Annual Comprehensive Financial Report

For the Fiscal Year Ended August 31, 2025

KATY

Katy Independent School District
6301 South Stadium Lane
Katy, Texas 77494

KATY INDEPENDENT SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT

FOR THE YEAR ENDED AUGUST 31, 2025

PREPARED BY
THE FINANCIAL SERVICES DEPARTMENT

Christopher J. Smith
Chief Financial Officer

Jamey R. Hynds
Assistant Superintendent of Finance

Kayla A. Smith
Executive Director of Finance

Brandi L. Herrin
Director of Accounting

6301 S. Stadium Lane
Katy, Texas 77494

KATY INDEPENDENT SCHOOL DISTRICT
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INTRODUCTORY SECTION

January 20, 2026

The Board of Trustees and Citizens
Katy Independent School District
6301 South Stadium Lane
P.O. Box 159
Katy, Texas 77492-0159

Dear Board Members and Citizens:

The Annual Comprehensive Financial Report (ACFR) of the Katy Independent School District (the District) for the fiscal year ended August 31, 2025, is presented herein. The ACFR is management's report of the financial operations of the District for the Board of Trustees (the Board), patrons, taxpayers, employees, grantor agencies, the Texas Education Agency (TEA), and other interested parties. The Government-wide Financial Statements in this report provide an overview of the District's governmental activities, while detailed Fund Financial Statements describe specific activities of each fund group used in accounting for the District's financial transactions. This report has been prepared by the District's Financial Services Department in accordance with the accounting principles and reporting standards promulgated by the Governmental Accounting Standards Board (GASB) and the official rules published by the Texas Education Agency.

The ACFR is presented in three sections: Introductory, Financial, and Statistical. The Introductory Section includes this transmittal letter, a list of principal officials and advisors, and an organizational chart. The Financial Section includes the Independent Auditors' Report, Management's Discussion and Analysis (MD&A), basic financial statements, required supplementary information, and other supplementary information. The Statistical Section is designed to reflect social and economic data, financial and fiscal trends, and demographic information.

District management assumes full responsibility for the completeness, fairness, and accuracy of the information contained in this report. We believe the data presented is accurate in all material respects and is presented in a manner to fairly display the financial position of the District as measured by the financial activity of its various funds. We also believe all necessary disclosures are included to enable the reader to gain full understanding of the District's financial activities.

The Texas Education Code Section 44.008 requires an annual audit of the accounts, financial records, and transactions of the District by independent certified public accountants selected by the Board. This requirement has been complied with, and the Independent Auditor's Report has been included in 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 the 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 District's internal controls and compliance with legal requirements, with special emphasis on internal controls and compliance with legal requirements involving the administration of federal awards. These reports are available in the District's separately issued Single Audit Report.

Generally Accepted Accounting Principles (GAAP) requires management provide a narrative introduction, overview, and analysis to accompany the basic financial statements in the form of Management's Discussion and Analysis (MD&A). This letter of transmittal is designed to complement the MD&A and should be read in conjunction with it. The District's MD&A can be found immediately following the report of the independent auditors.

Katy Independent School District * 6301 South Stadium Lane * PO Box 159 * Katy, Texas 77492-0159
281-396-2331 * www.katyisd.org

PROFILE OF THE DISTRICT

The Katy Independent School District was established in 1919 and is governed by an elected Board of seven trustees. The District is a recognized political subdivision of the State of Texas and has the responsibility for and control over all activities related to public education within its 181 square mile boundary. Located approximately 16 miles west of downtown Houston, the District extends beyond the City of Katy into Harris, Fort Bend, and Waller counties. The District and the City of Katy are governed independently, with each having individual taxing authority. The District is an independent entity and has no component units. Any charter school within the District's boundaries is funded separately by the State's Foundation School Program based on their student attendance as well as their program participation. At the Public Education Information Management System (PEIMS) snapshot in October of 2024, Katy ISD had an enrollment of more than 96,111 students and was comprised of 77 campuses including 46 elementary schools, 18 junior high schools, 10 comprehensive high schools, a high school of choice, an alternative learning center, and a career and technology center. The ages of these facilities range from 0 to 78 years with an average age of 24 years. These ages and capacities can be found in Exhibit XVII of the Statistical Section.

Katy ISD provides a learning environment that ensures quality education. Its balanced, dynamic curriculum and cooperative partnership with parents and community prepare students for the changes and challenges of the future and empowers them to pursue productive and fulfilling lives. The District's success is supported by strong collaboration among teachers, parents, and the community. Because of this working alliance, each year Katy ISD students, staff, schools, and volunteers win numerous state and national awards.

Katy ISD's strong ties to the community are reflected in its award-winning Partners in Education program which builds long-term, mutually beneficial relationships between campuses and community partners.

Katy ISD teachers have access to a rigorous curriculum that is aligned to state standards. They collaboratively design instruction - promoting meaningful learning experiences; encourage connections between and among the disciplines; and promote academic, emotional, physical, social and positive behavioral skills. Relevant learning tasks are developed to assess student learning through a variety of strategies including formative, summative, formal, informal, and project-based activities. Students are encouraged to be actively involved in using evaluation criteria to self-monitor, self-reflect, and self-evaluate. Individual student data is used to inform and guide instruction. Student achievement on statewide tests consistently surpasses statewide achievement levels. Scores for the PSAT, SAT, and ACT rank above both state and national averages. The District's students consistently win individual and team competitions in academics, athletics, and fine arts. Katy ISD is ranked as the number one school district in the Greater Houston Area by Niche, a review site providing rankings and insight into more than 1,200+ school districts in Texas. This year four of the District's high schools were named to the organization's twenty-five best public high schools in the Houston area while seven of the District's junior high campuses were included in Niche's twenty-five best public middle schools in the Houston area. The District's elementary campuses also earned thirteen of the top twenty-five best elementary school spots ranked by Niche in the greater Houston area.

The District is a leader among Texas public school districts in the integration of technology and education. The user experience in the use of technology continues to be at the forefront for students. Katy ISD provides more than 36,000 centrally managed desktop and laptop computers with Windows operating system, 105,000 Chromebooks, and 18,000 tablet devices for our staff and students to achieve the work of teaching and learning. The District also uses more than 6,000 interactive whiteboards to enhance the learning experience through active participation, dynamic learning objects, collaboration, and an online experience for teachers and students.

The Technology Department supports students, staff, and parents through a variety of methods. A knowledge base is provided to allow all users to search and find information. A significant recurring support need involves username and password assistance. Therefore, a self-service username and password recovery system is in place to support students, staff, and parents. To that end, staff, students, and parents can ask for assistance through the ticketing system which routes requests to the appropriate support team such as technology operations or instructional technology to ensure support is given when an issue arises.

The District’s website, learning management system, data dashboards, Home Access Center, and mobile app provide students, parents, and staff with timely information that supports day-to-day learning and communication. Parents can securely view grade reporting, lunch balances, bus tracking, library book checkouts, calendars, payment information, course schedules, and District or campus announcements.

To ensure that students can easily access education resources both at home and at school, the District utilizes MyKaty Cloud, a single sign-on platform. This system delivers role-based access to digital materials including online textbooks, Discovery Education, encyclopedias, core instructional applications, the library system, Microsoft 365, and student grade reporting. MyKaty Cloud allows staff, students, and parents to utilize these resources anytime and from any location. Additionally, the Katy Virtual School provides high school students with expanded learning opportunities, offering more than 65 academic and Advanced Placement courses year-round.

The District’s implementation of a data warehouse has significantly improved the accessibility, integration, and use of operational and student performance data. Centralizing previously siloed information has enabled the development of numerous dashboards that support data-driven decision making at both the campus and department levels. Publicly accessible dashboard content is also available on the District’s website, enhancing transparency. The District’s data dashboards consolidate information from multiple systems to provide teachers and staff with a comprehensive view of a student’s academic progress. These tools support more personalized instruction and improved outcomes for students.

The passage of the 2023 Bond Referendum in November 2023 enables the Katy ISD Technology Department to advance key initiatives including implementing technology for four new campuses, retrofitting outdated systems at 44 campuses, expanding student-issued devices for grades three through twelve through the District’s Class 1:1 Initiative, and upgrading the District’s network infrastructure. As part of the District’s strategic design process, a defined standard of technology was developed and approved through the Katy Technology Oversight Committee (KTOC). The standard guides the deployment of equipment such as desktop computers, laptops, Chromebooks, interactive panels, projectors, document cameras, security cameras, network infrastructure, and visitor check-in stations. To maintain consistent and current technology across all facilities, the District follows a five year retrofit cycle for new equipment installations.

A strong technology infrastructure allows the District to support a wide range of operational and instructional systems. Key components include a multi-layered security architecture, an IP-based phone system, and wireless access points in every classroom. With filtered public Wi-Fi available across all facilities, the District now supports more than 135,000 devices on its network each day. Building automation systems, including lighting, HVAC controls, and other facility management tools, also rely on this infrastructure. Campus safety systems further depend on the network’s stability, and the installation of door-access controls and video cameras throughout District campuses enhances the overall security environment.

The Technology department continues to learn and understand the needs of our students and teachers to keep them at the forefront for support and the advancement of learning.

Katy ISD is comprised of dedicated professionals who share a commitment to “do whatever it takes” to support student success. The District places strong emphasis on meeting the needs of all learners through engaging instruction, a supportive classroom environment, and a wide variety of extracurricular offerings. The District’s achievements are made possible by the efforts of exceptional teachers and staff. Katy ISD has been recognized multiple times among the top ten employers in Texas by the Forbes *America’s Best Employers by State* survey.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The Katy area continues to experience strong and diversified economic growth, supported by a robust labor market, a highly-skilled workforce, and sustained residential development. While the energy sector remains a significant regional employer, the local economy has further diversified with expanding healthcare, technology, construction, retail, and service-producing industries.

The greatest strength of the area's economy is its human capital. Major employers throughout the west Houston area benefit from excellent transportation access via Interstate 10, the Grand Parkway, and the Westpark Tollway, allowing Katy ISD residents to commute efficiently to employment centers while attracting new commercial investment to the District. Residents benefit from excellent access to world-class medical care including Memorial Hermann Katy Hospital, Houston Methodist West Hospital, and other major providers which strengthens both public-service infrastructure and overall quality of life. Continued development of master-planned communities, healthcare facilities, retail centers, and business parks underscores the area's long-term economic vitality. High quality public schools, desirable housing, and strong employment opportunities continue to draw new families to Katy ISD, reinforcing a stable tax base and supporting ongoing enrollment growth across the District.

Growth and Long-Range Planning

Katy ISD continues to be one of the fastest-growing school districts in Texas. With a 2024-2025 enrollment of 96,111 students, the District's student population remains on an upward trajectory. The latest demographic study projects enrollment of approximately 98,000 students by 2035. While several factors contribute to this growth, a recent community survey indicates that Katy ISD's schools are the primary reason many new residents choose to move to the area.

In November 2017, voters approved a $609.2 million bond referendum to address anticipated growth and facility needs. This bond funded the construction of the Raines Academy, completed in December 2021, and numerous upgrades to existing facilities, including kitchen and serving line renovations, flora coolers at four high schools, replacement of underground fuel tanks, renovations of Career and Technical Education areas, and improvements to the District's Outdoor Learning Center. Additional bond-funded projects included component replacements, technology upgrades, safety and security enhancements, acquisition of school buses, and purchases of property for future campuses.

In May 2021, voters approved a $676.2 million bond referendum. Completed projects include three elementary schools, a junior high school, and a high school that opened in the summer of 2024. The bond also funded construction of a new transportation center in the northwest quadrant of the District, as well as renovations at three elementary schools and one high school. Two elementary school additions and one junior high school addition have also been completed. Other projects funded by the 2021 bond include component replacements, technology upgrades, safety and security enhancements, additional buses, and property acquisitions.

In November of 2023, voters approved an $806.6 million bond referendum to continue addressing growth. This bond provides for three new elementary schools and one junior high school. Two of these elementary campuses were completed in the summer of 2025. Renovations are planned for five elementary schools and two junior high schools, and additional expansions will occur at one elementary school, one high school, and several other districtwide sites. The bond also supports component replacements, technology upgrades, safety and security enhancements, additional school uses, and property acquisitions for future schools.

As the District's population continues to grow, long-range facility planning remains essential. Katy ISD maintains a Long-Range Facilities Plan that projects and prioritizes facility needs over a five to ten year period. The plan includes both new construction and major renovations and serves as a key tool for bond planning committees. Updated annually, it helps guide decisions related to future bond referendums and informs both short-term and long-term budget priorities based on projected facility openings, enrollment trends, and funding levels under current law.

Collectively, these bond programs reflect the District's commitment to meeting facility needs associated with sustained enrollment growth.

The District is also an active member of a coalition of fast-growing school districts that collaborates with state legislators to address issues unique to rapidly expanding communities. The coalition focuses on facility funding, operating costs for new campuses, tax rate limitations, and other challenges associated with fast-growth environments.

FINANCIAL INFORMATION

Accounting Systems

The Board of Trustees maintains a system of accounting controls designed to assist the administration in meeting its responsibility for accurately reporting the financial condition of the District. The system is designed to provide reasonable assurance that assets are safeguarded against loss, theft, or misuse so activities can be recorded and transacted by the administration 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 an absolute, assurance the financial statements will be free from material misstatement. The cost of operating the District's schools and the revenues to cover these costs are accounted for through the General Fund. Food service operations and special programs funded by local, state and federal government grants designed to accomplish a particular objective are accounted for in the Special Revenue Fund.

The District accounts for school construction financed by bond sales through a Capital Projects Fund. A specific portion of the tax rate is dedicated to the payment of bond principal and interest. These transactions are recorded in the Debt Service Fund.

The District has established Internal Service Funds to account for the transactions of its print shop operations, self-insured workers' compensation, and health insurance plans. Revenue for these funds is derived primarily from charges to governmental funds based on usage.

The District has established an Enterprise Fund to account for repair and replacement of Class 1:1 device parts. Revenue for this fund is derived from optional insurance and device payments from parents as all students in third through twelfth grade were issued a district owned personal computing device.

Custodial Funds are included in the ACFR in the financial schedules of student activity funds. Accounting for these funds is managed centrally by the Financial Services Department using the same uniform accounting procedures and guidelines as the General Fund.

The District's accounting records are maintained on a modified accrual basis for governmental fund types and a full accrual basis for the proprietary fund types as prescribed by Texas Education Agency Financial Accountability System Resource Guide (the "Resource Guide" or "FASRG"). Additionally, the District has prepared the Government-wide Financial Statements on the full accrual basis as required by Governmental Accounting Standards Board Statement No. 34.

Financial data is submitted by the District to the Texas Education Agency through the Public Education Information Management System (PEIMS). The data is then analyzed, reviewed and presented to the State Board of Education.

Budgetary Process

State law requires every local education agency in Texas to prepare and file an annual budget of anticipated revenues and expenditures with the Texas Education Agency. Katy ISD develops its budget using a detailed line-item approach for governmental fund types, in accordance with the budgeting standards outlined in the State Resource Guide. The District's budgetary process is designed to allocate the most effective mix of educational and financial resources necessary to achieve District goals and objectives. As part of this process, individual educational and support components are identified and prioritized by the organizational managers responsible for each area, and subsequently reviewed by principals, department heads, central administration, and the Board of Trustees.

This priority-based budgeting approach enables the District to align expenditures with anticipated revenues while maintaining desired fund balance levels. The Board of Trustees is ultimately responsible for determining the level of funding and the components included in the final adopted budget.

During the fiscal year, the budget may be amended to address unanticipated needs or changes in operational requirements. Amendments that involve changes to functional expenditure categories, revenue objects, or other sources and uses of funds must be approved by the Board.

Significant Financial Activities

The District's tax rates continue to reflect statewide policy changes requiring M&O rate compression. Tax rate compression resulting from House Bill 3 and further action under Senate Bill 2 reduced the District's Maintenance and Operations (M&O) tax rate to $0.7271 for the 2024-25 tax year, down from $0.7294 in the prior year. District enrollment increased by approximately 1,326 students from the previous year based on the PEIMS snapshot taken in October 2024. Enrollment continued to grow throughout the year, reaching 96,636 students at the end of the 2024-25 school year, nearly reaching the budgeted projection of 96,637. Katy ISD remains the fastest growing school district in Texas by absolute student count. During the year, the District implemented an attendance incentive program that contributed to average daily attendance rates exceeding anticipated levels.

The District's 2024-2025 taxable assessed value increased $4.3 billion, representing a 7.5% growth in the tax base. Residential property, including multi-family residences, accounted for 74.7% of the total tax base, while commercial property comprised 21.9%, and vacant land and other property represented 3.4%. Because the District's boundaries span three counties, properties within Katy ISD are appraised by three County Appraisal Districts (CADs).

The District maintains an inter-local agreement with the City of Katy to participate in a Tax Increment Reinvestment Zone (TIRZ). Under this agreement, Maintenance and Operation (M&O) taxes collected on real property within the zone are contributed to the TIRZ and used to service bonded debt on a multipurpose facility located within the zone. The last bond payment was made in fiscal year 2025.

House Bill 3, enacted by the 86th Legislature, implemented statewide property tax relief and compressed the District's 2019-20 M&O tax rate to $1.0531. Subsequent increases in property values led to further M&O rate compression for the 2020-21 year to $0.9988, 2021-22 to $0.9617, and 2022-23 to $0.9148. Additional compression required under Senate Bill 2 of the 88th Legislature provided further compression in 2023-2024 to $0.7294 and in 2024-2025 to $0.7271. The District's I&S tax rate remain unchanged at $0.3900 for the 2024-25 tax year.

The tax rates per $100 of assessed value for the last five years are as follows:

	2020-21	2021-22	2022-23	2023-24	2024-25
General Fund	$ 0.9988	$ 0.9617	$ 0.9148	$ 0.7294	$ 0.7271
Debt Service Fund	0.3900	0.3900	0.3900	0.3900	0.3900
Total	$ 1.3888	$ 1.3517	$ 1.3048	$ 1.1194	$ 1.1171

AWARDS AND ACKNOWLEDGEMENTS

Financial Reporting Awards

For the twenty-third consecutive year, the District earned a "Superior Achievement" rating, the highest possible designation under the Schools FIRST (Financial Integrity Rating System of Texas) accountability program. Schools FIRST was developed by the Texas Education Agency in response to Senate Bill 875 of the 76th Texas Legislature in 1999 and is designed to evaluate the quality of financial management in Texas school districts. This recognition reflects the District's continued commitment to strong fiscal stewardship in an environment made increasingly complex by the structure of the Texas school finance system. We believe this report provides the community with transparent and comprehensive financial information consistent with the goals of the Board of Trustees.

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 August 31, 2024. This marks the forty-second consecutive year that the District has received this recognition. To earn the Certificate of Achievement, a governmental entity must publish an easily readable and well-organized ACFR that satisfies generally accepted accounting principles in the United States of America and all applicable legal requirements. The Certificate of Achievement is valid for one year, and the District will submit its current ACFR for consideration, as we believe it continues to meet the program's rigorous standards.

The District also received the Certificate of Excellence in Financial Reporting from the Association of School Business Officials International (ASBO) for its ACFR for the fiscal year ended August 31, 2024. This honor has been earned by the District for forty-two consecutive years. We believe the ACFR for the fiscal year ended August 31, 2025, continues to conform to the standards required for this award.

Acknowledgements

We appreciate the continued support of the Board of Trustees, District staff, residents, and the business community, all of whom work collaboratively to promote high-quality education for Katy ISD students and to support the responsible development of the District. This cooperation reflects the strong community commitment to excellence in the District's educational programs.

We also wish to express our appreciation to all District employees for their dedication and support in planning and managing the District's financial affairs in a responsible and forward-looking manner.

Finally, we extend a special thanks to the Financial Services Department for its diligence and commitment in preparing this report in a timely and thorough manner.

Kenneth Gregorski, Ed.D.
Superintendent

Christopher J. Smith
Chief Financial Officer

Jamey R. Hynds
Assistant Superintendent of Finance

Kayla A. Smith
Executive Director of Finance

Brandi L. Herrin
Director of Accounting

KATY 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 Katy Independent School District, Texas for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2024.

In order to be awarded a Certificate of Achievement, a governmental unit must publish an easily readable and efficiently organized Annual Comprehensive Financial Report whose contents conform to program standards. Such reports 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

Katy Independent School District
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

August 31, 2024

Christopher P. Morrill

Executive Director/CEO

KATY INDEPENDENT SCHOOL DISTRICT

CERTIFICATE OF EXCELLENCE IN FINANCIAL REPORTING

The Association of School Business Officials International (ASBO) awarded a Certificate of Excellence in Financial Reporting to Katy Independent School District for its Annual Comprehensive Financial Report for the fiscal year ended August 31, 2024.

The Certificate of Excellence in Financial Reporting is an award of recognition granted by ASBO. The award certifies that the recipient school system has presented its Annual Comprehensive Financial Report to the ASBO Panel of Review for critical review and evaluation and that the report was judged to have complied with the principles and practices of financial reporting recognized by ASBO.

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

ASSOCIATION OF
SCHOOL BUSINESS OFFICIALS
INTERNATIONAL

The Certificate of Excellence in Financial Reporting
is presented to

Katy Independent School District

for its Annual Comprehensive Financial Report
for the Fiscal Year Ended August 31, 2024.

The district report meets the criteria established for
ASBO International's Certificate of Excellence in Financial Reporting.

CERTIFICATE OF EXCELLENCE
IN FINANCIAL REPORTING

Ryan S. Stechschulte
President

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

Certificate of Board

Katy Independent School District	Harris	101-914
Name of School District	County	County District No.

We, the undersigned, certify that the attached annual financial reports of the above named school district were reviewed and approved for the year ended August 31, 2025 at a meeting of the Board of Trustees of such school district on the 20th day of January 2026.

Signature of Board President	Rebecca Fox Signature of Board Vice President

KATY INDEPENDENT SCHOOL DISTRICT

ANNUAL COMPREHENSIVE FINANCIAL REPORT
YEAR ENDED AUGUST 31, 2025

PRINCIPAL OFFICIALS AND ADVISORS

Board of Trustees

Lance Redmon .... President
Construction Material Sales

Rebecca Fox .... Vice President
Volunteer

Dawn Champagne .... Secretary
Volunteer/Part-time Retail

Amy Alsheikh Thieme .... Member
Realtor

Mary Ellen Cuzela .... Member
Volunteer

Morgan Calhoun .... Member
Volunteer

James Cross .... Member
Retired Educator

Administrative Staff

Kenneth Gregorski, Ed.D. .... Superintendent

Leslie Haack .... Deputy Superintendent

Christopher J. Smith .... Chief Financial Officer

Brian Schuss .... Chief Human Resources Officer

Christine Caskey, Ed.D. .... Chief Academic Officer

John Alawneh, Ph.D .... Chief Information Officer

Andrea Grooms, Ph.D. .... Chief Communications Officer

Ted Vierling .... Chief Operations Officer

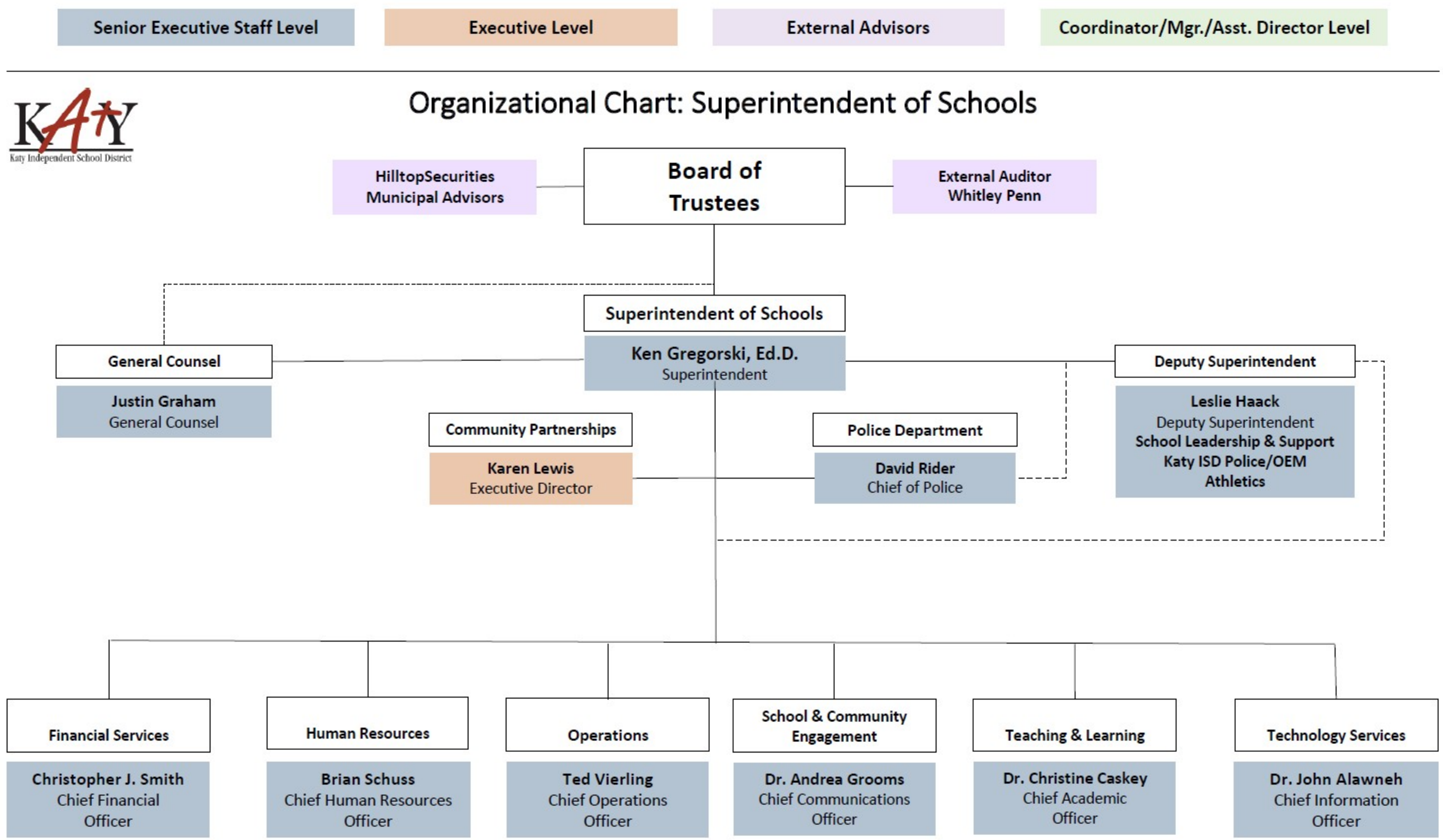
Justin Graham .... General Counsel

Accountants and Advisors

Whitley Penn, L.L.P. .... Auditors
Houston, Texas

Jackson Walker, L.L.P. .... Bond Counsel
Houston, Texas

Hilltop Securities Inc. .... Financial Advisors
Houston, Texas


Senior Executive Staff Level
Executive Level
External Advisors
Coordinator/Mgr./Asst. Director Level
Katy Independent School District
Organizational Chart: Superintendent of Schools
HilltopSecurities
Municipal Advisors
Board of Trustees
External Auditor
Whitley Penn
Superintendent of Schools
Ken Gregorski, Ed.D.
Superintendent
General Counsel
Justin Graham
General Counsel
Deputy Superintendent
Leslie Haack
Deputy Superintendent
School Leadership & Support
Katy ISD Police/OEM
Athletics
Community Partnerships
Karen Lewis
Executive Director
Police Department
David Rider
Chief of Police
Financial Services
Christopher J. Smith
Chief Financial Officer
Human Resources
Brian Schuss
Chief Human Resources Officer
Operations
Ted Vierling
Chief Operations Officer
School & Community Engagement
Dr. Andrea Grooms
Chief Communications Officer
Teaching & Learning
Dr. Christine Caskey
Chief Academic Officer
Technology Services
Dr. John Alawneh
Chief Information Officer

FINANCIAL SECTION

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713.621.1515 Main

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INDEPENDENT AUDITOR'S REPORT

To the Board of Trustees
Katy Independent School District

Report on the Audit of the Financial Statements

Opinions

We have audited the accompanying financial statements of the governmental activities, the business-type activities, each major fund, and the aggregate remaining fund information of Katy Independent School District (the "District"), as of and for the year ended August 31, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

In our opinion, the accompanying financial statements 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 August 31, 2025, and the respective changes in financial position, and, where applicable, cash flows thereof for the year then ended in accordance with accounting principles generally accepted in the United States of America.

