079,270)	(429,782,951)	(432,116,388)	(456,212,737)	(410,379,653)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes, levied for general purposes	279,079,176	298,576,262	286,326,357	358,682,532	340,699,972
Property taxes, levied for debt service	124,859,483	124,352,681	119,262,913	118,729,534	109,713,540
Investment earnings	29,244,581	31,493,884	37,650,244	21,533,891	1,471,357
State aid - formula grants - unrestricted	52,457,411	28,895,282	24,469,690	23,824,229	18,491,817
Miscellaneous	9,524,503	5,305,558	5,115,477	3,774,801	11,151,620
Transfers	-	-	-	-	-
Total Governmental Activities	495,165,154	488,623,667	472,824,681	526,544,987	481,528,306
Business-Type Activities:					
Investment earnings	177,199	206,821	219,920	117,087	3,650
Transfers	-	-	-	-	-
Total Business-Type Activities	177,199	206,821	219,920	117,087	3,650
Total General Revenues and Other Changes in Net Position	$ 495,342,353	$ 488,830,488	$ 473,044,601	$ 526,662,074	$ 481,531,956
Change in Net Position					
Governmental Activities	$ 47,970,491	$ 58,857,501	$ 40,702,210	$ 69,510,473	$ 70,043,685
Business-Type Activities	292,592	190,036	226,003	938,864	1,108,618
Total Primary Government	$ 48,263,083	$ 59,047,537	$ 40,928,213	$ 70,449,337	$ 71,152,303

Source: The Statement of Activities for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(ACCRUAL BASIS OF ACCOUNTING)

	2021	2020	2019	2018	2017
Program Revenues					
Governmental Activities:					
Charges for services:					
Instruction	$ 1,730,131	$ 2,009,577	$ 2,663,683	$ 2,593,049	$ 2,090,639
Food services	165,268	1,658,745	2,136,694	1,605,942	2,532,920
Cocurricular/extracurricular activities	267,757	387,840	420,087	372,481	491,668
Other activities	390,551	391,211	326,168	397,362	335,580
Operating grants and contributions	90,983,334	88,431,358	83,652,278	8,318,950	69,635,811
Total Governmental Activities	93,537,041	92,878,731	89,198,910	13,287,784	75,086,618
Business-Type Activities:					
Charges for Services:					
Athletic rentals/concessions	646,754	439,574	778,353	766,874	833,989
After school programs	-	-	-	-	-
Employee childcare	1,273,151	1,161,682	1,517,776	1,352,288	1,401,180
Community education	-	22,786	120,788	141,584	202,130
Fine arts	12,858	101,062	124,245	125,232	116,046
Facility rentals	39,083	521,056	918,471	907,042	888,125
Summer school	174,038	116,478	232,173	211,077	298,846
Other	-	-	468	4,200	58,635
Total Business-Type Activities	2,145,884	2,362,638	3,692,274	3,508,297	3,798,951
Total Program Revenues	95,682,925	95,241,369	92,891,184	16,796,081	78,885,569
Net (Expense)/Revenue					
Governmental Activities	(453,202,020)	(426,912,537)	(430,592,358)	(508,507,790)	(296,398,207)
Business-Type Activities	(753,555)	(502,304)	827,332	408,315	709,877
Total Net (Expense)/Revenue	(453,955,575)	(427,414,841)	(429,765,026)	(508,099,475)	(295,688,330)
General Revenues and Other Changes in Net Position					
Governmental Activities:					
Property taxes, levied for general purposes	335,089,791	322,754,632	333,684,809	316,739,144	304,304,218
Property taxes, levied for debt service	107,652,910	102,886,193	91,540,055	94,916,596	92,453,632
Investment earnings	2,124,055	10,369,005	8,950,494	3,369,856	1,224,540
State aid - formula grants - unrestricted	21,075,188	23,955,821	68,724,464	20,397,035	25,863,767
Miscellaneous	8,347,566	2,454,149	2,153,586	2,106,092	3,342,888
Transfers	(5,793)	(387,587)	3,895	108,881	-
Total Governmental Activities	474,283,717	462,032,213	505,057,303	437,637,604	427,189,045
Business-Type Activities:					
Investment earnings	1,781	41,313	57,790	22,012	8,215
Transfers	5,793	387,587	(3,895)	(108,881)	-
Total Business-Type Activities	7,574	428,900	53,895	(86,869)	8,215
Total General Revenues and Other Changes in Net Position	$ 474,291,291	$ 462,461,113	$ 505,111,198	$ 437,550,735	$ 427,197,260
Change in Net Position					
Governmental Activities	$ 21,081,697	$ 35,119,676	$ 72,461,639	$ (70,870,186)	$ 130,790,838
Business-Type Activities	(745,981)	(73,404)	881,227	321,446	718,092
Total Primary Government	$ 20,335,716	$ 35,046,272	$ 73,342,866	$ (70,548,740)	$ 131,508,930

Source: The Statement of Activities for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 3*

FUND BALANCE OF GOVERNMENTAL FUNDS *Page 1 of 2*

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2026	2025	2024	2023	2022
General Fund					
Nonspendable	$ 4,518,444	$ 4,233,353	$ 3,989,341	$ 4,622,632	$ 4,645,535
Assigned	50,517,915	54,400,787	49,810,028	62,874,569	47,288,016
Unassigned	34,423,056	44,523,156	69,137,245	70,007,153	75,869,560
Total General Fund	$ 89,459,415	$ 103,157,296	$ 122,936,614	$ 137,504,354	$ 127,803,111
All Other Governmental Funds					
Non-spendable, Reported in:					
Special Revenue Fund	$ 5,030	$ 207,373	$ 183,709	$ 128,330	$ 27,364
Capital Projects Fund	-	-	-	-	-
Restricted, Reported in:					
Special Revenue Fund	20,876,617	21,311,157	26,025,849	27,821,944	21,566,697
Debt Service Fund	38,359,844	36,341,602	33,689,282	34,990,290	36,170,695
Capital Projects Fund	527,739,328	385,688,731	498,218,405	409,694,702	164,572,366
Committed, Reported in:					
Special Revenue Fund	2,525,631	2,741,182	2,584,893	2,357,442	2,436,503
Total All Other Governmental Funds	$ 589,506,450	$ 446,290,045	$ 560,702,138	$ 474,992,708	$ 224,773,625

