REPORT OF
DEBT MANAGEMENT ACTIVITES

Houston Independent School District

For the period of

July 1, 2025 through June 30, 2026

FOREWORD

Pursuant to the Debt Management Policy adopted by the School Board on June 11, 2026, the Office of Finance and Operations will provide a report to the District's School Board annually detailing the debt management activities and adherence to the policy.

COMPLIANCE CERTIFICATION

We hereby certify that debt management activities were conducted in compliance with the School Board approved Debt Management Policy.

James Terry, Ph.D, CPA, RTSBA
Chief Financial Officer & Business Services

Alaine Zachary, MBA, MA Acc., CPA, CTP
Treasurer

DEBT MANAGEMENT POLICY COMPLIANCE REVIEW

Houston ISD Compliance Summary		
Category	**Compliant**	**Comments**
Debt Management Policy reviewed annually.	Yes	Approved by School Board on 6/11/2026 for FY 2027.
Arbitrage reports prepared and reported in CAFR.	Yes	CAFR dated 6/30/2025 reflected no arbitrage liabilities, consistent with prepared reports
Authorized types of debt issued in current reporting period.	Yes	The Maintenance Tax Notes Series 2025A and 2026 Refunding Bonds were sold in compliance with the Debt Management Policy
Variable rate debt <= 25% of total debt.	Yes	As of 06/30/2026 variable rate debt equaled 0% of total debt.
Refunded debt met net present savings thresholds of 2% for current refundings and 4% for advance refundings.	Yes	The Maintenance Tax Notes Series 2025A and 2026 Refunding Bonds were sold in compliance with the Debt Management Policy
Legal debt limitation requirements met.	Yes	Attorney General letter is on file with issuance documents.
District debt service tax rate limitation of $1.00 per $100 assessed valuation and total tax rate of $1.70 not exceeded.	Yes	Current debt service tax rate is $0.1667 and total tax rate is $0.8683.
The District has obtained credit ratings from at least two nationally recognized bond rating agencies prior to bond issues.	Yes	Current General Obligation Bond are rated Aaa by Moody's; and AA+ by Standard & Poor's
Required bond issuance reports filed with nationally recognized municipal securities information repository by bond counsel.	Yes	Letter on file by bond counsel indicating compliance.
The District filed the ACFR with the MSRB on EMMA Dataport.	Yes	Filed by District on December 31, 2025
The District filed the Annual Financial and Operating Data Disclosure Report with the MSRB on EMMA Dataport.	Yes	Filed by District on December 31, 2025
Investment of bond proceeds meets Debt Policy guidelines.	Yes	Proceeds invested in segregated accounts and reported within the district's Cash Management and Investment Policy.
The District met targeted year end debt service fund balance of 10% of total current year debt service.	Yes	The debt service fund balance at 6/30/2025 was 42% of budgeted 2026 debt service.