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States (*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 auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

To the Board of Trustees
Katy Independent School District

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 combining and individual fund statements and schedules and required Texas Education Agency compliance 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 auditing standards generally accepted in the United States of America. In our opinion, the combining and individual fund statements and schedules and required Texas Education Agency compliance 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 and statistical sections, 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 January 20, 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.

Whitley Penn LLP

Houston, Texas
January 20, 2026

As management of Katy Independent School District (the District) we offer this management discussion and analysis (MD&A) which provides a narrative overview and analysis of the financial statements for the fiscal year ended August 31, 2025. We encourage readers to consider the information presented here in conjunction with additional information that we have furnished in the transmittal letter, the independent auditors' report, and the District's financial statements.

FINANCIAL HIGHLIGHTS

The District's assets and deferred outflows exceeded liabilities and deferred inflows as of August 31, 2025, resulting in a net position of $412.9 million. Of this amount, unrestricted net position represents a deficit net position of $135.5 million. The $412.9 million of the District's total net position represents an increase of $79.1 million. The deficit unrestricted net position is the result of adjustments required by GASB Statement No. 68, *Accounting and Financial Reporting for Pensions,* and GASB Statement No. 75, *Accounting and Financial Reporting for Post-Employment Benefits Other Than Pensions*, which require the District to reflect its proportionate share of the post-employment pension and benefit liability in the financials. The inclusion of this financial data does not affect the financial stability of the District, nor does it influence financial decisions for the District.

The District's Governmental Fund Financial Statements reported a combined ending fund balance in fiscal year 2025 of $968.8 million. The total fund balance for the General Fund was $375.0 million or 34.7% of the total General Fund expenditures of just over $1.1 billion. The Debt Service Fund ended its year with a fund balance of $63.6 million which is to be used for the retirement of debt. The Capital Projects Fund ended the year with a fund balance of $483.4 million which is restricted for school district construction projects and property acquisition. The Special Revenue Fund had a balance totaling $46.8 million.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis are intended to introduce the District's Basic Financial Statements. The District's Basic Financial Statements are comprised of three components: 1) Government-wide Financial Statements, 2) Fund Financial Statements, and 3) Notes to the Basic Financial Statements. This report also contains required supplementary information and other supplementary information in addition to the basic financial statements themselves, including schedules required by the Texas Education Agency (TEA).

Government-wide Financial Statements

Government-wide Financial Statements are designed to provide readers with a broad overview of the District's finances in a manner similar to a private-sector business. All the District's services are reported in the Government-wide Financial Statements, including instruction, student transportation, general administration, school leadership, facilities acquisition and construction, and child nutrition services. Property taxes, state aid, federal aid, and investment earnings finance most of the activities. Additionally, all capital and debt financing activities are reported here.

Statement of Net Position presents information on all the District's assets, liabilities, and deferred outflows/inflows of resources, with the difference reported as net position. Over time, increases or decreases in net position may serve as a useful indicator of whether the financial position of the District is improving or deteriorating, although the effects of accounting pronouncements such as GASB No. 68 and GASB No. 75 will require consideration as net position is analyzed.

Statement of Activities presents information showing how the District's net position changed during the most recent fiscal year. All changes in net position are reported as soon as the underlying event causing the change occurs, regardless of the timing of related cash flows. Therefore, revenues and expenses are reported in this statement for some items that will only result in cash flows in future fiscal periods (e.g., uncollected taxes and unused leave retirement bonuses).

The Government-wide Financial Statements distinguish functions of the District that are principally supported by taxes and revenues from other functions intended to recover all or a significant portion of their costs through user fees and charges.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Fund Financial Statements

The District uses fund accounting to track specific sources of funding and spending for particular purposes. A fund is an accounting device used to maintain control over resources that have been segregated for specific activities or objectives. The District, like other state and local governments, uses fund accounting to ensure and demonstrate compliance with finance-related legal requirements. All the District's funds can be divided into three categories: Governmental Funds, Proprietary Funds, and Fiduciary Funds. The Fund Financial Statements provide more detailed information about the District's most significant funds, not the District as a whole.

Governmental Funds are used to account for essentially the same functions reported as government activities in the Government-wide Financial Statements. Most of the District's activities are included in governmental funds which focus on 1) how cash and other financial assets, that can readily be converted to cash, flow in and out and 2) the balances that are available for spending at year-end. Consequently, the Governmental Fund Statements provide a detailed short-term view that helps determine whether more or fewer financial resources can be spent in the near future to finance the District's programs. Because this information does not encompass the additional long-term focus of the Government-wide Statements, additional information is provided in Figure A-1 to explain the relationship between them.

The District maintains four governmental funds. Information is presented separately in the Governmental Fund Balance Sheet and in the Governmental Fund Statement of Revenues, Expenditures, and Changes in Fund Balances for the General Fund, Debt Service Fund, and Capital Projects Fund which are considered to be major funds. Data from the Special Revenue Fund programs are combined into a single, aggregated presentation which qualifies as a major fund, and data for each of these is provided in the form of combining schedules that can be found elsewhere in the financial statements.

The District adopted an annual appropriated budget for the General Fund, Debt Service Fund and Food Service Fund. A budgetary comparison schedule has been provided to demonstrate compliance with these budgets.

Proprietary Funds are used to account for operations that are financed similar to those found in the private sector. These funds provide both short-term and long-term financial information. There are two types of proprietary funds.

> The first type is the Enterprise Fund, which is used to report the same functions presented as business type activities in the Government-wide Financial Statements. In the Enterprise Fund, the District collects payments from parents for optional device insurance and parts to repair Class 1:1 devices issued to third through twelfth grade students. The Class 1:1 initiative provides every third through twelfth grade student in Katy ISD with a personal computing device for both classroom and home use beginning Fall 2024.
>
> The second type is the Internal Service Fund, which is used to accumulate and allocate costs internally among the various functions. Internal Service Funds are used to support governmental activities such as the District's Workers' Compensation, Health Insurance, and Print Shop funds. These three funds are combined into a single aggregated presentation in the Proprietary Fund Financial Statements.

Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, and other funds. The District is responsible for ensuring that the assets reported in these funds are used for their intended purposes. All the District's fiduciary activities are reported in a separate Statement of Fiduciary Net Position and Statement of Changes in Fiduciary Net Position. The Fiduciary Funds are excluded from the activities in the District's Government-wide Financial Statements because the District cannot use these assets to finance its operations.

Notes to the Financial Statements

The notes provide additional information essential to a complete understanding of the data provided in the Government-wide and Fund Financial Statements.

OVERVIEW OF THE FINANCIAL STATEMENTS (continued)

Required Supplementary 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 required supplementary information relates to a comparison of the original adopted budget, the final amended budget, and the actual expenditures for the fiscal year. This is Required Supplementary Information for the General Fund and any major special revenue funds. The General Fund is the only fund presented as required supplementary information. The Required Supplementary Information also provides data related to the District's participation in pension and other post-employment benefit plans as required by GASB Statements No. 68 and 75.

Other Supplementary Information

Other Supplementary Information provides additional analysis and is not a required part of the basic financial statements. Other Supplementary Information includes comparative information on selected funds and additional detail of the General Fund's revenues and expenditures. It also contains the combining statements referred to earlier in connection with the special revenue fund and certain compliance schedules required by state regulatory agencies.

The remainder of this overview section of the Management's Discussion and Analysis explains the structure and contents of each of the statements. Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District covered and the types of information contained.

Figure A-1. Major Features of the District's Government-wide and Fund Financial Statements

		Funds Statements		
Type of Statements	**Government-wide**	**Governmental Funds**	**Proprietary Funds**	**Fiduciary Funds**
Scope	Entire District's government (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities the District operates similar to private business	Instances in which the District is the trustee or custodian for someone else's resources
Required financial statements	Statement of net position	Balance sheet	Statement of net position	Statement of fiduciary net position
	Statement of activities	Statement of revenues, expenditures, and changes in fund balances	Statement of revenues, expenses, and changes in fund net position Statement of cash flows	Statement of changes in fiduciary net position
Accounting basis and measurement focus	Accrual accounting and economic resources focus	Modified accrual accounting and current financial resources focus	Accrual accounting and economic resources focus	Accrual accounting and economic resources focus
Type of asset/liability information	All assets and liabilities, both financial and capital, short-term and long-term	Only assets expected to be used and liabilities that come due during the year or soon thereafter; no capital assets included	All assets and liabilities, both financial and capital, and short-term and long-term	All assets and liabilities, both short-term and long-term
Type of inflow/outflow information	All revenues and expenses during year, regardless of when cash is received or paid	Revenues for which cash is received during or soon after the end of the year; expenditures when goods or services have been received and payment is due during the year or soon thereafter	All revenues and expenses during year, regardless of when cash is received or paid	All revenues and expenses during year, regardless of when cash is received or paid

GOVERNMENT-WIDE FINANCIAL ANALYSIS

Presented in the following pages, Tables I and II are the summarized Statement of Net Position and Statement of Changes in Net Position for both current and prior-year data. Our analysis focuses on the current year and the comparison of prior-year amounts on the net position (Table I) and changes in net position (Table II) of the District's governmental activities.

Net Position

Net position may serve over time as a useful indicator of a District's financial position. As of August 31, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by $412.9 million, an increase of $90.9 million.

Net Position Summary
Table I

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Current and Other Assets	$ 1,138,725,287	$ 947,995,282	$ 1,704,513	$ 844,555	$ 1,140,429,800	$ 948,839,837
Capital Assets	2,815,577,872	2,647,013,817			2,815,577,872	2,647,013,817
Total Assets	3,954,303,159	3,595,009,099	1,704,513	844,555	3,956,007,672	3,595,853,654
Total Deferred Outflows of Resources	254,676,326	290,876,774			254,676,326	290,876,774
Long-Term Liabilities	3,442,494,148	3,167,180,590			3,442,494,148	3,167,180,590
Other Liabilities	144,186,116	158,517,952			144,186,116	158,517,952
Total Liabilities	3,586,680,264	3,325,698,542			3,586,680,264	3,325,698,542
Total Deferred Inflows of Resources	211,057,868	239,031,088			211,057,868	239,031,088
Net Position:						
Net Investment in Capital Assets	447,358,081	367,644,476			447,358,081	367,644,476
Restricted	101,125,109	104,868,725			101,125,109	104,868,725
Unrestricted	(137,241,837)	(151,356,958)	1,704,513	844,555	(135,537,324)	(150,512,403)
Total Net Position	$ 411,241,353	$ 321,156,243	$ 1,704,513	$ 844,555	$ 412,945,866	$ 322,000,798

Table I represents a summary of the District's net position as of August 31, 2025 and 2024 based on information from the Statement of Net Position in Exhibit A-1.

Net investment in capital assets of $447.4 million reflects the District's investment of $2.8 billion in capital assets (e.g., land, building and improvements, and furniture and equipment) less any related debt used to acquire those assets still outstanding. These assets are not available for future spending.

Restricted net position of $101.1 million is an additional portion of the District's net position which represents resources that are subject to external restrictions on how they may be used.

Unrestricted net position reflects a deficit of $135.5 million, resulting from adjustments required by GASB Statement No. 68 for pension plan benefits and GASB Statement No. 75 for other post-employment benefits (OPEB). Although the District reports a deficit, the deficit is primarily due to reporting the District's proportionate share of the net pension and OPEB liability. The total District liability is reported in the governmental activities; however, the actual liability does not require the use of current resources at the fund level, which results in a timing difference since the TRS-Care plan is funded on a pay-as-you-go basis. The District has made all contractually required contributions as noted in the required supplementary information and has sufficient fund balance to meet the District's ongoing obligations to students and creditors.

GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Changes in Net Position

Changes in Net Position
Table II

	Governmental Activities		Business-type Activities		Total	
	2025	2024	2025	2024	2025	2024
Revenues:						
Program Revenues:						
Charges for Services	$ 16,243,165	$ 14,213,861	$ 1,088,892	$ 844,555	$ 17,332,057	$ 15,058,416
Operating Grants and Contributions	160,227,678	205,453,507			160,227,678	205,453,507
General Revenues:						
Property Taxes	641,736,093	601,124,467			641,736,093	601,124,467
State Revenues	565,695,456	538,741,581			565,695,456	538,741,581
Other	48,612,686	46,517,388			48,612,686	46,517,388
Total Revenues	1,432,515,078	1,406,050,804	1,088,892	844,555	1,433,603,970	1,406,895,359
Expenses:						
Instruction	779,884,689	760,661,811			779,884,689	760,661,811
Instructional Resources and Media Services	14,213,932	14,102,304			14,213,932	14,102,304
Curriculum and Instructional Staff Development	21,124,860	22,878,070			21,124,860	22,878,070
Instructional Leadership	9,847,455	11,539,149			9,847,455	11,539,149
School Leadership	62,282,938	60,894,075			62,282,938	60,894,075
Guidance, Counseling and Evaluation Services	63,167,253	61,023,302			63,167,253	61,023,302
Social Work	1,873,974	1,753,573			1,873,974	1,753,573
Health Services	11,839,583	11,484,247			11,839,583	11,484,247
Student Transportation	33,796,320	32,967,369			33,796,320	32,967,369
Food Services	59,149,359	52,857,114			59,149,359	52,857,114
Extracurricular Activities	45,857,179	42,697,089			45,857,179	42,697,089
General Administration	22,996,229	22,276,384			22,996,229	22,276,384
Facilities Maintenance and Operations	102,377,185	98,380,117			102,377,185	98,380,117
Security and Monitoring Services	16,962,310	15,369,415			16,962,310	15,369,415
Data Processing Services	21,831,762	20,824,390			21,831,762	20,824,390
Community Services	2,239,430	2,344,924			2,239,430	2,344,924
Interest and Issuance Costs on Long-Term Debt	77,161,667	88,636,100			77,161,667	88,636,100
Facilities Planning	1,068,579	1,102,145			1,068,579	1,102,145
Payments to Shared Services Arrangements	857,194	1,031,611			857,194	1,031,611
Payments to Juvenile Justice Alternative Education Programs (JJAEP)	14,184	16,605			14,184	16,605
Payments to Tax Increment Reinvestment Zone		5,230,151				5,230,151
Other Intergovernmental Charges	5,773,376	6,020,350			5,773,376	6,020,350
Business-type Activities			228,934		228,934	
Total Expenses	1,354,319,458	1,334,090,295	228,934		1,354,548,392	1,334,090,295
Excess of Revenues Over Expenses	78,195,620	71,960,509	859,958	844,555	79,055,578	72,805,064
Extraordinary Item - Insurance Proceeds		2,500,000				2,500,000
Increase (Decrease) in Net Position	78,195,620	74,460,509	859,958	844,555	79,055,578	75,305,064
Beginning Net Position - 2025 restated	333,045,733	246,695,734	844,555		333,890,288	246,695,734
Ending Net Position	$ 411,241,353	$ 321,156,243	$ 1,704,513	$ 844,555	$ 412,945,866	$ 322,000,798

As shown in Table II, the net position of the District's governmental activities increased by $78.2 million for the year ended August 31, 2025. The total cost of all governmental activities this year was $1.4 billion, which is a 1.5% increase from the previous year. The amount that the District's taxpayers paid for governmental activities through property taxes was $641.7 million or 44.8%, with state funding of $565.7 million or 39.5%, and operating grants and contributions of $160.2 million or 11.2% as the next most significant sources of revenue. Other sources of revenue for governmental activities were $48.6 million in other revenues and $16.2 million in charges for services.

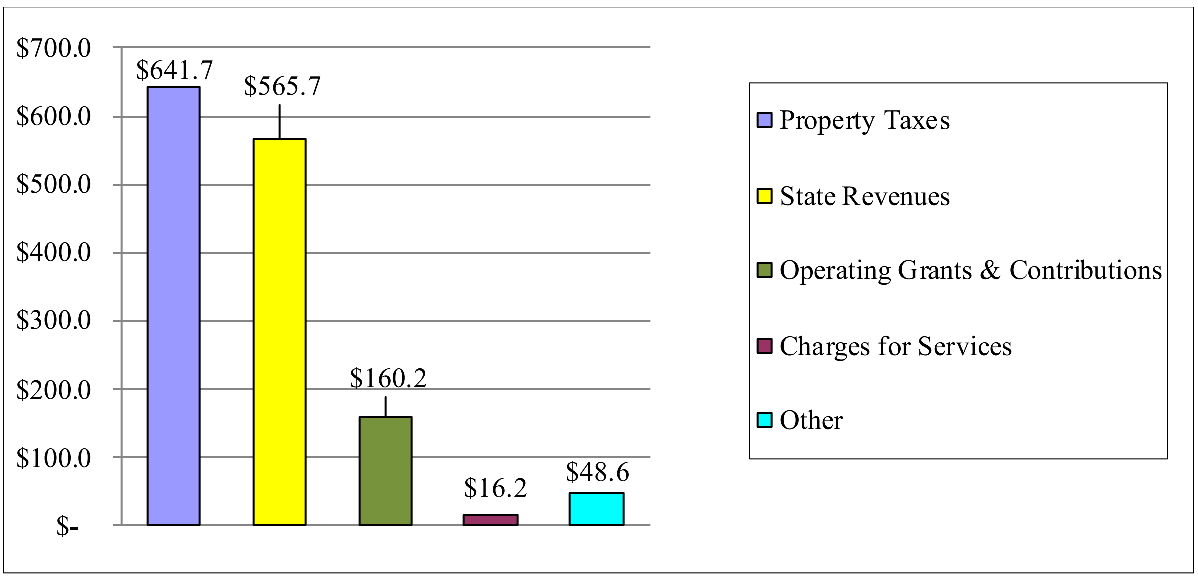
GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities

Further analysis of changes in governmental activities are summarized as follows:

- Tax revenues increased by $40.6 million. The increase was attributable to a growth in the tax base of $4.3 billion which was offset by the tax rate being slightly compressed from $1.1194 to $1.1171.
- State revenues increased $27.0 million of which $14.0 million was due to prior year property value audits. Additionally, $13.0 million was attributable to an increase in average daily attendance (ADA) and special population allotments from prior year.
- Operating Grants and Contributions decreased $45.2 million primarily due to the expiration of federal stimulus grants.
- Expenses increased $20.2 million. This increase was primarily due to an increase in instructional staff to support opening a junior high and high school and a three percent salary increase to all employees.

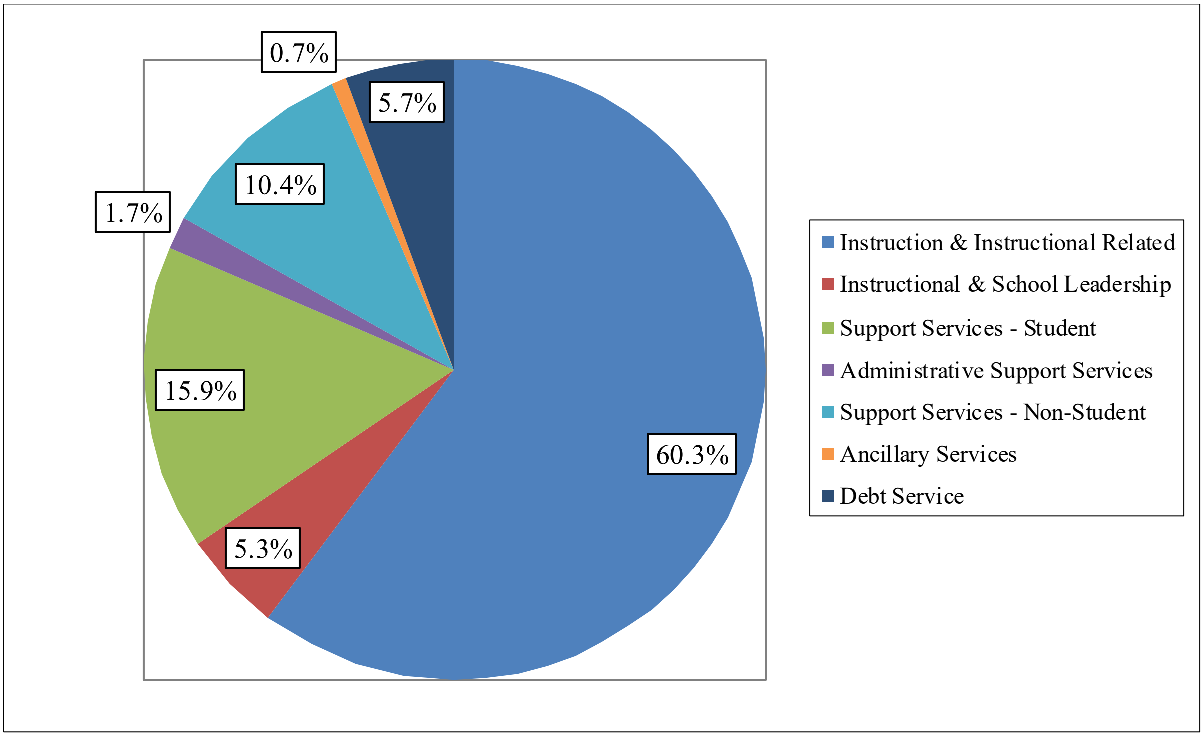
Figure A-2
Revenues by Source – Governmental Activities
In Millions



GOVERNMENT-WIDE FINANCIAL ANALYSIS (continued)

Governmental Activities (continued)

Figure A-3
Program Expenses by Major Function – Governmental Activities



Business-type Activities

Revenues for the District's business-type activities were $1.1 million with expenses of $0.2 for the fiscal year ended August 31, 2025. The enterprise fund was established at the end of fiscal year 2024 to account for insurance payments received from parents for the newly implemented Class 1:1 initiative for the 2024-2025 school year in which every third through twelfth grade student was issued a District owned personal computing device. The overall net position increased by $0.9 million which was primarily attributable to the continued collection of insurance payments for the Class 1:1 initiative. Total expense of $0.2 million remained minimal during the fiscal year reflecting a low incidence of device breakage.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS

Governmental Funds

The District's accounting records for general governmental operations are maintained on a modified accrual basis as prescribed by the Financial Accountability System Resource Guide, Texas Education Agency, with the revenues being recorded when available and measurable to finance expenditures of the fiscal period. Expenditures are recorded when services or goods are received, and the fund liabilities are incurred. The general governmental operations include the following major funds: General, Debt Service, Capital Projects and Special Revenue.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Governmental Funds (continued)

Revenues from all Governmental Funds totaled $1.5 billion for the fiscal year ended August 31, 2025, an increase of 3.3% from the prior fiscal year. Local revenues, including property taxes, continued to be the largest source of revenue received by the District and increased $44.7 million from fiscal year 2024 due to an increase of $44.2 million in property taxes due to growth in the tax base of $4.3 billion. State revenues increased $28.8 million which is attributable to an increase of $14.0 million from the prior year in property value audits as well as a $13.0 million increase due to an increase in ADA and special population allotments. These increases are offset by a $25.8 million decrease in federal revenue due to the expiration of federal stimulus grants.

Expenditures for governmental operations totaled $1.7 billion during the fiscal year 2025, an increase of $129.4 million or 8.1%. This is primarily attributable to an increase in expenditures in the capital projects fund of $77.4 million due to the completion of Alfred & Ann Boudny Elementary and James & Mitzi Cross Elementary as well as an increase in expenditures in the general fund of $52.9 million resulting from a three percent salary increase to all employees.

The Governmental Funds reported a combined fund balance of $968.8 million, an increase of $202.0 million from the combined fund balances for 2024. Changes to the combined fund balances include a $10.7 million increase in the General Fund, a decrease in the Debt Service Fund of $0.9 million, an increase in the Capital Projects fund of $192.0 million, and an increase of $0.2 million in the Special Revenue Fund. Out of the combined fund balances, $288.4 million constitutes unassigned fund balances. Of the remainder of the fund balance, $3.9 million is non-spendable, $584.6 million is restricted for items such as debt service, food services, and capital projects, $24.7 million is committed to self-funded insurance, unanticipated expenditures, and campus activity funds, and $67.2 million is assigned for encumbered amounts, addressing current and future legislative impacts, addressing inflationary impacts, maintaining the debt service tax rate, property and liability insurance inflation, the technology retrofit schedule, the compensation plan, and the IDEA-B residential set-aside.

The General Fund is the primary operating fund of the District. State revenue increased due to an increase in ADA and special population allotments from prior year. Although the District increased costs by providing staff a 3% raise, the District was able to increase fund balance by $10.7 million. At the end of the current fiscal year, the fund balance for the General Fund was $375.0 million. Unassigned fund balance represents 26.7% of the total General Fund expenditures, and total fund balance represents 34.7% of General Fund expenditures.

The Debt Service Fund ended the year with a fund balance of $63.6 million, all of which was restricted for the payment of debt service. This was a reduction in fund balance of $0.9 million. The District's increase in expenditures is a result of bond issuance costs and defeasance of additional debt exceeded the additional tax revenue received on the increased tax base. The District makes semi-annual debt service payments in February and August of each year. Debt service payments including bond fees for the year ended August 31, 2025, were $248.1 million.

FINANCIAL ANALYSIS OF THE DISTRICT'S FUNDS (continued)

Governmental Funds (continued)

The Capital Projects Fund ended the year with a fund balance of $483.4 million which is an increase of $192.0 million over 2024. This increase is due to the completion of Alfred & Ann Boudny Elementary and James & Mitzi Cross Elementary.

The Special Revenue Fund ended the year with a fund balance of $46.8 million which is an increase of $0.2 million from 2024. The Tax Increment Reinvestment Zone program saw an increase of $6.0 million primarily attributable to an increase in revenue from higher taxable values and minimal expenditures from the fund. Additionally, campus activity funds had an increase of $0.6 million due to additional fundraising activities. The Nutrition and Food Service Program ended the year with a decrease to ending fund balance of $6.5 million due to an increase in pay rates for food service personnel.

Proprietary Funds

The Enterprise Fund ended the year with a net position of $1.7 million. This is an increase of $0.9 million which is primarily attributable to the continued collection of insurance premiums in the fiscal year with minimal expense due to low device breakage.

The Internal Service Funds of the District consists of three different funds. Information is presented separately in the Proprietary Funds Combining Statement of Net Position, Proprietary Funds Combining Statement of Revenues, Expenses, and Changes in Fund Net Position, and Proprietary Funds Combining Statement of Cash Flows for the Health Insurance, Workers' Compensation, and Print Shop Funds. Net position in these funds as of August 31, 2025, was $11.1 million. Of this amount, $9.4 million was for Health Insurance, $1.3 million was for Workers' Compensation, and $0.4 million was for the Print Shop. Net position for the fiscal year increased $3.2 million, primarily due to increased health fund revenues due to health fund supplements from the general fund.

GENERAL FUND BUDGETARY HIGHLIGHTS

Over the course of the year, the District revised its budget several times. Revisions to the revenue budget were necessary due to changes in estimates for revenue based on updated information relating to tax collections, state funding, and federal revenue for School Health and Related Services (SHARS). Revisions to the expenditure budget were made to reflect actual expenditures associated with employer healthcare funding and special education services.

The District's major budget amendments presented to the Board of Trustees throughout the year are summarized as follows:

- The total General Fund revenue budget was increased by $26.2 million. Significant changes included:
    - The local revenue budget increased by $2.3 million mostly due to an adjustment to interest earnings resulting from higher than anticipated interest rates.
    - The state revenue budget increased by $31.3 million mainly due to increased state funding from an increase in ADA and special population allotments from original projections.
    - The federal revenue budget decreased by $7.5 million. This decrease was mostly attributable to a $7.0 million decrease for SHARS revenue due to cost report adjustments and a reduction of interim billings.

GENERAL FUND BUDGETARY HIGHLIGHTS (continued)

- The District increased the expenditure budget by $8.1 million throughout the year. Significant changes included:
  - The payroll budget increased $5.4 million. This increase is due to $5.5 million in additional employer health care funding.
  - The contracted services budget increased $2.9 million mostly attributable to contracted special education services due to an increase in special education students.

After revenue and expenditure budgets were adjusted as described above, the District's actual General Fund amounts differed from the final budget as reported in the budgetary comparison schedules in Exhibits F-1, G-2, and G-3 of this report. Final revenues realized exceeded budgeted amounts by $5.7 million or 0.5%. of the final budgeted amount, and expenditures were $10.4 million less than final budgeted amounts.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District has invested $2.8 billion, net of accumulated amortization and depreciation, in a broad range of capital assets, including land, buildings, equipment, vehicles, and subscription-based arrangements. This amount represents a net increase (including additions, deductions, accumulated amortization and depreciation) of $158.8 million from the prior year.

