



REPORT OF DEBT MANAGEMENT ACTIVITIES

Houston Independent School District
For the period of
July 1, 2024 through June 30, 2025



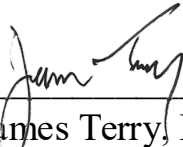
FOREWORD

Pursuant to the Debt Management Policy adopted by the School Board on June 12, 2025, 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



Earl Flowers, CPA
Treasurer

DEBT MANAGEMENT POLICY COMPLIANCE REVIEW

Houston ISD Compliance Summary		
Category	Compliant	Comments
Debt Management Policy reviewed annually.	Yes	Approved by School Board on 6/12/2025 for FY 2026.
Arbitrage reports prepared and reported in CAFR.	Yes	CAFR dated 6/30/2024 reflected no arbitrage liabilities, consistent with prepared reports
Authorized types of debt issued in current reporting period.	Yes	The Limited Tax Refunding Bonds, Series 2025A bonds; Maintenance Tax Refunding Bonds, Series 2025 Bonds; and The Limited Tax Refunding Bonds, Series 2025B bonds were sold in compliance with the Debt Management Policy
Variable rate debt <= 25% of total debt.	Yes	As of 06/30/2025 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 Limited Tax Refunding Bonds, Series 2025A bonds; Maintenance Tax Refunding Bonds, Series 2025 Bonds; and The Limited Tax Refunding Bonds, Series 2025B 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 Bonds 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 20, 2024
The District filed the Annual Financial and Operating Data Disclosure Report with the MSRB on EMMA Dataport.	Yes	Filed by District on December 20, 2024
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, 2024 - JUNE 30, 2025

HOUSTON INDEPENDENT SCHOOL DISTRICT DEBT SUMMARY AS OF JUNE 30, 2025

Date of Issue	Description	Original Issue Amount	Final Maturity Date	Principal Outstanding on 06/30/24	Tender Offer 03/06/25	Bond Refunding 05/01/25	Defeasance 06/04/25	Principal Payments	Interest Payments	Principal Outstanding on 06/30/25
11/01/09	Series 2009A-2 (BABS)	\$ 148,850,000	02/15/34	\$ 148,850,000	\$ -	\$ -	\$ -	\$ -	\$ (9,158,618)	\$ 148,850,000
11/01/09	Series 2009A-3 (BABS)	183,750,000	02/15/28	81,500,000	-	-	-	(19,200,000)	(4,991,875)	62,300,000
12/16/14	Limited Tax Refunding Series 2014B	365,395,000	02/15/33	92,260,000	-	(92,260,000)	-	-	(3,690,400)	-
04/12/16	Limited Tax Sch and Ref Series 2016A	757,195,000	02/15/41	520,065,000	(116,525,000)	-	-	(29,145,000)	(23,375,300)	374,395,000
05/23/17	Limited Tax Sch and Ref Series 2017	848,740,000	02/15/42	480,205,000	(41,785,000)	-	(52,705,000)	(70,170,000)	(22,264,050)	315,545,000
06/27/18	Limited Tax Sch Series 2018	86,960,000	02/15/43	77,870,000	(4,100,000)	-	(62,715,000)	(2,565,000)	(3,853,700)	8,490,000
06/01/19	Variable Rate Ltd Tax Sch Series 2014A-2	110,520,000	06/01/39	109,650,000	-	(95,840,000)	-	(13,810,000)	(2,160,500)	-
03/21/23	Variable Rate Ltd Tax Refunding Series 2023C	80,785,000	06/01/39	80,785,000	-	(80,555,000)	-	(230,000)	(1,620,300)	-
03/21/23	Limited Tax Refunding Series 2023A	104,255,000	06/30/38	46,320,000	-	-	-	(19,510,000)	(2,316,000)	26,810,000
05/01/25	Limited Tax Refunding Series 2025A	149,685,000	02/15/42	-	149,685,000	-	-	-	-	149,685,000
03/06/25	Limited Tax Refunding Series 2025B	264,935,000	02/15/29	-	-	264,935,000	-	-	-	264,935,000
Bonds Payable		\$3,101,070,000		\$1,637,505,000	\$ (12,725,000)	\$ (3,720,000)	\$ (115,420,000)	\$ (154,630,000)	\$ (73,430,743)	\$1,351,010,000
06/29/17	Lease Revenue Ref Series 2017 (PFC)	21,550,000	09/15/30	12,275,000	-	-	-	(1,505,000)	(576,125)	10,770,000
10/22/19	Lease Revenue Ref Series 2019 (PFC)	29,675,000	09/15/29	20,565,000	-	-	-	(3,830,000)	(932,500)	16,735,000
Public Facilities Corporation (PFC) Payable		\$ 51,225,000		\$ 32,840,000	\$ -	\$ -	\$ -	\$ (5,335,000)	\$ (1,508,625)	\$ 27,505,000
06/27/18	Matintenance Tax Notes Series 2018	174,615,000	01/15/38	143,210,000	(21,370,000)	-	-	(7,275,000)	(6,859,275)	114,565,000
03/06/25	Matintenance Tax Notes Series 2025	20,555,000	01/15/38	-	20,555,000	-	-	-	-	20,555,000
Notes Payable		\$ 195,170,000		\$ 143,210,000	\$ (815,000)	\$ -	\$ -	\$ (7,275,000)	\$ (6,859,275)	\$ 135,120,000
Total Debt Payable		\$3,347,465,000		\$1,813,555,000	\$ (13,540,000)	\$ (3,720,000)	\$ (115,420,000)	\$ (167,240,000)	\$ (81,798,643)	\$1,513,635,000



DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025

Tender Offer

Refunding of \$149,685,000 (Fixed Rate) Limited Tax Refunding Bonds, Series 2025A Bonds
Refunding of \$20,555,000 (Fixed Rate) Maintenance Tax Refunding Note, Series 2025

- ❑ On March 6, 2025, the District completed a Tender Offer to refund portions of outstanding principal from four bond series: Series 2016A, Series 2017, Series 2018, and Series 2018 MTN.
- ❑ The targeted portion of the bonds were callable in 2026, 2027, and 2028.
- ❑ With the early redemption of the tendered bonds, the District was able to avoid future interest payments on \$183,780,000 of principal. The amount of interest savings is estimated to be \$14,764,529.



DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025

Refunding

Refunding of \$95,840,000 (Variable Rate) Limited Tax Refunding Bonds Series 2014A-2 Bonds

Refunding of \$80,555,000 (Variable Rate) Limited Tax Refunding Bonds Series 2023C Bonds

Refunding of \$92,260,000 (Fixed Rate) Limited Tax Refunding Bond Series 2014B Bonds

- ❑ On May 1, 2025, the District had the option to either remarket the balance of the Series 2014A-2 and Series 2023C Bonds, or to refund the Series 2014A-2 and Series 2023C Bonds. The Series 2014B Bonds were eligible to be called on June 2, 2025. The District redeemed the Series 2014B Bonds in their entirety by utilizing available debt service funds.
- ❑ Series 2014A-2 and Series 2023C had an original final maturity date of June 1, 2039, and Series 2014B had an original maturity date of February 15, 2033.
- ❑ With the early redemption of the bonds, the District was able to avoid future interest payments on \$268,655,000 of principal. The amount of interest savings is estimated to be \$78,812,102.

DEBT ACTIVITY

FOR THE PERIOD JULY 1, 2024 THROUGH JUNE 30, 2025

Defeasance

Redemption of \$52,705,000 (Fixed Rate) Limited Tax Refunding Bonds, Series 2017 Bonds
Redemption of \$62,715,000 (Fixed Rate) Limited Tax Bonds, Series 2018 Bonds

- ❑ On June 4, 2025, the District had the option to pay down outstanding debt before the actual maturity date. A portion of Bond Series 2017 and Series 2018 were paid off early by utilizing available debt service funds.
- ❑ The Series 2017 Bond has an original maturity date of February 15, 2042, and Series 2018 Bond has an original maturity date of February 15, 2043.
- ❑ With the early redemption of the portion of Series 2017 and Series 2018 Bonds, the District was able to avoid future interest payments on \$115,420,000 of principal. The amount of interest savings is estimated to be \$57,407,237 million.