Source: The Balance Sheet - Governmental Funds for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT
FUND BALANCE OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2021	2020	2019	2018	2017
General Fund					
Nonspendable	$ 4,038,635	$ 2,805,675	$ 2,688,471	$ 2,883,058	$ 2,456,182
Assigned	43,843,020	47,176,381	12,205,335	20,834,023	20,834,023
Unassigned	69,557,624	87,110,204	114,995,420	59,380,209	62,470,752
Total General Fund	$ 117,439,279	$ 137,092,260	$ 129,889,226	$ 83,097,290	$ 85,760,957
All Other Governmental Funds					
Non-spendable, Reported in:					
Special Revenue Fund	$ 223,503	$ 1,486	$ 387,793	$ 336,758	$ 175,058
Capital Projects Fund	-	-	47,484	-	-
Restricted, Reported in:					
Special Revenue Fund	16,501,877	15,241,337	13,943,396	13,637,011	12,477,094
Debt Service Fund	36,040,329	36,732,847	36,598,724	36,976,948	36,506,260
Capital Projects Fund	261,224,290	299,578,819	146,502,610	170,940,126	34,651,372
Committed, Reported in:					
Special Revenue Fund	2,617,158	1,624,180	1,396,610	1,337,627	1,163,506
Total All Other Governmental Funds	$ 316,607,157	$ 353,178,669	$ 198,876,617	$ 223,228,470	$ 84,973,290

Source: The Balance Sheet - Governmental Funds for Spring Branch Independent School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 4

Page 1 of 4

CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS

LAST TEN FISCAL YEARS

(MODIFIED ACCRUAL BASIS OF ACCOUNTING)

	2026	2025	2024	2023	2022
Revenues					
Local, intermediate, and out-of-state	$ 447,907,003	$ 466,309,516	$ 460,452,949	$ 507,220,074	$ 470,888,526
State programs	90,456,995	69,424,555	55,938,407	46,612,929	39,617,775
Federal programs	50,710,396	47,633,334	65,482,687	113,171,694	107,937,791
Total Revenues	589,074,394	583,367,405	581,874,043	667,004,697	618,444,092
Expenditures					
Current:					
Instruction	257,186,970	232,564,059	246,413,767	246,665,160	243,002,764
Instructional resources and media services	1,413,921	1,159,903	3,574,148	3,843,985	4,134,878
Curriculum and instructional staff development	8,114,313	10,954,786	14,445,590	13,694,792	12,666,040
Instructional leadership	5,605,533	5,717,504	6,678,052	8,153,451	8,204,098
School leadership	23,137,203	23,029,256	22,395,245	22,897,621	22,374,681
Guidance, counseling, and evaluation services	24,011,393	24,308,986	25,527,450	24,998,669	22,509,679
Social work services	144,300	152,417	167,613	132,678	177,338
Health services	4,498,212	4,366,641	4,488,673	4,712,360	4,503,504
Student transportation	18,255,541	12,154,414	11,063,618	13,431,953	9,885,126
Food services	20,599,777	23,268,606	22,630,469	20,075,139	17,886,944
Cocurricular/extracurricular activities	8,753,262	8,544,467	8,686,761	8,519,420	7,633,424
General administration	11,413,088	9,981,456	10,439,207	10,804,734	10,377,792
Plant maintenance and operations	41,619,760	42,386,500	40,108,778	37,334,961	35,822,670
Security and monitoring services	10,404,419	13,168,654	9,306,954	7,507,490	6,168,224
Data processing services	9,071,626	10,680,200	8,905,188	9,652,937	10,563,564
Community services	2,182,613	2,270,726	2,754,218	3,409,059	2,739,593
Principal on long-term debt	84,513,919	79,279,006	80,518,982	83,243,312	71,899,085
Interest on long-term debt	51,866,195	50,190,676	50,787,324	39,391,774	38,955,373
Other debt service expenditures	2,184,756	495,746	436,299	2,070,629	22,025
Facilities acquisition and construction	139,731,481	140,998,870	111,671,364	88,383,338	103,764,735
Purchase of WADA to reduce excess local revenue	1,333,715	18,223,392	1,197,012	80,261,074	64,424,029
Payments related to shared service arrangements	538,951	553,009	472,749	507,445	469,338
Other intergovernmental charges	3,222,313	3,198,727	3,599,448	3,370,081	3,258,181
Total Expenditures	729,803,261	717,648,001	686,268,909	733,062,062	701,443,085
Excess (deficiency) of revenues over (under) expenditures	(140,728,867)	(134,280,596)	(104,394,866)	(66,057,365)	(82,998,993)

	2021	2020	2019	2018	2017
Revenues					
Local, intermediate, and out-of-state	$ 458,188,196	$ 445,206,440	$ 445,283,613	$ 427,274,546	$ 412,359,365
State programs	39,974,582	49,814,289	85,838,346	41,390,909	43,327,729
Federal programs	65,879,072	45,794,217	51,698,340	45,304,744	44,419,757
Total Revenues	564,041,850	540,814,946	582,820,299	513,970,199	500,106,851
Expenditures					
Current:					
Instruction	233,282,843	221,926,842	199,037,115	195,594,272	189,890,757
Instructional resources and media services	3,942,342	3,629,705	3,672,277	3,593,594	3,526,116
Curriculum and instructional staff development	9,637,594	11,036,244	9,884,338	9,745,723	8,875,891
Instructional leadership	7,569,483	6,591,812	6,656,169	6,561,751	4,979,322
School leadership	21,421,277	21,505,240	20,219,861	20,153,963	20,068,272
Guidance, counseling, and evaluation services	20,475,586	18,201,239	16,011,903	14,950,464	14,776,624
Social work services	179,390	202,860	135,100	189,913	159,707
Health services	4,447,057	4,262,723	3,918,229	3,854,994	3,943,138
Student transportation	11,090,171	8,678,831	11,573,515	8,891,976	8,433,770
Food services	12,979,057	15,021,420	16,819,281	15,829,535	17,542,765
Cocurricular/extracurricular activities	6,975,253	6,654,583	6,252,150	6,345,894	5,837,853
General administration	9,704,696	9,481,651	12,425,527	9,129,043	9,452,811
Plant maintenance and operations	34,065,300	31,551,075	30,487,464	31,549,665	30,358,633
Security and monitoring services	6,101,200	5,377,463	4,756,041	3,819,229	3,811,672
Data processing services	21,081,844	9,060,840	8,834,758	7,335,860	7,445,706
Community services	1,920,605	2,001,176	2,220,441	2,028,972	2,337,115
Principal on long-term debt	72,140,000	70,204,379	61,895,893	66,225,344	58,784,906
Interest on long-term debt	37,124,460	33,601,545	31,465,236	30,588,005	31,928,976
Other debt service expenditures	29,944	1,720,143	134,131	1,098,040	2,238,892
Facilities acquisition and construction	213,460,812	111,832,032	25,916,253	9,505,604	25,681,202
Purchase of WADA to reduce excess local revenue	59,724,360	39,442,568	84,582,729	75,118,321	51,059,269
Payments related to shared service arrangements	496,366	505,942	463,835	475,908	419,250
Other intergovernmental charges	3,181,412	3,160,915	3,195,108	3,058,519	2,870,107
Total Expenditures	791,031,052	635,651,228	560,557,354	525,644,589	504,422,754
Excess (deficiency) of revenues over (under) expenditures	(226,989,202)	(94,836,282)	22,262,945	(11,674,390)	(4,315,903)