Capital Assets (net of amortization and depreciation)
Table III

	Governmental Activities			
	2025	2024	Change	Percentage
Land	$ 120,563,023	$ 108,239,798	$ 12,323,225	11.39%
Buildings and Improvements	2,362,604,174	2,290,261,486	72,342,688	3.16
Furniture and Equipment	152,884,660	146,364,711	6,519,949	4.45
Vehicles	36,521,071	31,414,712	5,106,359	16.25
SBITA Assets	21,693,305	20,801,473	891,832	4.29
Library Books and Media	1,855,689	1,876,292	(20,603)	(1.10)
Construction in Progress	119,455,950	57,785,011	61,670,939	106.72
Total Capital Assets, Net of Amortization and Depreciation	$ 2,815,577,872	$ 2,656,743,483	$ 158,834,389	5.98%

The increase in capital assets net of amortization and depreciation was due mainly to an increase in construction in progress from Alfred & Anne Boudny Elementary and James & Mitzi Cross Elementary and renovations to various schools across the District. These and other projects are part of the District's building program, which is funded primarily by the District's 2021 and 2023 bond authorizations. More detailed information about the District's capital assets is presented in Note 9 to the financial statements.

CAPITAL ASSETS AND DEBT ADMINISTRATION (continued)

Debt Administration

At the end of the fiscal year, the District had total long-term liabilities of $3.4 billion as illustrated in Table IV. This amount consists primarily of general obligation bonds backed by the full faith of the State of Texas's Permanent School Fund.

The District's bonds are rated AAA by Standard & Poor's (S&P) and Aaa by Moody's Investor Service (Moody's) based on the guarantee of the Permanent School Fund of the State of Texas. The District's underlying ratings are AA by Standard & Poor's and Aa1 by Moody's Investor Service.

The District's net pension liability decreased by $37.1 million as a result of various factors including differences between projected and actual investment earnings. The net OPEB liability increased by $64.3 million mainly due to expected and actual actuarial experience and changes in actuarial assumptions.

More detailed information about the District's liabilities is presented in Note 10 to the financial statements.

Long-Term Liabilities
Table IV

	Governmental Activities		
	2025	2024	Change
General Obligation Bonds	$ 2,657,125,000	$ 2,379,055,000	$ 278,070,000
Note Payable		1,565,000	(1,565,000)
Compensated Absences	36,011,244	31,863,131	4,148,113
SBITA Payable	8,850,187	8,118,109	732,078
Premium on Bonds Issued	187,694,515	218,850,417	(31,155,902)
Net Pension Liability	336,613,149	373,665,294	(37,052,145)
Net OPEB Liability	216,200,053	151,870,412	64,329,641
Total Long-Term Liabilities	$ 3,442,494,148	$ 3,164,987,363	$ 277,506,785

ECONOMIC FACTORS AND NEXT YEAR'S BUDGETS AND RATES

As part of the budget development process, the District's management has taken into consideration all the factors that drive school district budgets: enrollments, property values, state funding, facility needs and the local economy.

The District prepared the 2025-26 budget with enrollment projected to increase to 97,161 and taxable value to decline 2.1% over ending values for the 2024-2025 fiscal year. This decrease is the result of the 89th Legislative Session which proposed an additional state homestead exemption of $40,000 and an additional over-65 and disabled exemption of $50,000 which were both passed by voters in November 2025. The Maintenance and Operations Rate and Debt Service Rate remain unchanged at $0.7271 and $0.3900 per $100 valuation, respectively. The Board of Trustees adopted an operating budget for the 2025-2026 fiscal year with estimated revenues of $1.13 billion and expenditures of $1.15 billion. Estimated revenues included $433.3 million from property taxes and other local revenues, a decrease of 3.5% from the original 2024-2025 budget and $688.5 million in state funding, an increase of 15.8%. Appropriated expenditures for the 2025-2026 fiscal year increased by $68.8 million compared to 2024-25. Appropriated expenditures included an increase of $60.0 million mostly related to staff pay increases both required by the 89th Texas Legislative Session and locally provided as well as new positions at the newly opened Alfred & Ann Boudny Elementary and James & Mitzi Cross Elementary along with the associated benefits and TRS On-Behalf related to these payroll costs.

Katy ISD continues to be one of the fastest growing school districts in the Houston metropolitan area, growing at an average of 3.6% from 2015 to 2025 with the 2025-26 budget built on projected enrollment of 97,161 students. The District has also experienced significant growth in property values over that same period with assessed values increasing at an average of 8.5% annually.

All of these factors were considered when adopting the 2025-2026 budgets. The District will continue to monitor economic data, refine budget estimates, and provide effective and efficient fiscal management to maximize the educational opportunities for students.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors, and creditors with a general overview of the District's finances. Questions concerning any of the information provided in this report or requests for additional information should be addressed to the Chief Financial Officer, Katy I.S.D., 6301 South Stadium Lane, Katy, Texas 77494.

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Basic Financial Statements

KATY INDEPENDENT SCHOOL DISTRICT

STATEMENT OF NET POSITION — Exhibit A-1

AUGUST 31, 2025

Data Control Codes		Primary Government: Governmental Activities	Primary Government: Business-type Activities	Primary Government: Total
	ASSETS			
1110	Pooled Cash and Cash Equivalents	$ 1,024,219,371	$ 1,676,183	$ 1,025,895,554
1120	Current Investments	10,602,857		10,602,857
1225	Property Taxes Receivable (net)	17,714,041		17,714,041
1240	Due from Other Governments	49,886,366		49,886,366
1250	Accrued Interest	9,870		9,870
1290	Other Receivables (net)	7,406,445	28,330	7,434,775
1300	Inventories, at cost	2,664,393		2,664,393
1410	Prepaid Items	1,965,689		1,965,689
	Capital Assets not Being Depreciated:			
1510	Land	120,563,023		120,563,023
1580	Construction in Progress	119,455,950		119,455,950
	Capital Assets, net of Accumulated Depreciation/Amortization:			
1520	Buildings and Improvements (net)	2,362,604,174		2,362,604,174
1531	Vehicles (net)	36,521,071		36,521,071
1530	Furniture and Equipment (net)	152,884,660		152,884,660
1553	SBITA Assets (net)	21,693,305		21,693,305
1560	Library Books and Media (net)	1,855,689		1,855,689
1910	Long-Term Investments	24,256,255		24,256,255
1000	**Total Assets**	3,954,303,159	1,704,513	3,956,007,672
	DEFERRED OUTFLOWS OF RESOURCES			
1700	Deferred Outflows: Loss on Refunding	26,857,362		26,857,362
1700	Deferred Outflows: Related to TRS	98,071,566		98,071,566
1700	Deferred Outflows: Related to TRS Care	129,747,398		129,747,398
1700	**Total Deferred Outflows of Resources**	254,676,326		254,676,326

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION | Exhibit A-1
AUGUST 31, 2025

Data Control Codes		Primary Government: Governmental Activities	Business-type Activities	Total
	LIABILITIES			
2110	Accounts Payable	$ 63,926,452	$	$ 63,926,452
2140	Interest Payable	5,514,229		5,514,229
2150	Payroll Deductions and Withholdings	9,635,624		9,635,624
2160	Accrued Wages Payable	52,727,178		52,727,178
2180	Due to Other Governments	4,242,493		4,242,493
2200	Accrued Expenses	8,076,037		8,076,037
2300	Unearned Revenue	64,103		64,103
	Noncurrent Liabilities:			
	Due within One Year:			
2501	Compensated Absences	856,058		856,058
2501	SBITA Payable	4,049,710		4,049,710
2501	Bonds	142,595,000		142,595,000
	Due in More than One Year:			
2502	Bonds	2,702,224,515		2,702,224,515
2502	SBITA Payable	4,800,477		4,800,477
2502	Compensated Absences	35,155,186		35,155,186
2540	Net Pension Liability (District's Share)	336,613,149		336,613,149
2545	Net OPEB Liability (District's Share)	216,200,053		216,200,053
2000	**Total Liabilities**	3,586,680,264		3,586,680,264
	DEFERRED INFLOWS OF RESOURCES			
2600	Deferred Inflows: Gain on Refunding	24,786,790		24,786,790
2600	Deferred Inflows: Leases	2,268,340		2,268,340
2600	Deferred Inflows: Related to TRS	4,958,184		4,958,184
2600	Deferred Inflows: Related to TRS Care	179,044,554		179,044,554
2600	**Total Deferred Inflows of Resources**	211,057,868		211,057,868
	NET POSITION			
3200	Net Investment in Capital Assets	447,358,081		447,358,081
	Restricted for:			
3820	Food Service	19,713,229		19,713,229
3850	Debt Service	63,517,703		63,517,703
3890	Tax Increment Reinvestment Zone	17,603,820		17,603,820
3890	Other Grant Programs	290,357		290,357
3900	Unrestricted	(137,241,837)	1,704,513	(135,537,324)
3000	**Total Net Position**	$ 411,241,353	$ 1,704,513	$ 412,945,866

See notes to the basic financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes	Functions/Programs	Expenses	Program Revenues: Charges for Services	Program Revenues: Operating Grants and Contributions
	Governmental Activities:			
11	Instruction	$ 779,884,689	$ 3,614,364	$ 50,061,745
12	Instructional Resources and Media Services	14,213,932		725,481
13	Curriculum and Instructional Staff Development	21,124,860	3,029	6,006,818
21	Instructional Leadership	9,847,455	116,065	563,902
23	School Leadership	62,282,938		1,924,900
31	Guidance, Counseling, and Evaluation Services	63,167,253	73,537	8,578,492
32	Social Work	1,873,974		677,342
33	Health Services	11,839,583	25,963	2,818,957
34	Student Transportation	33,796,320	23,471	410,690
35	Food Services	59,149,359	930,220	46,045,556
36	Extracurricular Activities	45,857,179	5,545,276	9,837,769
41	General Administration	22,996,229	670,244	4,631,811
51	Facilities Maintenance and Operations	102,377,185	5,215,926	1,503,914
52	Security and Monitoring Services	16,962,310	6,054	3,023,636
53	Data Processing Services	21,831,762	7,194	741,811
61	Community Services	2,239,430	11,822	1,616,666
72	Interest and Issuance Costs on Long-Term Debt	77,161,667		19,902,732
81	Facilities Planning	1,068,579		1,155,456
93	Payments to Shared Services Arrangements	857,194		
95	Payments to JJAEP	14,184		
99	Payments to Appraisal Districts	5,773,376		
TG	**Total Governmental Activities**	1,354,319,458	16,243,165	160,227,678
	Business-type Activities:			
01	Device Insurance	228,934	1,088,892	
TB	**Total Business-type Activities**	228,934	1,088,892	
TP	**TOTAL PRIMARY GOVERNMENT**	$ 1,354,548,392	$ 17,332,057	$ 160,227,678

Data Control Codes	
	General Revenues:
MT	Property Taxes, Levied for General Purposes
DT	Property Taxes, Levied for Debt Service
SF	State Aid - Formula Grants Unrestricted
IE	Investment Earnings
MI	Miscellaneous
TR	**Total General Revenues**
CN	Change in Net Position
NB	**Net Position - Beginning as previously reported**
PA	Adjustment for Implementation of GASB No. 101
PA	Correction of prior year SBITA
NB	**Net position - Beginning as restated**
NE	**Net Position - Ending**

Net (Expense) Revenue and Changes in Net Position

Governmental Activities	Business-type Activities	Total
$ (726,208,580)	$	$ (726,208,580)
(13,488,451)		(13,488,451)
(15,115,013)		(15,115,013)
(9,167,488)		(9,167,488)
(60,358,038)		(60,358,038)
(54,515,224)		(54,515,224)
(1,196,632)		(1,196,632)
(8,994,663)		(8,994,663)
(33,362,159)		(33,362,159)
(12,173,583)		(12,173,583)
(30,474,134)		(30,474,134)
(17,694,174)		(17,694,174)
(95,657,345)		(95,657,345)
(13,932,620)		(13,932,620)
(21,082,757)		(21,082,757)
(610,942)		(610,942)
(57,258,935)		(57,258,935)
86,877		86,877
(857,194)		(857,194)
(14,184)		(14,184)
(5,773,376)		(5,773,376)
(1,177,848,615)		(1,177,848,615)
	859,958	859,958
	859,958	859,958
(1,177,848,615)	859,958	(1,176,988,657)
417,884,515		417,884,515
223,851,578		223,851,578
565,695,456		565,695,456
41,078,005		41,078,005
7,534,681		7,534,681
1,256,044,235		1,256,044,235
78,195,620	859,958	79,055,578
321,156,243	844,555	322,000,798
6,908,855		6,908,855
4,980,635		4,980,635
333,045,733	844,555	333,890,288
$ 411,241,353	$ 1,704,513	$ 412,945,866

KATY INDEPENDENT SCHOOL DISTRICT
BALANCE SHEET
GOVERNMENTAL FUNDS
AUGUST 31, 2025

Data Control Codes		General	Debt Service Fund
	ASSETS		
1110	Pooled Cash and Cash Equivalents	$ 379,580,072	$ 66,880,219
1120	Current Investments	10,602,857	
	Receivables:		
1225	Property Taxes Receivable (net)	12,283,325	5,430,716
1240	Due from Other Governments	22,797,642	77,157
1250	Accrued Interest	9,870	
1260	Due from Other Funds	23,896,352	886,333
1290	Other Receivables	3,331,426	
1300	Inventories, at cost	2,046,593	
1410	Prepaid Items	1,895,892	
1910	Long-Term Investments	24,256,255	
1000	**Total Assets**	$ 480,700,284	$ 73,274,425
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	$ 14,523,447	$
2120	Short-term Debt Payable	49	
2150	Payroll Withholding Payable	9,635,624	
2160	Accrued Wages Payable	49,575,917	
2170	Due to Other Funds	16,806,844	
2180	Due to Other Governments		4,242,493
2200	Accrued Expenditures	540,194	
2300	Unearned Revenues	32,670	
2000	**Total Liabilities**	91,114,745	4,242,493
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	12,283,325	5,430,716
2600	Deferred Inflows - Leases	2,268,340	
	Total Deferred Inflows of Resources	14,551,665	5,430,716
	FUND BALANCES		
	Fund Balances:		
3410-30	Nonspendable	3,942,485	
3450-90	Restricted		63,601,216
3510-45	Committed	15,500,000	
3550-90	Assigned	67,173,407	
3600	Unassigned	288,417,982	
3000	**Total Fund Balances**	375,033,874	63,601,216
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 480,700,284	$ 73,274,425

See notes to the basic financial statements.

Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
$ 527,517,004	$ 47,082,561	$ 1,021,059,856
		10,602,857
		17,714,041
	27,011,567	49,886,366
		9,870
1,968,929		26,751,614
	1,018,442	4,349,868
	474,536	2,521,129
	69,797	1,965,689
		24,256,255
$ 529,485,933	$ 75,656,903	$ 1,159,117,545
$ 43,198,941	$ 4,698,774	$ 62,421,162
		49
		9,635,624
	3,151,261	52,727,178
2,907,653	20,988,699	40,703,196
		4,242,493
		540,194
	31,433	64,103
46,106,594	28,870,167	170,333,999
		17,714,041
		2,268,340
		19,982,381
		3,942,485
483,379,339	37,607,406	584,587,961
	9,179,330	24,679,330
		67,173,407
		288,417,982
483,379,339	46,786,736	968,801,165
$ 529,485,933	$ 75,656,903	$ 1,159,117,545

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Total Fund Balances - Governmental Funds (from Exhibit C-1)	$ 968,801,165
Amounts reported for governmental activities in the Statement of Net Position are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported as assets in governmental funds.	2,815,215,807
Unavailable revenue on property taxes receivable and penalty and interest on delinquent taxes have been levied or assessed and are due this year but are not available soon enough to pay for current period's expenditures and are added back to Fund Balances for Statement of Net Position.	17,714,041
Deferred loss on refundings are not reported in the fund financial statements.	26,857,362
Deferred gain on refundings are not reported in the fund financial statements.	(24,786,790)
Addition of Internal Service fund net position	11,091,725
Differences between expected and actual experiences, assumption changes and net differences between projected and actual earnings and contributions subsequent to the measurement date for the post-retirement benefits (pension and OPEB) are recognized as deferred outflows of resources and deferred inflows of resources on the statement of net position.	
Deferred outflows relating to TRS Pension	98,071,566
Deferred inflows relating to TRS Pension	(4,958,184)
Deferred outflows relating to TRS Care	129,747,398
Deferred inflows relating to TRS Care	(179,044,554)
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:	
Bonds Payable and Premiums	(2,844,819,515)
Compensated Absences - Long-term Portion	(35,471,050)
Interest Payable	(5,514,229)
SBITA Payable	(8,850,187)
Net Pension Liability	(336,613,149)
Net OPEB Liability	(216,200,053)
Net Position of Governmental Activities (from Exhibit A-1)	$ 411,241,353

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
GOVERNMENTAL FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		General	Debt Service Fund
	REVENUES		
5700	Local, Intermediate, and Out-of-State	$ 453,421,854	$ 228,554,029
5800	State Program Revenues	627,673,450	17,003,250
5900	Federal Program Revenues	7,373,890	
5020	**Total Revenues**	1,088,469,194	245,557,279
	EXPENDITURES		
	Current:		
0011	Instruction	707,105,920	
0012	Instructional Resources and Media Services	10,669,449	
0013	Curriculum and Instructional Staff Development	15,550,486	
0021	Instructional Leadership	9,248,016	
0023	School Leadership	60,805,127	
0031	Guidance, Counseling, and Evaluation Services	57,143,599	
0032	Social Work	1,232,418	
0033	Health Services	11,754,442	
0034	Student Transportation	28,886,575	
0035	Food Services		
0036	Extracurricular Activities	22,800,364	
0041	General Administration	20,372,937	
0051	Facilities Maintenance and Operations	89,910,283	
0052	Security and Monitoring Services	14,046,874	
0053	Data Processing Services	19,495,376	
0061	Community Services	643,081	
	Debt Service:		
0071	Principal on Long-Term Debt	2,125,599	148,135,000
0072	Interest on Long-Term Debt	253,085	97,092,511
0073	Bond Issuance Costs and Fees		2,845,484
0081	**Capital Outlay: Facilities Acquisition and Construction**	908,257	
	Intergovernmental Charges:		
0093	Payments to Fiscal Agents SSA	857,194	
0095	Payments to JJAEP	14,184	
0099	Other Intergovernmental Charges	5,773,376	
6030	**Total Expenditures**	1,079,596,642	248,072,995
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	8,872,552	(2,515,716)
	OTHER FINANCING SOURCES/(USES)		
7901	Refunding Bonds Issued		218,785,000
7911	Capital-Related Debt Issued		
7912	Sale of Real and Personal Property	21,067	
7916	Premium on Issuance of Bonds		18,735,410
7949	SBITAs Issued	1,841,688	
8940	Payment to Bond Refunding Escrow Agent		(235,918,856)
7080	**Total Other Financing Sources/(Uses)**	1,862,755	1,601,554
1200	Net Change in Fund Balances	10,735,307	(914,162)
0100	Fund Balance - September 1 (Beginning)	364,298,567	64,515,378
3000	**Fund Balance - August 31 (Ending)**	$ 375,033,874	$ 63,601,216

See notes to the basic financial statements.

Capital Projects Fund	Special Revenue Fund	Total Governmental Funds
$ 13,791,646	$ 40,170,063	$ 735,937,592
	17,439,448	662,116,148
248,237	66,359,463	73,981,590
14,039,883	123,968,974	1,472,035,330
	39,794,648	746,900,568
	503,351	11,172,800
	5,719,384	21,269,870
	497,890	9,745,906
	691,676	61,496,803
	7,440,831	64,584,430
	651,988	1,884,406
	120,665	11,875,107
		28,886,575
	54,373,005	54,373,005
	9,170,656	31,971,020
	26,944	20,399,881
	570,710	90,480,993
	2,748,102	16,794,976
	23,161	19,518,537
	1,601,728	2,244,809
	3,842,301	154,102,900
	226,752	97,572,348
2,766,218		5,611,702
271,997,657	909,293	273,815,207
		857,194
		14,184
		5,773,376
274,763,875	128,913,085	1,731,346,597
(260,723,992)	(4,944,111)	(259,311,267)
		218,785,000
439,805,000		439,805,000
		21,067
12,961,219		31,696,629
	5,108,861	6,950,549
		(235,918,856)
452,766,219	5,108,861	461,339,389
192,042,227	164,750	202,028,122
291,337,112	46,621,986	766,773,043
$ 483,379,339	$ 46,786,736	$ 968,801,165

KATY INDEPENDENT SCHOOL DISTRICT

RECONCILIATION OF THE GOVERNMENTAL FUNDS STATEMENT OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCE TO THE STATEMENT OF ACTIVITIES
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit C-4

Net Change in Fund Balances - Total Governmental Funds (from Exhibit C-3)	$	202,028,122
Amounts reported for governmental activities in the Statement of Activities (Exhibit B-1) are different because:		
Internal Service Funds are used by management to charge the cost of various insurance programs and printing operations to individual funds. The net activity of the Internal Service Funds is included in the Statement of Activities.		3,203,412
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are allocated over their estimated useful lives as depreciation and amortization expense.		283,590,442
Depreciation and amortization is not recognized as an expense in governmental funds, since it does not require the use of current financial resources. The net effect of the current year's depreciation and amortization is to decrease net position.		(123,454,184)
Repayment of bond and note payable principal is an expenditure in the governmental funds and payment to the escrow agent to refund bonds is an other financing use in the governmental funds, but the repayment reduces long-term liabilities in the Statement of Net Position.		149,700,000
Payment of SBITA payable is an expenditure in the governmental funds, but the payment reduces long-term liabilities in the Statement of Net Position.		6,218,471
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.		(658,590,000)
Proceeds from subscription based information technology arrangements are reported as an other financing source in the governmental funds. In the government-wide financial statements, proceeds are treated as an increase in liabilities.		(6,950,549)
Payment to the escrow agent to refund bonds is an other financing use in the governmental funds. In the government-wide financial statements this payment is treated as a reduction in long-term debt.		235,918,856
Premium received from issuance of long-term debt.		(31,696,628)
Interest accruals through year end on bonds are not recorded in the fund financial statements but are accrued in the government-wide statements.		(695,694)
Net loss on disposal of assets is not recorded in the fund financial statements but is included in the government-wide statements.		(1,193,925)
Property tax revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the fund financial statements.		821,518

See notes to the basic financial statements.

Amortization of deferred losses and gains on refunding issues, and bond premiums are recorded in the Statement of Activities.	$ 26,718,776
Pension contributions made after the net pension liability date are reported as expenditures in the fund financial statements and are reported as deferred outflows in the government-wide statements and TRS contribution adjustments.	32,988,499
OPEB contributions made after the net OPEB liability date are reported as expenditures in the fund financial statements and are reported as deferred outflows in the government-wide statements and TRS contribution adjustments.	6,637,321
Pension expense for the pension plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	(57,325,747)
OPEB expense for the OPEB plan measurement year is not recorded in the fund financial statements but are expensed in the government-wide statements.	14,588,888
Increase in long-term compensated absence liability is included in the government-wide statements.	(4,311,958)
Change in Net Position of Governmental Activities (see Exhibit B-1)	$ 78,195,620

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF NET POSITION
PROPRIETARY FUNDS
AUGUST 31, 2025

Exhibit D-1

Data Control Codes		Business-type Activities Enterprise Fund Device Insurance	Governmental Activities Total Internal Service Funds
	ASSETS		
	Current Assets:		
1110	Pooled Cash and Cash Equivalents	$ 1,676,183	$ 3,159,515
1260	Due from Other Funds		13,951,582
1290	Other Receivables	28,330	3,056,577
1300	Inventories		143,264
	Total Current Assets	1,704,513	20,310,938
	Noncurrent Assets:		
	Capital Assets:		
1540	Furniture and Equipment		966,326
1573	Accumulated Depreciation		(604,261)
	Total Noncurrent Assets		362,065
1000	**Total Assets**	1,704,513	20,673,003
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable		1,505,241
2200	Accrued Expenses		8,076,037
	Total Current Liabilities		9,581,278
2000	**Total Liabilities**		9,581,278
	NET POSITION		
3200	Investment in Capital Assets		362,065
3900	Unrestricted	1,704,513	10,729,660
3000	**Total Net Position**	$ 1,704,513	$ 11,091,725

See notes to the basic financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit D-2

Data Control Codes		Business-type Activities Enterprise Fund Device Insurance	Governmental Activities Total Internal Service Funds
	OPERATING REVENUES		
5754	Charges for Services	$	$ 96,910,942
5759	Charges for Device Insurance and Payments	1,088,892	
5020	**Total Operating Revenues**	1,088,892	96,910,942
	OPERATING EXPENSES		
6100	Salary and Benefits		119,482
6200	Administrator Fees		4,228,323
6200	Insurance Premiums		1,741,275
6200	Claims Expense		84,094,884
6200	Repair and Maintenance Expense		8,942
6200	Equipment Rental		114,839
6200	Contracted Services		1,616,085
6300	Supplies	228,934	1,636,038
6400	Miscellaneous Operating Expenses		235,402
6400	Depreciation/Amortization		87,486
6030	**Total Operating Expenses**	228,934	93,882,756
1200	Operating Income (Loss)	859,958	3,028,186
	NON-OPERATING REVENUES (EXPENSES)		
7955	Investment Income		195,684
8030	Net Loss on Disposal of Capital Assets		(20,458)
7950	**Total Net Non-operating Revenue**		175,226
1300	Change in Net Position	859,958	3,203,412
0100	Total Net Position - September 1 (Beginning)	844,555	7,888,313
3000	**Total Net Position - August 31 (Ending)**	$ 1,704,513	$ 11,091,725

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CASH FLOWS
PROPRIETARY FUND TYPES
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit D-3

	Business-type Activities Enterprise Fund Device Insurance	Governmental Activities Total Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES		
Cash Receipts from Internal Services Provided	$	$ 88,376,858
Cash Receipts from Customers	860,403	
Cash Payments to Suppliers		(1,855,339)
Cash Payments to Pay Claims		(81,083,766)
Cash Payments for Contracted Services		(6,313,817)
Cash Payments for Insurance Premiums		(1,741,275)
Cash Payments to Employees		(119,482)
Net Cash Provided (Used) by Operating Activities	860,403	(2,736,821)
CASH FLOWS FROM INVESTING ACTIVITIES		
Interest Received		195,684
Net Cash Provided by Investing Activities		195,684
Net Increase (Decrease) in Pooled Cash and Cash Equivalents	860,403	(2,541,137)
Pooled Cash and Cash Equivalents at Beginning of Year	815,780	5,700,652
Pooled Cash and Cash Equivalents at End of Year	$ 1,676,183	$ 3,159,515
RECONCILIATION OF OPERATING INCOME TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES		
Operating Income (Loss)	$ 859,958	$ 3,028,186
Adjustments to Reconcile Operating Income to Net Cash Provided (Used) by Operating Activities		
Depreciation/Amortization		87,486
Change in Assets and Liabilities:		
(Increase) Decrease in Receivables	445	484,605
(Increase) Decrease in Interfund Receivables		(8,548,729)
(Increase) Decrease in Inventories		(24,037)
Increase (Decrease) in Accounts Payable		561,291
Increase (Decrease) in Interfund Payables		(469,960)
Increase (Decrease) in Accrued Expenses		2,144,337
Net Cash Provided (Used) by Operating Activities	$ 860,403	$ (2,736,821)
Noncash Investing, Capital, and Financing Activities		
Transfers of Capital Assets to Government		$ 1,060
Capital Assets Retired		20,458

See notes to the basic financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF FIDUCIARY NET POSITION
CUSTODIAL FUND
AUGUST 31, 2025

Exhibit E-1

Data Control Codes		Custodial Fund
	ASSETS	
1110	Pooled Cash and Cash Equivalents	$ 1,493,072
1290	Receivables	45,197
1000	**Total Assets**	1,538,269
	LIABILITIES	
2110	Accounts Payable	46,947
2000	**Total Liabilities**	46,947
	NET POSITION	
3800	Restricted for Student Activities	1,491,322
	Total Net Position	$ 1,491,322

See notes to the basic financial statements.

KATY INDEPENDENT SCHOOL DISTRICT
STATEMENT OF CHANGES IN FIDUCIARY NET POSITION — Exhibit E-2
CUSTODIAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		Custodial Fund
	ADDITIONS	
	Contributions:	
5700	Revenues from Student and Staff Activities	$ 2,746,812
5020	**Total Contributions**	2,746,812
5742	Investment Earnings	5,833
5740	**Total Additions**	2,752,645
	DEDUCTIONS	
6400	Payments for Student and Staff Activities	2,645,834
	Total Deductions	2,645,834
CN	Change in Net Position	106,811
NB	Total Net Position - September 1 (Beginning)	1,384,511
NE	**Total Net Position - August 31 (Ending)**	$ 1,491,322

See notes to the basic financial statements.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

The Katy Independent School District (the District) was formed in February 1919 by a special act of the Texas State Legislature. The District is an independent public educational agency operating under applicable laws and regulations of the State of Texas. A seven-member Board of Trustees elected to staggered three-year terms by the District's residents autonomously governs the District. The District prepares its Basic Financial Statements in conformity with Generally Accepted Accounting Principles (GAAP) promulgated by the Governmental Accounting Standards Board (GASB) and other authoritative sources identified in *Statement on Auditing Standards No. 69* of the American Institute of Certified Public Accountants; and it complies with the requirements of the appropriate version 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 received 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. As required by 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. Based on these considerations, the District's Basic Financial Statements do not include any other entities. Additionally, as the District is considered a primary government for financial reporting purposes, its activities are not considered a part of any other governmental or other type of 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 a 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.

