

Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended June 30, 2023

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on December __, 2023.



☑ Overview of Certain Financial/Bond Ratings

- ☐ **Overview:** Tomball Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
 - ✓ Based on data for year 2021/22, the District was assigned a 2022/23 FIRST Rating of “A=Superior” and the District’s score was 98 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service, S&P Global Ratings and Fitch Ratings, Inc., that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service:** Assigns a “Aa1” credit rating to the District, defined as “Judged to be of high quality and are subject to very low credit risk.”
 - ✓ **S&P Global Ratings:** Assigns a “AA+” credit rating to the District, defined as “Having a very strong capacity to meet its financial commitments. It differs from the highest-rating only to a small degree.”
 - ✓ **Fitch Ratings, Inc.:** Assigns a “AA” credit rating to the District, defined as “Very high quality. A “AA” rating denotes expectations of very low default risk, very strong capacity for payment of financial commitments, and not significantly vulnerable to foreseeable events.”

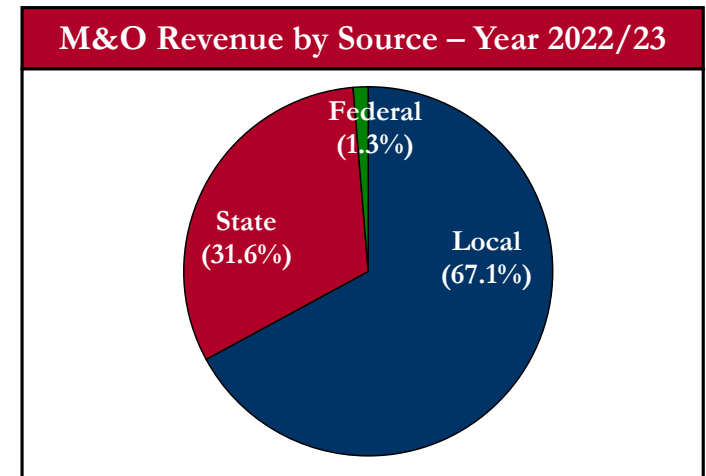


Overview of State Funding System

❑ **State Funding System – Where Do the District’s Revenues Come From:** Tomball ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Harris County Appraisal District and the Montgomery Central Appraisal District:

■ **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.

✓ The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2022/23, the District’s sources for M&O revenues are summarized to the right.



✓ The District’s M&O tax rate is subject to compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.



☑ Overview of State Funding System

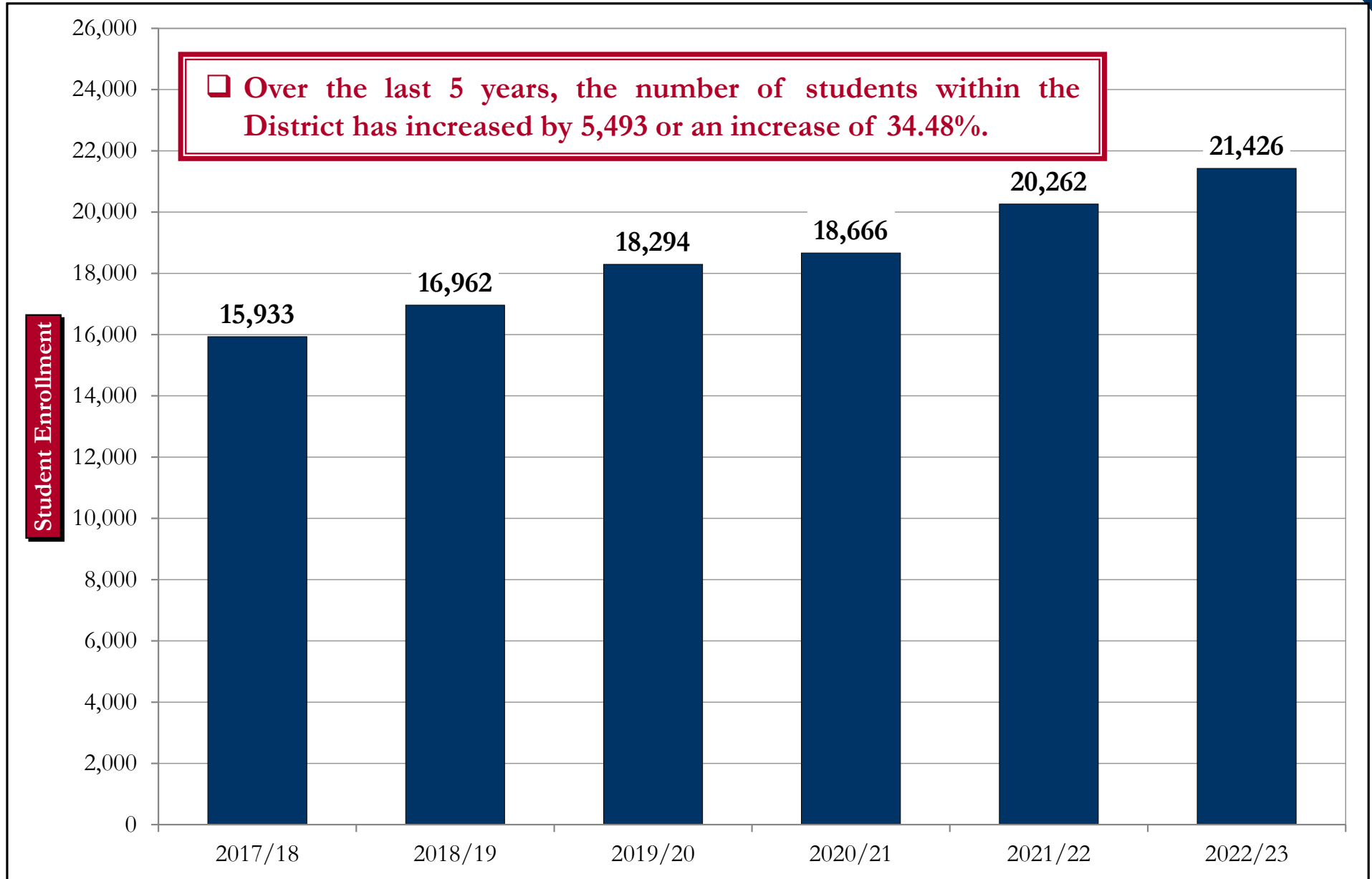
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The following summarizes the District’s bond programs approved by voters since 2000:

District’s Historical Bond Elections Approved By Voters				
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Remaining To Be Issued
September 16, 2000	School Building	7,303	\$98,400,000	\$0
May 12, 2007	School Building	9,124	\$198,000,000	\$0
May 11, 2013	School Building & Technology	11,772	\$160,000,000	\$0
November 7, 2017	School Building	14,932	\$275,000,000	\$0
November 2, 2021	School Building & Technology	18,666	\$494,460,000	\$94,460,000
Total Dollar Amount Of Authorized But Unissued Bonds - As of June 30, 2023:				\$94,460,000

- ✓ The District anticipates issuing approximately \$94,460,000 Unlimited Tax School Building Bonds, Series 2024 in April 2024 from the November 2, 2021 Bond Election.