	2026	2025	2024	2023	2022
Other Financing Sources (Uses)					
Refunding bonds issued	$ 76,695,000	$ -	$ -	$ -	$ -
Issuance of capital related debt (regular bonds)	255,790,000	-	165,405,000	307,375,000	-
Premium/discount from issuance of bonds	18,696,360	-	7,777,785	17,691,706	-
Sale of real and personal property	414,882	89,185	78,339	142,696	121,859
Issuance of debt - leases	-	-	-	-	1,407,434
Issuance of SBITA	555,540	-	2,275,432	608,149	-
Transfers in	2,028,758	291,949	49,637	30,380	-
Transfers out	(2,028,758)	(291,949)	(49,637)	(30,380)	-
Payment to refunded bond escrow agent	(81,904,391)	-	-	-	-
Total Other Financing Sources (Uses)	270,247,391	89,185	175,536,556	325,817,551	1,529,293
Net Change in fund balances	$ 129,518,524	$ (134,191,411)	$ 71,141,690	$ 259,760,186	$ (81,469,700)
Debt Service as a Percentage of Noncapital Expenditures	23.36%	22.74%	23.17%	19.01%	18.49%

Note: Significant negative changes in fund balance are generally associated with facilities, acquisition and construction projects.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund

	2021	2020	2019	2018	2017
Other Financing Sources (Uses)					
Refunding bonds issued	$ -	$ -	$ 32,295,000	$ -	$ 51,595,000
Issuance of capital related debt (regular bonds)	155,630,000	230,880,000	-	132,345,000	-
Premium/discount from issuance of bonds	14,370,101	25,808,396	-	14,734,693	1,563,309
Sale of real and personal property	163,786	40,559	173,243	77,329	54,508
Issuance of debt - leases	-	-	-	-	-
Issuance of SBITA	-	-	-	-	-
Transfers in	167,552	783,647	1,612,645	126,026	77,341
Transfers out	(173,345)	(1,171,234)	(1,608,750)	(17,145)	(77,341)
Payment to refunded bond escrow agent	-	-	(32,295,000)	-	(52,990,000)
Total Other Financing Sources (Uses)	170,158,094	256,341,368	177,138	147,265,903	222,817
Net Change in fund balances	$ (56,831,108)	$ 161,505,086	$ 22,440,083	$ 135,591,513	$ (4,093,086)
Debt Service as a Percentage of Noncapital Expenditures	18.51%	19.49%	17.25%	18.72%	19.54%

Note: Significant negative changes in fund balance are generally associated with facilities, acquisition and construction projects.

Source: Statement of Revenues, Expenditures, and Changes in Fund Balance - Governmental Fund


Spring
Branch
Independent School District
Inspiring minds. Shaping lives.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 5*

ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

Fiscal Year Ended June 30,	Appraised Value: Real Property Value	Appraised Value: Personal Property Value	Less Exemptions	Taxable Assessed Value	Total Direct Rate [1]
2026	$ 52,402,576,491	$ 6,517,725,553	$ 15,944,124,413	$ 42,976,177,631	$ 1.0231
2025	49,755,966,985	6,172,839,226	13,393,982,849	42,534,823,362	1.0764
2024	48,064,859,670	6,129,187,559	12,846,900,574	41,347,146,655	1.0789
2023	44,252,670,436	5,549,914,544	10,151,517,621	39,651,067,359	1.2688
2022	40,499,636,720	5,013,625,141	8,840,347,161	36,672,914,700	1.3043
2021	39,393,190,960	5,086,602,699	8,645,020,476	35,834,773,183	1.3073
2020	37,758,077,417	5,016,309,335	8,464,643,590	34,309,743,162	1.3210
2019	35,904,928,872	4,934,699,483	8,178,896,843	32,660,731,512	1.3945
2018	35,266,396,044	4,479,338,152	7,864,212,054	31,881,522,142	1.3945
2017	33,526,434,169	4,910,541,251	7,815,108,164	30,621,867,256	1.3945

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

Source: Harris Central Appraisal District provides the District's tax office with appraised values for properties within the District's taxing authority. Appraised value, which includes frozen tax levies less exemptions equals taxable assessed value.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

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

Taxing Authority	2026	2025	2024	2023	2022
Overlapping Rates:					
Bunker Hill Village, City of	$ 0.2710	$ 0.2710	$ 0.2710	$ 0.2750	$ 0.2750
Harris County [1]	0.4413	0.4452	0.3917	0.3872	0.4241
Hedwig Village, City of	0.3363	0.3363	0.3363	0.3394	0.3394
Hilshire Village, City of	0.5292	0.5510	0.5604	0.5776	0.5899
Houston, City of	0.5192	0.5192	0.5192	0.5336	0.5508
Hunters Creek Village, City of	0.2052	0.2052	0.2052	0.1941	0.1941
Memorial Village Water Authority	0.0229	0.0239	0.0244	0.0255	0.0264
Piney Point Village, City of	0.2551	0.2551	0.2551	0.2551	0.2551
Spring Valley, City of	0.3950	0.3950	0.2710	0.4050	0.4150
Total	$ 2.9753	$ 3.0019	$ 2.8343	$ 2.9925	$ 3.0698
District Direct Rates:					
Maintenance & Operations	$ 0.7186	$ 0.7719	$ 0.7744	$ 0.9643	$ 0.9998
Interest & Sinking	0.3045	0.3045	0.3045	0.3045	0.3045
Total District Direct Rates	$ 1.0231	$ 1.0764	$ 1.0789	$ 1.2688	$ 1.3043

[1] Includes Harris County, Harris County Department of Education, Harris County Flood Control District and the Port of Houston Authority

Source: Harris County Tax Assessor-Collector & Voter Registrar
https://www.hctax.net/Property/JurisdictionTaxRates

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

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

Taxing Authority	2021	2020	2019	2018	2017
Overlapping Rates:					
Bunker Hill Village, City of	$ 0.2750	$ 0.2770	$ 0.2770	$ 0.2770	$ 0.2770
Harris County [1]	0.4375	0.4508	0.4641	0.4611	0.4634
Hedwig Village, City of	0.3749	0.3235	0.3067	0.2719	0.2225
Hilshire Village, City of	0.5901	0.5591	0.5684	0.5022	0.4823
Houston, City of	0.5618	0.5679	0.5883	0.5842	0.5864
Hunters Creek Village, City of	0.1941	0.1941	0.1841	0.1841	0.1841
Memorial Village Water Authority	0.0269	0.0275	0.0275	0.0275	0.0280
Piney Point Village, City of	0.2559	0.2551	0.2551	0.2551	0.2551
Spring Valley, City of	0.4250	0.4250	0.4300	0.4335	0.4335
Total	$ 3.1412	$ 3.0800	$ 3.1012	$ 2.9966	$ 2.9323
District Direct Rates:					
Maintenance & Operations	$ 1.0028	$ 1.0165	$ 1.1100	$ 1.0900	$ 1.0900
Interest & Sinking	0.3045	0.3045	0.2845	0.3045	0.3045
Total District Direct Rates	$ 1.3073	$ 1.3210	$ 1.3945	$ 1.3945	$ 1.3945