Additionally, prescribed criteria under Generally Accepted Accounting Principles include considerations pertaining to organizations for which the primary government is financially accountable; and considerations pertaining to other organizations for which the nature and significance of their relationship with the primary government are such that exclusion would cause the reporting entity's financial statements to be misleading or incomplete.

The Board of Trustees (the Board) is elected by the public and has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by the Governmental Accounting Standards Board (GASB) in its Statement No. 61, "The Financial Reporting Entity." There are no component units included with the reporting entity.

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 Katy Independent School District operating activities and activities other than the District's fiduciary (custodial type) 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. Business-type activities include operations that 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 the 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, community education tuition, summer school tuition, etc. The "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. 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 always general revenues.

Interfund activities between governmental funds and 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. In the Government-wide statements, eliminations have been made to minimize double-counting of internal activities. Interfund balances between governmental funds and also between governmental funds and internal service funds are eliminated on the Government-wide Statement of Net Position. Since the internal service funds support the District's activities, the financial activities of these funds are presented in the governmental activities column in the Government-wide Statement of Activities as a direct expense in the proper functional category. In the Government-wide Statement of Activities, the net activities of the Internal Service such as Health Insurance, Workers' Compensation, and Print Shop have been allocated to the appropriate functional expense in order to present a more accurate and complete picture of the direct expenses of the functions. The District has no interfund services provided and used between functions that would qualify as program revenue; therefore, there is no need for eliminating entries in the consolidation process.

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 fund cannot be used for district operations, they are not included in the Government-wide Statements. The District considers some governmental funds as 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. 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, deferred inflows of resources 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).

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

The modified accrual basis of accounting recognizes revenues in the accounting period in which they become both measurable and available and 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 related to certain compensated absences and claims and judgments are recognized when the obligations are expected to be liquidated with expendable, available financial resources. Compensated absences are reported in governmental funds only to the extent unused reimbursable leave is outstanding following an employee's resignation or retirement.

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 received. Investment earnings are recorded as earned, since they are both measurable and available.

Grant funds 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 may require the District to refund all or part of the unused amount.

The Proprietary and Fiduciary Fund Types 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.

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, deferred inflows of resources, fund equity, revenues, and expenditures or expenses. For financial statement presentation, the District's Fund Financial Statements provide more detailed information about the District's most significant funds, not the District as a whole. The funds shown on the Fund Financial Statements are considered major funds because of the size and activity of the funds in relation to all of the funds.

The District reports the following Governmental Funds:

1. General Fund

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

2. 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 are local property taxes and hold harmless funds.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

D. Fund Accounting (continued)

3. Capital Projects Fund

The Capital Projects Fund is used to account for the proceeds of the District's bond sales and related interest earnings, and expenditures are restricted to the construction and acquisition of major capital facilities.

4. Special Revenue Fund

The Special Revenue Fund is used to account for all financial resources restricted to, or designated for, specific purposes by a grantor. Specifically, this type of fund is used to account for funds that are used 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 funds. 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.

Additionally, the District reports the following Proprietary Funds:

5. Enterprise Fund

The Enterprise Fund is used to account for revenues and expenses associated with the District's Class 1:1 Initiative in which each third through twelfth grade student is issued a District owned device. Revenues are generated from optional device insurance payments and charges for parts. Expenses consist of device parts.

6. Internal Service Fund

The Internal Service Fund is used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis. The following Internal Service Funds are used by the District:

The Workers' Compensation Fund is used to account for the operations of the District's workers' compensation insurance plan, which is supported principally by employer contributions. Expenses include plan benefit payments to insured employees for claims and premium charges. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

Similar to the Workers' Compensation Fund, the Health Insurance Fund is used to account for the District's health insurance plan, which is supported by both district and employee contributions. Expenses include plan benefit payments to health care providers for claims incurred. Estimated amounts due for claims incurred but not reported at year-end are included as fund liabilities.

The Print Shop Fund is used to account for the District's internal printing operations. All costs and expenses of operating the print shop are accounted for in the fund. Users of the printing services are charged fees based on amounts estimated to cover the cost of operations.

Finally, the District reports the following Fiduciary Fund:

7. Custodial Fund

The Custodial Fund is used to account for activities of student groups. The Custodial Fund accounts for resources held in a custodial capacity by the District and consists of funds that are the property of students and others and cannot be used by the District in operations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

1. Cash and Cash Equivalents

The District's cash and cash equivalents are cash on hand, demand deposits, certificates of deposit, balances in privately managed public funds investment pools (TexPool, Texas CLASS and Lone Star), and short-term investments with original maturities of three months or less from the date of acquisition. 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.

The District's investment pools are valued and reported at amortized cost as permitted by GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*.

2. Investments

Investments consist of treasury coupon securities and federal agency coupon securities. 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 when purchased 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. 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.

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 balance sheet.

4. Inventories and Prepaid Items

Inventories consisting of supplies and materials are stated at cost (average cost method) and include consumable custodial, maintenance, transportation, instructional, food consumables, and office supplies. Inventories of governmental funds are recorded as expenditures when the supplies and materials are used or consumed (consumption method) rather than when purchased. Inventories of food commodities are recorded as revenues at fair market value supplied by the Texas Department of Agriculture on the date received and are recorded as expenditures when the commodities are consumed.

Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in both government-wide and fund financial statements. Prepaid items are recorded as expenditures when the supplies or materials are used and consumed (consumption method) rather than when purchased.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

5. Capital Assets

Capital assets, which include land, construction in progress, buildings and improvements, furniture and equipment, vehicles, subscription assets, and right to use assets, are reported in the applicable governmental column in the Government-wide Financial Statements. Primarily, capital assets are defined by the District as assets with an initial cost of more than $5,000 and an estimated useful life in excess of one year. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. 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.

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 and improvements, furniture, equipment, subscription assets, and right to use assets of the District are depreciated and amortized using the straight-line method over the following estimated useful lives:

Assets	Years
Building & Improvements	10-50
Furniture & Equipment	1-25
Vehicles	15
Subscription Based IT Arrangements	2-8
Library Books & Media	7

Land and construction in progress are not depreciated.

6. Leases

Lessor: The District is a lessor for a noncancellable lease agreement. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide financial statements and in the governmental funds balance sheet.

At the commencement of the 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, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

7. Subscription Based Information Technology Arrangements (SBITA)

The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with capital assets, in the government-wide and proprietary fund financial statements. The District recognizes subscription liabilities with an initial individual value of $1,000,000 or more.

At the commencement of a SBITA, the District initially measures the subscription liability at the present value of payments expected to be made during the subscription term. Subsequently, the subscription liability is reduced by the principal portion of SBITA payments. The subscription asset is initially measured at the initial amount of the subscription liability, adjusted for SBITA payments made at or before the SBITA commencement date, plus certain initial implementation costs. Subsequently, the subscription asset is amortized on a straight-line basis over the shorter of the subscription term or the useful life of the underlying IT assets.

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

- The District uses its incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the noncancellable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments.

The District monitors changes in circumstances that would require re-measurement of its subscription and will re-measure the subscription asset and liability if certain changes occur that are expected to significantly affect the amount of the subscription asset and liability.

Subscription assts are reported with other capital assets and subscription 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, Liabilities, Deferred Outflows/Inflows of Resources, and Net Position or Equity (continued)

8. Deferred Outflows/Inflows of Resources

In addition to assets, the Statement of Net Position will sometimes report a separate section for deferred outflows of resources. This separate financial statement element, Deferred Outflows of Resources, represents a consumption of net assets that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category:

- Deferred outflows loss on refunding - The loss on refunding bonds is reported in the Government-wide Statement of Net Position in this category and will be amortized over the shorter of the life of the refunded or refunding debt.
- Deferred outflows related to TRS - 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 of 1) differences between expected and actual actuarial experiences; 2) changes in actuarial assumptions; 3) net difference between projected and actual earnings on pension plan investments 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 the 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.
- Deferred outflows related to TRS Care - Reported in the government-wide financial statement of net position, this deferred outflow results from other post-employment benefit (OPEB) plan contributions made after the measurement date of the net OPEB liability and the results of 1) differences between expected and actual actuarial experiences; 2) changes in actuarial assumptions; 3) net difference between projected and actual earnings on OPEB plan investments; 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 OPEB liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over the closed five-year period. The remaining OPEB related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEB through the plan.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

8. Deferred Outflows/Inflows of Resources (continued)

In addition to liabilities, the Statement of Net Position will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow or resource (revenue) until that time. The District has four items that qualify for reporting in this category.

- Deferred inflows gain on refunding - The gain on refunding bonds is reported in the Government-wide Statement of Net Position in this category and will be amortized over the shorter of the life of the refunded or refunding debt.
- Deferred inflows related to leases – Reported in the government-wide financial statement of net position, this deferred inflow results from the lease agreements where the District is the lessor. This deferred inflow of resources is initially measured as the initial amount of the lease receivable. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.
- Deferred inflows related to TRS - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between expected and actual actuarial experiences; and 2) changes in actuarial assumptions. 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 related to TRS Care - Reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between expected and actual actuarial experiences; and 2) changes in actuarial assumptions. These OPEB related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with OPEBs through the OPEB plan.

In addition to liabilities, the Balance Sheet will sometimes report a separate section for deferred inflows of resources. This separate financial statement element, Deferred Inflows of Resources, represents unavailable revenue that applies to a future period(s) and so will not be recognized as an inflow or resource (revenue) until that time. The District has two items that qualify for reporting in this category. The unavailable revenue - property taxes and deferred inflows - leases are reported as deferred inflows of resources and will be recognized as collected.

9. 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 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.

10. Other Post-Employment Benefits

The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS-Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other 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.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

11. Long-Term Obligations

In the Government-wide Financial Statements and in the 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, 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 expensed when 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 is reported as other financing sources. Premiums received on debt issuances are reported as other financing sources while discounts on debt issuances are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

12. Transactions Between Funds

Transactions between funds that would be treated as revenues, expenditures or expenses if they involved organizations external to the District are accounted for as revenues, expenditures, or expenses in the applicable funds.

Transactions which constitute reimbursements of 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 included in the results of operations of the governmental funds.

13. Compensated Absences – Accumulated Vacation Pay, Sick Leave, and State Leave

Under the provisions of GASB No. 101 *Compensated Absences,* a liability is recognized for compensated absences when leave to be used as time off or to be paid out meets the following criteria:

- It has been earned for services previously rendered by employees.
- It accumulates and is allowed to be carried over to subsequent years.
- It is more likely than not (MLTN) to be used as time off or settled (e.g., paid in cash to the employee or deposited into a flexible spending account during or upon separation from employment).

The District has a vacation pay policy for twelve-month employees whereby eligible employees shall receive vacation of one to fifteen days dependent upon the number of years of service. Employees become eligible for vacation days after six months of employment. All vacation days are forfeited if not taken by June 30 of the following calendar year.

Employees are allowed to accrue five days of state personal leave each year without limit. The District pays a portion of accrued personal and sick leave to employees who retire with five or more years of continuous employment in the District and whose retirement can be verified by the Teacher Retirement System. The compensated absences are normally paid through the General Fund when the amounts are due. Payment is limited to the current salary rate for one-half of the locally accumulated sick leave and state leave days up to a maximum of 90 accumulated days.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

13. Compensated Absences – Accumulated Vacation Pay, Sick Leave, and State Leave (continued)

In the Governmental Funds, compensated absences that are expected to be liquidated with expendable available resources are reported as an expenditure and fund liability in the fund that will pay for them. The remainder of the compensated absences liability is reported in long-term liabilities on the statement of net position.

The District uses a Last-In, First-Out (LIFO) method when calculating the liability for compensated absences expected to be used as leave. A liability for the estimated value of leave benefits that will be used by employees as time off is included in the liability for compensated absences.

14. Fund Balance Classifications

The fund balance in governmental funds has been classified as follows to describe the relative strength of the spending constraints:

Non-spendable fund balance represents 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).

Restricted fund balance consists of amounts that can be spent only for specific purposes because of local, state or federal laws, or externally imposed conditions by grantors or creditors. The fund balance for the Debt Service Fund, Capital Project Fund, and Child Nutrition Program and other grants are classified as restricted.

Committed fund balances are amounts constrained to specific purposes by the District itself, using its highest decision-making authority (the Board of Trustees). To be reported as committed, amounts cannot be used for any other purpose unless the District takes the same highest level of action to remove or change the constraint. The General Fund has committed $10,000,000 for unanticipated expenditures and/or revenue loss and $5,500,000 for self-insurance purposes. The District has committed the fund balance in the Campus Activity Fund for uses benefitting the respective campuses where the funds were raised.

Assigned fund balances are the amount the District intends to use for a specific purpose. The Board of Trustees delegates the responsibility to assign fund balances to the Superintendent or his designees. The District has assigned fund balances in the General Fund in the amount of $67,173,407 which is detailed in Note 14.

Unassigned fund balances are the amounts that are available for any purpose. Positive numbers can only be reported in the general fund.

The District establishes (and modifies or rescinds) fund balance commitments and assignments by passage of resolution. Per the local policy, assigned fund balance amounts are established by the Superintendent or his designee.

When both restricted and unrestricted resources are available for use, it is the District's policy to use restricted resources first, then unrestricted as they are needed. Additionally, the District would first use committed, then assigned, and lastly unassigned amounts of unrestricted fund balance when expenditures are made. The District does not have a formal minimum fund balance policy; however, minimum fund balances and targeted percentages are addressed in Administrative Regulations.

NOTE 1 – SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES (continued)

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

15. Use of Estimates

The presentation of financial statements, in conformity with Generally Accepted Accounting Principles, requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, 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.

16. Data Control Codes

The Data Control Codes refer to the account code structure prescribed by TEA in the Financial Accountability System Resource Guide. The Texas Education Agency requires school districts to display these codes in the financial statements filed with the Agency in order to ensure accuracy in building a statewide database for policy development and funding plans.

17. Implementation of New Accounting Standards

GASB issued Statement No. 101, *Compensated Absences,* in June 2022. The primary objective of this Statement is to better meet the information needs of financial statement users by updating the recognition and measurement guidance for compensated absences. The objective is achieved by aligning the recognition and measurement guidance under a unified model and by amending certain previously required disclosures. The requirements of this Statement are effective for fiscal years beginning after December 15, 2023, and all reporting periods thereafter. The requirements of this statement were implemented in fiscal year ended August 31, 2025 and the impact is reflected in the financial statements.

GASB issued Statement No. 102, *Certain Risk Disclosures,* in December 2023. The primary objective of this Statement is to provide users of government financial statements with essential information about risks related to a government's vulnerabilities due to certain concentrations or constraints. The requirements of this Statement are effective for fiscal years beginning after June 15, 2024, and all reporting periods thereafter. Management has evaluated the applicability of this Statement and determined that it does not have an impact on the financial statements for the fiscal year ended August 31, 2025.

NOTE 2 – RECONCILIATION OF GOVERNMENT-WIDE AND FUND FINANCIAL STATEMENTS

A. Explanation 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. Major elements of that reconciliation include capital assets which are not financial resources and are therefore not reported in governmental funds, long-term liabilities, including bonds payable, which are not due and payable in the current period and are not reported as liabilities in the Fund Financial Statements, and property taxes receivable which are included as unavailable in the Fund Financial Statements are adjusted based on when the tax levy was made and 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 recorded as 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 the current amortization and depreciation expense.

Another element of the reconciliation on Exhibit C-4 is described as various other reclassifications and eliminations necessary to convert from the modified accrual basis of accounting to the accrual basis of accounting. As indicated above, if new debt is issued, it is treated as a source of revenue on the Fund Basis Financial Statements, while in the Government-wide Financial Statements the amount is recorded as a liability. Property taxes are adjusted for the accrual basis and the unavailable revenues are adjusted based on prior year levies and current year uncollectible amounts.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY

A. Budgetary Data

The Board of Trustees adopts an appropriated budget for the General Fund, Debt Service Fund, and the Nutrition and Food Service Program included in the Special Revenue Fund. Budgets are prepared using the same method of accounting as for financial reporting. The District is required to present the adopted and final amended budgeted revenues and expenditures for the General Fund and each major special revenue program. The General Fund budget report appears in the required supplementary information section where the District compares the final amended budget to actual revenues and expenditures. Per regulatory requirements, the Debt Service Fund and Nutrition and Food Services Fund are required to be reported with the original budget, amended budget and actual expenditures. These schedules are included in the Other Supplementary Information section of this report.

The Capital Projects Fund budget is prepared on a project basis based on the proceeds available from bond issues and planned expenditures outlined in applicable bond ordinances. Capital Projects Fund equity, which represents unexpended appropriations, is re-appropriated in the subsequent fiscal year's budget until available funds for acquisition and construction of facilities have been utilized. Each major construction contract is approved based on the existing availability of bond proceeds and/or approved but unissued bonds. The non-budgeted Special Revenue programs (primarily federal, state, and local grant programs) utilize a managerial type of financial plan reviewed at the fund level by the Board of Trustees upon acceptance of the grants. These grants are subject to state-imposed project length budgets and monitored through submission of reimbursement reports to the state.

The following procedures are followed in establishing the budgetary data reflected in the Fund Financial Statements:

1. Prior to August 20, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

3. Prior to September 1, the budget is legally enacted through passage of a resolution by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

4. Each budget is controlled by the Director of Budget and Treasury at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board. All budget appropriations lapse at year end.

5. During the fiscal year ended August 31, 2025, the District did not have any expenditures over appropriations in major funds.

NOTE 3 – STEWARDSHIP, COMPLIANCE, AND ACCOUNTABILITY (continued)

A. Budgetary Data (continued)

6. A reconciliation of fund balances for both appropriated budget and non-appropriated budget Special Revenue Programs is as follows:

	Special Revenue Fund	Unbudgeted Programs	Budgeted Programs
Revenues	$ 123,968,974	$ 76,020,768	$ 47,948,206
Expenditures	128,913,085	74,505,777	54,407,308
Revenues Over (Under) Expenditures	(4,944,111)	1,514,991	(6,459,102)
Other Sources (Uses)	5,108,861	5,108,861	
Net Change in Fund Balances	164,750	6,623,852	(6,459,102)
Fund Balance Beginning	46,621,986	20,449,655	26,172,331
Fund Balance Ending	$ 46,786,736	$ 27,073,507	$ 19,713,229

Budgeted programs include fund 240 Nutrition and Food Services and fund 242 Summer Food Service Program as shown in exhibit J-1.

7. During the fiscal year the operating budget must be amended by the Board for changes to function appropriation amounts. All supplemental appropriations must be within limits of available revenues and fund equity.

The following table summarizes changes to the originally adopted budgets for all budgeted funds:

Fund	Appropriations as of September 1, 2024 (Original Budget)	Supplemental Appropriations and Revisions	Appropriations as of August 31, 2025 (Amended Budget)
General Fund	$ 1,081,810,358	$ 8,139,355	$ 1,089,949,713
Special Revenue Fund	64,794,872	(8,020,150)	56,774,722
Debt Service Fund	243,850,000	4,326,270	248,176,270
Total all Budgeted Funds	$ 1,390,455,230	$ 4,445,475	$ 1,394,900,705

B. 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 but are reported as assignments of fund balances. Since 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. As shown in Note 14, the general fund has assigned a portion of fund balance for these outstanding encumbrances.

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS

A. Deposits (Cash)

Deposits and investment transactions of the District are regulated by State statutes of the Texas Education Code and other regulations regarding security for District funds in depository institutions.

In accordance with applicable statutes, the District has a depository contract with an area bank (depository) providing for interest rates to be earned on deposited funds and for banking charges the District incurs as a result of banking services received. All depository contracts have a term of two years, commencing with the start of every odd-numbered fiscal year. However, the contract can be extended for three additional two-year periods should the depository and the District agree to the extension. Depository contracts are awarded on the basis of competitive proposals received from area banks and can be awarded to more than one bank.

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 are placed with an independent third-party custodian or trustee institution. In accordance with State statutes pertaining to lawful collateralization of District deposits, safekeeping reports are issued in the name of the depository with proper identification 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., bonds of the State of Texas or of any county, school district, city, or town of the State of Texas that have been rated A or better and other securities as authorized by Chapter 2257 Collateral for Public Funds of the Government Code and Chapter 2256 Public Fund Investment Act.

The District may approve all collateral securities prior to their being pledged. The depository can release or replace collateral securities pledged to secure District funds only upon obtaining the written approval of the District.

All demand and time deposits in the depository bank were entirely covered by federal depository insurance and by acceptable collateral securities pledged in the District's name by Prosperity Bank and held in safekeeping by Federal Home Loan Bank of Dallas at year-end in accordance with provisions of the depository contract.

At August 31, 2025, the carrying amount on the District's books of combined deposits was $195,775,463. The difference between the District's carrying amount and the cash in bank is a result of normal operating timing differences. As of August 31, 2025, the deposits and amount of pledged collateral and FDIC coverage was as follows:

Financial Institution	Cash in the Bank	Pledged Collateral and Surety Bond	Available FDIC Coverage	Month
Prosperity Bank	$ 209,913,030	$ 306,831,364	$ 500,000	August 31, 2025

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (Continued)

B. Investments

The Board of Trustees of the District has adopted a written investment policy (the "Investment Policy") regarding the investment of the funds as defined in the Public Funds Investment Act of 1995 (Chapter 2256, Texas Government Code). The Public Funds Investment Act requires an annual audit of investment practices. The results 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 Trustees' Investment Policy.

The District's 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.

The District is authorized to invest in the following investment instruments:

1. Obligations of, or guaranteed by, the U.S. Government and its agencies and instrumentalities as permitted by Government Code 2256.009. This excludes collateralized mortgage obligations. Maximum maturity shall be three years.
2. Certificates of deposit and share certificates as permitted by Government Code 2256.010.
3. Fully Collateralized repurchase agreements as permitted by Government Code 2256.011.
4. A1/P1 Commercial paper as defined by Government Code 2256.013 and not to exceed 270 days to maturity.
5. No-load money market mutual funds as permitted by Government Code 2256.014.
6. Constant dollar public funds investment pools as permitted by Government Codes 2256.016 – 2256.019.

A summary of the District's cash and investments at August 31, 2025 is shown below.

	Cash on Hand	Bank Deposits	Money Market	Investment Pools	Securities	Total
General	$ 5,144	$ 180,670,203	$ 25,773	$ 198,878,952	$ 34,859,112	$ 414,439,184
Debt Service		810,061		66,070,158		66,880,219
Capital Projects		3,788,788	21,706	523,706,510		527,517,004
Special Revenue Fund	11,861	9,904,411		37,166,289		47,082,561
Total Governmental Funds	17,005	195,173,463	47,479	825,821,909	34,859,112	1,055,918,968
Internal Service Funds		602,000		2,557,515		3,159,515
Total Governmental Activities	17,005	195,775,463	47,479	828,379,424	34,859,112	1,059,078,483
Enterprise Funds				1,676,183		1,676,183
Total Government Wide Statements	17,005	195,775,463	47,479	830,055,607	34,859,112	1,060,754,666
Fiduciary Fund				1,493,072		1,493,072
Total Cash and Investments	$ 17,005	$ 195,775,463	$ 47,479	$ 831,548,679	$ 34,859,112	$ 1,062,247,738

For reporting purposes, cash and deposits, along with money market and investment pools, are all considered by the District as cash equivalents.

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (continued)

B. Investments (continued)

The District generally holds all securities to maturity. The District did not purchase any derivative instrument investment products during the current year nor participate in any reverse repurchase agreements or security lending agreements during the fiscal year 2025.

The following table includes the portfolio balances, credit rating, and weighted average maturity of the portfolio balance by investment type of the District as of August 31, 2025:

	Fair Value	Percent of Investments	Weighted Avg. Maturity
Investment Type			
Money Market	$ 47,479	0.0%	1 day
Local Government Investment Pools: *			
Lone Star - Public Funds Investment Pool	7,428,402	0.9%	26 days
TexPool - Public Funds Investment Pool	777,715,437	89.8%	43 days
Texas CLASS - Public Funds Investment Pool	46,404,840	5.4%	44 days
Total Local Government Investment Pools	831,548,679		
Federal Agency Coupon Securities	9,921,670	1.1%	269 days
Treasury Coupon Securities	24,937,442	2.9%	744 days
Total Investments	$ 866,455,270	100.0%	

* Per GASB 79, valued at amortized cost.

The value of District portions in TexPool, Texas CLASS, and Lone Star are the same as the value of the Shares. The external pooled funds use amortized cost rather than fair value in their computation of share price; such funds have daily liquidity.

Credit Risk Related to Investments

Credit risk is the risk that another party to a deposit or investment transaction will not fulfill its obligations. This is not to be confused with market risk, which is the risk that the fair value of an investment, collateral protecting a deposit, or securities underlying a repurchase agreement, will decline. Market risk is not depicted in this note.

In compliance with GASB 40, local policy also addresses credit risk by monitoring investment diversification through specific identification disclosure and weighted average maturity disclosure.

The District's investment policy permits investment pools authorized by government codes 2256.016 – 2256.019 which requires investment pools to be continuously rated no lower than AAA or AAAm or at an equivalent rating by at least one nationally recognized rating service. As of August 31, 2025, the District's TexPool, Texas CLASS, and Lone Star Public Funds Investment Pools were all rated AAAm.

NOTE 4 – DEPOSITS (CASH) AND INVESTMENTS (continued)

B. Investments (continued)

Credit Risk Related to Investments (continued)

The District's investment in federal agency coupon securities and treasury coupon securities that conform as follows: obligations of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks.

In accordance with GASB Statement No. 79, *Certain External Investment Pools and Pool Participants*, the Local Government Investment Pools do not have any limitations and restrictions on withdrawals such as notice periods or maximum transaction amount. These pools do not impose any liquidity fees or redemption gates. The District's municipal bonds are reported at fair value using Level 2 inputs, which are based on quoted prices for similar assets or liabilities in active markets, quoted prices for identical or similar assets in markets that are not active, and inputs other than quoted prices, e.g. interest rates and yield curves. The District's money market, federal agency coupon securities, and treasury coupon securities are reported at fair value using Level 1 inputs, which are based on observable, quoted prices for identical assets or liabilities in active markets. There has been no change in valuation technique for the current year.

Interest Rate Risk

As a means of minimizing risk of loss due to interest rate fluctuations, the District's Investment Policy requires that investment maturities in the pooled fund groups for General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Fund will not exceed the lesser of a pooled fund group's dollar weighted average maturity of 365 days or the anticipated cash flow requirements of that fund. The District's Investment Policy also limits that no individual investment security shall have a maturity greater than three years from the date of purchase.

As of August 31, 2025, the District's investments included TexPool, Texas CLASS, and Lone Star Public Funds Investment Pools. Interest rate risk is the risk that changes in the market interest rates will adversely affect the fair value of an investment. In accordance with its investment policy, the District manages its exposure to declines in fair values by limiting the maximum maturity length of investments to three years. Investment pool investments can be withdrawn at any time without restriction.

Investment Pool policies require that local government deposits be used to purchase investments authorized by the Public Funds Investment Act of 1987, as amended. Oversight responsibility for TexPool is provided by The Texas State Comptroller of Public Accounts, for Texas CLASS by an advisory board and member elected Board of Trustees, and for Lone Star by The Texas Association of School Boards.

Custodial Credit Risk

The District's agent holds the securities in the General Fund, Debt Service Fund, Capital Projects Fund, and Special Revenue Fund 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 the 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 or a bank trust department hold all securities owned by, or pledged as collateral to the District.

NOTE 5 – PROPERTY TAXES

The current assessment ratio of the District is 100% of market valuation of all property within the District's boundaries. The local maintenance and debt service tax rates for the 2024-25 school year were $0.7271 and $0.3900 respectively per $100 of assessed valuation. The 2024-25 assessed valuation was $60,888,274,738 and resulted in a final adjusted tax levy of $649,639,960.