DEBT ACTIVITY SUMMARY
JULY 01, 2025 - JUNE 30, 2026

HOUSTON INDEPENDENT SCHOOL DISTRICT
DEBT SUMMARY AS OF JUNE 30, 2026

Issue Date	Issue	Final Maturity Date	Original Issue Amount (Par)	Principal Paid FY26	Interest Paid FY26	Total Debt Service	Principal Outstanding on 6/30/25	Bond Refunding 5/27/26	New Issuance 7/10/25	Ending Balance 6/30/26
11/01/09	Series 2009A-2 (BABS)	2/15/2034	$ 148,850,000	$ -	$ (9,158,618)	$ (9,158,618)	$ 148,850,000			$ 148,850,000
11/01/09	Series 2009A-3 (BABS)	2/15/2028	183,750,000	(19,950,000)	(3,815,875)	$ (23,765,875)	62,300,000			$ 42,350,000
04/12/16	Limited Tax Sch and Ref Series 2016A	2/15/2041	757,195,000	(30,595,000)	(16,714,350)	$ (47,309,350)	374,395,000	(343,800,000)		$ -
05/23/17	Limited Tax Sch and Ref Series 2017	2/15/2042	848,740,000	(72,730,000)	(14,400,400)	$ (87,130,400)	315,545,000			$ 242,815,000
06/27/18	Limited Tax Sch Series 2018	2/15/2043	86,960,000	(2,695,000)	(424,500)	$ (3,119,500)	8,490,000			$ 5,795,000
03/21/23	Limited Tax Refunding Series 2023A	6/30/2038	104,255,000	(1,515,000)	(1,340,500)	$ (2,855,500)	26,810,000			$ 25,295,000
03/06/25	Limited Tax Refunding Series 2025A	2/15/2029	264,935,000	(182,245,000)	(10,450,214)	$ (192,695,214)	331,930,000			$ 149,685,000
05/01/25	Limited Tax Refunding Series 2025B	2/15/2042	149,685,000	-	(7,047,669)	$ (7,047,669)	82,690,000			$ 82,690,000
05/27/26	Limited Tax Refunding Series 2026	2/15/2030	342,790,000			$ -	-	342,790,000		$ 342,790,000
Bonds Payable			**$ 2,887,160,000**	**$ (309,730,000)**	**$ (63,352,126)**	**$ (373,082,126)**	**$ 1,351,010,000**	**$ (1,010,000)**	**$ -**	**$ 1,040,270,000**
06/29/17	Lease Revenue Ref Series 2017 (PFC)	9/15/2030	21,550,000	(1,580,000)	538,500	$ (1,041,500)	10,770,000			$ 9,190,000
10/22/19	Lease Revenue Ref Series 2019 (PFC)	9/15/2029	29,675,000	(3,880,000)	836,750	$ (3,043,250)	16,735,000			$ 12,855,000
Public Facilities Corporation (PFC) Payable			**$ 51,225,000**	**$ (5,460,000)**	**$ 1,375,250**	**$ (4,084,750)**	**$ 27,505,000**	**$ -**	**$ -**	**$ 22,045,000**
06/27/18	Maintenance Tax Notes Series 2018	1/15/2038	174,615,000	(7,645,000)	(5,417,775)	$ (13,062,775)	114,565,000			$ 106,920,000
03/06/25	Maintenance Tax Notes Series 2025	7/15/2037	20,555,000	-	(882,152)	$ (882,152)	20,555,000			$ 20,555,000
07/10/25	Maintenance Tax Notes Series 2025A	7/15/2045	114,565,000	-	(2,621,438)	$ (2,621,438)			114,390,000	$ 114,390,000
Notes Payable			**$ 309,735,000**	**$ (7,645,000)**	**$ (8,921,365)**	**$ (16,566,365)**	**$ 135,120,000**	**$ -**	**$ 114,390,000**	**$ 241,865,000**
Total Debt Payable			***$ 3,248,120,000***	***$ (322,835,000)***	***$ (70,898,240)***	***$ (393,733,240)***	***$ 1,513,635,000***	***$ (1,010,000)***	***$ 114,390,000***	***$ 1,304,180,000***

HISD has an issuer rating of Aaa Stable from Moody's and AA+ Negative from S&P

DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2025 THROUGH JUNE 30, 2026

Variable Rate Maintenance Tax Notes

New Money Maintenance Tax Note of $114,390,000 (Variable Rate), Series 2025A

- On July 31, 2025, the District issued the Variable Rate Maintenance Tax Notes Series 2025A, with an initial rate of 5% through July 2028 and a final maturity of July 2045.

- The proceeds from the sale of the Notes will be used to (i) pay the costs of lawful maintenance expenses of the District, environmental cleanup, and the maintenance, repair, rehabilitation, or replacement of building systems of existing school properties, and (ii) pay the costs of issuing the Notes.

DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2025 THROUGH JUNE 30, 2026

Refunding

Refunding of $343,800,000 Series 2016A General Obligation Limited Tax Schoolhouse and Refunding Bonds

- The Series 2016 Bonds were eligible to be called on February 15, 2026 and had a final maturity date of February 15, 2041.
- The Series 2026 Limited Tax Refunding Bonds were issued on May 27, 2026 and the escrow agent paid off the holders of the Series 2016A Bonds on 6/29/2026. The new bonds have a final maturity date of February 15, 2030.
- With the early redemption of the Series 2016A Bonds, the District was able to avoid future interest payments of over $97.5 million. The total reduction in debt service was $98.5 million with a present value of $31.5 million.