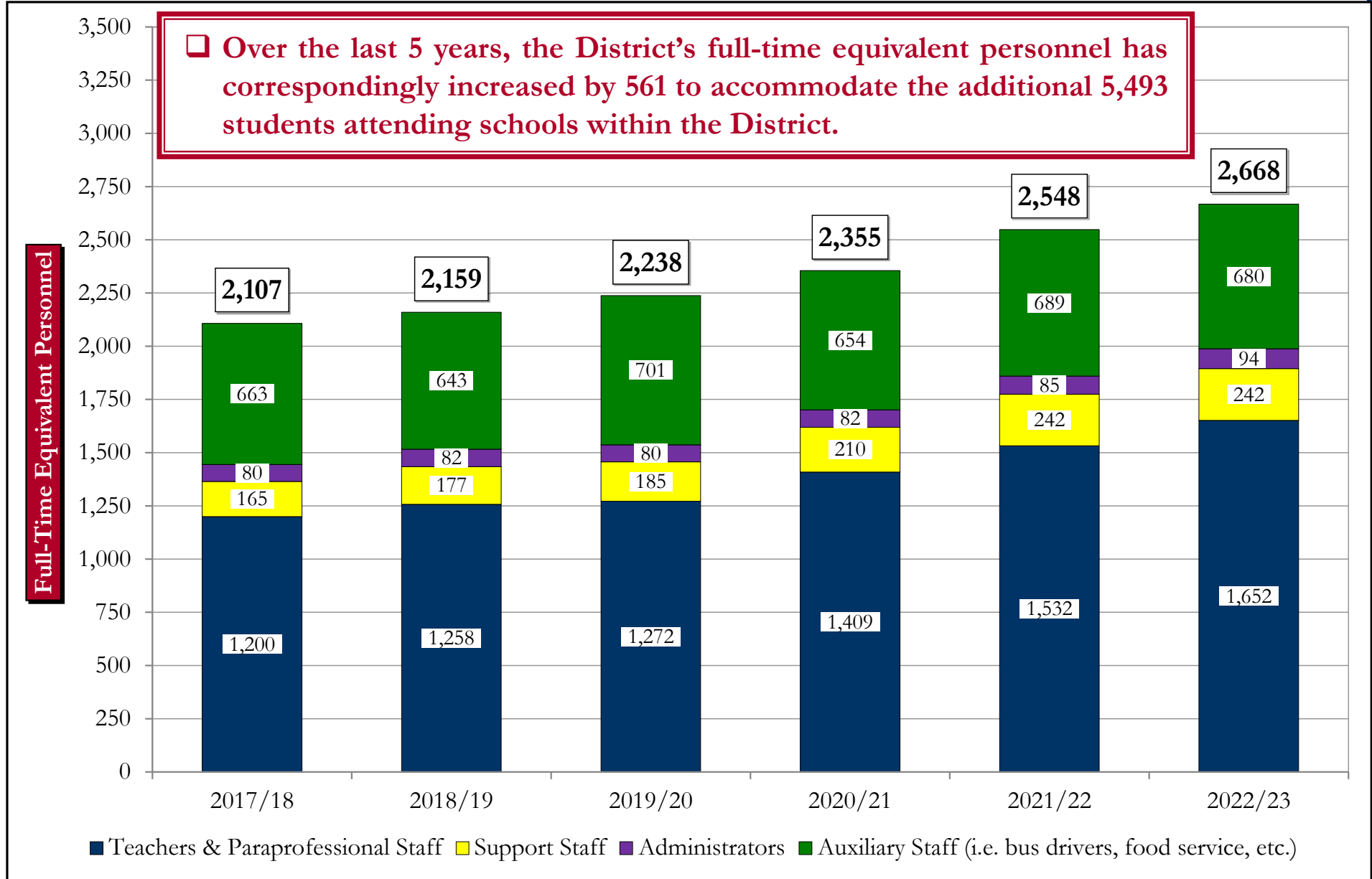


Historical Student Enrollment



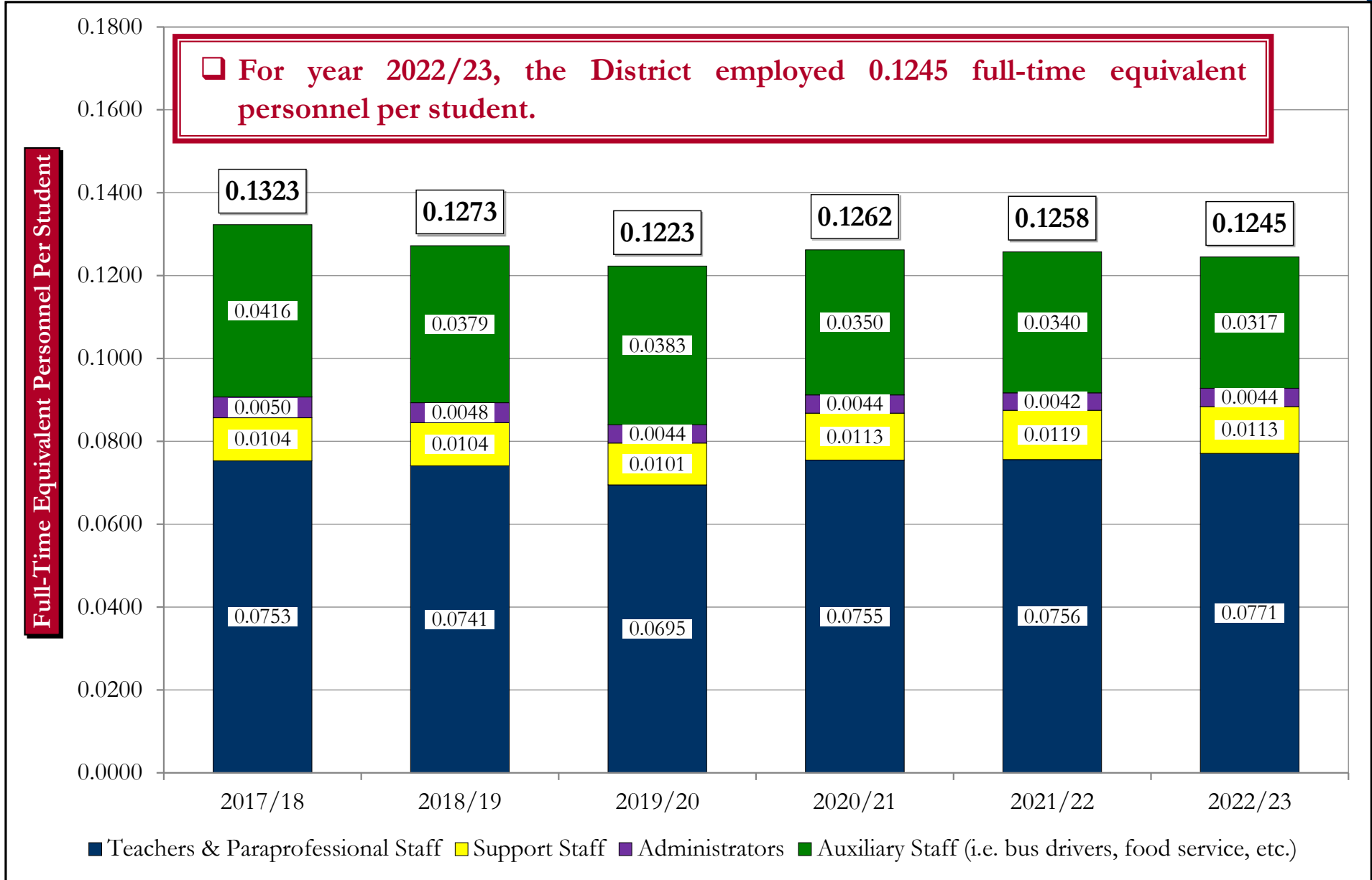


Full-Time Equivalent Personnel



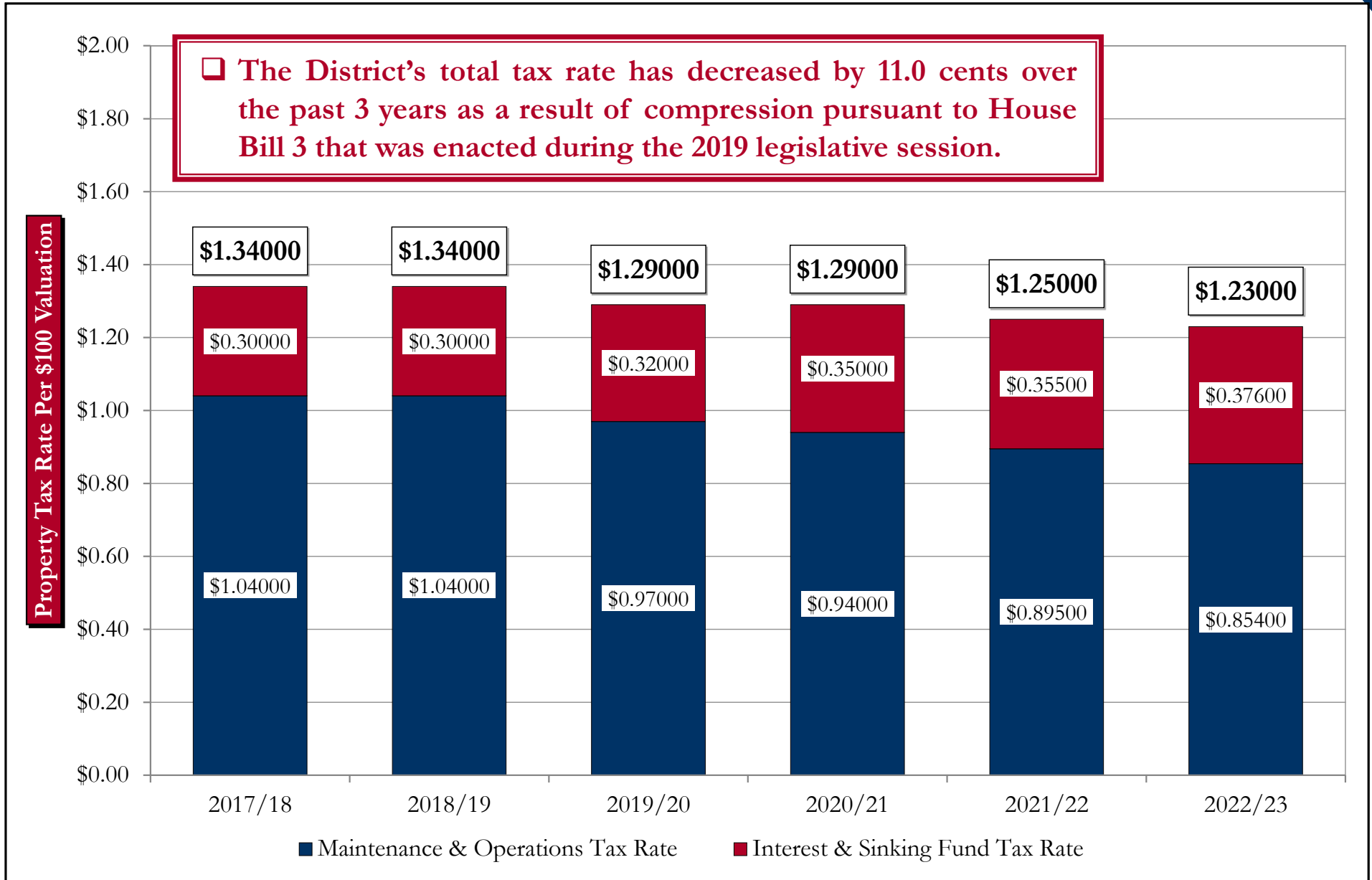


Full-Time Equivalent Personnel Per Student



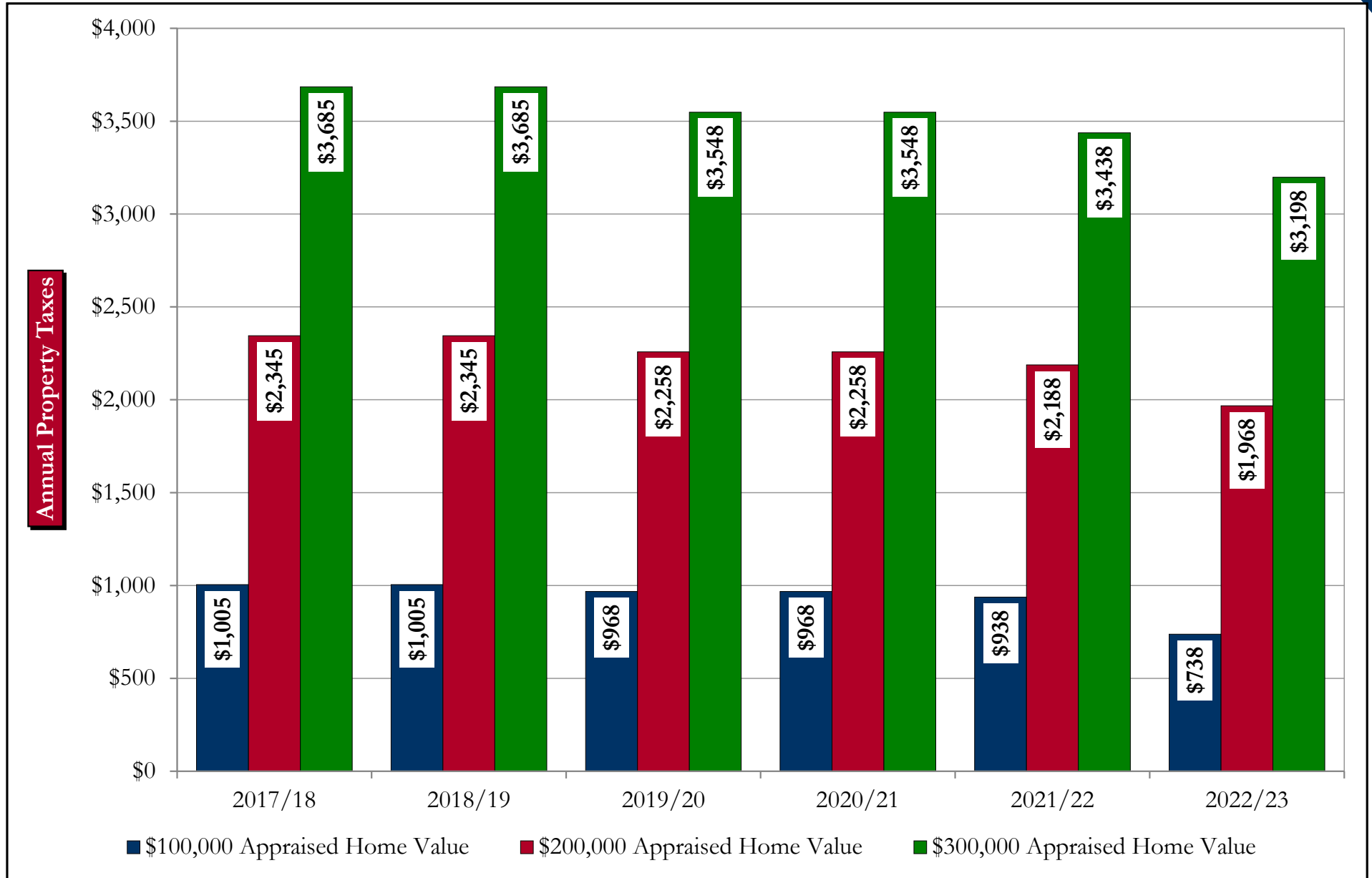


Historical Tax Rates





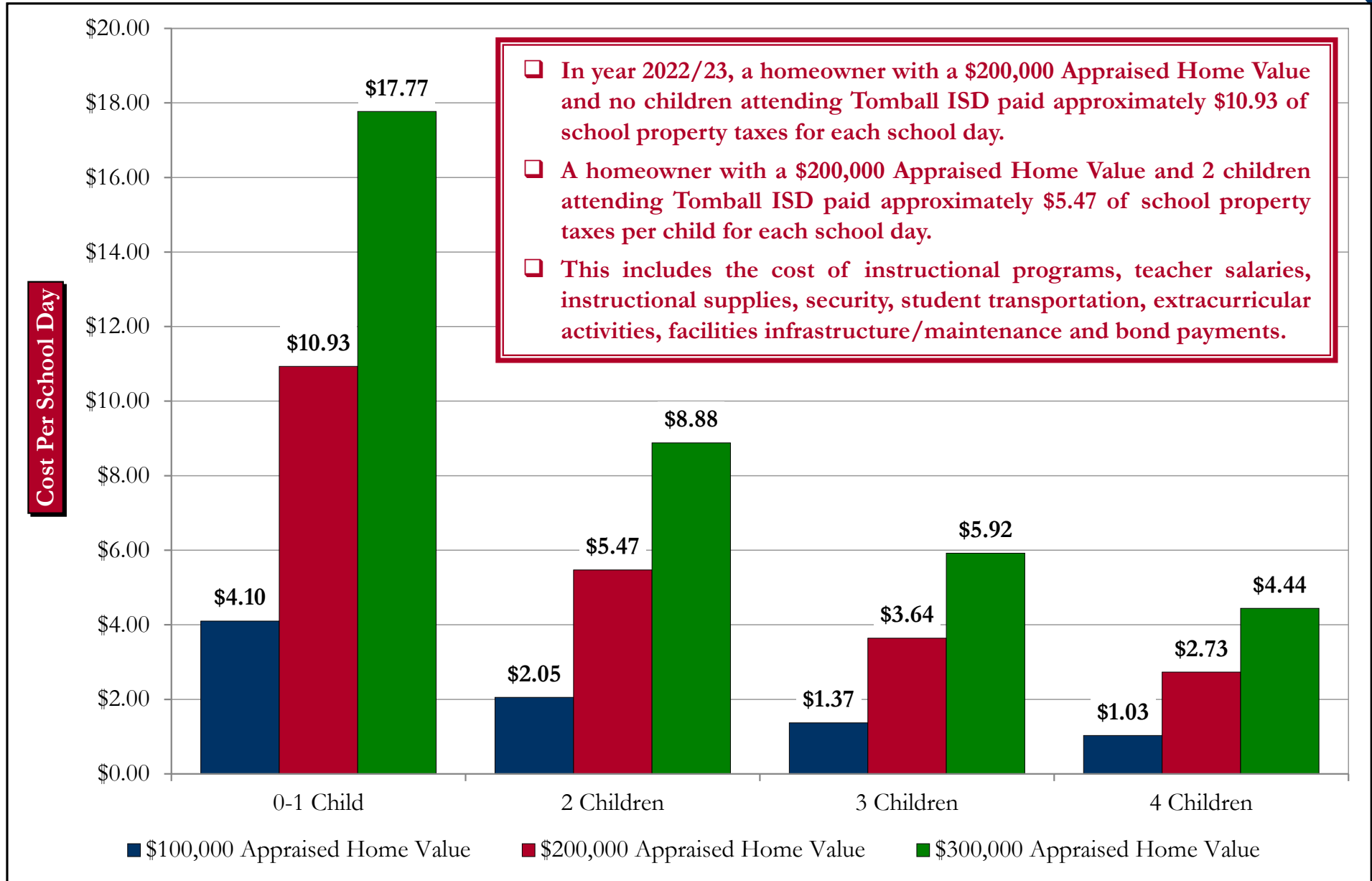
Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the State-mandated residential homestead exemption.



Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2022/23

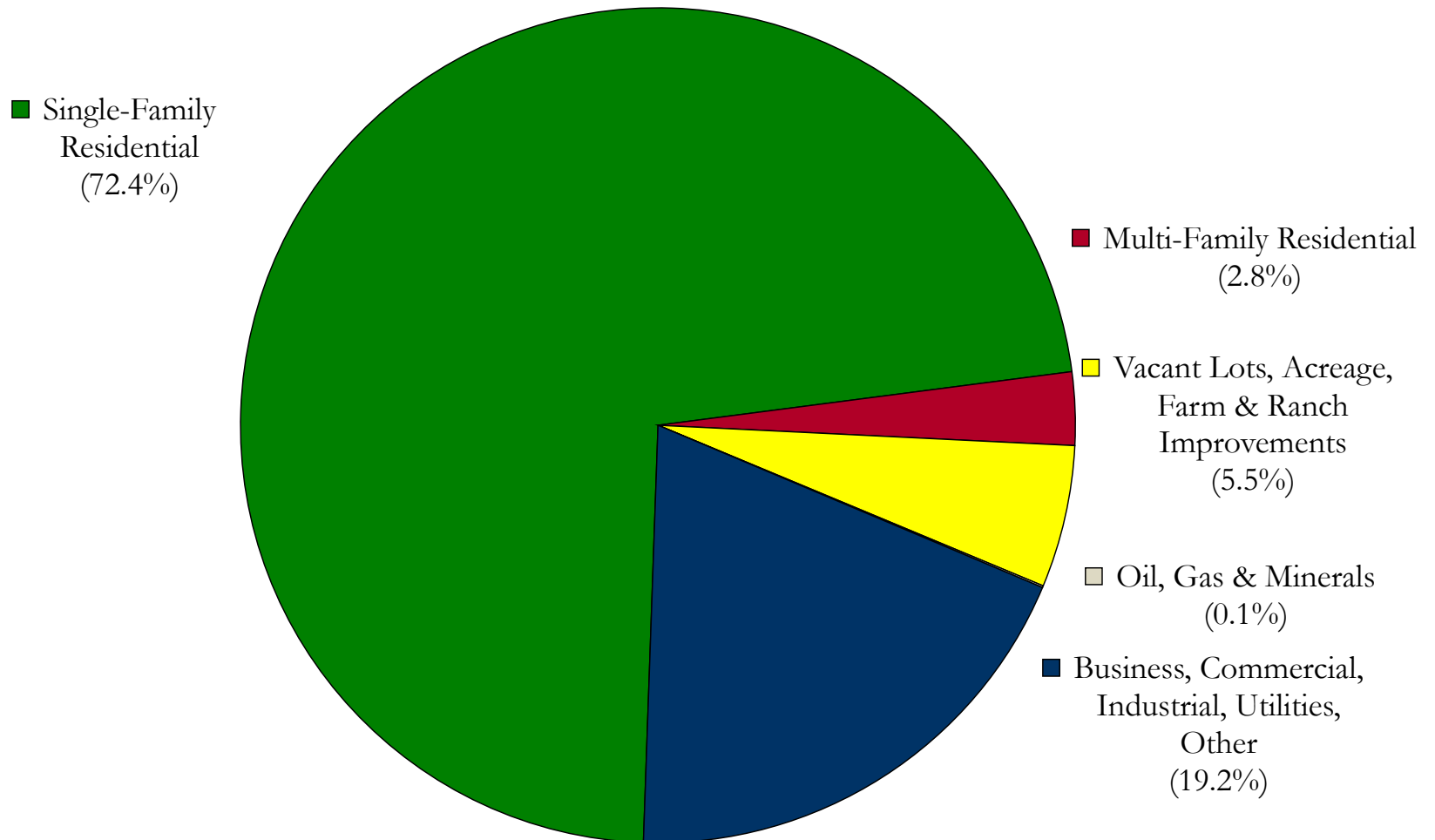


Note: Taxes are net of the \$25,000 State-mandated residential homestead exemption. Assumes a 180 school day year.