Property taxes are levied by October 1 on the assessed value listed the prior January 1 for all real and business personal property located in the District 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 1 of the year following the year in which imposed. On January 31 of each year, a lien attaches to the property to secure the payment of all taxes, penalties, and interest ultimately imposed. Local taxes assessed on valuations made as of January 1 each year are recorded in the District's Financial Statements net of the related allowance for uncollectible taxes. The resulting net taxes receivable is stated at the amount estimated to be collectible based upon the District's collection experience. Uncollectible taxes are periodically reviewed and written off by the District, as provided by specific statutory authority from the State Legislature. Net property taxes receivable at August 31, 2025 consisted of the following:

	General Fund	Debt Service Fund	Total
Property Taxes Receivable-Current Year Levy	$ 4,561,474	$ 2,446,672	$ 7,008,146
Property Taxes Receivable-Prior Years' Levies	6,896,765	2,823,010	9,719,775
Total Property Taxes Receivable	11,458,239	5,269,682	16,727,921
Penalty and Interest on Delinquent Property Taxes	5,806,825	2,327,297	8,134,122
Total Property Taxes and Penalty and Interest	17,265,064	7,596,979	24,862,043
Less Allowance for Uncollectible Taxes	4,981,739	2,166,263	7,148,002
Net Property Taxes Receivable	$ 12,283,325	$ 5,430,716	$ 17,714,041

Appraisal District

The Texas Legislature in 1979 adopted a comprehensive Property Tax Code which established an appraisal district and an appraisal review board in each county in the State of Texas. The District has property in Harris, Fort Bend, and Waller Counties. Beginning January 1, 2008, the District contracted with each county for the appraisal of property for all taxing units in the county's boundaries, including the District. The District paid Harris Central Appraisal District, Fort Bend Central Appraisal District, and Waller County Appraisal District $2,731,323, $2,444,464 and $597,589 respectively in fiscal year 2025 for appraising property.

NOTE 6 – AMOUNTS DUE TO/FROM OTHER FUNDS AND INTERFUND TRANSFERS

Amounts Due To/From Other Funds at August 31, 2025 include the following:

	Interfund Receivables	Interfund Payables
General Fund	$ 23,896,352	$ 16,806,844
Debt Service Fund	886,333	
Capital Projects Fund	1,968,929	2,907,653
Special Revenue Fund		20,988,699
Total - Governmental Funds	26,751,614	40,703,196
Internal Service Funds	13,951,582	
Total - All Funds	$ 40,703,196	$ 40,703,196

The District uses the General Fund cash account for accounts payable and payroll, creating interfund balances. The interfund balances are cleared monthly. Most of the amounts represent short-term borrowings between funds for payroll and operating expense payments made from the General Fund cash accounts.

The District had no transfers between funds in fiscal year ending August 31, 2025.

NOTE 7 – AMOUNTS DUE FROM AND TO OTHER GOVERNMENTS

Receivables Due from Other Governments at August 31, 2025 consisted of the following:

	General Fund	Debt Service Fund	Special Revenue Fund	Total
Due from State Agencies:				
State Grant Expenditure Reimbursement	$ 513,922	$	$ 26,920,293	$ 27,434,215
State Summary of Finances	22,283,187	77,157		22,360,344
Due from Federal Agencies:				
Federal Grant Expenditure Reimbursement	533		9,744	10,277
Due from Local Agencies:				
Local Grant Expenditure Reimbursement			81,530	81,530
Total Due from Other Governments	$ 22,797,642	$ 77,157	$ 27,011,567	$ 49,886,366

Payables Due to Other Governments at August 31, 2025 consisted of the following:

	Debt Service Fund
Due to Federal Agencies:	
Internal Revenue Service	$ 4,242,493

NOTE 8 – OTHER RECEIVABLES

	General Fund	Special Revenue Fund	Internal Service Fund	Enterprise Fund	Total
Other Receivables:					
Lease Receivable	$ 2,397,273	$	$	$	$ 2,397,273
Facility Rentals	511,192				511,192
Other	422,961	1,018,442			1,441,403
Total - Governmental Funds	3,331,426	1,018,442			4,349,868
Pharmacy Rebates			2,972,125		2,972,125
Other			84,452		84,452
Total - Governmental Activities	$ 3,331,426	$ 1,018,442	$ 3,056,577	$	$ 7,406,445
Device Insurance				28,330	28,330
Total - Business-type Activities	$	$	$	$ 28,330	$ 28,330

NOTE 9 – CAPITAL ASSETS

Capital asset activity for the governmental activities of the District for the year ended August 31, 2025 is as follows:

	Balance September 1, 2024 (restated)	Additions	Retirements and Transfers	Balance August 31, 2025
Governmental Activities				
Capital Assets not being Depreciated:				
Land	$ 108,239,798	$ 12,323,225	$	$ 120,563,023
Construction in Progress	57,785,011	198,066,215	(136,395,276)	119,455,950
Total Capital Assets, not being Depreciated	166,024,809	210,389,440	(136,395,276)	240,018,973
Capital Assets being Depreciated/Amortized:				
Buildings and Improvements	3,123,225,302	19,677,569	134,305,443	3,277,208,314
Furniture and Equipment	277,126,175	36,413,803	(17,918,966)	295,621,012
Vehicles	69,058,932	9,610,955	(117,358)	78,552,529
SBITA Assets	25,862,330	6,950,549	(1,847,892)	30,964,987
Library Books and Media	4,998,039	548,126	(1,223,790)	4,322,375
Total Capital Assets, being Depreciated/Amortized at Historical Cost	3,500,270,778	73,201,002	113,197,437	3,686,669,217
Total Capital Assets	3,666,295,587	283,590,442	(23,197,839)	3,926,688,190
Less: Accumulated Depreciation/Amortization:				
Buildings and Improvements	(832,963,816)	(81,804,251)	163,927	(914,604,140)
Furniture and Equipment	(130,761,464)	(30,847,898)	18,873,010	(142,736,352)
Vehicles	(37,644,220)	(4,514,080)	126,842	(42,031,458)
Subscription Based IT Arrangements	(5,060,857)	(5,821,010)	1,610,185	(9,271,682)
Library Books and Media	(3,121,747)	(554,431)	1,209,492	(2,466,686)
Total Accumulated Depreciation/Amortization	(1,009,552,104)	(123,541,670)	21,983,456	(1,111,110,318)
Governmental Activities Capital Assets, Net	$ 2,656,743,483	$ 160,048,772	$ (1,214,383)	$ 2,815,577,872

NOTE 9 – CAPITAL ASSETS (continued)

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

Governmental Activities Depreciation and Amortization Expense:	
Instruction	$ 64,313,919
Instructional Resources and Media Services	3,375,112
Curriculum and Instructional Staff Development	393,550
Instructional Leadership	446,086
School Leadership	3,064,217
Guidance, Counseling, and Evaluation Services	714,403
Social Work Services	28,974
Health Services	419,652
Student Transportation	5,799,976
Food Service	6,229,652
Extracurricular Activities	14,539,028
General Administration	3,274,680
Facilities Maintenance and Operations	17,214,206
Security and Monitoring Services	612,672
Data Processing Services	2,917,487
Community Services	212
Facilities Acquisition and Construction	197,844
Total Depreciation and Amortization Expense Governmental Activities	$ 123,541,670

NOTE 9 – CAPITAL ASSETS (continued)

Construction in progress and remaining commitments under related construction contracts at August 31, 2025 are as follows:

Construction in Progress:

Project	Contract Expenditures	Other Project Costs	Construction in Progress
Elementary #49	$ 300,000	$ 1,730,357	$ 2,030,357
Junior High #19	1,206,000	20,400	1,226,400
Bear Creek Elementary Renovation	12,225,871	250,132	12,476,003
Sundown Elementary Renovation		2,432	2,432
Mayde Creek Elementary Renovation	244,499	2,788	247,287
Hayes Elementary Renovation	408,426	2,900	411,326
McRoberts Elementary Renovation	384,217	22,800	407,017
Katy Junior High Renovation	13,212,254	318,500	13,530,754
Beck Junior High Renovation	1,102,500	62,550	1,165,050
Katy High Music Hall Addition	11,784,178	350,850	12,135,028
Cinco Ranch High Renovation	34,149,718	558,743	34,708,461
Miller Career Center Expansion		11,390	11,390
Shaw Center Expansion	2,685,948	90,353	2,776,301
Merchants Way Building Buildout	6,879,602	71,671	6,951,273
Security Fencing	318,560	107,812	426,372
Life Systems Upgrades	5,479,541	513,651	5,993,192
Chiller Replacements	4,508,064	75,880	4,583,944
HVAC Equipment Replacement	2,800		2,800
Building Controls Upgrades	3,082,139		3,082,139
Re-Roof / Building Envelope	17,195,143	93,281	17,288,424
	$ 115,169,460	$ 4,286,490	$ 119,455,950

NOTE 9 – CAPITAL ASSETS (continued)

Contract and related commitments:

Project	Authorized Contract	Contract Expenditures	Remaining Commitment
Elementary #49	$ 1,500,000	$ 300,000	$ 1,200,000
Junior High #19	3,015,000	1,206,000	1,809,000
Bear Creek Elementary Renovation	19,545,525	12,225,871	7,319,654
Sundown Elementary Renovation	1,449,329		1,449,329
Mayde Creek Elementary Renovation	1,535,703	244,499	1,291,204
Hayes Elementary Renovation	1,361,420	408,426	952,994
McRoberts Elementary Renovation	1,280,725	384,217	896,508
Katy Junior High Renovation	30,788,567	13,212,254	17,576,313
Beck Junior High Renovation	2,205,000	1,102,500	1,102,500
Katy High Music Hall Addition	18,101,261	11,784,178	6,317,083
Cinco Ranch High Renovation	38,279,592	34,149,718	4,129,874
Shaw Center Expansion	4,569,594	2,685,948	1,883,646
Merchants Way Building Buildout	9,700,450	6,879,602	2,820,848
Security Fencing	502,560	318,560	184,000
Life Systems Upgrades	6,835,848	5,479,541	1,356,307
Chiller Replacements	6,808,325	4,508,064	2,300,261
HVAC Equipment Replacement	3,500	2,800	700
Building Controls Upgrades	5,055,900	3,082,139	1,973,761
Re-Roof / Building Envelope	18,877,794	17,195,143	1,682,651
	$ 171,416,093	$ 115,169,460	$ 56,246,633

NOTE 10 – LONG-TERM LIABILITIES

The District's liabilities consist of general obligation bonds, net pension liability, net OPEB liability, compensated absences, and subscriptions payable.

Changes in Long-Term Liabilities

A summary of long-term debt transactions of the District for the year ended August 31, 2025 is as follows:

	Balance at September 1, 2024 (restated)	Additions	Retirements	Balance at August 31, 2025	Due Within One Year
General Obligation Bonds	$ 2,379,055,000	$ 658,590,000	$ 380,520,000	$ 2,657,125,000	$ 142,595,000
Bond Issuance Premiums	218,850,417	31,696,628	62,852,530	187,694,515	
Total Bonds Payable	2,597,905,417	690,286,628	443,372,530	2,844,819,515	142,595,000
Net Pension Liability	373,665,294	41,182,611	78,234,756	336,613,149	
Net OPEB Liability	151,870,412	71,394,908	7,065,267	216,200,053	
Note Payable	1,565,000		1,565,000		
Compensated Absences*	31,863,131	4,148,113		36,011,244	856,058
SBITA Payable	8,118,109	6,950,549	6,218,471	8,850,187	4,049,710
Total	$ 3,164,987,363	$ 813,962,809	$ 536,456,024	$ 3,442,494,148	$ 147,500,768

*Compensated absences beginning balance has been adjusted upon adoption of GASB 101 - Compensated Absences. The change in compensated absences above is a net change for the year.

The District is in compliance with all significant bond and note limitations and restrictions.

General Obligation Bonds

General long-term debt of the District consists of General Obligation Bonds which provide funds to construct, acquire, and equip school buildings, to purchase necessary sites for school buildings, and to purchase school buses. Certain outstanding bonds may be redeemed at their par value prior to their normal maturity dates in accordance with the terms of the related bond orders. The District has never defaulted on any principal or interest payment.

In December 2024, the District executed a 2024 refunding which refunded $232,385,000 of outstanding principal (2026 through 2045 maturities) from the District's Unlimited Tax Refunding Bonds, Series 2014-A, Unlimited Tax Refunding Bonds, Series 2015A, and Unlimited Tax Refunding Bonds Series, 2015B. This refunding resulted in total debt service savings of $27,432,284 and a net present value benefit of $18,036,830. The refunding did not extend the term of the bonds being refunded as the final payment remains February 15, 2045.

In November 2023, voters authorized $806,559,414 of General Obligation Bonds, and in July 2025, the District issued $439,805,000 in Unlimited Tax School Building Bonds, Series 2025 with a related premium of $12,961,218. The bonds have an average coupon interest rate of 5.05% and were issued as the second sale of the $806,559,414 authorization. The proceeds of the tax school building bonds are to be used for the construction, acquisition, and equipment of school buildings, the purchase of necessary sites for school buildings, and the purchase of new school buses.

General long-term debt consists of voted bonds payable. Bonds are payable solely from revenues of the Debt Service Fund which consists primarily of property taxes collected by the District.

NOTE 10 – LONG-TERM LIABILITIES (continued)

Outstanding bonded debt at August 31, 2025 consisted of the following:

Issue	Series Description	Interest Rate	Matures	Debt Outstanding
$ 18,150,000	2014-B Limited Tax Refunding Bonds	3.00-5.00	2027	$ 1,710,000
245,095,000	2016-A Unlimited Tax School Building Bonds	4.00-5.00	2046	203,430,000
23,515,000	2016-B Unlimited Tax Refunding Bonds	3.00-5.00	2038	23,065,000
152,315,000	2016-D Unlimited Tax Refunding Bonds	3.00-5.00	2032	76,295,000
261,640,000	2017 Unlimited Tax School Building Bonds	4.00-5.00	2047	215,655,000
186,225,000	2018 Unlimited Tax School Building Bonds	3.00-5.00	2048	158,050,000
190,695,000	2019 Unlimited Tax School Building Bonds	4.00-5.00	2049	171,140,000
169,169,942	2019-A Unlimited Tax Refunding Bonds, Taxable Series	1.867-4.00	2043	152,505,000
135,490,000	2019-B Unlimited Tax Refunding Bonds	4.00-5.00	2041	99,105,000
141,240,000	2020 Unlimited Tax School Building Bonds	3.00-5.00	2045	122,070,000
79,999,919	2021-A Unlimited Tax Refunding Bonds	0.20-5.00	2036	69,255,000
26,905,000	2021-B Unlimited Tax Refunding Bonds, Taxable Series	1.906-3.00	2036	20,810,000
38,915,000	2021-C Variable Rate Unlimited Tax School Building Bonds	4.50-5.00	2050	31,495,000
134,815,000	2021-D Unlimited Tax School Building Bonds	3.00-5.00	2051	87,475,000
265,890,000	2022 Unlimited Tax School Building Bonds	4.00-5.00	2052	210,795,000
242,960,000	2023 Unlimited Tax School Building Bonds	4.00-5.00	2053	189,425,000
245,915,000	2024 Unlimited Tax School Building Bonds	4.00-5.00	2054	170,075,000
218,785,000	2024 Unlimited Tax Refunding Bonds	4.00-5.00	2045	214,965,000
439,805,000	2025 Unlimited Tax School Building Bonds	4.75-5.25	2055	439,805,000
	Total Bonded Debt			2,657,125,000
	Plus Unamortized Premiums			187,694,515
	Total Bonds Payable			2,844,819,515
	Less Amounts Due Within One Year			(142,595,000)
	Total Bonded Debt Long-Term			$ 2,702,224,515

NOTE 10 – LONG-TERM LIABILITIES (continued)

Annual requirements to amortize all bonded long-term debt outstanding as of August 31, 2025 are as follows:

Fiscal Year Ending	Principal	Interest	Totals
2026	$ 142,595,000	$ 113,403,095	$ 255,998,095
2027	123,825,000	107,792,495	231,617,495
2028	126,720,000	101,652,120	228,372,120
2029	81,045,000	96,741,645	177,786,645
2030	86,160,000	92,951,508	179,111,508
2031	82,990,000	89,060,066	172,050,066
2032	86,690,000	85,279,562	171,969,562
2033	84,925,000	81,586,521	166,511,521
2034	88,535,000	77,937,021	166,472,021
2035	92,165,000	74,258,989	166,423,989
2036	95,980,000	70,393,967	166,373,967
2037	90,445,000	66,425,753	156,870,753
2038	90,715,000	62,456,373	153,171,373
2039	91,035,000	58,441,063	149,476,063
2040	95,130,000	54,342,159	149,472,159
2041	99,315,000	50,141,032	149,456,032
2042	97,980,000	45,961,978	143,941,978
2043	100,015,000	41,769,021	141,784,021
2044	104,250,000	37,482,025	141,732,025
2045	108,650,000	33,082,700	141,732,700
2046	105,640,000	28,752,675	134,392,675
2047	97,030,000	24,318,550	121,348,550
2048	86,135,000	20,256,150	106,391,150
2049	74,745,000	16,668,425	91,413,425
2050	68,325,000	13,470,425	81,795,425
2051	64,540,000	10,302,550	74,842,550
2052	58,375,000	7,617,744	65,992,744
2053	51,880,000	5,116,269	56,996,269
2054	39,835,000	2,941,656	42,776,656
2055	41,455,000	984,556	42,439,556
	2,657,125,000	1,571,588,092	4,228,713,092
Less: Current Portion	142,595,000	113,403,095	255,998,095
Long Term Debt	$ 2,514,530,000	$ 1,458,184,997	$ 3,972,714,997

NOTE 10 – LONG-TERM LIABILITIES (continued)

Defeased Debt

The District defeased certain outstanding School Building and Refunding Bonds in prior years by placing the proceeds of new bonds in an irrevocable trust to provide for all future debt service payments on the old bonds. At August 31, 2025, all funds in the irrevocable trust had been applied to debt service payments resulting in no remaining funds in the trust.

Note Payable Arrangement

Under a series of agreements, the District agreed to provide funding to finance $25,590,000 of tax-exempt bonds issued in September 2002 by the Katy Development Authority (KDA). The Bonds are legally described as The Katy Development Authority Tax Increment Contract Revenue Bonds (Katy ISD Contract), Series 2002. The Bonds were issued pursuant to the terms and conditions of a Bond Resolution approved by the KDA Board. The issuance of the bonds was approved by the Zone Board and the City Council of the City of Katy (City). In June 2012 the KDA refunded the $18,800,000 outstanding Series 2002 Bonds by issuing Series 2012 Refunding Bonds in the amount of $17,360,000. In October 2020 the KDA refunded the $6,050,000 outstanding Series 2012 Bonds by issuing Series 2020 Refunding Bonds in the amount of $6,270,000.

The arrangements under the series of agreements constitute a note payable arrangement for the District in constructing a multi-purpose complex and this arrangement is not altered by the refunding. The District recorded a note payable obligation and a related asset in the approximate amount of the original bonds.

The bond proceeds were used to construct a multi-purpose complex for large District functions. It is also available for rent by outside entities. Although the KDA originally legally owned the multi-purpose center, the agreement provided that the District lease, construct, and control the use of this facility during the life of the bonds issued to construct it. Ownership of the multi-purpose complex has reverted to the District now that the bonds are retired. District collected tax increments from the General Fund which was used to pay the debt during the term through a note payable arrangement between the District and the KDA. No rent paid to the District for use of the multi-purpose complex was pledged as security for the bonds.

Pursuant to an Amended and Restated Interlocal Agreement between the City and the District (the Interlocal Agreement), the District has agreed to pay to the City for deposit to a special account of the Tax Increment Fund established for the Zone (the Tax Increment Fund) certain of its tax collections resulting from its taxation of the increase, if any, in the appraised value of real property located in the Zone since the designated base year of 1997 (the District Tax Increments). The City, the KDA, and the Zone have entered into an agreement (the Tri-Party Agreement) which sets forth, among other things, the agreement of the City on behalf of itself and the Zone, to pay to the KDA the District Tax Increments. The District may use any surplus as specified in the Interlocal Agreement.

NOTE 10 – LONG-TERM LIABILITIES (continued)

Note Payable Arrangement (continued)

The KDA has pledged to the payment of the bonds all of its rights to the District Tax Increments and all of its rights in the project and project site.

All bonds in the note payable were fully paid as of August 31, 2025.

Through the fiscal year ended August 31, 2025, the District has paid $79,502,284 in collected tax increments and state revenues to the KDA. The District has received $36,657,137 in tax collections in excess of bond payment requirements and related expenses. These proceeds have been placed in a special revenue fund to be used within the TIRZ at the discretion of the District.

Other Significant Information

The KDA, a public not-for-profit local government corporation, was authorized to be established by the City of Katy, Texas in 1998, to aid, assist, and act on behalf of the City in the performance of the City's governmental functions and to provide a means of financing certain project costs in connection with Reinvestment Zone Number One, City of Katy, Texas (the Zone). The KDA is governed by a board of directors (the Board), whose voting members are appointed by the City. KDA is the administrator of the Zone. The KDA is considered a discretely presented component unit of the City in accordance with accounting principles generally accepted in the United States of America applicable to state and local governments.

The Zone was created by the City Council of the City, pursuant to the provisions of the Tax Increment Financing Act, Chapter 311, Texas Tax Code (the TIF Act), to facilitate development of the land within the boundaries of the Zone, consisting of land located entirely within the City and Fort Bend County (the County). The majority of the Zone, consisting of 479 acres, is bounded by Interstate 10 on the north, Pin Oak Village and Falcon Point on the south, Katy Fort Bend Road on the east, and Pin Oak Road on the west. An interchange on Interstate provides direct access to the Zone. The remainder of the property in the Zone is located north of Interstate 10 and is owned by the District.

The ordinance of the City establishing the Zone also established a board of directors of the Zone (the Zone Board). The Board of Directors of the Zone consists of nine persons: five appointed by the City, one appointed by the County, one appointed by the District, one appointed by the state senator in whose district the Zone is located, and one appointed by the state representative in whose district the Zone is located.

As required under the TIF Act, the Zone Board adopted, and the City Council of the City approved, a Project Plan and Reinvestment Zone Financing Plan, which has been amended (as amended, the Plan). The Plan sets out the public improvements needed to develop or induce development within the Zone (the Public Improvements). The cost of the Public Improvements, the cost of creation of the Zone, and related organizational costs (the Project Costs) constitute eligible project costs under the TIF Act, which may be financed with proceeds of the bonds.

NOTE 11 – SUBSCRIPTION BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

SBITA Payable

The District has entered into arrangements for the right to use other party's information technology software which have been accounted for in accordance with GASB Statement No. 96. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied in the subscription term which ranges from 5.50% to 8.50%. The content matter of these subscriptions includes education, technology, finance, transportation, and athletics and range from 2 to 8 years in length.

The future principal and interest subscription payments as of August 31, 2025 are as follows:

Fiscal Year Ending August 31,	Principal	Interest	Payment
2026	$ 4,049,710	$ 701,147	$ 4,750,857
2027	1,593,999	371,991	1,965,990
2028	1,718,338	247,651	1,965,989
2029	1,488,140	113,588	1,601,728
Total	$ 8,850,187	$ 1,434,377	$ 10,284,564

NOTE 12 – LEASES

Lease Receivable

The District is leasing property to third parties for cell towers. The leases are for fifteen years and the District will receive monthly payments. The District recognized $206,213 in lease revenue and $4,743 in interest revenue during the current fiscal year related to these leases. As of August 31, 2025, the District's receivable for lease payments is $2,397,273. Also, the District has a deferred inflow of resources associated with these leases that will be recognized as revenue over the lease term. As of August 31, 2025, the balance of the deferred inflow of resources is $2,268,340.

NOTE 13 – UNEARNED REVENUES AND DEFERRED INFLOWS OF RESOURCES

Governmental funds report unavailable revenue in connection with receivables for revenues that are not considered to be available to liquidate liabilities in the current period. Government funds also record unearned revenue in connection with resources that have been received but not yet earned. At the end of the current fiscal year, the various components of deferred inflows of resources and unearned revenue at August 31, 2025 reported in the governmental funds were as follows:

	Unavailable	Unearned
Deferred Inflows of Resources		
Net Property Taxes Receivable (General Fund)	$ 12,283,325	$
Net Property Taxes Receivable (Debt Service Fund)	5,430,716	
Lease Receivable (General Fund)	2,268,340	
Unearned Revenue		
Proceeds-Expenditure Driven State Grants (Special Revenue Fund)		31,433
Revenues and Inventory Received Prior to Meeting all Expenditure Requirements (General Fund)		32,670
Total	$ 19,982,381	$ 64,103

NOTE 14 – FUND EQUITY

Nonspendable, Restricted, Committed and Assigned Fund Balance

A summary of nonspendable, restricted, committed and assigned fund balance at August 31, 2025 is as follows:

Fund Balances:	General	Debt Service	Capital Projects	Special Revenue
Nonspendable:				
Inventory	$ 2,046,593	$	$	$
Prepaid Items	1,895,892			
Total Nonspendable	$ 3,942,485	$	$	$
Restricted for:				
Long-Term Debt	$	$ 63,601,216	$	$
Capital Acquisitions and Contracts			483,379,339	
Food Services				19,713,229
Tax Increment Reinvestment Zone				17,603,820
Other Grant Programs				290,357
Total Restricted	$	$ 63,601,216	$ 483,379,339	$ 37,607,406
Committed to:				
Self Funded Insurance	$ 5,500,000	$	$	$
Unanticipated Expenditures or Revenue Loss	10,000,000			
Campus Activity Funds				9,179,330
Total Committed	$ 15,500,000	$	$	$ 9,179,330
Assigned to:				
Maintain Debt Service Rate	$ 6,080,000	$	$	$
Maintain Salary Schedule Increase	15,000,000			
Property/Liability Insurance Reserve	7,500,000			
Maintain Technology Retrofit Schedule	15,500,000			
Capital/Technology Expenditures/1:1/Inflation	12,000,000			
Address Current/Future Legislative Impacts	10,000,000			
IDEA-B Residential Set-Aside	374,831			
Other Assignments-Encumbrances	718,576			
Total Assigned	$ 67,173,407	$	$	$

NOTE 15 – NET INVESTMENT IN CAPITAL ASSETS

The net investment in capital assets at August 31, 2025, consists of the following:

Governmental activities capital assets, net of accumulated amortization and depreciation	$ 2,815,577,872
Capital related debt:	
Bonds payable (note 10)	(2,844,819,515)
SBITA payable	(8,850,187)
Net deferred gains/loss on refunding	2,070,572
Unspent bond proceeds	529,485,933
Capital related accounts and retainage payable - capital projects fund	(46,106,594)
Net Investment in Capital Assets	$ 447,358,081

NOTE 16 – REVENUES FROM LOCAL AND INTERMEDIATE SOURCES

During the current year, revenues from local and intermediate sources consisted of the following:

	General	Debt Service	Capital Projects	Special Revenue	Total
Property Taxes	$ 414,295,818	$ 222,173,618	$	$	$ 636,469,436
Penalties, Interest, and Other Tax Related Income	2,927,740	1,517,399			4,445,139
Summer School, Tuition and Fees	4,142,619				4,142,619
Investment Income	20,651,295	4,863,012	13,791,646	1,577,101	40,883,054
Food Sales				15,662,118	15,662,118
Facility Rental	4,152,981				4,152,981
Co-curricular Student Activities	2,952,307				2,952,307
Other	4,299,094			22,930,844	27,229,938
Total	$ 453,421,854	$ 228,554,029	$ 13,791,646	$ 40,170,063	$ 735,937,592

NOTE 17 – GENERAL FUND FEDERAL PROGRAM REVENUES

For purposes of regulatory requirements of the Texas Education Agency, a summary of federal program revenues received in the General Fund for the year ended August 31, 2025 follows:

Program or Source	ALN	Amount
Naval Junior Reserve Officers Training Program	n/a	$ 92,730
Federal Flood Control Funds	12.112	128
E-Rate School and Libraries Universal Support	n/a	140,231
Summer School LEP	84.369A	(2,375)
School Health and Related Services (SHARS)	n/a	2,494,324
Medicaid Administrative Claiming (MAC)	93.778	431,740
Indirect Costs		
School Breakfast Program	10.553	648,291
National School Lunch Program	10.555	2,389,280
Summer Food Service Program	10.559	22,288
ESEA Title I, Part A - Improving Basic Programs	84.010A	387,481
IDEA Part B - Formula	84.027A	491,455
IDEA Part B - Discretionary Deaf	84.027A	5,943
IDEA Part B - Preschool	84.173A	5,288
Texas Education for Homeless Children & Youth	84.196A	4,406
Carl D. Perkins Basic Grant	84.048A	25,230
ESEA Title II, Part A - Supporting Effective Instruction	84.367A	59,775
ESEA Title III, Part A - English Lang. Acquisition and Language Enhancement	84.365A	98,781
Title IV, Part A, Subpart 1, Student Support	84.424A	28,922
COVID-19 - Homeless II - ARP	84.425W	18,143
Early Childhood Intervention	84.027	2,111
Early Childhood Intervention	84.181	26,503
Early Childhood Intervention	93.434	469
Early Childhood Intervention	93.558	2,343
IDEA Part C - Deaf	84.181A	80
State and Local Cybersecurity Grant Program	97.137	323
Total		$ 7,373,890

NOTE 18 – DEFINED BENEFIT PENSION PLAN

A. Plan Description

The District participates in a multiple-employer, cost-sharing, defined benefit pension plan that has a special funding situation. The Plan is administered by the Teacher Retirement System of Texas (TRS). It is a defined benefit pension plan 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 workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

B. 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/learning-resources/publications; 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 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. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living adjustment (COLA).