[1] Includes Harris County, Harris County Department of Education, Harris County Flood Control District and the Port of Houston Authority

Source: Harris County Tax Assessor-Collector & Voter Registrar
https://www.hctax.net/Property/JurisdictionTaxRates

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 7

PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Taxpayer	Fiscal Year 2026 Assessed Value [1]	Rank	Percentage of Total Assessed Value [2]	Fiscal Year 2017 Assessed Value [1]	Rank	Percentage of Total Assessed Value [3]
MC Medical Campus LP	$ 375,320,144	1	0.87%	$ 259,257,134	2	0.94%
MNC LP/LLC	357,353,058	2	0.83%			
Centerpoint Energy Inc	298,583,666	3	0.69%	174,158,828	8	0.63%
Memorial City Mall LP	239,228,066	4	0.56%			
ALKF LLC	226,688,770	5	0.53%	141,380,866	9	0.51%
Metro National Corp	205,862,942	6	0.48%	623,451,873	1	2.25%
Energy Tower Investments Ltd	201,616,290	7	0.47%			
BA Leasing BSC LLC	200,306,977	8	0.47%			
SMBC Leasing & Finance Inc	183,902,751	9	0.43%			
ENBHOTX001 LLC	175,098,582	10	0.41%			
Memorial City Towers Ltd				229,139,850	4	0.83%
Behringer Harvard				211,454,772	5	0.76%
Conoco Phillips Co				200,092,996	6	0.72%
MN Coxen LLC				188,503,879	7	0.68%
Energy Tower II				255,250,500	3	0.92%
TCH Energy				130,890,004	10	0.47%
Totals	$ 2,463,961,246		5.74%	$ 2,413,580,702		8.71%

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

[2] Total assessed value tax year 2025 equals: $ 42,976,177,631

[3] Total assessed value tax year 2015 equals: $ 27,699,746,472

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 8*

PROPERTY TAX LEVIES AND COLLECTIONS

LAST TEN FISCAL YEARS

Fiscal Year	Tax Levy For The Fiscal Year [1]	Collected within the Fiscal Year of the Levy		Collections In Subsequent Years	Total Collections to Date	
		Amount	Percentage of Net Tax Levy		Amount	Percent of Total Tax Collections To Net Tax Levy
2026	$ 410,107,280	$ 402,261,057	98.09%	$ -	$ 402,261,057	98.09%
2025	418,187,573	420,088,932	100.45%	(3,579,419)	416,509,513	99.60%
2024	405,821,802	409,870,972	101.00%	(4,967,548)	404,903,424	99.77%
2023	470,382,993	474,522,268	100.88%	(5,037,633)	469,484,635	99.81%
2022	448,421,685	451,072,737	100.59%	(3,274,018)	447,798,719	99.86%
2021	436,593,038	440,435,555	100.88%	(4,335,587)	436,099,968	99.89%
2020	422,092,239	423,288,111	100.28%	(1,668,063)	421,620,048	99.89%
2019	422,143,064	422,769,713	100.15%	(1,000,140)	421,769,573	99.91%
2018	410,558,918	412,048,609	100.36%	(1,870,368)	410,178,241	99.91%
2017	393,888,532	396,841,527	100.75%	(3,283,546)	393,557,981	99.92%

[1] Appraised value less exemptions equal taxable assessed value. The beginning taxable value net of adjustments times the tax rate set by the District's Board of Trustees each fall equals the total net tax levy. The net tax levy for prior years reflects ongoing adjustments applied to that year's tax levy.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 9*

RATIOS OF OUTSTANDING DEBT BY TYPE

LAST TEN FISCAL YEARS

Fiscal Year [1]	Governmental Activities: General Obligation Bonds	Governmental Activities: Leases/SBITA Payable	Total Primary Government	Ratio of Debt to Assessed Value [1]	Debt Per Student [2]
2026	$ 1,279,079,866	$ 895,889	$ 1,279,975,755	2.98%	$ 44,419
2025	1,107,846,701	1,778,734	1,109,625,435	2.61%	38,507
2024	1,192,202,115	2,937,740	1,195,139,855	2.89%	40,153
2023	1,103,529,724	2,547,150	1,106,076,874	2.79%	36,415
2022	866,871,058	2,690,508	869,561,566	2.37%	28,834
2021	943,788,724	-	943,788,724	2.63%	30,717
2020	854,675,443	-	854,675,443	2.49%	26,845
2019	675,008,810	214,379	675,223,189	2.07%	21,209
2018	744,562,827	495,272	745,058,099	2.34%	22,852
2017	669,614,603	770,616	670,385,219	2.19%	20,593

[1] See Table 5 for assessed value data.

[2] See Table 15 for student average daily attendance data.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 10*

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING

LAST TEN FISCAL YEARS

Fiscal Year	Gross Bonded Debt	Less Reserve for Retirement of Bonded Debt	Net Bonded Debt	Ratio of Net Bonded Debt To Assessed Value [1]	Net Bonded Debt Per Student [2]
2026	$ 1,279,079,866	$ 36,341,602	$ 1,242,738,264	2.89%	$ 43,127
2025	1,107,846,701	21,225,839	1,086,620,862	2.55%	36,507
2024	1,192,202,115	16,025,383	1,176,176,732	2.84%	38,723
2023	1,103,529,724	19,469,190	1,084,060,534	2.73%	35,649
2022	866,871,058	24,157,566	842,713,492	2.30%	27,535
2021	943,788,724	22,620,009	921,168,715	2.57%	29,981
2020	854,675,443	24,434,511	830,240,932	2.42%	26,844
2019	675,008,810	27,239,206	647,769,604	1.98%	20,346
2018	744,562,827	26,765,920	717,796,907	2.25%	22,016
2017	669,614,603	24,663,287	644,951,316	2.11%	19,812

[1] See Table 5 for assessed value data.

[2] See Table 15 for student average daily attendance data.