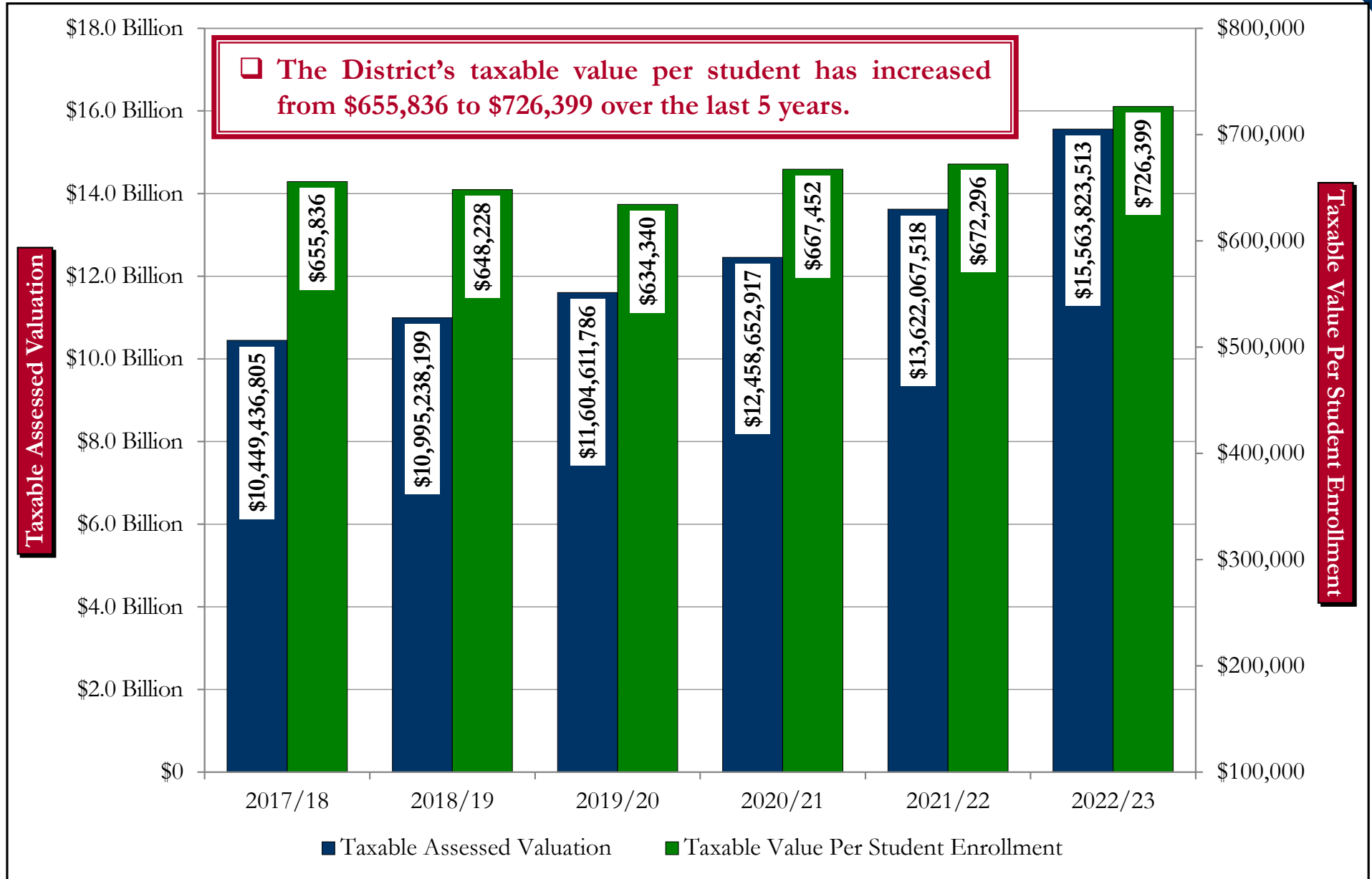
Composition of Total Assessed Valuation – Year 2022/23

For year 2022/23, Single-Family Residential properties comprised 72.4% of the District's total assessed valuation and other property categories comprised 27.6%.





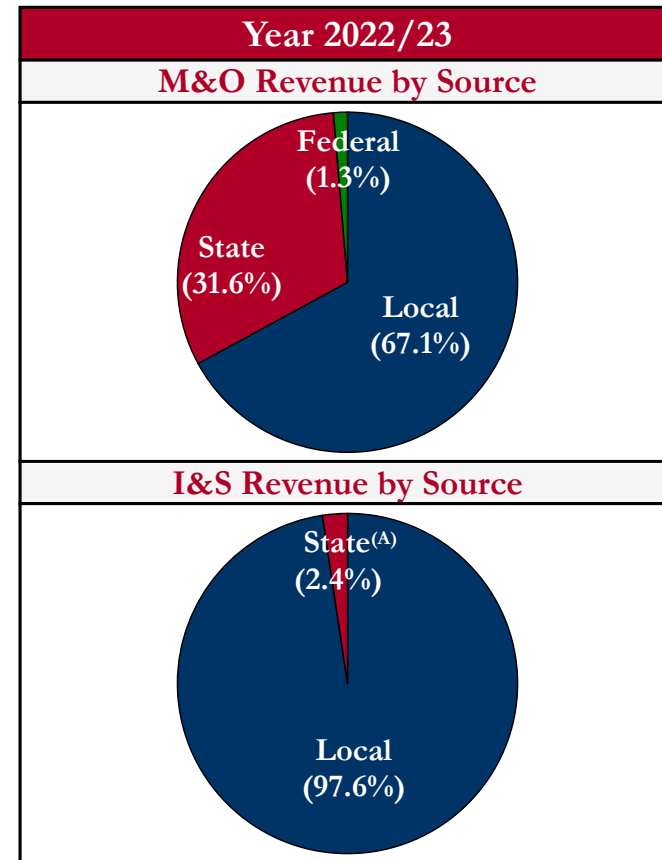
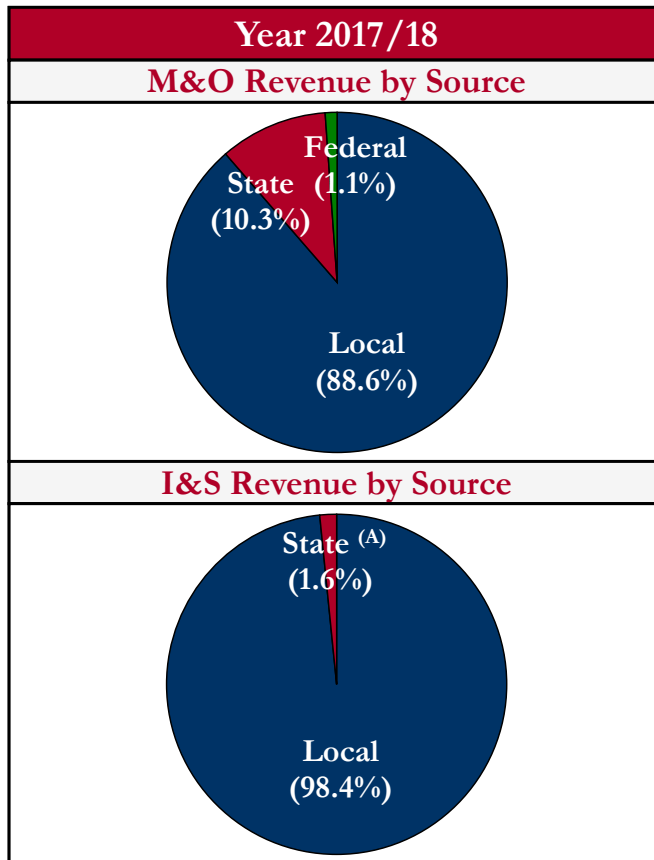
Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





General Fund and Debt Service Fund – Revenue By Source

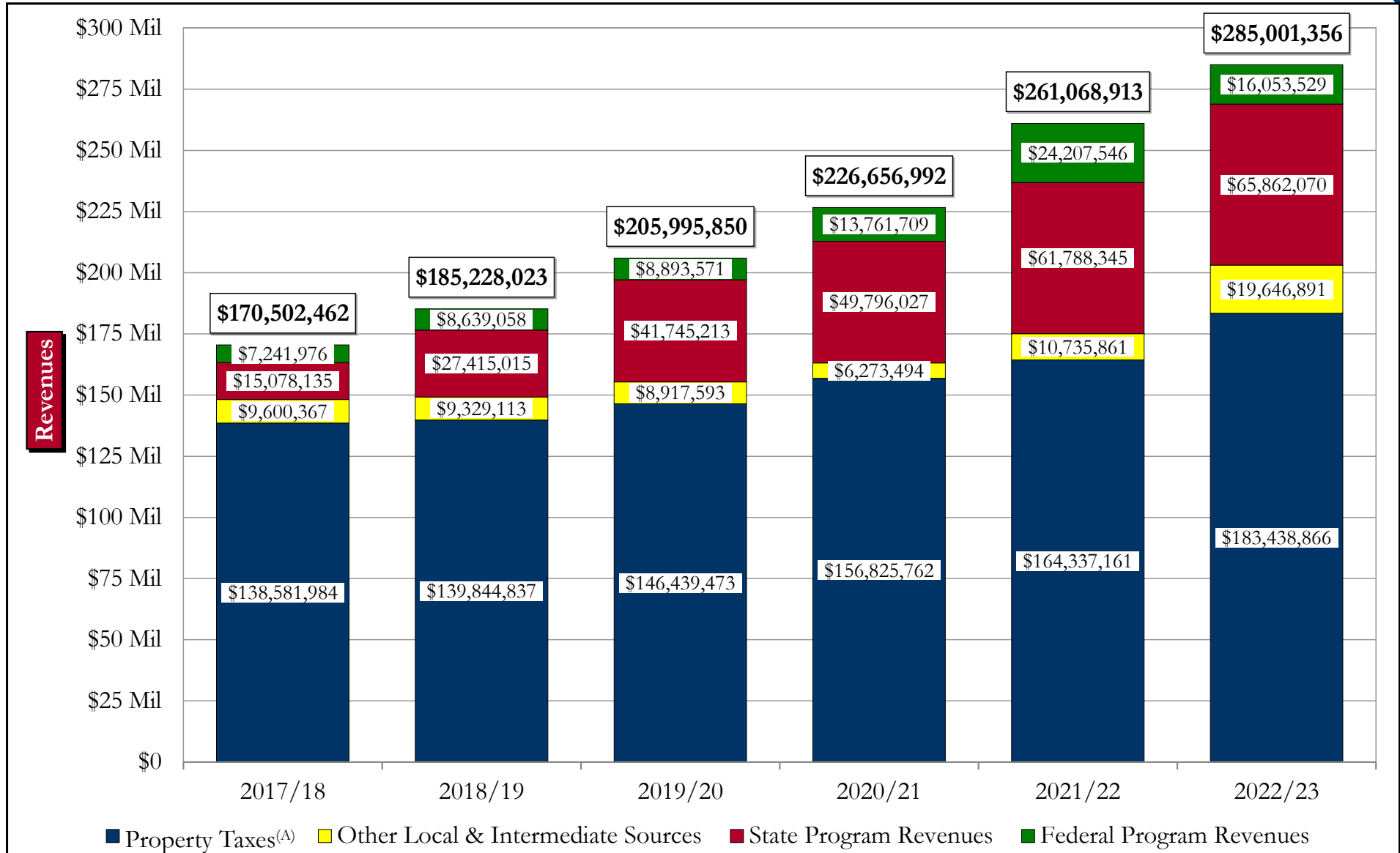
- ❑ The State funding system is structured to provide the District with an “equalized” dollar amount per student. The revenue sources for maintenance and operations and repayment of bonds is summarized below.
- ❑ The District does not receive any facilities funding from the State for the payment of voter-approved bonds.