One-Time Stipends
Stipends, regardless of annuity amount, were paid in September 2023 to annuitants who met the qualifying age requirement on or before August 31, 2023:

- A one-time $7,500 stipend to eligible annuitants who are 75 years of age or older.
- A one-time $2,400 stipend to eligible annuitants age 70 to 74.

Cost-of-Living Adjustment
A cost-of-living adjustment (COLA) was dependent on Texas voters approving a constitutional amendment (Proposition 9) to authorize the COLA. Voters approved the amendment in the November 2023 election and the following COLA was applied to eligible annuitants' payments beginning with their January 2024 payment:

- 2% COLA for eligible retirees who retired between September 1, 2013 through August 31, 2020.
- 4% COLA for eligible retirees who retired between September 1, 2001 through August 31, 2013
- 6% COLA for eligible retirees who retired on or before August 31, 2001.

NOTE 18 – DEFINED BENEFIT PENSION PLAN (continued)

Cost-of-Living Adjustment (continued)

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 the manner are determined by the Systems actuary.

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

Contribution Rates	2024	2025
Member (Employee)	8.25%	8.25%
Non-Employer Contributing Entity (State)	8.25%	8.25%
District (Employer)	8.25%	8.25%

TRS Contributions	Fiscal Year 2025
Member (Employee)	$ 66,999,782
Non-Employer Contributing Entity (State)	46,461,934
District (Employer)	32,988,282

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

NOTE 18 – DEFINED BENEFIT PENSION PLAN (continued)

D. Contributions (continued)

In addition to the employer contributions previously listed, there is a surcharge an employer is subject to.

- All public schools, charter schools, and regional educational service centers must contribute 1.9 percent of the member's salary beginning in fiscal year 2024, gradually increasing to 2 percent 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.

E. Actuarial Assumptions

The total pension liability in the August 31, 2023 actuarial valuation was determined using the following actuarial assumptions:

Valuation Date	August 31, 2023 rolled forward to August 31, 2024
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 2024	3.87% *
Last year ending August 31 in Projection Period (100 years)	2123
Inflation	2.30%
Salary Increases including inflation	2.95% to 8.95%
Ad hoc post-employment benefit changes	None

* The source for this 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.

The actuarial methods and assumptions used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023. For a full description of these assumptions please see the actuarial valuation report dated November 21, 2023.

Discount Rate

A single discount rate of 7.00% was used to measure the total pension liability. The single discount rate was based on the expected rate of return on plan investments of 7.00%. The projection of cash 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 2025 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 future benefit payments of current plan members. Therefore, the long-term expected rate of return on pension plan investments was applied to all periods of projected benefit payments to determine the total pension liability.

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

Discount Rate (continued)

The long-term expected rate of return on pension plan investments is 7.00%. The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimate 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. 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, 2024 (see page 56 of the 2024 TRS ACFR) are summarized below:

Asset Class*	Target Allocation **	Long-Term Expected Geometric Real Rate of Return ***	Expected Contribution to Long-Term Portfolio Returns
Global Equity			
U.S.	18.0 %	4.4 %	1.0 %
Non-U.S. Developed	13.0	4.2	0.8
Emerging Markets	9.0	5.2	0.7
Private Equity	14.0	6.7	1.2
Stable Value			
Government Bonds	16.0	1.9	0.4
Absolute Return*	0.0	4.0	0.0
Stable Value Hedge Funds	5.0	3.0	0.2
Real Return			
Real Estate	15.0	6.6	1.2
Energy, Natural Resources & Infrastructure	6.0	5.6	0.4
Commodities	0.0	2.5	0.0
Risk Parity			
Risk Parity	8.0	4.0	0.4
Asset Allocation Leverage			
Cash	2.0	1.0	0.0
Asset Allocation Leverage	(6.0)	1.3	(0.1)
Inflation Expectation			2.4
Volatility Drag ****			0.7
Total	100.0 %		7.9 %

* Absolute Return includes Credit Sensitive Investments.

** Target allocations are based on FY2024 policy model.

** Capital Market Assumptions (CMA) come from 2024 SAA Study CMA Survey (as of 12/31/2023).

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

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

F. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the net pension liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (7.00%) in measuring the net pension liability.

	Discount Rate		
	1% Decrease Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
District's proportionate share of the net pension liability	$ 537,656,493	$ 336,613,149	$ 170,034,447

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

On August 31, 2025, the District reported a liability of $336,613,149 for its proportionate share of the TRS 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 proportionate share of the collective net pension liability	$ 336,613,149
State's proportionate share that is associated with the District	460,556,384
Total	$ 797,169,533

The net pension liability was measured as of August 31, 2023, and rolled forward to August 31, 2024, and the total pension liability 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, 2023 thru August 31, 2024.

On August 31, 2024, the employer's proportion of the collective net pension liability was 0.5511% which was an increase of 0.0071% from its proportion measured as of August 31, 2023.

NOTE 18 – DEFINED BENEFIT PENSIONS PLAN (continued)

H. Changes in Assumptions and Benefits since the Prior Actuarial Valuation

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

The 2023 Texas Legislature passed Senate Bill 10 (SB 10), which provided a stipend payment to certain retirees and variable ad hoc cost-of-living adjustments (COLA) to certain retirees in early fiscal year 2024. Due to its timing, the legislation and payments were not reflected in the August 31, 2023 actuarial valuation. Under the roll forward method, an adjustment was made to reflect the legislation in the rolled forward liabilities for the current measurement year, August 31, 2024. SB 10 and House Joint Resolution 2 (HJR 2) of the 88th Regular Legislative Session appropriated payments of $1.645 billion for one-time stipends and $3.355 billion for COLAs. This appropriation is treated as a supplemental contribution and included in other additions. Since the Legislature appropriated funds for this one-time stipend and COLA, there was no impact on the Net Pension Liability of TRS.

For the year ended August 31, 2025, the District recognized pension expense of $57,325,747 and revenue of $55,044,185 for support provided by the State.

On August 31, 2025, the District reported its proportionate share of the TRS deferred outflows of resources and deferred inflows of resources related to pensions from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experience	$ 18,553,658	$ (2,628,112)
Changes in Actuarial Assumptions	17,380,057	(2,330,072)
Difference between Projected and Actual Investment Earnings on pension plan investments	2,046,153	
Changes in Proportion and Difference between District Contributions and Proportionate Share of Contributions	27,103,416	
District Contributions paid to TRS subsequent to the measurement date of the net pension liability	32,988,282	
Total	$ 98,071,566	$ (4,958,184)

The District recognized $32,988,282 as deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net pension liability in the fiscal year ending August 31, 2026. The other amounts of the employer's balances of deferred outflows and inflows of resources related to pensions will be recognized in pension expense as follows:

Year ending August 31,	Pension Expense Amount	Balance of Deferred Outflows (Inflows)
2026	$ 10,630,656	$ 49,494,444
2027	44,167,340	5,327,104
2028	9,591,694	(4,264,590)
2029	(5,820,544)	1,555,954
2030	1,555,954	
Thereafter		
	$ 60,125,100	

NOTE 19 – 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 benefit Other Post-Employment Benefit (OPEB) plan with 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 TRS-Care's fiduciary net position is available in the separately issued TRS 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/learningresources/publications; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800)223-8778.

C. Benefits Provided

TRS-Care provides health insurance coverage to retirees from public and 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 premium rates for retirees are reflected in the following table.

TRS-Care Plan Monthly Premium Rates

	Medicare	Non-Medicare
Retiree or Surviving Spouse	$ 135	$ 200
Retiree and Spouse	529	689
Retiree or Surviving Spouse and Children	468	408
Retiree and Family	1,020	999

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (Continued)

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 are based on active employee compensation. The TRS Board 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 2024. The following table shows contributions to the TRS-Care plan by type of contributor.

Contribution Rates	2024	2025
Active Employee	0.65%	0.65%
Non-Employer Contributing Entity (State)	1.25%	1.25%
District (Employer)	0.75%	0.75%
Federal/Private Funding remitted by Employers	1.25%	1.25%

TRS Contributions	Fiscal Year 2025
Active Employee	$ 5,278,756
Non-Employer Contributing Entity (State)	15,488,754
District (Employer)	6,637,312

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to *(regardless of whether they participate in the TRS-Care OPEB program).* When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of $535 per retiree.

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

E. Actuarial Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024. The actuarial valuation was determined using the following actuarial assumptions: *Actuarial Assumptions can be found in the 2024 TRS ACFR, Note 9, page 78.*

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. 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, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

Rates of Mortality	Rates of Disability
Rates of Retirement	General Inflation
Rates of Termination	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, 2023, rolled forward to August 31, 2024
Actuarial Cost Method	Individual Entry Age Normal
Inflation	2.30%
Single Discount Rate	3.87% as of August 31, 2024
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 claims costs.
Salary Increases	2.95% to 8.95%, including inflation
Ad hoc post-employment benefit changes	None

NOTE 19 – DEFINED OTHER POST-EMPLOYMENT BENEFIT PLAN (continued)

Discount Rate

A single discount rate of 3.87% was used to measure the total OPEB liability. This was a decrease of 0.26% 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 Bond Buyer's "20-Bond GO Index" as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

F. Discount Rate Sensitivity Analysis

The following schedule shows the impact of the Net OPEB Liability if the discount rate used was 1 percentage point lower than and 1 percentage point higher than the discount rate that was used (3.87%) in measuring the net OPEB liability.

	Discount Rate		
	1% Decrease in Discount Rate (2.87%)	Current Single Discount Rate (3.87%)	1% Increase in Discount Rate (4.87%)
District's proportionate share of the net OPEB liability	$ 256,855,767	$ 216,200,053	$ 183,349,626

G. Healthcare Trend Rate Sensitivity Analysis

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.

	Discount Rate		
	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
District's proportionate share of the net OPEB liability	$ 176,062,846	$ 216,200,053	$ 268,502,836

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

On August 31, 2025, the District reported a liability of $216,200,053 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	$ 216,200,053
State's proportionate share that is associated with the District	270,895,734
Total	$ 487,095,787

The net OPEB liability was measured as of August 31, 2023 and rolled forward to August 31, 2024 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as of that date. The employer's proportion of the net OPEB liability was based on the employer's contributions to OPEB relative to the contributions of all employers to the plan for the period September 1, 2023 thru August 31, 2024.

On August 31, 2024 the employer's proportion of the collective net OPEB liability was 0.7123% which was an increase of 0.0263% from its proportion measured as of August 31, 2023.

NOTE 19 – 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)

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: *These can be found in the 2024 TRS ACFR on page 79.*

- The single discount rate changed from 4.13% as of August 31, 2023 to 3.87% as of August 31, 2024, accompanied by revised demographic and economic assumptions based on the TRS experience study.
- The tables used to model the impact of aging on the underlying claims were revised.

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 August 31, 2025, the District recognized OPEB expense of ($14,588,888) and revenue of ($35,211,446) for support provided by the State.

On August 31, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to OPEB from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Difference between Expected and Actual Economic Experience	$ 41,438,292	$ (107,895,548)
Changes in Actuarial Assumptions	27,671,053	(70,543,576)
Difference between Projected and Actual Investment Earnings on OPEB investments		(605,430)
Changes in Proportion and Difference between District Contributions and Proportionate Share of Contributions	54,000,741	
Contributions pad to TRS subsequent to the measurement date of the net OPEB liability	6,637,312	
Total	$ 129,747,398	$ (179,044,554)

NOTE 19 – 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 recognized $6,637,312 as deferred outflows of resources related to OPEB resulting from District contributions subsequent to the measurement date, which will be recognized as a reduction of the net OPEB liability in the fiscal year ending August 31, 2026. The net amounts of the employer's balances of deferred outflows and inflows of resources related to OPEB will be recognized in OPEB expense as follows:

Year ending August 31,	OPEB Expense Amount	Balance of Deferred Outflows (Deferred Inflows)
2026	$ (20,216,302)	$ (35,718,166)
2027	(10,424,378)	(25,293,788)
2028	(16,445,671)	(8,848,117)
2029	(12,726,034)	3,877,917
2030	(5,215,594)	9,093,511
Thereafter	9,093,511	
	$ (55,934,468)	

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 August 31, 2025, 2024, and 2023, the subsidy payments received by TRS-Care on-behalf of the District were $5,767,788, $4,143,566, and $3,898,594, respectively. The contributions made on behalf of the District have been recorded in the financial statements of the District as both revenue and payroll expenditure.

NOTE 20 – RISK MANAGEMENT

The District is exposed to various risks related to torts: theft of, damage to and destruction of assets, errors and omissions, natural disasters, health and welfare of employees for which the District carries commercial insurance or self-insures.

Property, Casualty, General Liability, Professional Liability, and Unemployment

The District purchases commercial insurance for property loss with limits of $250 million and $50 million for named windstorms. The policy covers up to $50 million per year for flood losses. In addition, the policy covers $5 million for the one property currently in a flood plain. Casualty risks are insured by a risk pool through an Interlocal agreement with Texas Association of School Boards (TASB) Risk Management Fund, with limits of $1 million per occurrence and $3 million aggregate for commercial general liability and a $0.5 million combined single limit automobile policy. Professional liability risks are insured with limits of $3 million in the aggregate. Within these policy limits, the District's exposure is limited to deductibles.

In addition to purchasing insurance for property, casualty, and liability risks, the District is a member of the Texas Association of School Board Risk Management Fund Property/Casualty Joint Account, a public entity risk pool. The District uses the risk pool for its unemployment insurance coverage. The District's participation in the risk pool is limited to payment of premiums for its unemployment coverage. The risk pool is fully funded through annual premiums, and excess loss policies are purchased by the pool as considered necessary.

In the past three years, there has been one claim settled that exceeds insurance which was attributable to Winter Storm Uri. The District had damage to some facilities, but it did not have a substantial negative effect on the operations of the District. The District received $2.5 million in insurance proceeds and $90,000 from the Federal Emergency Management Agency (FEMA).

Health Insurance

Effective January 1, 2004, the District established a partially self-insured program for health insurance coverage. Contributions are paid from all governmental funds to the Health Insurance Internal Service Fund from which all claims and administrative expenses are paid. Claims administration and consulting services are provided to the District through a third-party administrator.

An accrual for incurred but not reported claims in the amount of $8.0 million has been recorded in the fund as of August 31, 2025. Claims payable, including an estimate of claims incurred but not reported, was actuarially determined based on an estimate of the remaining liability of known claims.

The general fund provided a supplement to the health fund in the amount of $29 million in fiscal year 2025.

NOTE 20 – RISK MANAGEMENT (continued)

Health Insurance (continued)

At August 31, 2025, the fund had net position of $9,426,942. Because of past history and the method of calculation, the District considers all claims to be current liabilities. Changes in incurred but not paid claims liability for the fiscal years ended August 31, 2025 and 2024 are as follows:

	Health Insurance	
	2025	**2024**
Beginning Accrual	$ 5,931,700	$ 8,047,000
Current Estimates	81,702,211	70,513,843
Payments for Claims	(79,666,296)	(72,629,143)
Ending Accrual	$ 7,967,615	$ 5,931,700

Workers' Compensation

The District established a limited risk management program for Workers' Compensation in 1992 by setting up the Workers' Compensation Internal Service Fund to account for its insured and self-insured risk of loss.

The Internal Service Fund charges the General Fund and Special Revenue Funds on the basis of payroll incurred by each fund in order to provide for Workers' Compensation claims of District employees. The ending retained earnings balance in the Internal Service Fund has been accumulated by the District's management to reserve for losses which may be incurred under its partially self-insured plan. The Internal Service Fund services all claims for risk of loss to which the District is exposed.

Workers' Compensation liabilities are reported when it is probable that a loss has occurred and the amount of that loss can be reasonably estimated. Liabilities include an amount for claims that have been incurred but were not reported until after August 31, 2025. Because of past history, the District considers all claims to be current liabilities. Because actual claims liabilities depend on such complex factors as inflation, changes in legal requirements and impairment benefits, the process used in computing claims liability results in an estimate. Claims liabilities are re-evaluated periodically to take into consideration recently closed claims, the frequency of claims, and other economic and social factors.

Claims liability activities for 2025 compared to 2024 are as follows:

	Workers' Compensation	
	2025	**2024**
Beginning Accrual	$	$
Current Estimates	1,525,892	991,869
Payments for Claims	(1,417,470)	(991,869)
Ending Accrual	$ 108,422	$ -

At August 31, 2025, the District had $2.5 million in cash available for payment of Workers' Compensation claims. The District has also purchased an excess Workers' Compensation policy for coverage relating to excessive Workers' Compensation claims. The District has a $550,000 Self-Insured Retention (SIR) per any one occurrence. The policy has an obligation to pay all costs required by the Texas Workers' Compensation Act in excess of the District's SIR for each workers' compensation occurrence.

NOTE 21 – 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 1) the amount earned on investments purchased with bond proceeds over 2) 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. Based on arbitrage calculations as of August 31, 2025, the District has recorded a liability of $4.2 million.

NOTE 22 – JOINT VENTURE SHARED SERVICE ARRANGEMENTS

The District is the fiscal agent for a Shared Service Arrangement (SSA) which provides services for deaf students of the District, Bellville ISD, Hempstead ISD, Royal ISD and Sealy ISD. All services are provided by the fiscal agent, and funds are received directly by the fiscal agent from the granting agency. According to guidance provided in TEA's Resource Guide, the District has accounted for the fiscal agent's activities of the SSA in the appropriate Special Revenue Fund Program and has accounted for these funds using Model 2 in the SSA section of the Resource Guide. Expenditures for the year ended August 31, 2025, of the SSA are summarized below:

	Katy ISD	Bellville ISD	Hempstead ISD	Royal ISD	Sealy ISD
IDEA-B Discretionary, Deaf	$ 151,052	$ 5,331	$ 3,554	$ 5,331	$ 7,108
IDEA-C Early Intervention	2,082	74	49	74	98
Regional Day School For the Deaf	568,116	20,051	13,367	20,051	26,735
Local Share, Deaf	857,193	30,254	20,169	30,254	40,339
	$ 1,578,443	$ 55,710	$ 37,139	$ 55,710	$ 74,280

NOTE 23 – LITIGATION 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.

NOTE 24 – RESTATEMENT OF NET POSITION

During fiscal year 2025, the District evaluated its internal records for subscription based information technology arrangements and determined an adjustment was needed to correct prior year figures, thus requiring a restatement to the governmental activities net position of $5.0 million restatement. In addition, the District implemented the provisions of GASB No. 101 *Compensated Absences.* This standard is retroactive and requires that net position also be restated.

The effects to the governmental activities net position is shown below:

	Governmental Activities
Beginning Net Position as originally presented	$ 321,156,243
Adjustment for Implementation of GASB No. 101	6,908,855
Correction of prior year SBITA	4,980,635
Beginning Net Position as restated	$ 333,045,733

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Required Supplementary Information

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL – GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		2025 Budgeted Amounts Original	2025 Budgeted Amounts Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	$ 449,193,062	$ 451,514,136
5800	State Program Revenues	594,587,460	625,929,023
5900	Federal Program Revenues	12,813,739	5,348,605
5020	**Total Revenues**	1,056,594,261	1,082,791,764
	EXPENDITURES		
	Current:		
0011	Instruction	702,035,472	710,856,706
0012	Instructional Resources and Media Services	10,625,288	10,851,373
0013	Curriculum and Instructional Staff Development	15,951,722	15,912,028
0021	Instructional Leadership	10,345,248	9,666,387
0023	School Leadership	60,660,313	61,069,432
0031	Guidance, Counseling, and Evaluation Services	56,626,217	57,588,693
0032	Social Work	1,030,430	1,239,577
0033	Health Services	11,812,710	11,852,553
0034	Student Transportation	28,593,636	29,565,445
0036	Extracurricular Activities	22,485,320	23,891,279
0041	General Administration	19,925,427	20,851,782
0051	Facilities Maintenance and Operations	92,979,899	91,331,594
0052	Security and Monitoring Services	16,465,838	14,048,055
0053	Data Processing Services	19,984,446	19,793,210
0061	Community Services	660,130	663,645
0071	Debt Service	2,842,005	2,644,204
0081	Facilities Acquisition and Construction	961,081	908,774
0093	Payments to Fiscal Agents SSA	1,150,176	1,150,176
0095	Payments to JJAEP	75,000	64,800
0097	Payments to Tax Increment Reinvestment Zone	100,000	
0099	Other Intergovernmental Charges	6,500,000	6,000,000
6030	**Total Expenditures**	1,081,810,358	1,089,949,713
1100	Excess (Deficiency) of Revenues Over Expenditures	(25,216,097)	(7,157,949)
	OTHER FINANCING SOURCES/(USES)		
7912	Sales of Real and Personal Property		21,067
7915	Transfers In	1,500,000	
7949	SBITAs Issued		
8911	Transfers Out	(3,000,000)	
7080	**Total Other Financing Sources/(Uses)**	(1,500,000)	21,067
	EXTRAORDINARY ITEMS		
7919	Insurance Recovery		
1200	Net Change in Fund Balances	(26,716,097)	(7,136,882)
0100	Fund Balances - Beginning	364,298,567	364,298,567
3000	**Fund Balances - Ending**	$ 337,582,470	$ 357,161,685

See accompanying notes to the Required Supplementary Information

		2024
Actual	Variance with Final Budget Positive (Negative)	Actual
$ 453,421,854	$ 1,907,718	$ 425,820,387
627,673,450	1,744,427	595,820,541
7,373,890	2,025,285	11,462,688
1,088,469,194	5,677,430	1,033,103,616
707,105,920	3,750,786	667,726,691
10,669,449	181,924	10,489,784
15,550,486	361,542	14,191,290
9,248,016	418,371	10,276,247
60,805,127	264,305	57,297,356
57,143,599	445,094	45,115,886
1,232,418	7,159	1,070,237
11,754,442	98,111	11,064,745
28,886,575	678,870	28,469,063
22,800,364	1,090,915	21,867,260
20,372,937	478,845	20,603,171
89,910,283	1,421,311	85,418,119
14,046,874	1,181	15,625,388
19,495,376	297,834	19,315,817
643,081	20,564	599,046
2,378,684	265,520	2,646,774
908,257	517	1,075,283
857,194	292,982	1,031,611
14,184	50,616	16,605
		6,810,990
5,773,376	226,624	6,020,350
1,079,596,642	10,353,071	1,026,731,713
8,872,552	16,030,501	6,371,903
21,067		54,193
1,841,688	1,841,688	2,589,034
1,862,755	1,841,688	2,643,227
		2,500,000
10,735,307	17,872,189	11,515,130
364,298,567		352,783,437
$ 375,033,874	$ 17,872,189	$ 364,298,567

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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 Fund, the Child Nutrition Fund, and the Debt Service Fund for the fiscal year beginning September 1. The Texas Education Code requires the budget to be prepared no later than August 20th and adopted by August 31st of each year. The Budgets are prepared on a basis of accounting that is used for reporting in accordance with Generally Accepted Accounting Principles.

The District annually adopts legally authorized appropriated budgets for the General Fund, Debt Service Fund, and Child Nutrition Program.

The District's administration performs budget reviews during the year by which budget requirements are re-evaluated and revisions 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.

The following procedures were followed in establishing the budgetary data reflected in the Fund Financial Statements:

1. Prior to August 20th, the District prepares a budget for the next succeeding fiscal year beginning September 1. The operating budget includes proposed expenditures and the means of financing them.

2. A meeting of the Board is then called for the purpose of adopting the proposed budget. At least ten days public notice of the meeting must be given.

3. Prior to September 1st, the budget is legally adopted by the Board. Once a budget is approved, it can only be amended at the function and fund level by approval of a majority of the members of the Board. Amendments are presented to the Board at its regular meetings. Each amendment must have Board approval. As required by law, such amendments are made before the fact, are reflected in the official minutes of the Board, and are not made after fiscal year end. Because the District has a policy of careful budgetary control, several amendments were necessary during the year.

4. Each budget is controlled by the budget coordinator at the revenue and expenditure function/object level. Budgeted amounts are amended by the Board. All budget appropriations lapse at year end.

During the fiscal year ended August 31, 2025, the District did not have any expenditures over appropriations on all required legally adopted budgets.

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM
FOR THE LAST TEN MEASUREMENT YEARS ENDED AUGUST 31

	2015	2016	2017	2018
District's Proportion of the Net Pension Liability	0.40%	0.39%	0.40%	0.43%
District's Proportionate Share of Net Pension Liability	$ 141,271,770	$ 148,128,053	$ 129,492,973	$ 236,900,889
State's Proportionate Share of the Net Pension Liability associated with the District	267,896,675	287,808,897	243,448,882	415,190,842
Total	$ 409,168,445	$ 435,936,950	$ 372,941,855	$ 652,091,731
District's Covered Payroll	$ 426,358,194	$ 452,806,263	$ 475,674,264	$ 504,268,992
District's Proportionate Share of the Net Pension Liability as a Percentage of its Covered Payroll	33.13%	32.71%	27.22%	46.98%
Plan Fiduciary Net Position as a Percentage of the Total Pension Liability *	78.43%	78.00%	82.17%	73.74%
Plan's Net Pension Liability as a Percentage of Covered Payroll *	91.94%	92.75%	75.93%	126.11%

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

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

Exhibit F-2

2019	2020	2021	2022	2023	2024
0.43%	0.45%	0.47%	0.50%	0.54%	0.55%
$ 223,796,599	$ 239,987,931	$ 120,591,481	$ 299,161,093	$ 373,665,294	$ 336,613,149
390,749,576	415,119,555	200,816,644	446,251,336	505,948,034	460,556,384
$ 614,546,175	$ 655,107,486	$ 321,408,125	$ 745,412,429	$ 879,613,328	$ 797,169,533
$ 526,358,404	$ 579,192,169	$ 612,268,883	$ 653,949,543	$ 714,359,953	$ 769,002,486
42.52%	41.43%	19.70%	45.75%	52.31%	43.77%
75.24%	75.54%	88.79%	75.62%	73.15%	77.51%
114.93%	110.36%	51.08%	112.72%	122.32%	102.39%

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM
FOR THE LAST TEN FISCAL YEARS ENDED AUGUST 31

	2016	2017	2018	2019
Contractually Required Contribution	$ 12,454,547	$ 13,273,105	$ 14,500,023	$ 15,056,236
Contribution in Relation to the Contractually Required Contribution	12,454,547	13,273,105	14,500,023	15,056,236
Contribution Deficiency (Excess)	$	$	$	$
District's Covered Payroll	$ 452,806,263	$ 475,674,264	$ 504,268,992	$ 526,358,404
Contributions as a Percentage of Covered Payroll	2.75%	2.79%	2.88%	2.86%

2020	2021	2022	2023	2024	2025
$ 18,473,081	$ 20,198,052	$ 23,500,830	$ 27,967,623	$ 31,054,212	$ 32,988,282
18,473,081	20,198,052	23,500,830	27,967,623	31,054,212	32,988,282
$	$	$	$	$	$
$ 579,192,169	$ 612,268,883	$ 653,949,543	$ 714,359,953	$ 769,002,486	$ 812,527,485
3.19%	3.30%	3.59%	3.92%	4.04%	4.06%

Effective September 1, 2014, employers who did not contribute Social Security for TRS-eligible employees were required to contribute an additional 1.5% of TRS-eligible compensation which nearly doubled the District's contributions into the Plan. Because the District's proportional share of the plan is determined by its proportional share of contributions, the District recognized a corresponding increase in its share of net pension liability.

Changes in Assumptions

2024: No change.

2023: No change.

2022: The discount rate changed from 7.25% to 7.00%.

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

2020: The state and employer contribution rate changed from 6.8% to 7.5%. The 1.5% public education employer contribution applied to 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.

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.

Changes in Benefit Terms

There were no changes of benefit terms that affected measurement of the total pension liability during the measurement period.