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 11*

COMPUTATION OF ESTIMATED DIRECT AND OVERLAPPING DEBT

June 30, 2026

Taxing Body	Net Debt Amount	Outstanding As of	Percent Overlapping [1]	Share of Debt
Overlapping:				
Bunker Hill Village, City of	$ 7,600,000	6/30/2026	100.00%	$ 7,600,000
Harris County	2,473,177,553	6/30/2026	7.01%	173,369,746
Harris County Dept of Education	28,960,000	6/30/2026	7.01%	2,030,096
Harris County Flood Control	937,165,000	6/30/2026	7.01%	65,695,267
Harris County Hospital District	1,644,825,000	6/30/2026	7.01%	115,302,233
Harris Co MUD #552	25,165,000	6/30/2026	94.07%	23,672,716
Hedwig Village, City of	2,870,000	6/30/2026	100.00%	2,870,000
Hilshire Village, City of	2,605,000	6/30/2026	100.00%	2,605,000
Houston, City of	3,520,320,000	6/30/2026	10.26%	361,184,832
Piney Point Village, City of	435,000	6/30/2026	95.89%	417,122
Port of Houston Authority	386,074,397	6/30/2026	7.01%	27,063,815
Spring Valley, City of	18,285,000	6/30/2026	100.00%	18,285,000
Total Net Overlapping Debt				800,095,826
Direct:				
Spring Branch Independent School District	1,279,975,755		100.00%	1,279,975,755
Total Direct and Overlapping Debt				$2,080,071,581

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

Source: Various taxing authorities, except for the net debt of Spring Branch School District

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 12

DEMOGRAPHIC AND ECONOMIC STATISTICS

LAST TEN FISCAL YEARS

Fiscal Year	Residential Units [1]	Taxable Assessed Value of Residential Units [1]	Personal Income [2]	Average Assessed Value Per Residential Unit	Per Capita Income [2]	Average Daily Attendance [3]	Unemployment Rate [2]
2026	48,263	$ 28,809,521,538	*	$ 596,928	*	28,816	5.2%
2025	47,648	28,729,693,245	$ 400,697,273,000	602,957	$ 79,991	29,765	4.4%
2024	47,214	33,357,882,483	382,201,553,000	706,525	77,945	30,374	4.8%
2023	47,245	28,224,743,620	342,856,554,000	597,412	71,328	30,409	4.5%
2022	46,560	27,122,219,665	313,690,889,000	582,522	66,227	30,605	4.5%
2021	45,062	26,916,284,983	279,886,807,000	597,317	59,105	30,725	7.1%
2020	44,564	26,274,474,949	276,087,586,000	589,590	58,664	31,838	12.2%
2019	44,166	25,089,467,484	269,235,715,000	568,072	57,600	32,160	4.1%
2018	43,705	24,685,355,513	250,397,740,000	564,818	53,809	32,604	4.8%
2017	43,291	23,214,885,369	232,529,025,000	536,252	50,322	32,554	5.3%

[1] Source: Harris Central Appraisal District

[2] Source: Federal Reserve Bank of St. Louis FRED data for Harris County

[3] Source: Texas Education Agency

* Information not yet available


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SPRING BRANCH INDEPENDENT SCHOOL DISTRICT

Table 13

PRINCIPAL EMPLOYERS

CURRENT YEAR AND NINE YEARS AGO

	2026			2017		
Employer	**Employees**	**Rank**	**Percentage of Principal Employers**	**Employees**	**Rank**	**Percentage of Principal Employment**
Memorial Hermann Healthcare System	31,425	1	15.31%	24,108	2	11.97%
University of Texas M.D. Anderson Cancer Center	26,270	2	12.80%	21,086	4	10.47%
Amazon	24,000	3	11.69%			
City of Houston	22,170	4	10.80%			
Houston Methodist	22,015	5	10.73%	20,000	6	9.93%
Harris County	19,920	6	9.71%			
Exxon Mobil Corp.	16,740	7	8.16%			
UTHealth	16,150	8	7.87%			
Chevron Corp.	13,330	9	6.50%			
United Airlines	13,200	10	6.43%	14,941	8	7.42%
Wal-Mart Stores Inc				37,000	1	18.37%
HEB				23,732	3	11.79%
McDonald's Corp				20,918	5	10.39%
Kroger Company				16,000	7	7.95%
Schlumberger Limited				12,069	9	5.99%
Shell Oil Company				11,507	10	5.71%
Total Employed	205,220		100.00%	201,361		100.00%

2026 Source: https://hcoed.harriscountytx.gov/docs/LargestHarrisCountyEmployers2025.pdf
2017 Source: SBISD 2017 Annual Financial Report

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 14*

FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION *Page 1 of 2*

LAST TEN FISCAL YEARS

POSITION:	2026	2025	2024	2023	2022
Teachers:					
Teacher	2,376	2,169	2,145	2,169	2,196
Substitute Teacher	-	-	4	3	1
Teacher Candidates	37	-	-	-	-
Total Teachers	2,413	2,169	2,149	2,171	2,197
Professional Support:					
Audiologist	1	0.4	1	1	1
Counselor	80	77	79	77	74
Educational Diagnostician	41	45	46	49	44
Librarian	-	-	35	35	33
Certified Orientation and Mobility Specialist	-	-	-	-	-
Occupational Therapist	2	-	-	4	-
Physical Therapist	1	-	1	2	1
School Nurse	45	45	49	49	47
LSSP/Psychologist	21	21	19	19	20
Social Worker	-	-	-	-	-
Speech Therapist	40	39	46	48	54
Teacher Facilitator	63	114	172	173	119
Department Head	-	-	-	-	-
Athletic Trainer	8	6	8	8	8
Non-Campus Professional Personnel	166	155	157	189	167
Campus Professional Personnel	27	97	166	88	137
Total Professional Staff	495	598	776	742	703
Campus Administration:					
Assistant Principal	81	79	82	81	75
District Instructional Program	-	-	-	-	-
Principal	44	42	45	45	46
Teacher Supervisor	-	-	-	-	-
Athletic Director	-	-	-	-	-
Registrar	4	4	4	5	5
Total Campus Administration	129	126	131	131	126
Central Administration:					
Assistant/Associate/Deputy Superintendent	8	8	9	10	10
Instructional Program Director/Executive Director	30	28	26	25	26
Superintendent	1	1	1	1	1
Athletic Director	1	1	1	1	1
Business Manager	2	2	2	4	4
Tax Assessor/Collector	1	1	1	1	1
Director of Personnel/HR	5	5	5	5	4
Total Central Administration	48	45	45	47	47
Educational Aide	476	452	453	452	424
Auxiliary Staff	1,038	1,051	1,019	1,026	1,066
Total Staff Full-Time Equivalent	4,599	4,440	4,573	4,569	4,562

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 14*
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION *Page 2 of 2*
LAST TEN FISCAL YEARS