(A) Represents payment from State received for lost tax revenues resulting from increase of residential homestead exemption in year 2015/16.



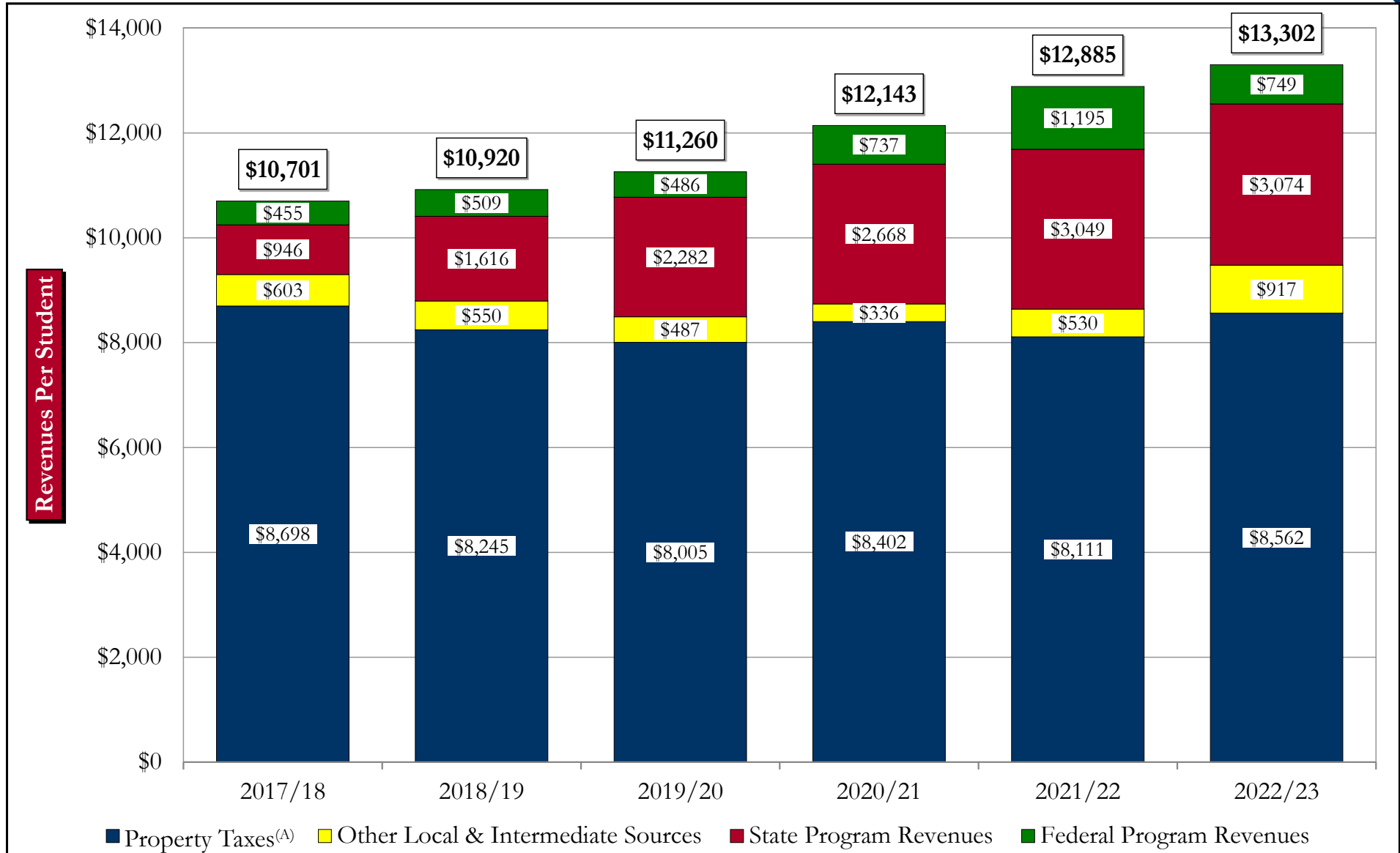
Total Revenues (All Governmental Funds*) By Source



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



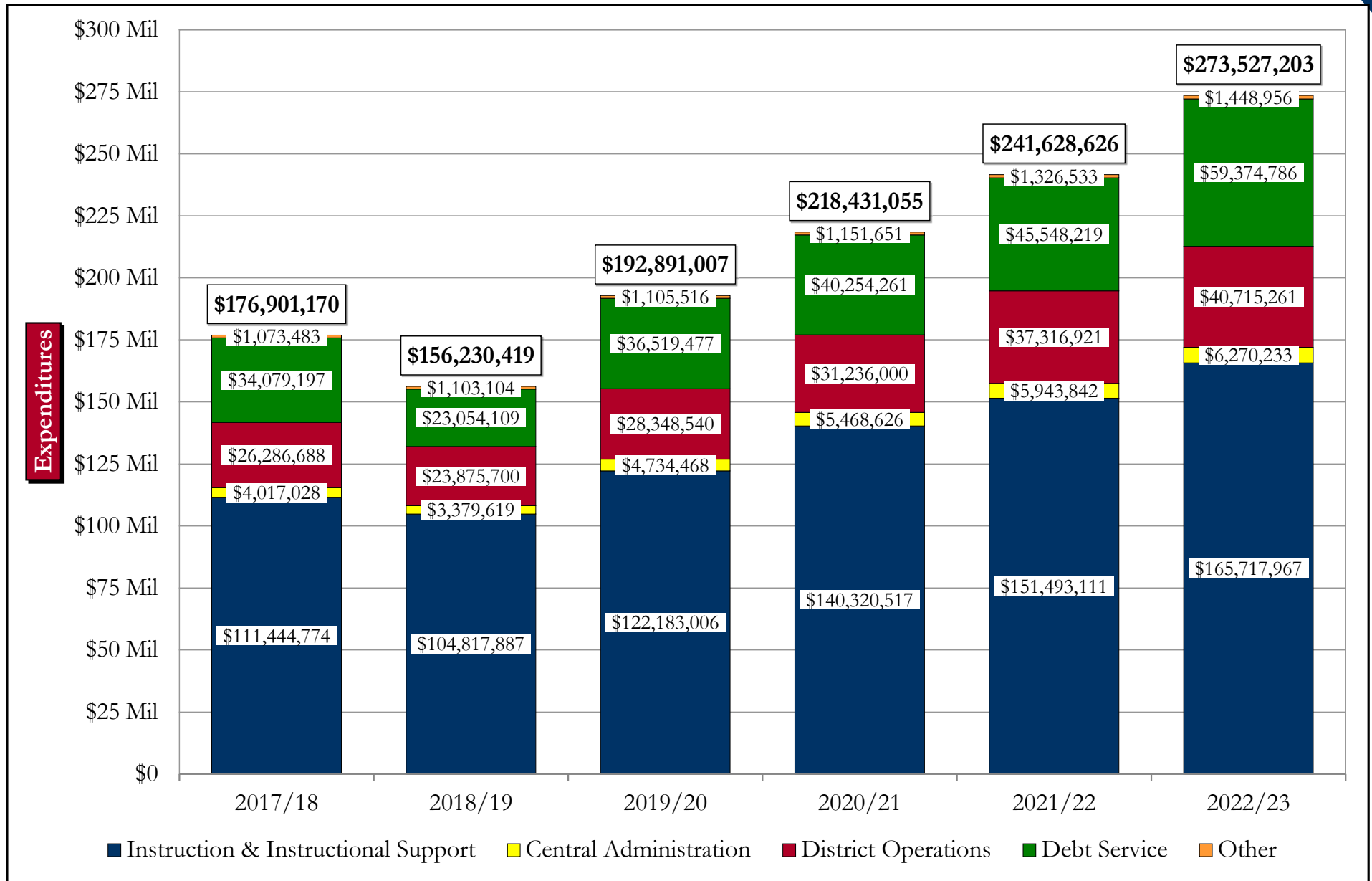
Total Revenues (All Governmental Funds*) Per Student