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KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE
OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM - CARE
FOR THE LAST EIGHT MEASUREMENT YEARS ENDED AUGUST 31

	2017	2018	2019	2020
District's Proportion of the Net OPEB Liability	0.54%	0.59%	0.59%	0.61%
District's Proportionate Share of Net OPEB Liability	$ 235,241,949	$ 292,809,737	$ 281,189,550	$ 232,773,193
State's Proportionate Share of the Net OPEB Liability associated with the District	380,851,640	439,287,541	373,638,019	312,791,374
Total	$ 616,093,589	$ 732,097,278	$ 654,827,569	$ 545,564,567
District's Covered Payroll	$ 475,674,264	$ 504,268,992	$ 526,358,404	$ 579,192,169
District's Proportionate Share of the Net OPEB Liability as a Percentage of its Covered Payroll	49.45%	58.07%	53.42%	40.19%
Plan Fiduciary Net Position as a Percentage of the Total OPEB Liability *	0.91%	1.57%	2.66%	4.99%
Plan's Net OPEB Liability as a Percentage of Covered Payroll *	132.55%	146.64%	135.21%	101.46%

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

Ten years of data should be presented in this schedule, however data is unavailable prior to 2017. Net OPEB liability and related ratios will be presented prospectively as data becomes available.

* Per Teacher Retirement System of Texas' annual comprehensive financial report.

2021	2022	2023	2024
0.63%	0.66%	0.69%	0.71%
$ 244,188,502	$ 159,091,392	$ 151,870,412	$ 216,200,053
327,158,173	194,066,503	183,254,996	270,895,734
$ 571,346,675	$ 353,157,895	$ 335,125,408	$ 487,095,787
$ 612,268,883	$ 653,949,543	$ 714,359,953	$ 769,002,486
39.88%	24.33%	21.26%	28.11%
6.18%	11.52%	14.94%	13.70%
100.13%	59.10%	51.86%	67.98%

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM - CARE
FOR THE LAST TEN FISCAL YEARS ENDED AUGUST 31

	2016	2017	2018	2019
Contractually Required Contribution	$ 2,648,206	$ 2,812,442	$ 4,046,597	$ 4,217,204
Contribution in Relation to the Contractually Required Contribution	2,648,206	2,812,442	4,046,597	4,217,204
Contribution Deficiency (Excess)	$	$	$	$
District's Covered Payroll	$ 452,806,263	$ 475,674,264	$ 504,268,992	$ 526,358,404
Contributions as a Percentage of Covered Payroll	0.58%	0.59%	0.80%	0.80%

Exhibit F-5

2020	2021	2022	2023	2024	2025
$ 4,650,683	$ 4,942,639	$ 5,456,033	$ 5,952,172	$ 6,470,334	$ 6,637,312
4,650,683	4,942,639	5,456,033	5,952,172	6,470,334	6,637,312
$	$	$	$	$	$
$ 579,192,169	$ 612,268,883	$ 653,949,543	$ 714,359,953	$ 769,002,486	$ 812,527,485
0.80%	0.81%	0.83%	0.83%	0.84%	0.82%

Changes in Assumptions

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

2023: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, lowered the participation rates, and updated the healthcare trend rate assumption.

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 assumptions.

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

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.

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.

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.

Changes in Benefit Terms

Effective January 1, 2018, only one health plan option will exist (instead of three), and all retirees will be required to contribute monthly premiums for coverage. The health plan changes triggered changes to several of the assumptions, including participation rates, retirement rates, and spousal participation rates. This change in plan benefits significantly lowered the OPEB liability and had an immediate effect on the OPEB expenses recognized by participating entities.

The 85th Legislature, Regular Session, passed the following statutory changes in House Bill 3976 which became effective on September 1, 2017:

- Created a high-deductible health plan that provides a zero cost for generic prescriptions for certain preventive drugs and provides a zero premium for disability retirees who retired as a disability retiree on or before January 1, 2017 and are not eligible to enroll in Medicare.
- Created a single Medicare Advantage plan and Medicare prescription drug plan for all Medicare eligible participants.
- Allowed the System to provide other, appropriate health benefit plans to address the needs of enrollees eligible for Medicare.
- Allowed eligible retirees and their eligible dependents to enroll in TRS-Care when the retiree reaches 65 years of age, rather than waiting for the next enrollment period.
- Eliminated free coverage under TRS-Care, except for certain disability retirees enrolled during Plan Years 2018 through 2021, requiring members to contribute $200 per month toward their health insurance premiums.

Other Supplementary Information

COMPARATIVE STATEMENTS, COMBINING SCHEDULES AND BUDGET COMPARISONS

GENERAL FUND

The General Fund is used to account for all financial transactions not properly included in other funds. The principal sources of revenues include local property taxes, state reimbursement for professional salaries and other operating expenditures, and earnings on investments. Expenditures include all costs associated with the daily operations of the schools.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET — Exhibit G-1
GENERAL FUND
AUGUST 31, 2025 and 2024

Data Control Codes		August 31, 2025	August 31, 2024
	ASSETS		
1110	Pooled Cash and Cash Equivalents	$ 379,580,072	$ 355,561,622
1120	Current Investments	10,602,857	14,798,752
	Receivables:		
1225	Property Taxes Receivable (net)	12,283,325	11,843,254
1240	Due from Other Governments	22,797,642	12,932,465
1250	Accrued Interest	9,870	17,310
1260	Due from Other Funds	23,896,352	64,856,388
1290	Other Receivables	3,331,426	3,487,454
1300	Inventories, at Cost	2,046,593	1,860,157
1410	Prepaid Items	1,895,892	1,534,587
1910	Long-Term Investments	24,256,255	18,581,574
1000	**Total Assets**	$ 480,700,284	$ 485,473,563
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	$ 14,523,447	$ 20,900,213
2120	Short-term Debt Payable	49	
2150	Payroll Withholding Payable	9,635,624	8,805,614
2160	Accrued Wages Payable	49,575,917	47,099,849
2170	Due to Other Funds	16,806,844	22,445,636
2180	Due to Other Governments		6,872,159
2200	Accrued Expenditures	540,194	704,039
2300	Unearned Revenue	32,670	29,680
2000	**Total Liabilities**	91,114,745	106,857,190
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	12,283,325	11,843,254
2600	Unavailable Revenue - Leases	2,268,340	2,474,552
2600	**Total Deferred Inflows or Resources**	14,551,665	14,317,806
	FUND BALANCE		
	Fund Balances:		
3410/30	Nonspendable	3,942,485	3,394,744
3540	Committed	15,500,000	15,500,000
3580	Assigned	67,173,407	71,692,397
3600	Unassigned	288,417,982	273,711,426
3000	**Total Fund Balance**	375,033,874	364,298,567
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 480,700,284	$ 485,473,563

KATY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF REVENUES – BUDGET AND ACTUAL — Exhibit G-2

GENERAL FUND

FOR THE YEAR ENDED AUGUST 31, 2025

with comparative actual balances for the year ended August 31, 2024

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Local Sources				
Real and Personal Property Taxes	$ 416,560,778	$ 417,223,558	$ 662,780	$ 387,572,857
Taxes Collected on Tax Increment Zone				3,040,856
Tuition and Fees from Patrons	4,034,034	4,142,619	108,585	3,622,372
Investment Income	20,821,983	20,651,295	(170,688)	21,738,117
Rental Income	3,379,760	4,152,981	773,221	3,206,938
Athletics	2,847,445	2,952,307	104,862	2,802,908
Other	3,870,136	4,299,094	428,958	3,836,339
Revenues - Local Sources	451,514,136	453,421,854	1,907,718	425,820,387
State Sources				
Per Capita and Foundation	565,601,800	565,695,456	93,656	538,741,581
TRS On-Behalf Benefit	60,316,508	61,950,687	1,634,179	57,046,034
Other State Revenue	10,715	27,307	16,592	32,926
Revenues - State Sources	625,929,023	627,673,450	1,744,427	595,820,541
Federal Sources				
Indirect Costs - Federal Grants	2,865,781	4,217,112	1,351,331	6,468,405
Federal Grants	155,959	662,454	506,495	607,645
SHARS	2,326,865	2,494,324	167,459	4,386,638
Revenues - Federal Sources	5,348,605	7,373,890	2,025,285	11,462,688
Total Revenues	$ 1,082,791,764	$ 1,088,469,194	$ 5,677,430	$ 1,033,103,616

KATY INDEPENDENT SCHOOL DISTRICT

SCHEDULE OF EXPENDITURES – BUDGET AND ACTUAL
GENERAL FUND
FOR THE YEAR ENDED AUGUST 31, 2025
with comparative actual balances for the year ended August 31, 2024

	2025			2024
Function	**Budget**	**Actual**	**Variance Positive (Negative)**	**Actual**
Instruction and Instruction-Related Services				
Instruction				
6100 Payroll Costs	$ 684,204,223	$ 682,276,137	$ 1,928,086	$ 638,825,823
6200 Purchased and Contracted Services	8,984,760	8,620,544	364,216	5,704,547
6300 Supplies and Materials	16,168,422	14,799,015	1,369,407	17,923,482
6400 Other Operating Expenditures	1,312,779	1,248,050	64,729	789,248
6600 Capital Outlay	186,522	162,174	24,348	4,483,591
Total Instruction	710,856,706	707,105,920	3,750,786	667,726,691
Instructional Resources and Media Services				
6100 Payroll Costs	10,057,868	9,900,579	157,289	9,513,425
6200 Purchased and Contracted Services	765	225	540	3,300
6300 Supplies and Materials	783,704	761,217	22,487	964,941
6400 Other Operating Expenditures	9,036	7,428	1,608	8,118
Total Instructional Resources/Media Svc.	10,851,373	10,669,449	181,924	10,489,784
Curriculum and Instructional Staff Development				
6100 Payroll Costs	13,866,965	13,830,023	36,942	12,366,619
6200 Purchased and Contracted Services	365,233	316,773	48,460	328,489
6300 Supplies and Materials	587,923	440,373	147,550	390,302
6400 Other Operating Expenditures	1,091,907	963,317	128,590	1,105,880
Total Curriculum/Instr. Staff Development	15,912,028	15,550,486	361,542	14,191,290
Total Instruction and Instruction-Related Services	737,620,107	733,325,855	4,294,252	692,407,765
Instruction and School Leadership				
Instructional Leadership				
6100 Payroll Costs	8,736,139	8,835,274	(99,135)	9,607,806
6200 Purchased and Contracted Services	410,948	97,440	313,508	339,191
6300 Supplies and Materials	360,838	187,871	172,967	117,392
6400 Other Operating Expenditures	158,462	127,431	31,031	211,858
Total Instructional Leadership	9,666,387	9,248,016	418,371	10,276,247
School Leadership				
6100 Payroll Costs	59,134,238	59,054,684	79,554	55,917,159
6200 Purchased and Contracted Services	21,820	17,590	4,230	12,066
6300 Supplies and Materials	888,156	822,501	65,655	539,056
6400 Other Operating Expenditures	1,007,881	893,015	114,866	822,076
6600 Capital Outlay	17,337	17,337		6,999
Total School Leadership	61,069,432	60,805,127	264,305	57,297,356
Total Instruction and School Leadership	70,735,819	70,053,143	682,676	67,573,603

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Support Services - Student				
Guidance, Counseling and Evaluation Services				
6100 Payroll Costs	$ 54,556,475	$ 54,438,107	$ 118,368	$ 42,645,830
6200 Purchased and Contracted Services	717,667	590,583	127,084	666,376
6300 Supplies and Materials	2,062,641	1,911,477	151,164	1,534,408
6400 Other Operating Expenditures	251,910	203,432	48,478	269,272
Total Guidance, Counsel. and Eval. Services	57,588,693	57,143,599	445,094	45,115,886
Social Work Services				
6100 Payroll Costs	1,215,269	1,215,292	(23)	1,045,722
6200 Purchased and Contracted Services	4,320		4,320	7,007
6300 Supplies and Materials	7,931	9,402	(1,471)	7,439
6400 Other Operating Expenditures	12,057	7,724	4,333	10,069
Total Social Work Services	1,239,577	1,232,418	7,159	1,070,237
Health Services				
6100 Payroll Costs	11,160,990	11,163,328	(2,338)	10,317,814
6200 Purchased and Contracted Services	409,585	348,975	60,610	364,444
6300 Supplies and Materials	260,083	227,682	32,401	365,520
6400 Other Operating Expenditures	21,895	14,457	7,438	16,967
Total Health Services	11,852,553	11,754,442	98,111	11,064,745
Student Transportation				
6100 Payroll Costs	19,953,476	19,728,731	224,745	19,140,625
6200 Purchased and Contracted Services	5,351,512	5,205,682	145,830	5,177,178
6300 Supplies and Materials	3,622,612	3,173,759	448,853	3,212,360
6400 Other Operating Expenditures	612,845	754,065	(141,220)	571,986
6600 Capital Outlay	25,000	24,338	662	366,914
Total Student Transportation	29,565,445	28,886,575	678,870	28,469,063
Extracurricular Activities				
6100 Payroll Costs	14,717,944	14,258,896	459,048	13,448,775
6200 Purchased and Contracted Services	1,829,801	1,785,322	44,479	1,580,506
6300 Supplies and Materials	3,682,427	3,350,645	331,782	3,241,040
6400 Other Operating Expenditures	3,489,194	3,233,767	255,427	3,169,342
6600 Capital Outlay	171,913	171,734	179	427,597
Total Extracurricular Activities	23,891,279	22,800,364	1,090,915	21,867,260
Total Support Services - Student	124,137,547	121,817,398	2,320,149	107,587,191
Administrative Support Services				
General Administration				
6100 Payroll Costs	17,422,202	17,456,638	(34,436)	15,153,894
6200 Purchased and Contracted Services	1,148,574	867,335	281,239	1,295,558
6300 Supplies and Materials	376,977	320,664	56,313	429,644
6400 Other Operating Expenditures	1,883,283	1,728,300	154,983	2,228,728
6600 Capital Outlay	20,746		20,746	1,495,347
Total Administrative Support Services	20,851,782	20,372,937	478,845	20,603,171

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Support Services - Nonstudent Based				
Facilities Maintenance and Operations				
6100 Payroll Costs	$ 45,217,391	$ 44,526,660	$ 690,731	$ 41,172,636
6200 Purchased and Contracted Services	28,218,703	26,441,849	1,776,854	27,292,712
6300 Supplies and Materials	7,877,855	7,677,231	200,624	6,250,970
6400 Other Operating Expenditures	8,943,634	8,264,843	678,791	9,047,074
6600 Capital Outlay	1,074,011	2,999,700	(1,925,689)	1,654,727
Total Facilities Maintenance and Operations	91,331,594	89,910,283	1,421,311	85,418,119
Security and Monitoring Services				
6100 Payroll Costs	13,242,484	13,284,844	(42,360)	14,056,805
6200 Purchased and Contracted Services	372,454	366,671	5,783	290,501
6300 Supplies and Materials	409,001	370,432	38,569	673,841
6400 Other Operating Expenditures	24,116	24,927	(811)	55,901
6600 Capital Outlay				548,340
Total Security and Monitoring Services	14,048,055	14,046,874	1,181	15,625,388
Data Processing Services				
6100 Payroll Costs	13,276,010	13,257,161	18,849	12,445,133
6200 Purchased and Contracted Services	658,675	615,517	43,158	524,009
6300 Supplies and Materials	5,637,876	5,414,635	223,241	5,447,701
6400 Other Operating Expenditures	168,991	158,073	10,918	107,075
6600 Capital Outlay	51,658	49,990	1,668	791,899
Total Data Processing Services	19,793,210	19,495,376	297,834	19,315,817
Total Support Services - Nonstudent Based	125,172,859	123,452,533	1,720,326	120,359,324
Ancillary Services				
Community Services				
6100 Payroll Costs	626,078	612,299	13,779	550,189
6200 Purchased and Contracted Services	14,500	13,881	619	26,662
6300 Supplies and Materials	17,835	13,612	4,223	17,067
6400 Other Operating Expenditures	5,232	3,289	1,943	5,128
Total Ancillary Services	663,645	643,081	20,564	599,046

	2025			2024
	Budget	Actual	Variance Positive (Negative)	Actual
Debt Service				
Debt Service				
6500 Debt Service	$ 2,644,204	$ 2,378,684	$ 265,520	$ 2,646,774
Total Debt Service	2,644,204	2,378,684	265,520	2,646,774
Capital Outlay				
Facilities Acquisition and Construction				
6100 Payroll Costs	899,424	900,583	(1,159)	866,010
6400 Other Operating Expenditures	9,350	7,674	1,676	9,414
6600 Capital Outlay				199,859
Total Capital Outlay	908,774	908,257	517	1,075,283
Intergovernmental Charges				
Payments to Fiscal Agents				
6400 Other Operating Expenditures	1,150,176	857,194	292,982	1,031,611
Payments to JJAEP				
6200 Purchased and Contracted Services	64,800	14,184	50,616	16,605
Payments to Tax Increment Reinvestment Zone				
6400 Other Operating Expenditures				6,810,990
Other Intergovernmental Charges				
6200 Purchased and Contracted Services	6,000,000	5,773,376	226,624	6,020,350
Total Intergovernmental Charges	7,214,976	6,644,754	570,222	13,879,556
6030 Total Expenditures	$ 1,089,949,713	$ 1,079,596,642	$ 10,353,071	$ 1,026,731,713

DEBT SERVICE FUND

The Debt Service Fund is used to account for revenues from debt service taxes and earnings on investments which are used for payment of interest and principal on the District's bonded indebtedness.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET Exhibit H-1
DEBT SERVICE FUND
AUGUST 31, 2025 and 2024

Data Control Codes		August 31, 2025	August 31, 2024
	ASSETS		
1110	Pooled Cash and Cash Equivalents	$ 66,880,219	$ 59,197,351
	Receivables:		
1225	Property Taxes Receivable (net)	5,430,716	5,049,269
1240	Due from Other Governments	77,157	7,936
1260	Due from Other Funds	886,333	8,338,688
1000	**Total Assets**	$ 73,274,425	$ 72,593,244
	LIABILITIES		
	Current Liabilities:		
2180	Due to Other Governments	$ 4,242,493	$ 3,028,597
2000	**Total Liabilities**	4,242,493	3,028,597
	DEFERRED INFLOWS OF RESOURCES		
2600	Unavailable Revenue - Property Taxes	5,430,716	5,049,269
	FUND BALANCE		
	Restricted For:		
3480	Retirement of Long-term Debt	63,601,216	64,515,378
3000	**Total Fund Balance**	63,601,216	64,515,378
4000	**Total Liabilities, Deferred Inflows, and Fund Balances**	$ 73,274,425	$ 72,593,244

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN
FUND BALANCE – ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL
DEBT SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2025
with comparative actual balances for the year ended August 31, 2024

Data Control Codes		2025 Budgeted Amounts Original	2025 Budgeted Amounts Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	$ 227,936,561	$ 228,294,814
5800	State Program Revenues	16,145,137	16,642,385
5020	**Total Revenues**	244,081,698	244,937,199
	EXPENDITURES		
	Debt Service:		
0071	Principal on Long-Term Debt	144,105,000	148,135,000
0072	Interest on Long-Term Debt	99,498,975	97,092,512
0073	Bond Issuance Costs and Fees	246,025	2,948,758
6030	**Total Expenditures**	243,850,000	248,176,270
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	231,698	(3,239,071)
	OTHER FINANCING SOURCES/(USES)		
7901	Refunding Bonds Issued		218,785,000
7916	Premium on Issuance of Bonds		18,735,410
8940	Payment to Bond Refunding Escrow Agent		(235,918,856)
7080	**Total Other Financing Sources/(Uses)**		1,601,554
1200	Net Change in Fund Balance	231,698	(1,637,517)
0100	Fund Balances - Beginning	64,515,378	64,515,378
3000	**Fund Balances - Ending**	$ 64,747,076	$ 62,877,861

		2024
Actual	Variance with Final Budget Positive (Negative)	Actual
$ 228,554,029	$ 259,215	$ 214,468,678
17,003,250	360,865	22,762,550
245,557,279	620,080	237,231,228
148,135,000		133,741,460
97,092,511	1	100,596,915
2,845,484	103,274	3,237,071
248,072,995	103,275	237,575,446
(2,515,716)	723,355	(344,218)
218,785,000		31,495,000
18,735,410		619,192
(235,918,856)		(31,915,000)
1,601,554		199,192
(914,162)	723,355	(145,026)
64,515,378		64,660,404
$ 63,601,216	$ 723,355	$ 64,515,378

CAPITAL PROJECTS FUND

The Capital Projects Fund is used to account for proceeds from the sale of general obligation bonds and the expenditures of these funds for the construction and equipping of new school facilities, to purchase school sites, and the renovation or repair of present facilities.

KATY INDEPENDENT SCHOOL DISTRICT
COMPARATIVE BALANCE SHEET Exhibit I-1
CAPITAL PROJECTS FUND
AUGUST 31, 2025 and 2024

Data Control Codes		August 31, 2025	August 31, 2024
	ASSETS		
1110	Pooled Cash and Cash Equivalents	$ 527,517,004	$ 319,618,283
1120	Current Investments		57,304,466
	Receivables:		
1240	Due from Other Governments		24,058
1260	Due from Other Funds	1,968,929	8,704,095
1290	Other Receivables		274,558
1000	**Total Assets**	$ 529,485,933	$ 385,925,460
	LIABILITIES		
	Current Liabilities:		
2110	Accounts Payable	$ 43,198,941	$ 52,266,943
2170	Due to Other Funds	2,907,653	42,321,405
2000	**Total Liabilities**	46,106,594	94,588,348
	FUND BALANCE		
	Restricted For:		
3470	Capital Acquisitions and Contracts	483,379,339	291,337,112
3000	**Total Fund Balance**	483,379,339	291,337,112
4000	**Total Liabilities and Fund Balance**	$ 529,485,933	$ 385,925,460

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES,
AND CHANGES IN FUND BALANCE
CAPITAL PROJECTS FUND
FOR THE YEAR ENDED AUGUST 31, 2025 and 2024

Exhibit I-2

Data Control Codes		August 31, 2025	August 31, 2024
	REVENUES		
5700	Local, Intermediate, and Out-of-State	$ 13,791,646	$ 12,550,950
5900	Federal Program Revenues	248,237	959,953
5020	**Total Revenues**	14,039,883	13,510,903
	EXPENDITURES		
0073	Bond Issuance Cost and Fees	2,766,218	1,700,695
0081	Facilities Acquisition and Construction:		
	Land	12,323,222	4,151,595
	Building and Improvements	216,060,273	156,486,481
	SBITA Assets		45,000
	Furniture & Equip, Vehicles, and Library & Media	43,614,162	34,998,293
	Total Facilities Acquisition and Construction	271,997,657	195,681,369
6030	**Total Expenditures**	274,763,875	197,382,064
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(260,723,992)	(183,871,161)
	OTHER FINANCING SOURCES/(USES)		
7911	Capital Related Debt Issued	439,805,000	245,915,000
7916	Premium on Issuance of Bonds	12,961,219	5,785,694
7080	**Total Other Financing Sources/(Uses)**	452,766,219	251,700,694
1200	Net Change in Fund Balance	192,042,227	67,829,533
0100	Fund Balances - Beginning	291,337,112	223,507,579
3000	**Fund Balances - Ending**	$ 483,379,339	$ 291,337,112

SPECIAL REVENUE FUND

The Special Revenue Fund is used to account for financial resources restricted to or designated for specific purposes by a grantor. Specifically, this type of fund is used to account for the District's Food Service program, including local and federal revenue sources for state and federally financed programs (grants) where unused balances are returned to the grantor at the close of specified project periods, and other revenue specific programs.

206 - McKinney Vento/Texas Education for Homeless Children and Youth (TEHCY) - Funds are to be used to provide supplemental academic and related assistance to facilitate the academic success of students who are in homeless situations.

211 - Elementary and Secondary Education Act (ESEA) Title I, Part A - Funds are used on identified campuses to enable schools to provide opportunities for children served to acquire the knowledge and skills contained in the challenging State content standards and to meet the challenging State performance standards developed for all children.

224 - Individuals with Disabilities Education Act (IDEA), Part B - Formula - Funds are used to operate educational programs for children with disabilities. This program also includes capacity building and improvement (sliver) subgrants.

225 - Individuals with Disabilities Education Act (IDEA), Part B - Preschool - Funds are used for preschool children with disabilities.

240 - Nutrition and Food Services - Funds are used to account for allowable expenditures, as determined under the National School Lunch Act, for the operation and improvement of the Child Nutrition Programs.

242 - Summer Food Service Program – Funds are used to account for amounts received from the Texas Department of Agriculture for meals provided to the community based on the average number of daily participants.

244 - Vocational Education, Carl Perkins Grant - Funds are used to provide instruction related to career and technology education and to develop new and/or improve career and technology education programs for paid and unpaid employment.

255 - Elementary and Secondary Education Act (ESEA) Title II, Part A – Supporting Effective Instruction – Funds are used to increase student academic achievement through improving teacher and principal quality and increasing the number of highly qualified teachers in classrooms and highly qualified principals and assistant principals in schools.

263 - Elementary and Secondary Education Act (ESEA) Title III, Part A - ELA and Immigrant - Funds are used to improve the education of limited English proficient children by assisting the children to learn English and meet challenging State academic content and student academic achievement standards.

280 - Homeless II – American Rescue Plan (ARP) Act - Funds are used to provide supplemental academic and related assistance to facilitate the academic success of students who are in homeless situations.

289 - Federally Funded Special Revenue - Funds include the reimbursement of summer school costs for Limited English Proficient Students in Kindergarten and First Grade; Early Childhood Intervention funds which are used to identify and provide needed intervention services for children from Birth to age 3 who are developmentally delayed or appear to be at risk for developmental delay; student support and academic enrichment to improve the academic achievement of all students; and other federally funded special revenue that has not been specified above.

315 - Individuals with Disabilities Education Act (IDEA), Part B-Discretionary Deaf, SSA - Funds are used to support an education service center basic special education component and also targeted support to LEAs, Regional Day School Programs for the Deaf, private residential placements, priority projects, and other emerging needs.

340 - Individuals with Disabilities Education Act (IDEA), Part C, Early Intervention, SSA - Funds are used to assist local Regional Day School for the Deaf programs and the Texas School for the Deaf in providing direct services to hearing impaired infants to toddlers ages birth through two years of age. The program also provides supplemental and appropriate services to eligible students that are provided by a certified and trained teacher.

385 - State Supplemental Visually Impaired - Funds are used to provide educational assistance to visually impaired students.

397 - Advanced Placement Incentive - Funds are used for training for eligible teachers who complete TEA-approved workshops.

410 - Instructional Materials Allotment - Funds are used to provide instructional materials awarded under the textbook allotment.

429 - State Funded Special Revenue Programs - Accounts for state funded special revenue that has not been specified above.

435 - Regional Day School for the Deaf, SSA - Funds are used for staff and activities of the Regional Day School Program for the Deaf (RDSPD).

455 - Local Share Regional Day School for the Deaf, SSA - Funds are used to account for excess costs of services provided to hearing impaired students ages birth through twenty-one.

461 - Campus Activity Funds - Funds are used for activities benefiting students and staff.

480 - Locally Funded Special Revenue Programs - Locally funded special revenue programs not specified above.

495 - Tax Increment Reinvestment Zone - Funds are used to account for tax increment revenues, in excess of bond payments, restricted for expenditures within the reinvestment zone.

499 - Katy ISD Education Foundation Grants - Funds will be used to provide resources to enrich teaching, inspire learning, and enhance opportunities for students enrolled in Katy ISD.