POSITION:	2021	2020	2019	2018	2017
Teachers:					
Teacher	2,152	2,383	2,302	2,311	2,301
Substitute Teacher	-	1	-	-	-
Teacher Candidates	-	-	-	-	-
Total Teachers	2,152	2,384	2,302	2,311	2,301
Professional Support:					
Audiologist	1	1	1	1	1
Counselor	72	79	77	74	77
Educational Diagnostician	44	41	39	37	35
Librarian	33	35	38	38	36
Certified Orientation and Mobility Specialist	-	-	-	-	-
Occupational Therapist	-	-	-	-	-
Physical Therapist	1	1	1	1	1
School Nurse	47	48	47	48	46
LSSP/Psychologist	18	17	18	17	20
Social Worker	-	-	-	1	1
Speech Therapist	43	42	37	39	32
Teacher Facilitator	39	40	37	40	49
Department Head	-	-	-	3	4
Athletic Trainer	5	5	6	6	2
Non-Campus Professional Personnel	236	141	129	107	153
Campus Professional Personnel	233	22	11	12	11
Total Professional Staff	770	470	441	423	468
Campus Administration:					
Assistant Principal	77	79	75	76	77
District Instructional Program	-	-	-	-	1
Principal	46	46	48	46	44
Teacher Supervisor	-	1	-	-	-
Athletic Director	-	-	-	-	1
Registrar	5	5	5	6	5
Total Campus Administration	127	131	128	127	129
Central Administration:					
Assistant/Associate/Deputy Superintendent	9	9	8	9	7
Instructional Program Director/Executive Director	26	24	26	25	21
Superintendent	1	1	1	1	1
Athletic Director	1	1	1	1	1
Business Manager	4	4	4	4	-
Tax Assessor/Collector	1	1	1	2	1
Director of Personnel/HR	4	5	5	5	-
Total Central Administration	46	45	46	46	31
Educational Aide	390	381	387	367	279
Auxiliary Staff	1,103	1,093	1,304	1,255	1,157
Total Staff Full-Time Equivalent	4,587	4,503	4,607	4,530	4,364

Fiscal Year	Average Daily Attendance	Operating Expenditures [1]	Cost Per Student	Percentage Change	Governmental Activities Expenses
2026	28,816	$ 447,561,460	$ 15,532	5.12%	$ 521,330,922
2025	29,765	439,781,313	14,775	3.06%	510,724,642
2024	30,374	435,457,770	14,337	-16.23%	525,860,516
2023	30,409	520,445,407	17,115	7.16%	588,047,374
2022	30,605	488,807,230	15,971	2.03%	524,688,791
2021	30,725	480,965,868	15,654	13.38%	546,739,061
2020	30,928	427,002,618	13,806	-1.81%	519,791,268
2019	31,838	447,677,065	14,061	9.33%	521,795,574
2018	32,604	419,316,252	12,861	7.27%	371,484,825
2017	32,554	390,315,215	11,990	5.54%	453,423,227

Source: Nonfinancial information from district records.

[1] Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

[2] Teachers per Table 14

Fiscal Year	Cost Per Student	Percentage Change	Teaching Staff [2]	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
2026	$ 18,092	5.44%	2,413	11.94	47.49%
2025	17,159	-0.89%	2,169	13.72	55.35%
2024	17,313	-10.47%	2,149	14.13	56.70%
2023	19,338	12.80%	2,171	14.00	56.94%
2022	17,144	-3.66%	2,197	13.83	57.02%
2021	17,795	5.88%	2,152	14.80	57.06%
2020	16,806	2.55%	2,384	13.36	61.27%
2019	16,389	43.84%	2,211	14.54	61.36%
2018	11,394	-18.20%	2,311	14.11	61.92%
2017	13,928	3.03%	2,301	14.15	59.93%

Source: Nonfinancial information from district records.

[1] Operating expenditures are total expenditures less debt service and capital outlay (to the extent capitalized for the government-wide statement of net position) and expenditures for capitalized assets included within the functional expenditures categories.

[2] Teachers per Table 14


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SPRING BRANCH INDEPENDENT SCHOOL DISTRICT *Table 16*

TEACHER BASE SALARIES

LAST TEN FISCAL YEARS

Fiscal Year	Minimum Salary [1]	Maximum Salary [1]	County Average Salary [2]	Statewide Average Salary [2]
2026	$ 65,550	$ 90,150	$ 71,945	$ 68,001
2025	64,375	86,270	68,728	63,749
2024	62,000	84,195	66,605	62,463
2023	62,000	83,775	67,525	65,052
2022	59,000	87,875	62,356	58,887
2021	58,000	86,625	60,675	57,641
2020	57,000	85,400	60,160	57,091
2019	54,000	84,462	57,423	54,122
2018	52,000	81,000	56,943	53,334
2017	50,000	81,000	55,888	52,525

[1] Source: District records

[2] Source: Texas Education Agency website

Building:	2026*	2025	2024	2023	2022
HIGH SCHOOLS					
Memorial (1962)					
Square Footage	397,249	397,249	397,249	397,249	397,249
Capacity	3,072	2,682	2,682	2,682	2,682
Enrollment	2,669	2,636	2,640	2,555	2,531
Northbrook (1974)					
Square Footage	438,087	438,087	438,087	438,087	394,609
Capacity	3,464	2,708	2,708	2,708	2,477
Enrollment	2,132	2,398	2,598	2,610	2,622
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,757	2,098	2,098	2,098	2,098
Enrollment	1,821	2,020	2,068	2,113	2,105
Stratford (1974)					
Square Footage	385,713	385,713	385,713	385,713	385,713
Capacity	2,450	2,478	2,478	2,478	2,478
Enrollment	2,400	2,394	2,312	2,272	2,229
MIDDLE SCHOOLS					
Landrum (1956)					
Square Footage	238,215	238,215	238,215	238,215	238,215
Capacity	1,389	1,000	1,000	1,000	1,000
Enrollment	679	698	976	967	926
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,721	1,441	1,441	1,441	1,441
Enrollment	1,342	1,236	1,247	1,281	1,350
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,252	1,004	1,004	1,004	1,004
Enrollment	465	508	842	913	881
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,693	1,122	1,122	1,122	1,122
Enrollment	1,136	1,137	1,102	1,074	1,122
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,385	1,094	1,094	1,094	1,094
Enrollment	1,050	993	963	962	957
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	1,385	896	896	896	896
Enrollment	544	565	583	644	673
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,525	1,032	1,032	1,032	1,032
Enrollment	769	778	726	814	871