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



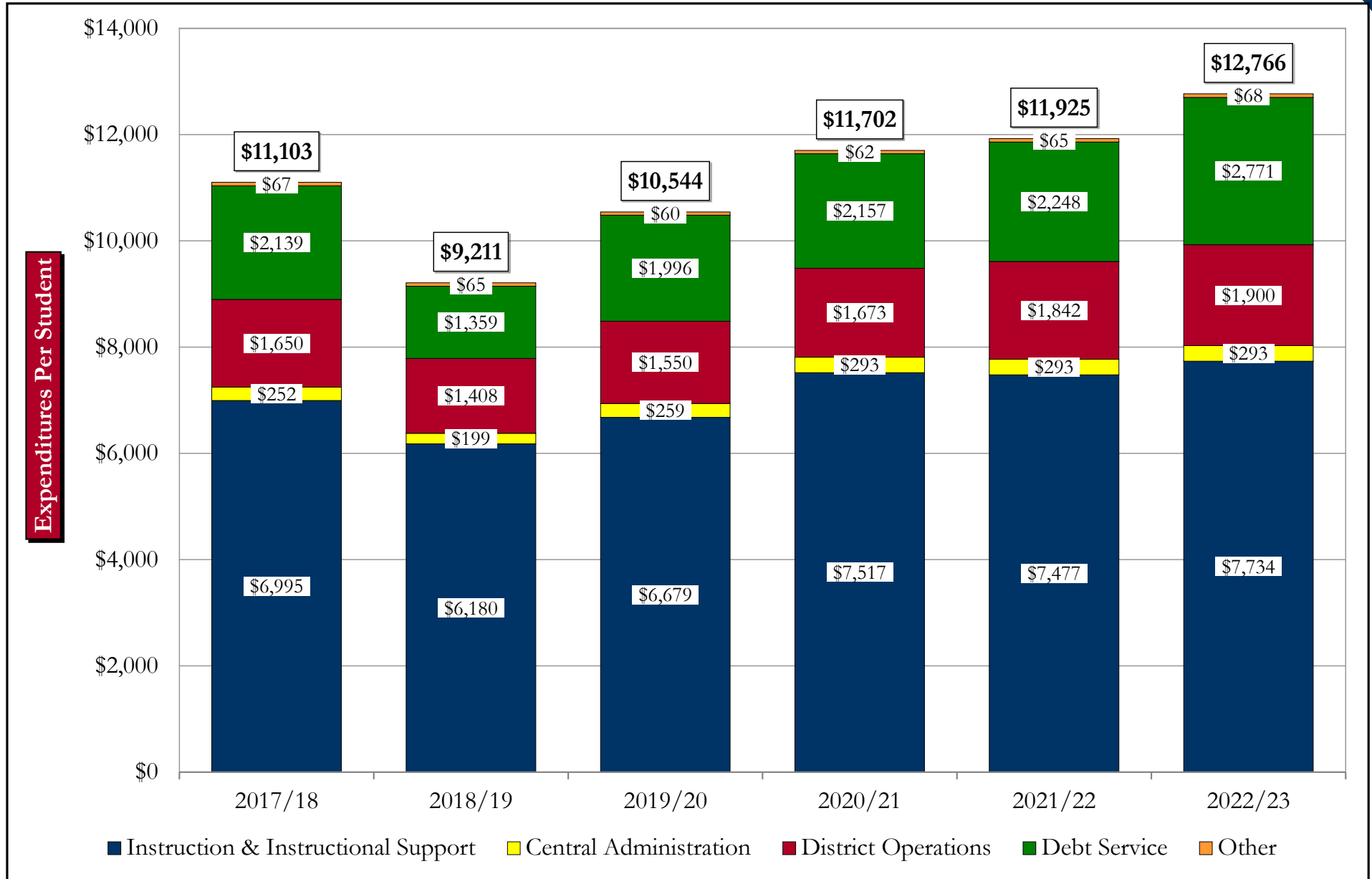
Total Expenditures (All Governmental Funds*) By Source



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.



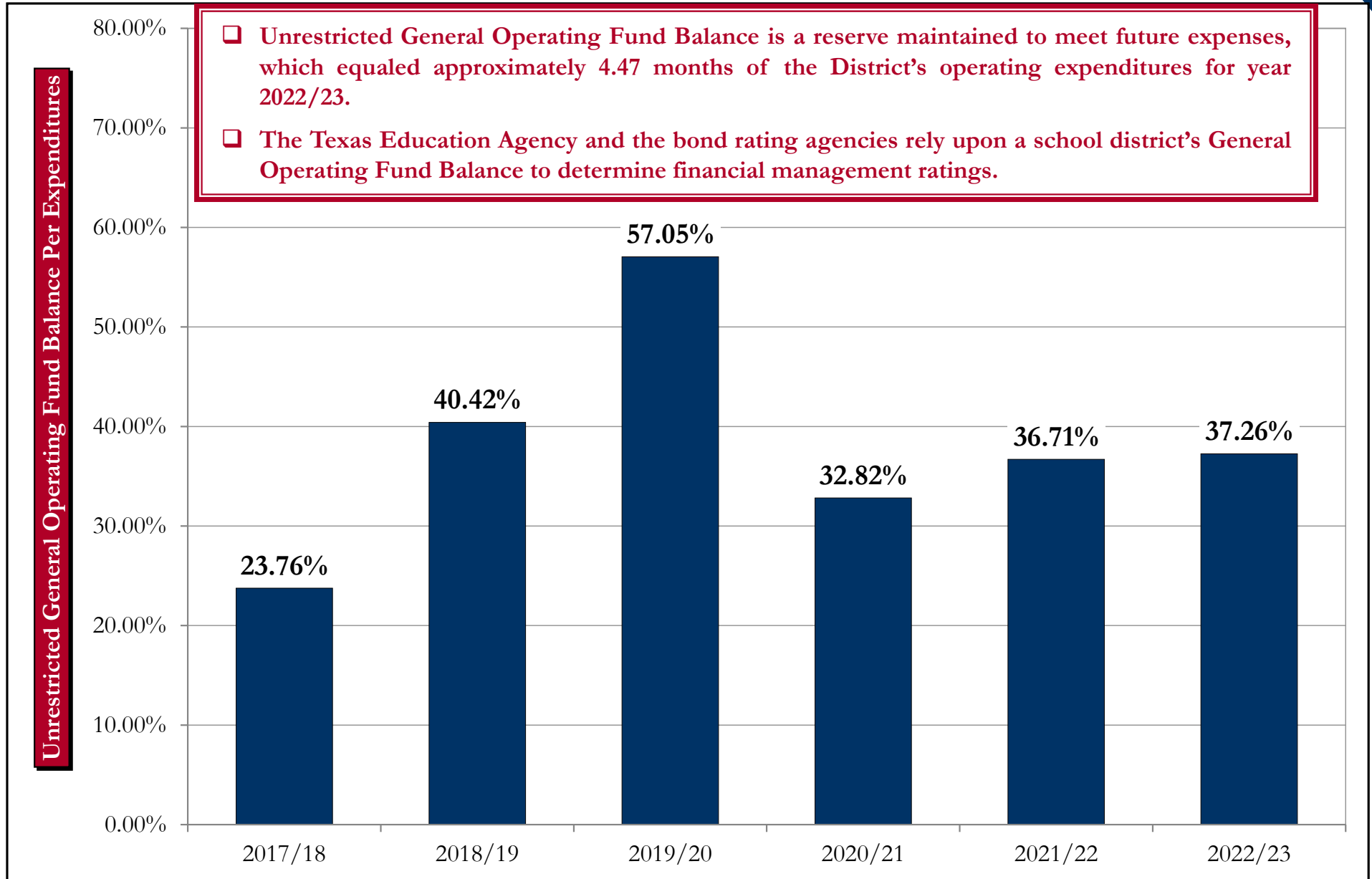
Total Expenditures (All Governmental Funds*) Per Student



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements, Texas Education Agency - PEIMS and District records.



Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures

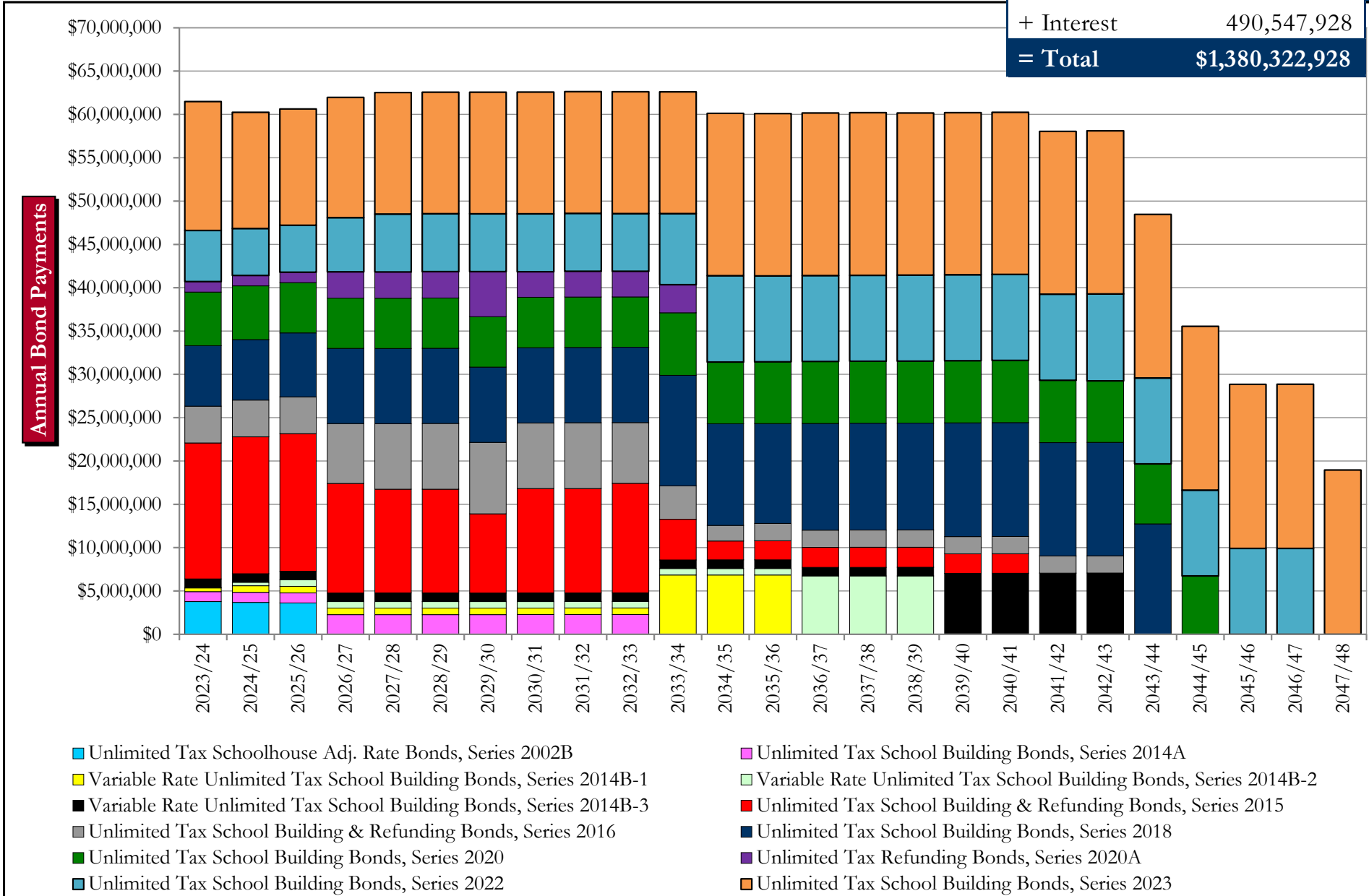




☑ Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters

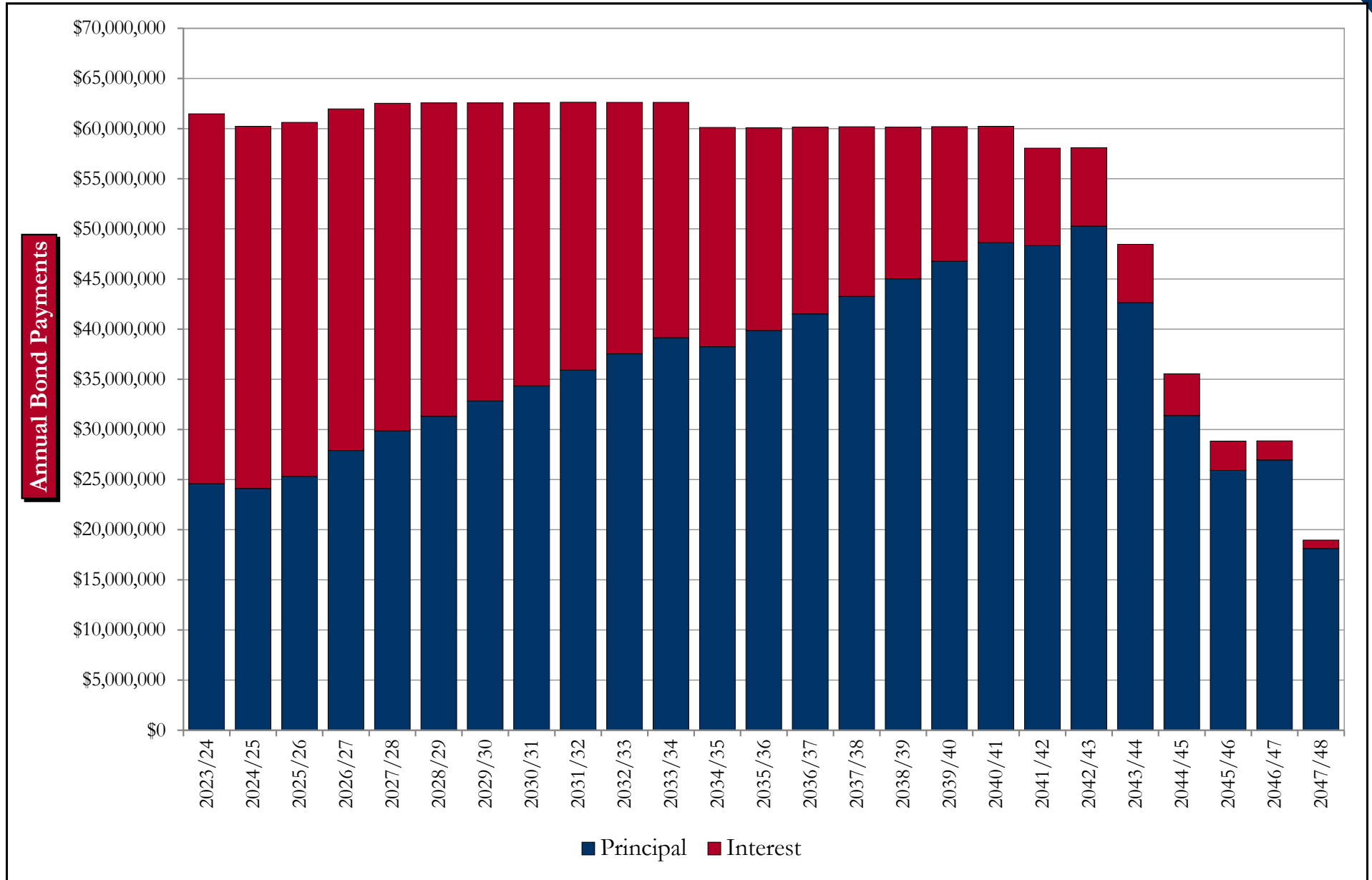
As of June 30, 2023

Principal	\$889,775,000
+ Interest	490,547,928
= Total	\$1,380,322,928





☑ Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Source: District's Audited Financial Statements and District records – As of June 30, 2023.



Savings from District's Recent Bond Refunding Programs to Lower Interest Costs

- ❑ Tomball ISD has implemented 7 bond refunding programs and prepaid \$6.150 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$45.657 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds

Issue / Description	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax School Building & Refunding Bonds, Series 2008	2001A	\$ 29,210,000	\$ 1,914,698
Unlimited Tax Refunding Bonds, Series 2010	1999	17,570,000	2,438,901
Unlimited Tax Refunding Bonds, Series 2010B	2001A	17,185,000	1,899,520
Unlimited Tax Refunding Bonds, Series 2011	2002A	4,720,000	355,704
Unlimited Tax School Building & Refunding Bonds, Series 2015	2001B, 2007, 2008, 2009	109,520,000	15,262,451
Unlimited Tax School Building & Refunding Bonds, Series 2016	2007, 2008, 2009, 2010A	73,020,000	11,524,144
Prepayment of Bonds (February 15, 2017)	2008	1,500,000	120,000
Unlimited Tax Refunding Bonds, Series 2020A	2010A, 2010B, 2011	33,515,000	7,825,210
Prepayment of Bonds (January 31, 2023)	2015	4,650,000	4,316,860
Totals	---	\$ 290,890,000	\$ 45,657,488