Building:	2021	2020	2019	2018	2017
HIGH SCHOOLS					
Memorial (1962)					
Square Footage	311,115	311,115	311,115	311,115	311,115
Capacity	2,516	2,516	2,516	2,516	2,516
Enrollment	2,577	2,607	2,620	2,669	2,638
Northbrook (1974)					
Square Footage	394,609	394,609	394,609	394,609	394,609
Capacity	2,477	2,477	2,477	2,477	2,477
Enrollment	2,573	2,674	2,578	2,517	2,444
Spring Woods (1964)					
Square Footage	349,382	349,382	349,382	349,382	349,382
Capacity	2,098	2,098	2,098	2,098	2,098
Enrollment	2,086	2,157	2,150	2,165	2,172
Stratford (1974)					
Square Footage	323,500	323,500	323,500	323,500	323,500
Capacity	2,478	2,478	2,478	2,478	2,478
Enrollment	2,192	2,151	2,137	2,148	2,113
MIDDLE SCHOOLS					
Landrum (1956)					
Square Footage	178,731	178,731	178,731	178,731	178,731
Capacity	954	954	954	954	954
Enrollment	973	1,046	1,042	1,053	1,073
Memorial (1963)					
Square Footage	195,328	195,328	195,328	195,328	195,328
Capacity	1,441	1,441	1,441	1,441	1,441
Enrollment	1,362	1,358	1,336	1,348	1,381
Northbrook (1973)					
Square Footage	203,020	203,020	203,020	203,020	203,020
Capacity	1,004	1,004	1,004	1,004	1,004
Enrollment	946	917	885	879	939
Spring Branch (1953)					
Square Footage	226,188	226,188	226,188	226,188	226,188
Capacity	1,122	1,122	1,122	1,122	1,122
Enrollment	1,129	1,159	1,082	1,112	1,091
Spring Forest (1967)					
Square Footage	192,559	192,559	192,559	192,559	192,559
Capacity	1,094	1,094	1,094	1,094	1,094
Enrollment	953	990	916	897	850
Spring Oaks (1967)					
Square Footage	192,544	192,544	192,544	192,544	192,544
Capacity	896	896	896	896	896
Enrollment	692	728	717	712	765
Spring Woods (1961)					
Square Footage	200,776	200,776	200,776	200,776	200,776
Capacity	1,032	1,032	1,032	1,032	1,032
Enrollment	901	910	876	876	949

Building:	2026*	2025	2024	2023	2022
ELEMENTARY SCHOOLS					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	760	688	688	688	688
Enrollment	648	741	412	441	439
Bunker Hill (1956)					
Square Footage	109,641	109,641	109,641	109,641	109,641
Capacity	816	818	818	818	818
Enrollment	781	766	747	739	672
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	928	688	688	688	688
Enrollment	652	654	669	657	670
Edgewood (2011) / (1960)					
Square Footage	109,000	109,000	109,000	109,000	109,000
Capacity	952	791	791	791	791
Enrollment	479	503	489	539	518
Frostwood (2014) / (1960)					
Square Footage	110,145	110,145	110,145	110,145	110,145
Capacity	880	750	750	750	750
Enrollment	735	838	836	798	762
Hollibrook (2010) / (1957)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	1,000	882	882	882	882
Enrollment	598	636	655	660	708
Housman (2011) / (1950)					
Square Footage	101,561	101,561	101,561	101,561	101,561
Capacity	736	717	717	717	717
Enrollment	589	634	359	354	382
Hunters Creek (1954)					
Square Footage	107,686	107,686	107,686	107,686	107,686
Capacity	744	700	700	700	700
Enrollment	537	575	611	604	618
Meadow Wood (2011) / (1964)					
Square Footage	95,278	95,278	95,278	95,278	95,278
Capacity	744	683	683	683	683
Enrollment	637	686	631	657	653
Memorial Drive (1949) / (2025)					
Square Footage	94,850	94,850	58,614	58,614	58,614
Capacity	600	550	466	466	466
Enrollment	413	388	362	394	392
Nottingham (1969)					
Square Footage	105,353	105,353	105,353	105,353	61,574
Capacity	816	750	750	750	568
Enrollment	720	746	772	717	650

Building:	2021	2020	2019	2018	2017
ELEMENTARY SCHOOLS					
Buffalo Creek (1997)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	438	491	507	552	582
Bunker Hill (1956)/(2022)					
Square Footage	65,335	65,335	65,335	65,335	65,335
Capacity	773	773	773	773	773
Enrollment	654	614	620	641	658
Cedar Brook (1993)					
Square Footage	82,179	82,179	82,179	82,179	82,179
Capacity	688	688	688	688	688
Enrollment	647	702	726	795	854
Edgewood (2011)					
Square Footage	109,000	109,000	109,000	109,000	109,000
Capacity	791	791	791	791	791
Enrollment	587	629	627	641	660
Frostwood (2014) / (1960)					
Square Footage	110,145	110,145	110,145	110,145	110,145
Capacity	750	750	750	750	750
Enrollment	741	773	713	707	704
Hollibrook (2010)					
Square Footage	112,095	112,095	112,095	112,095	112,095
Capacity	882	882	882	882	882
Enrollment	712	764	743	763	804
Housman (2011)					
Square Footage	101,561	101,561	101,561	101,561	101,561
Capacity	717	717	717	717	717
Enrollment	408	505	526	534	554
Hunters Creek (1954) / (2021)					
Square Footage	61,937	61,937	61,937	61,937	61,937
Capacity	634	634	634	634	634
Enrollment	577	615	655	673	643
Meadow Wood (2011)					
Square Footage	95,278	95,278	95,278	95,278	95,278
Capacity	683	683	683	683	683
Enrollment	588	550	491	505	509
Memorial Drive (1949)/(2025)					
Square Footage	58,614	58,614	58,614	58,614	58,614
Capacity	466	466	466	466	466
Enrollment	392	419	426	447	454
Nottingham (1969)/(2023)					
Square Footage	61,574	61,574	61,574	61,574	61,574
Capacity	568	568	568	568	568
Enrollment	593	608	497	509	532

Building:	2026*	2025	2024	2023	2022
ELEMENTARY SCHOOLS (continued)					
Pine Shadows (2012) / (1955)					
Square Footage	118,167	118,167	118,167	118,167	118,167
Capacity	1,000	913	913	913	913
Enrollment	793	859	769	768	752
Ridgecrest (2010) / (1953)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	1,048	960	960	960	960
Enrollment	736	836	715	711	700
Rummel Creek (2016) / (1962)					
Square Footage	106,260	106,260	106,260	106,260	106,260
Capacity	936	750	750	750	750
Enrollment	804	793	810	822	811
Shadow Oaks (2011) / (1959)					
Square Footage	118,314	118,314	118,314	118,314	118,314
Capacity	1,008	871	871	871	871
Enrollment	448	487	448	461	501
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	***	538	538	538	538
Enrollment	437	437	442	460	427
Spring Branch (2011) / (1938)					
Square Footage	101,897	101,897	101,897	101,897	101,897
Capacity	816	737	737	737	737
Enrollment	528	570	505	493	525
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	***	702	702	702	702
Enrollment	404	457	387	383	378
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	792	548	548	548	548
Enrollment	383	391	393	408	389
Valley Oaks (2015)/(1956) demolished					
Square Footage	117,872	140,500	117,872	117,872	117,872
Capacity	1,072	971	810	810	810
Enrollment	905	894	882	876	813