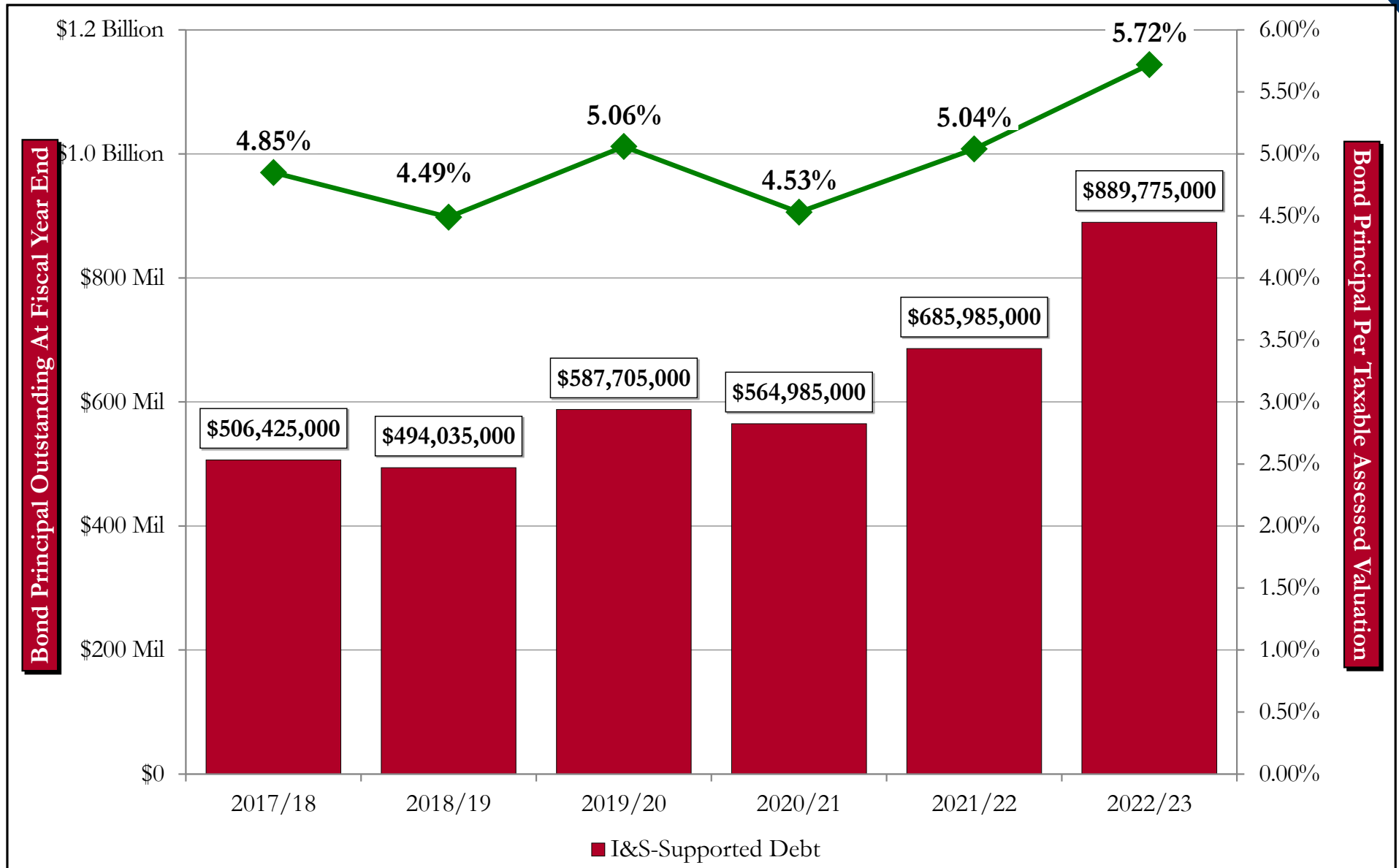


Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended June 30, 2023

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax Schoolhouse Adj. Rate Bonds, Series 2002B	Capital Improvements & Refunding at a lower interest rate, etc.	\$19,650,000.00	\$10,180,000.00	\$11,055,136.50	\$94.39	\$102.51	02/15/2026	\$19,650,000.00	\$19,650,000.00	\$0.00
2	Unlimited Tax School Building Bonds, Series 2014A	Capital Improvements	\$17,775,000.00	\$14,490,000.00	\$19,347,900.00	\$134.36	\$179.40	02/15/2033	\$20,113,198.75	\$20,113,198.75	\$0.00
3	Variable Rate Unlimited Tax School Building Bonds, Series 2014B-1	Capital Improvements	\$18,980,000.00	\$18,980,000.00	\$27,773,705.00	\$175.99	\$257.53	02/15/2036	\$20,087,124.30	\$20,087,124.30	\$0.00
4	Variable Rate Unlimited Tax School Building Bonds, Series 2014B-2	Capital Improvements	\$18,690,000.00	\$18,690,000.00	\$28,875,291.00	\$173.30	\$267.75	02/15/2039	\$20,086,724.27	\$20,086,724.27	\$0.00
5	Variable Rate Unlimited Tax School Building Bonds, Series 2014B-3	Capital Improvements	\$25,650,000.00	\$25,650,000.00	\$44,087,250.02	\$237.84	\$408.80	02/15/2043	\$26,451,847.23	\$26,451,847.23	\$0.00
6	Unlimited Tax School Building & Refunding Bonds, Series 2015	Capital Improvements & Refunding at a lower interest rate, etc.	\$137,450,000.00	\$115,580,000.00	\$150,468,450.00	\$1,071.72	\$1,395.23	02/15/2043	\$159,039,931.30	\$159,039,931.30	\$0.00
7	Unlimited Tax School Building & Refunding Bonds, Series 2016	Capital Improvements & Refunding at a lower interest rate, etc.	\$99,645,000.00	\$65,130,000.00	\$86,676,275.00	\$603.92	\$803.71	02/15/2043	\$110,523,995.69	\$110,523,995.69	\$0.00
8	Unlimited Tax School Building Bonds, Series 2018	Capital Improvements	\$133,405,000.00	\$131,015,000.00	\$220,272,200.00	\$1,214.85	\$2,042.49	02/15/2044	\$153,617,215.35	\$153,617,215.35	\$0.00
9	Unlimited Tax School Building Bonds, Series 2020	Capital Improvements	\$108,355,000.00	\$93,265,000.00	\$144,116,100.00	\$864.81	\$1,336.33	02/15/2045	\$125,333,160.67	\$125,333,160.67	\$19,314,518.89
10	Unlimited Tax Refunding Bonds, Series 2020A	Refunding at a lower interest rate, etc.	\$27,475,000.00	\$22,490,000.00	\$30,060,250.00	\$208.54	\$278.74	02/15/2034	\$33,739,241.80	\$33,739,241.80	\$0.00
11	Unlimited Tax School Building Bonds, Series 2022	Capital Improvements	\$141,925,000.00	\$140,325,000.00	\$200,462,857.50	\$1,301.17	\$1,858.81	02/15/2047	\$150,404,930.95	\$74,297,381.52	\$76,107,549.43
12	Unlimited Tax School Building Bonds, Series 2023	Capital Improvements	\$233,980,000.00	\$233,980,000.00	\$417,127,513.35	\$2,169.60	\$3,867.84	02/15/2048	\$256,335,267.30	\$6,335,267.30	\$250,000,000.00



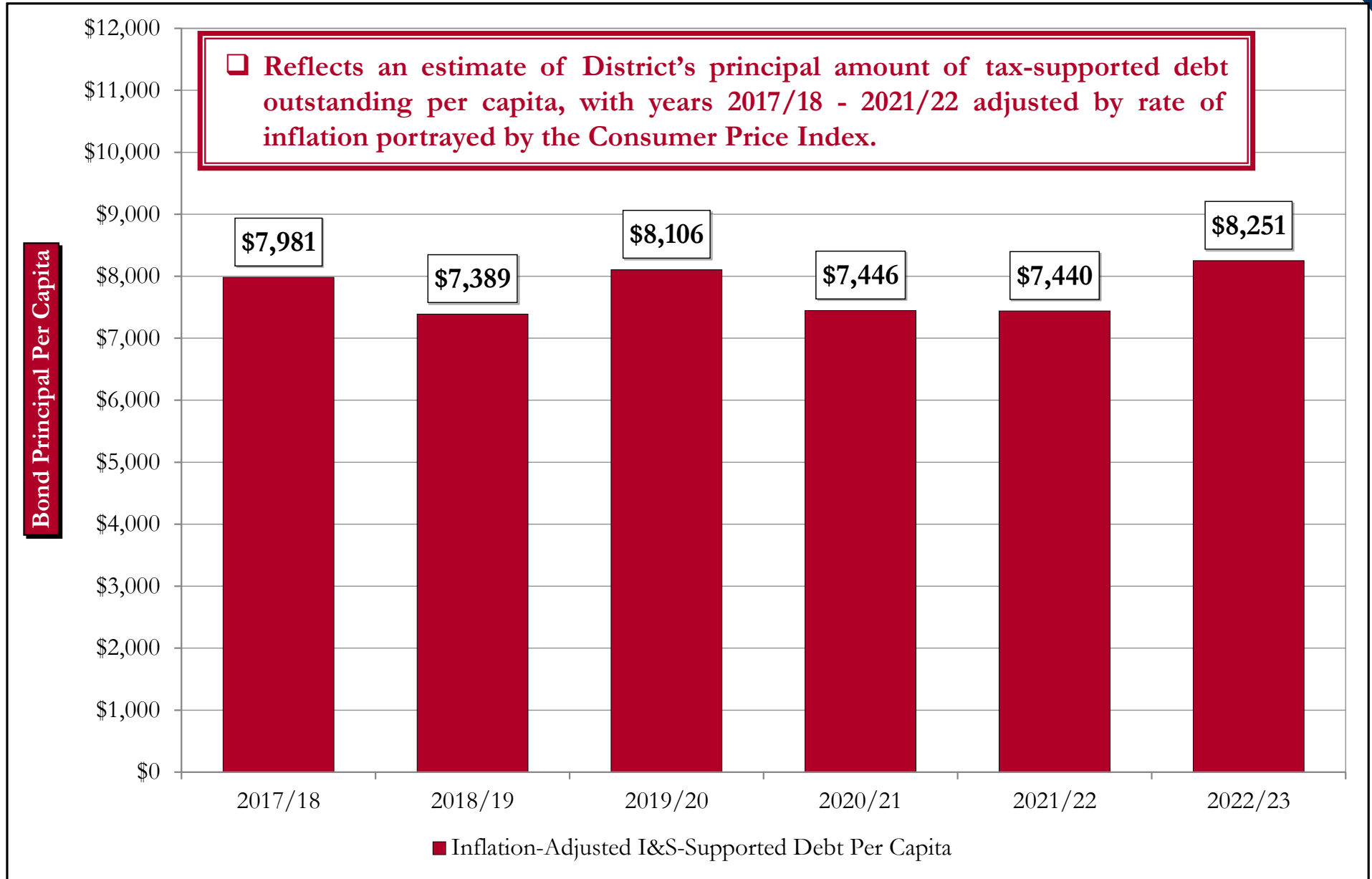
Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



Note: The District does not have any debt payable from M&O taxes.

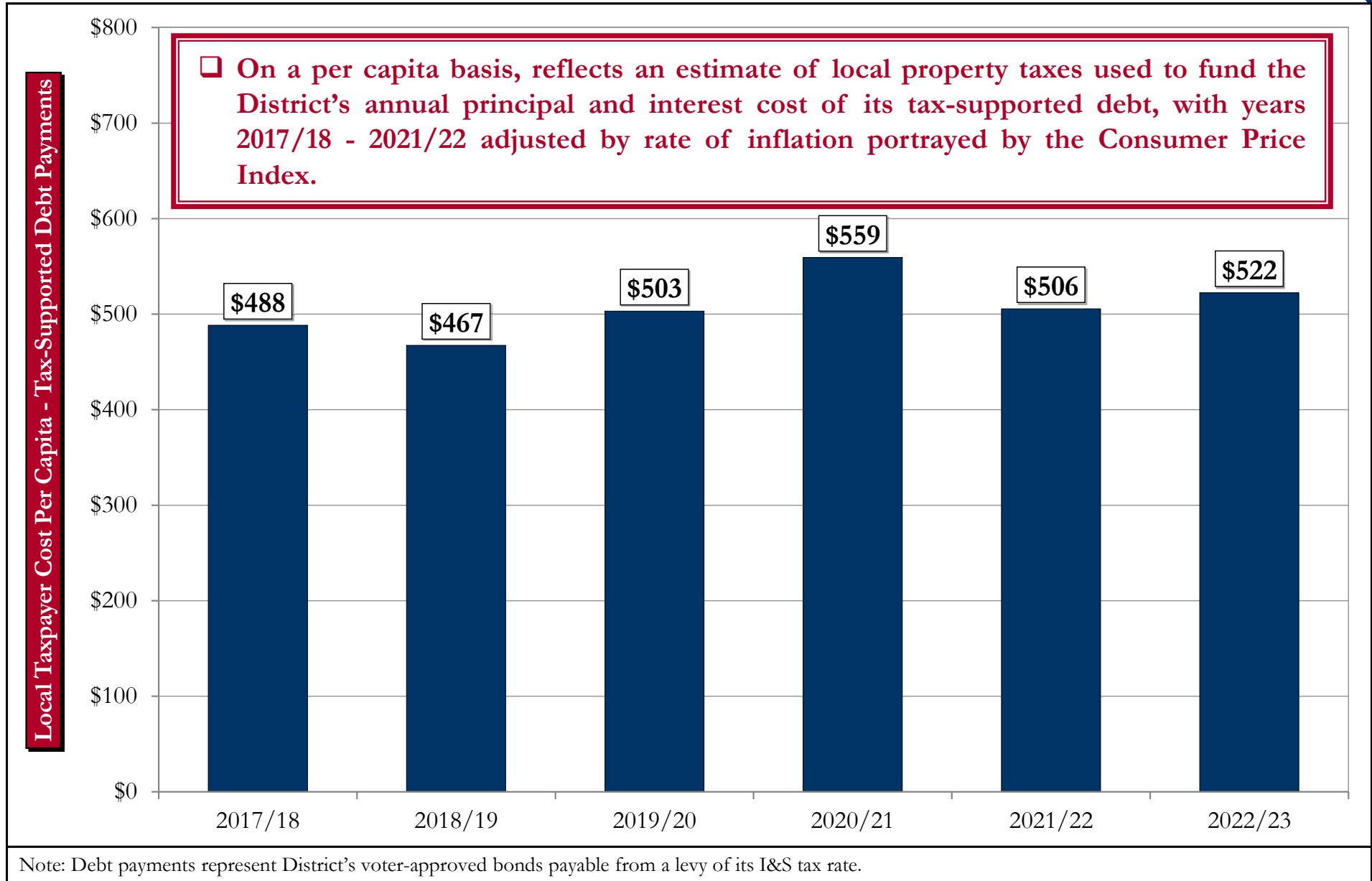


Inflation-Adjusted Tax-Supported Debt Per Capita





Inflation-Adjusted Tax-Supported Debt Cost Per Capita – Principal and Interest In Each of the Last 5 Years





Contact Information and Links to Additional Resources

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Mr. Zachery Boles

Chief Financial Officer

Phone: (281) 357-3100

Email: zacheryboles@tomballisd.net

Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/isds.php>

http://www.brb.state.tx.us/local_debt_search.aspx