Building:	2021	2020	2019	2018	2017
ELEMENTARY SCHOOLS (continued)					
Pine Shadows (2012)					
Square Footage	118,167	118,167	118,167	118,167	118,167
Capacity	913	913	913	913	913
Enrollment	740	778	770	755	737
Ridgecrest (2010)					
Square Footage	111,352	111,352	111,352	111,352	111,352
Capacity	960	960	960	960	960
Enrollment	735	801	793	760	768
Rummel Creek (2016) / (1962)					
Square Footage	106,260	106,260	106,260	106,260	106,260
Capacity	750	750	750	750	750
Enrollment	787	796	738	737	706
Shadow Oaks (2011)					
Square Footage	118,314	118,314	118,314	118,314	118,314
Capacity	871	871	871	871	871
Enrollment	549	641	648	665	724
Sherwood (1968)					
Square Footage	69,371	69,371	69,371	69,371	69,371
Capacity	538	538	538	538	538
Enrollment	449	450	451	456	479
Spring Branch (2011)					
Square Footage	101,897	101,897	101,897	101,897	101,897
Capacity	737	737	737	737	737
Enrollment	482	604	599	566	634
Terrace (1973)					
Square Footage	74,349	74,349	74,349	74,349	74,349
Capacity	702	702	702	702	702
Enrollment	391	368	391	396	395
Thornwood (1973)					
Square Footage	69,038	69,038	69,038	69,038	69,038
Capacity	548	548	548	548	548
Enrollment	396	405	430	431	426
Valley Oaks (2015)/(1956)					
Square Footage	117,872	117,872	117,872	117,872	117,872
Capacity	810	810	810	810	810
Enrollment	738	772	722	670	619

Building:	2026*	2025	2024	2023	2022
ELEMENTARY SCHOOLS (continued)					
Westwood (2011)					
Square Footage	98,264	98,264	98,264	98,264	98,264
Capacity	864	871	871	871	871
Enrollment	475	475	430	409	434
Wilchester (2011)					
Square Footage	123,253	123,253	123,253	123,253	123,253
Capacity	904	906	906	906	906
Enrollment	830	854	862	844	803
Woodview (1958)					
Square Footage	104,094	86,114	86,114	86,114	86,114
Capacity	792	716	716	716	716
Enrollment	545	503	494	525	562
PRE-KINDERGARTEN CENTERS					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	396	380	380	380	380
Enrollment	251	257	265	251	278
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	396	380	380	380	380
Enrollment	240	268	226	226	217
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	396	380	380	380	380
Enrollment	290	286	317	313	290
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	396	380	380	380	380
Enrollment	271	268	299	302	301
OTHER CAMPUSES					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	-	41	44	50	48
Cornerstone Academy (2018) / (1951)					
Square Footage	**	**	**	**	**
Capacity	-	-	-	-	413
Enrollment	-	-	-	-	371

Building:	2021	2020	2019	2018	2017
ELEMENTARY SCHOOLS (continued)					
Westwood (2011)					
Square Footage	98,264	98,264	98,264	98,264	98,264
Capacity	871	871	871	871	871
Enrollment	483	506	521	589	621
Wilchester (2011)					
Square Footage	123,253	123,253	123,253	123,253	123,253
Capacity	906	906	906	906	906
Enrollment	810	842	821	793	796
Woodview (1958)					
Square Footage	86,114	86,114	86,114	86,114	86,114
Capacity	716	716	716	716	716
Enrollment	527	587	564	620	645
PRE-KINDERGARTEN CENTERS					
Bear Blvd (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	200	318	294	315	293
Lion Lane (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	186	281	322	304	252
Tiger Trail (2001)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	233	327	345	305	249
Wildcat Way (2002)					
Square Footage	26,000	26,000	26,000	26,000	26,000
Capacity	380	380	380	380	380
Enrollment	226	337	371	326	288
OTHER CAMPUSES					
Bendwood (1958)					
Square Footage	38,830	38,830	38,830	38,830	38,830
Capacity	440	440	440	440	440
Enrollment	32	46	44	37	41
Cornerstone Academy (2018) / (1951)					
Square Footage	**	**	**	**	**
Capacity	413	413	413	413	413
Enrollment	361	373	377	373	382

Building:	2026*	2025	2024	2023	2022
OTHER CAMPUSES (continued)					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	***	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (2018) / (1951)					
Square Footage	**	**	**	**	**
Capacity	-	**	**	**	494
Enrollment		**	**	**	140
Spring Branch Education Center (1951) / (2018) **					
Square Footage	170,052	170,052	170,052	170,052	170,052
Capacity	806	907	907	907	n/a
Enrollment	623	597	530	510	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,853	1,012	1,012	1,012	1,012
Enrollment	864	864	864	890	866

* Change to maximum instructional capacity in 2026 from building capacity in prior years

** Spring Branch Education Center facility houses Cornerstone & School of Choice.
This campus was under construction in 2017. Square footage is for entire complex.

*** Campus under construction

Note: Capacity does not include temporary buildings. Guthrie and School of Choice students are included in numbers for their home campus.

Building:	2021	2020	2019	2018	2017
OTHER CAMPUSES (continued)					
The Guthrie Center (1972)					
Square Footage	83,614	83,614	83,614	83,614	83,614
Capacity	326	326	326	326	326
Enrollment	n/a	n/a	n/a	n/a	n/a
School of Choice (2018) / (1951)					
Square Footage	**	**	**	**	**
Capacity	494	494	494	494	494
Enrollment	127	151	160	187	169
Spring Branch Education Center (1951) / (2018) **					
Square Footage	170,052	170,052	170,052	170,052	170,052
Capacity	n/a	n/a	n/a	n/a	n/a
Enrollment	n/a	n/a	n/a	n/a	n/a
Westchester Academy (1967)					
Square Footage	294,963	294,963	294,963	294,963	294,963
Capacity	1,012	1,012	1,012	1,012	1,012
Enrollment	924	965	1,014	1,031	1,023

* Change to maximum instructional capacity in 2026 from building capacity in prior years

** Spring Branch Education Center facility houses Cornerstone & School of Choice.
This campus was under construction in 2017. Square footage is for entire complex.

*** Campus under construction

Note: Capacity does not include temporary buildings. Guthrie and School of Choice students are included in numbers for their home campus.


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

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


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

To the Board of Trustees
Spring Branch Independent School District

We have audited, in accordance with the auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Spring Branch Independent School District (the "District"), as of and for the year ended June 30, 2026, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 16, 2026.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

To the Board of Trustees
Spring Branch Independent School District

Purpose of this Report

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

Houston, Texas
November 16, 2026

SPRING BRANCH INDEPENDENT SCHOOL DISTRICT ***Exhibit K-2***

SCHEDULE OF FINDINGS AND RESPONSES

For the Year Ended June 30, 2026

Data Control codes	I. Summary of Auditors' Results	
	Financial Statements	
q1	Type of auditors' report issued:	Unmodified
	Internal control over financial reporting:	
q2	Material weakness(es) identified?	No
q3	Significant deficiencies identified that are not considered to be material weaknesses?	None reported
q4	Noncompliance material to financial statements noted?	No

Exhibit K-3

Data Control Codes	II. Financial Statement Findings
	None Reported