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		206 McKinney Vento TEHCY	211 ESEA Title I Part A	224 IDEA Part B Formula
	REVENUES			
5700	Local, Intermediate, and Out-of-State	$	$	$
5800	State Program Revenues			
5900	Federal Program Revenues	146,486	11,949,512	14,785,441
5020	**Total Revenues**	146,486	11,949,512	14,785,441
	EXPENDITURES			
0011	Instruction	13,696	9,539,637	9,418,496
0012	Instructional Resources and Media Services			
0013	Curriculum & Instructional Staff Development		784,467	988,421
0021	Instructional Leadership		123,748	
0023	School Leadership		69,461	
0031	Guidance, Counseling, & Evaluation Services		638,547	4,378,524
0032	Social Work Services	73,481	226,488	
0033	Health Services			
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration	800	23,659	
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0053	Data Processing Services			
0061	Community Services	58,509	543,505	
0071	Debt Service			
0081	Facilities Acquisition and Construction			
6030	**Total Expenditures**	146,486	11,949,512	14,785,441
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
	OTHER FINANCING SOURCES/(USES)			
7949	SBITAs Issued			
7080	**Total Other Financing Sources/(Uses)**			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	**Fund Balance - August 31 (Ending)**	$	$	$

225 IDEA Part B Preschool	240 Nutrition and Food Services	242 Summer Food Service Program	244 Carl D. Perkins Grant	255 ESEA Title II Part A
$	$ 16,643,386	$	$	$
	245,968			
156,293	30,808,529	250,323	809,711	2,097,517
156,293	47,697,883	250,323	809,711	2,097,517
156,293			535,041	218,065
			273,600	1,857,900
			1,070	
				21,552
	54,122,682	250,323		
	34,303			
156,293	54,156,985	250,323	809,711	2,097,517
	(6,459,102)			
	(6,459,102)			
	26,172,331			
$	$ 19,713,229	$	$	$

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		263 ESEA Title III Part A	280 ARP Homeless II	289 Federally Funded Special Rev.
	REVENUES			
5700	Local, Intermediate, and Out-of-State	$	$	$ 85,831
5800	State Program Revenues			562,648
5900	Federal Program Revenues	2,775,891	1,709	2,373,081
5020	**Total Revenues**	2,775,891	1,709	3,021,560
	EXPENDITURES			
0011	Instruction	395,551		2,083,621
0012	Instructional Resources and Media Services			
0013	Curriculum & Instructional Staff Development	1,447,986		142,282
0021	Instructional Leadership			254,840
0023	School Leadership	150		
0031	Guidance, Counseling, & Evaluation Services			187,487
0032	Social Work Services		1,527	350,492
0033	Health Services			1,918
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations			
0052	Security and Monitoring Services			
0053	Data Processing Services			
0061	Community Services	932,204	182	920
0071	Debt Service			
0081	Facilities Acquisition and Construction			
6030	**Total Expenditures**	2,775,891	1,709	3,021,560
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
	OTHER FINANCING SOURCES/(USES)			
7949	SBITAs Issued			
7080	**Total Other Financing Sources/(Uses)**			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	**Fund Balance - August 31 (Ending)**	$	$	$

315 SSA IDEA B Discretionary	340 SSA IDEA C Early Intervention	385 State Suppl. Visually Impaired	397 Advanced Placement Incentive	410 Instructional Materials Allotment
$	$	$	$	$ 14,016
		20,000	9,847	12,537,825
172,376	2,377			
172,376	2,377	20,000	9,847	12,551,841
172,376	2,377	20,000		13,522,480
			9,847	23,375
				4,069,053
172,376	2,377	20,000	9,847	17,614,908
				(5,063,067)
				5,108,861
				5,108,861
				45,794
				244,563
$	$	$	$	$ 290,357

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES
IN FUND BALANCE – SPECIAL REVENUE FUND PROGRAMS
FOR THE YEAR ENDED AUGUST 31, 2025

Data Control Codes		429 State Funded Special Revenue	435 SSA Regional Deaf CO-OP	455 SSA Deaf Local Share
	REVENUES			
5700	Local, Intermediate, and Out-of-State	$	$	$ 978,209
5800	State Program Revenues	3,414,840	648,320	
5900	Federal Program Revenues	22,617		
5020	**Total Revenues**	3,437,457	648,320	978,209
	EXPENDITURES			
0011	Instruction	350	558,810	758,909
0012	Instructional Resources and Media Services	114		
0013	Curriculum & Instructional Staff Development			3,029
0021	Instructional Leadership			116,065
0023	School Leadership			
0031	Guidance, Counseling, & Evaluation Services			73,537
0032	Social Work Services			
0033	Health Services		89,510	25,963
0035	Food Services			
0036	Extracurricular Activities			
0041	General Administration			
0051	Facilities Maintenance and Operations	67,646		
0052	Security and Monitoring Services	2,734,418		
0053	Data Processing Services	22,617		
0061	Community Services			706
0071	Debt Service			
0081	Facilities Acquisition and Construction	612,312		
6030	**Total Expenditures**	3,437,457	648,320	978,209
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures			
	OTHER FINANCING SOURCES/(USES)			
7949	SBITAs Issued			
7080	**Total Other Financing Sources/(Uses)**			
1200	Net Change in Fund Balance			
0100	Fund Balance - September 1 (Beginning)			
3000	**Fund Balance - August 31 (Ending)**	$	$	$

461 Campus Activity Funds	480 Locally Funded Special Rev.	495 Tax Increment Reinvestment Zone	499 Katy ISD Education Found. Grants	Special Revenue Fund August 31, 2025
$ 15,864,787	$ 171,597	$ 6,010,977	$ 401,260	$ 40,170,063
				17,439,448
7,600				66,359,463
15,872,387	171,597	6,010,977	401,260	123,968,974
1,916,223	81,463		401,260	39,794,648
502,790	447			503,351
151,661	36,816			5,719,384
1,547	620			497,890
599,088	1,425			691,676
2,125,396	37,340			7,440,831
				651,988
3,274				120,665
				54,373,005
9,159,955	10,701			9,170,656
	2,485			26,944
468,761				570,710
13,684				2,748,102
544				23,161
65,402	300			1,601,728
				4,069,053
266,381		30,600		909,293
15,274,706	171,597	30,600	401,260	128,913,085
597,681		5,980,377		(4,944,111)
				5,108,861
				5,108,861
597,681		5,980,377		164,750
8,581,649		11,623,443		46,621,986
$ 9,179,330	$	$ 17,603,820	$	$ 46,786,736

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REVENUES, EXPENDITURES, AND CHANGES IN FUND BALANCES
ORIGINAL BUDGET, AMENDED FINAL, AND ACTUAL –
NUTRITION AND FOOD SERVICE FUND
FOR THE YEAR ENDED AUGUST 31, 2025
with comparative actual balances for the Year Ended August 31, 2024

		2025	
		NUTRITION AND	
Data Control Codes		Budgeted Amounts	
		Original	Final
	REVENUES		
5700	Local, Intermediate, and Out-of-State	$ 16,245,000	$ 16,679,823
5800	State Program Revenues	218,000	244,815
5900	Federal Program Revenues	30,733,777	31,105,820
5020	**Total Revenues**	47,196,777	48,030,458
	EXPENDITURES		
0035	Food Services		
	Payroll Costs	23,723,645	19,990,370
	Professional and Contracted Services	175,000	138,284
	Supplies and Materials	31,131,572	34,912,819
	Other Operating Expenses	56,000	62,936
	Capital Outlay	9,708,655	1,636,007
	Total Food Service	64,794,872	56,740,416
0051	Facilities Maintenance and Operations		
	Capital Outlay		34,306
	Total Facilities Maintenance and Operations		34,306
6030	**Total Expenditures**	64,794,872	56,774,722
1100	Excess (Deficiency) of Revenues Over (Under) Expenditures	(17,598,095)	(8,744,264)
1200	Net Change in Fund Balance	(17,598,095)	(8,744,264)
0100	Fund Balance - September 1 (Beginning)	26,172,331	26,172,331
3000	**Fund Balance - August 31 (Ending)**	$ 8,574,236	$ 17,428,067

FOOD SERVICE

Actual Amounts	Variance with Final Budget Positive (Negative)	2024 Actuals
$ 16,643,386	$ (36,437)	$ 17,430,298
245,968	1,153	240,284
31,058,852	(46,968)	32,776,796
47,948,206	(82,252)	50,447,378
19,044,417	945,953	15,368,569
128,890	9,394	135,656
33,504,477	1,408,342	30,725,076
59,212	3,724	72,692
1,636,009	(2)	1,099,721
54,373,005	2,367,411	47,401,714
34,303	3	7,179,561
34,303	3	7,179,561
54,407,308	2,367,414	54,581,275
(6,459,102)	2,285,162	(4,133,897)
(6,459,102)	2,285,162	(4,133,897)
26,172,331		30,306,228
$ 19,713,229	$ 2,285,162	$ 26,172,331

INTERNAL SERVICE FUNDS

The Internal Service Funds are used to account for revenues and expenses related to services provided to organizations inside the District on a cost reimbursement basis.

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF NET POSITION
INTERNAL SERVICE FUNDS
AUGUST 31, 2025

Exhibit K-1

Data Control Codes		Governmental Activities: Health Insurance	Governmental Activities: Workers' Compensation	Governmental Activities: Print Shop	Total Internal Service Funds
	ASSETS				
	Current Assets:				
1110	Pooled Cash and Cash Equivalents	$ 625,205	$ 2,534,310	$	$ 3,159,515
1260	Due from Other Funds	13,951,582			13,951,582
1290	Other Receivables	2,972,125	84,452		3,056,577
1300	Inventories			143,264	143,264
	Total Current Assets	17,548,912	2,618,762	143,264	20,310,938
	Noncurrent Assets:				
	Capital Assets:				
1540	Furniture and Equipment			966,326	966,326
1573	Accumulated Depreciation			(604,261)	(604,261)
	Total Noncurrent Assets			362,065	362,065
1000	**Total Assets**	17,548,912	2,618,762	505,329	20,673,003
	LIABILITIES				
	Current Liabilities:				
2110	Accounts Payable	154,355	1,222,063	128,823	1,505,241
2200	Accrued Expenses	7,967,615	108,422		8,076,037
	Total Current Liabilities	8,121,970	1,330,485	128,823	9,581,278
2000	**Total Liabilities**	8,121,970	1,330,485	128,823	9,581,278
	NET POSITION				
3200	Investment in Capital Assets			362,065	362,065
3900	Unrestricted	9,426,942	1,288,277	14,441	10,729,660
3000	**Total Net Position**	$ 9,426,942	$ 1,288,277	$ 376,506	$ 11,091,725

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF REVENUES, EXPENSES, AND CHANGES IN FUND NET POSITION
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit K-2

Data Control Codes		Governmental Activities: Health Insurance	Governmental Activities: Workers' Compensation	Governmental Activities: Print Shop	Total Internal Service Funds
	OPERATING REVENUES				
5754	Charges for Services	$ 92,777,061	$ 83,621	$ 4,050,260	$ 96,910,942
5020	**Total Operating Revenues**	92,777,061	83,621	4,050,260	96,910,942
	OPERATING EXPENSES				
6100	Salary and Benefits	119,482			119,482
6200	Administrator Fees	3,996,423	231,900		4,228,323
6200	Claims Expense	81,733,064	2,361,820		84,094,884
6200	Repair and Maintenance Expense			8,942	8,942
6200	Equipment Rental			114,839	114,839
6200	Contracted Services			1,616,085	1,616,085
6300	Supplies			1,636,038	1,636,038
6400	Insurance Premiums	1,603,346	137,929		1,741,275
6400	Miscellaneous Operating Expenses	45,447		189,955	235,402
6400	Depreciation/Amortization			87,486	87,486
6030	**Total Operating Expenses**	87,497,762	2,731,649	3,653,345	93,882,756
1200	Operating Income (Loss)	5,279,299	(2,648,028)	396,915	3,028,186
	NONOPERATING REVENUES (EXPENSES)				
7955	Investment Income	51,982	143,702		195,684
8900	Net Loss on Disposal of Capital Assets			(20,458)	(20,458)
	Total Net Nonoperating Revenue (Expense)	51,982	143,702	(20,458)	175,226
1300	Change in Net Position	5,331,281	(2,504,326)	376,457	3,203,412
0100	Total Net Position September 1 (Beginning)	4,095,661	3,792,603	49	7,888,313
3000	**Total Net Position August 31 (Ending)**	$ 9,426,942	$ 1,288,277	$ 376,506	$ 11,091,725

KATY INDEPENDENT SCHOOL DISTRICT
COMBINING STATEMENT OF CASH FLOWS
INTERNAL SERVICE FUNDS
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit K-3

	Governmental Activities			Total
	Health Insurance	Workers' Compensation	Print Shop	Internal Service Funds
CASH FLOWS FROM OPERATING ACTIVITIES				
Cash Receipts from Internal Services Provided	$ 84,740,382	$ 56,176	$ 3,580,300	$ 88,376,858
Cash Payments to Suppliers	(45,447)		(1,809,892)	(1,855,339)
Cash Payments to Pay Claims	(79,666,296)	(1,417,470)		(81,083,766)
Cash Payments for Contracted Services	(4,039,172)	(231,900)	(2,042,745)	(6,313,817)
Cash Payments for Insurance Premiums	(1,603,346)	(137,929)		(1,741,275)
Cash Payments to Employees	(119,482)			(119,482)
Net Cash Provided (Used) by Operating Activities	(733,361)	(1,731,123)	(272,337)	(2,736,821)
CASH FLOWS FROM INVESTING ACTIVITIES				
Interest Received	51,982	143,702		195,684
Net Cash Provided by Investing Activities	51,982	143,702		195,684
Net Increase (Decrease) in Cash and Cash Equivalents	(681,379)	(1,587,421)	(272,337)	(2,541,137)
Pooled Cash and Cash Equivalents at Beginning of Year	1,306,584	4,121,731	272,337	5,700,652
Pooled Cash and Cash Equivalents at End of Year	$ 625,205	$ 2,534,310	$	$ 3,159,515
RECONCILIATION OF OPERATING INCOME (LOSS) TO NET CASH PROVIDED (USED) BY OPERATING ACTIVITIES				
Operating Income (Loss)	$ 5,279,299	$ (2,648,028)	$ 396,915	$ 3,028,186
Adjustments to Reconcile Operating Income (Loss) to Net Cash Provided (Used) by Operating Activities:				
Depreciation/Amortization			87,486	87,486
Change in Assets and Liabilities:				
(Increase) Decrease in Receivables	512,050	(27,445)		484,605
(Increase) Decrease in Interfund Receivables	(8,548,729)			(8,548,729)
(Increase) Decrease in Inventories			(24,037)	(24,037)
Increase (Decrease) in Accounts Payable	(11,896)	835,928	(262,741)	561,291
Increase (Decrease) in Interfund Payables			(469,960)	(469,960)
Increase (Decrease) in Accrued Expenses	2,035,915	108,422		2,144,337
Net Cash Provided (Used) by Operating Activities	$ (733,361)	$ (1,731,123)	$ (272,337)	$ (2,736,821)
Noncash Investing, Capital, and Financing Activities				
Transfers of Capital Assets to Government			$ 1,060	$ 1,060
Capital Assets Retired			20,458	20,458

COMPLIANCE SCHEDULES

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO SELECTED SCHOOL FIRST INDICATORS
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit L-1

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 Teachers Retirement System (TRS), Texas Workforce Commission (TWC), Internal Revenue Service (IRS), and other government agencies?	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 reporting and compliance for local, state, or federal funds?	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 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 on capital appreciation bonds included in government-wide financial statements at fiscal year-end	$ -

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
FOR THE YEAR ENDED AUGUST 31, 2025

Fiscal Year	Tax Rates: Maintenance	Tax Rates: Debt Service	Tax Rates: Total	Assessed/Appraised Value For School Tax Purposes	Beginning Balance September 1	Current Year's Total Levy
2016 and prior	Various	Various	Various	Various	$ 1,253,874	$
2017	$ 1.1266	$ 0.3900	$ 1.5166	$ 36,351,443,912	412,505	
2018	1.1466	0.3700	1.5166	37,980,513,157	643,961	
2019	1.1466	0.3700	1.5166	38,946,447,913	681,381	
2020	1.0531	0.3900	1.4431	41,628,778,765	939,537	
2021	0.9988	0.3900	1.3888	44,629,636,600	1,241,625	
2022	0.9617	0.3900	1.3517	47,446,543,083	1,593,594	
2023	0.9148	0.3900	1.3048	53,971,941,887	2,622,100	
2024	0.7294	0.3900	1.1194	56,623,488,063	6,770,433	
2025	0.7271	0.3900	1.1171	60,888,274,738		649,639,960
			1000 Totals		$ 16,159,010	$ 649,639,960

8000 - Total Taxes Refunded under Section 26.1115(c)

Note: Tax rates are per $100 valuation.

Maintenance and Operations Collections	Interest and Sinking Fund Collections	Total Collections	Entire Year's Adjustments	Ending Balance August 31	Total Taxes Refunded Under Section 26.1115(c)
$ 73,941	$ 25,699	$ 99,640	$ (177,685)	$ 976,549	
11,733	4,061	15,794	(115)	396,596	
17,438	5,627	23,065	474	621,370	
57,815	18,656	76,471	(784)	604,126	
45,711	16,929	62,640	3,092	879,989	
165,554	64,643	230,197	115,665	1,127,093	
321,445	130,356	451,801	248,552	1,390,345	
(488,044)	(208,064)	(696,108)	(1,736,288)	1,581,920	
(4,187,096)	(2,238,782)	(6,425,878)	(11,054,523)	2,141,788	
418,277,321	224,354,494	642,631,815		7,008,145	
$ 414,295,818	$ 222,173,619	$ 636,469,437	$ (12,601,612)	$ 16,727,921	
			Penalty and Interest Receivable on Taxes	8,134,122	
			Less Allowance	(7,148,002)	
			Total Property Taxes Receivable (net) per Exhibit C-1	$ 17,714,041	
					$ 311,236

KATY INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF REQUIRED RESPONSES TO
COMPENSATORY EDUCATION PROGRAM AND
BILINGUAL EDUCATION PROGRAM COMPLIANCE
FOR THE YEAR ENDED AUGUST 31, 2025

Exhibit L-3

Data Codes	Program Compliance	Responses
	Section A: Compensatory Education Programs	
AP1	Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year?	Yes
AP2	Does the LEA have written policies and procedures for its state compensatory education program?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$ 59,100,893
AP4	List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30)	$ 48,518,644
	Section B: Bilingual Education Programs	
AP5	Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year?	Yes
AP6	Does the LEA have written policies and procedures for its bilingual education program?	Yes
AP7	List the total state allotment funds received for bilingual education programs during the LEA's fiscal year.	$ 14,176,244
AP8	List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25)	$ 12,344,819

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STATISTICAL SECTION
(UNAUDITED)

The statistical section of the Katy 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 Information
These schedules contain trend information to show how the District's financial performance and position have changed over time.

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

Debt Capacity Information
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.

FINANCIAL TRENDS INFORMATION

These schedules contain trend information to assist users in understanding how the District's financial position has changed over time.

KATY INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS
(accrual basis of accounting)

	2016	2017	2018 (1)	2019 (2)
Governmental Activities:				
Net Investment in Capital Assets	$ 78,027,768	$ 82,852,902	$ 124,413,226	$ 174,206,102
Restricted	62,162,827	65,667,551	68,233,054	72,409,538
Unrestricted	124,728,667	122,630,464	(199,949,188)	(191,087,409)
Total Governmental Activities Net Position	264,919,262	271,150,917	(7,302,908)	55,528,231
Business-type Activities:				
Unrestricted				
Total Business-type Activities Net Position				
Primary Government:				
Net Investment in Capital Assets	78,027,768	82,852,902	124,413,226	174,206,102
Restricted	62,162,827	65,667,551	68,233,054	72,409,538
Unrestricted	124,728,667	122,630,464	(199,949,188)	(191,087,409)
Total Primary Government Net Position	$ 264,919,262	$ 271,150,917	$ (7,302,908)	$ 55,528,231

(1) Includes implementation of GASB 75 in Fiscal Year 2018. The District did not restate prior periods.
(2) Includes Capital Asset prior period adjustments. The District did not restate prior periods.
(3) Includes implementation of GASB 96 in Fiscal Year 2023. The District did not restate prior periods.
(4) Includes implementation of GASB 101 in Fiscal Year 2025. The District did not restate prior periods.

Source: District Financial Statements

2020	2021	2022	2023 (3)	2024	2025 (4)
$ 191,834,640	$ 208,895,160	$ 233,546,766	$ 296,161,462	$ 367,644,476	$ 447,358,081
74,862,261	76,693,046	92,157,766	102,508,477	104,868,725	101,125,109
(191,510,110)	(202,510,618)	(177,274,611)	(151,974,205)	(151,356,958)	(137,241,837)
75,186,791	83,077,588	148,429,921	246,695,734	321,156,243	411,241,353
				844,555	1,704,513
				844,555	1,704,513
191,834,640	208,895,160	233,546,766	296,161,462	367,644,476	447,358,081
74,855,511	76,693,046	92,157,766	102,508,477	104,868,725	101,125,109
(191,503,360)	(202,510,618)	(177,274,611)	(151,974,205)	(150,512,403)	(135,537,324)
$ 75,186,791	$ 83,077,588	$ 148,429,921	$ 246,695,734	$ 322,000,798	$ 412,945,866

KATY INDEPENDENT SCHOOL DISTRICT
CHANGES IN NET POSITION
LAST TEN FISCAL YEARS
(accrual basis of accounting)

Expenses	2016	2017	2018 (1)	2019 (2)
Governmental Activities:				
Instruction	$ 463,004,721	$ 499,089,811	$ 332,524,107	$ 573,349,689
Instructional Resources and Media Services	11,092,997	12,273,284	9,471,060	12,518,443
Curriculum and Instructional Staff Development	12,571,661	12,472,927	8,688,155	14,427,816
Instructional Leadership	6,084,697	6,057,793	3,850,220	7,222,391
School Leadership	39,272,358	41,475,495	28,413,536	47,260,431
Guidance, Counseling, and Evaluation Services	31,395,110	32,968,404	21,589,973	39,008,524
Social Work				
Health Services	7,098,188	8,143,076	5,684,111	8,454,378
Student Transportation	21,738,829	23,746,998	20,470,400	24,784,241
Food Services	33,037,502	36,363,758	31,430,840	37,436,358
Extracurricular Activities	16,523,156	21,460,317	20,168,678	32,278,464
General Administration	7,608,850	12,977,024	10,705,270	14,159,655
Facilities Maintenance and Operations	66,746,993	65,888,818	71,530,944	79,395,627
Security and Monitoring Services	7,944,254	8,022,653	6,799,265	9,111,360
Data Processing Services	15,527,959	14,199,302	12,486,010	13,664,335
Community Services	1,436,184	867,309	576,779	926,063
Interest and Issuance Costs on Long-term Debt	62,022,560	64,227,782	71,117,461	74,956,508
Facilities Planning	859,056	836,105	657,421	901,061
Payments to Shared Service Arrangements	330,796	315,376	428,982	630,385
Payments to JJAEP	37,893	35,755	26,124	5,500
Payments to Tax Increment Reinvestment Zone	1,500,033	1,787,431	1,951,121	2,538,535
Payments to Appraisal Districts	3,508,948	3,851,222	4,377,773	4,272,945
Total Governmental Activities Expenses	809,342,745	867,060,640	662,948,230	997,302,709
Business-type Activities:				
Device Insurance				
Total Business-Type Activities Expenses				
Total Primary Government Expenses	809,342,745	867,060,640	662,948,230	997,302,709
Program Revenues				
Governmental Activities:				
Charges for Services:				
Instruction	1,294,417	1,395,102	1,342,152	1,507,303
Food Services	16,060,740	16,520,390	12,306,498	15,517,404
Extracurricular Activities	2,437,040	2,150,542	3,177,866	3,653,829
Facilities Maintenance and Operations	2,823,800	3,029,620	3,953,990	3,548,280
Community Services	146,048	147,467	144,755	111,673
Other Activities	563,700	1,455,789	679,928	911,939
Operating Grants and Contributions	108,517,945	103,725,938	(29,607,127)	140,185,794
Total Governmental Activities Program Revenues	131,843,690	128,424,848	(8,001,938)	165,436,222
Business-type Activities:				
Device Insurance				
Total Business-type Activities Program Revenues				
Total Primary Government Program Revenues	131,843,690	128,424,848	(8,001,938)	165,436,222
Total Primary Government Net Expense	$ (677,499,055)	$ (738,635,792)	$ (670,950,168)	$ (831,866,487)
General Revenues and Other Changes in Net Position				
Governmental Activities:				
Property Taxes, Levied for General Purposes	$ 365,143,237	$ 400,420,348	$ 425,166,477	$ 435,057,208
Property Taxes, Levied for Debt Service	126,545,712	138,712,572	137,151,351	140,419,036
State Aid - Formula Grants	228,854,642	199,890,131	217,776,729	256,991,049
Investment Earnings	2,601,510	3,684,638	7,840,730	12,055,061
Miscellaneous	1,639,307	2,159,758	2,056,393	2,211,843
Extraordinary Item - Insurance Proceeds			15,000,000	10,000,000
Total Primary Government General Revenues	724,784,408	744,867,447	804,991,680	856,734,197
Total Primary Government Change in Net Position	$ 47,285,353	$ 6,231,655	$ 134,041,512	$ 24,867,710

(1) Includes implementation of GASB 75 in Fiscal Year 2018. The District did not restate prior periods.
(2) Includes Capital Asset prior period adjustments. The District did not restate prior periods.
(3) Includes implementation of GASB 96 in Fiscal Year 2023. The District did not restate prior periods.
(4) Includes implementation of GASB 101 in Fiscal Year 2025. The District did not restate prior periods.

Source: District Financial Statements

Exhibit II

2020	2021	2022	2023 (3)	2024	2025
$ 621,829,003	$ 629,002,333	$ 624,870,768	$ 690,406,377	$ 760,661,811	$ 779,884,689
12,435,953	12,571,528	12,347,849	13,062,526	14,102,304	14,213,932
15,295,923	16,291,059	18,655,896	21,775,227	22,878,070	21,124,860
8,237,081	7,876,663	8,103,338	9,964,866	11,539,149	9,847,455
51,430,448	51,969,883	50,659,345	55,864,995	60,894,075	62,282,938
45,014,013	46,573,368	46,951,909	52,835,969	61,023,302	63,167,253
74,476	513,260	1,173,339	1,368,861	1,753,573	1,873,974
9,836,546	10,170,083	9,679,796	10,571,343	11,484,247	11,839,583
24,558,497	25,354,955	28,335,589	30,535,139	32,967,369	33,796,320
35,414,283	36,430,434	43,680,480	47,816,333	52,857,114	59,149,359
32,949,881	35,077,169	39,715,555	42,665,208	42,697,089	45,857,179
16,705,082	17,550,127	17,519,367	20,113,343	22,276,384	22,996,229
93,359,935	94,370,824	91,905,040	96,823,157	98,380,117	102,377,185
10,512,706	11,146,067	11,119,761	12,452,788	15,369,415	16,962,310
15,766,025	17,224,554	16,727,074	18,832,047	20,824,390	21,831,762
763,745	926,666	1,395,730	1,362,195	2,344,924	2,239,430
70,438,366	69,972,933	72,844,770	81,425,233	88,636,100	77,161,667
792,361	697,965	760,269	853,701	1,102,145	1,068,579
548,742	742,071	726,473	882,086	1,031,611	857,194
9,800	6,500	21,608	16,900	16,605	14,184
2,424,073	2,727,209	3,509,675	3,530,095	5,230,151	
4,489,151	4,610,384	5,001,153	5,415,547	6,020,350	5,773,376
1,072,886,090	1,091,806,035	1,105,704,784	1,218,573,936	1,334,090,295	1,354,319,458
					228,934
					228,934
1,072,886,090	1,091,806,035	1,105,704,784	1,218,573,936	1,334,090,295	1,354,548,392
1,582,413	2,642,175	2,445,170	2,636,734	3,258,834	3,614,364
10,866,658	3,421,222	4,925,546	1,141,272	964,060	930,220
2,598,430	3,897,643	5,125,985	5,659,853	5,147,846	5,545,276
2,616,700	2,607,021	3,284,624	4,186,888	4,071,713	5,215,926
79,792	12,707	59,905	48,250	47,357	11,822
874,046	594,999	601,237	851,456	724,051	925,557
144,751,022	148,581,499	135,031,252	188,580,889	205,453,507	160,227,678
163,369,061	161,757,266	151,473,719	203,105,342	219,667,368	176,470,843
				844,555	1,088,892
				844,555	1,088,892
163,369,061	161,757,266	151,473,719	203,105,342	220,511,923	177,559,735
$ (909,517,029)	$ (930,048,769)	$ (954,231,065)	$ (1,015,468,594)	$ (1,113,578,372)	$ (1,176,988,657)
$ 430,652,708	$ 437,859,960	$ 446,606,685	$ 481,582,021	$ 391,225,992	$ 417,884,515
159,553,923	170,985,597	181,110,131	206,588,807	209,898,475	223,851,578
326,995,618	324,709,883	386,864,628	384,887,580	538,741,581	565,695,456
6,734,460	1,549,245	1,996,613	30,665,575	41,934,851	41,078,005
2,663,063	2,834,881	3,005,341	6,501,602	4,582,537	7,534,681
				2,500,000	
926,599,772	937,939,566	1,019,583,398	1,110,225,585	1,188,883,436	1,256,044,235
$ 17,082,743	$ 7,890,797	$ 65,352,333	$ 94,756,991	$ 75,305,064	$ 79,055,578

KATY INDEPENDENT SCHOOL DISTRICT
FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

Fiscal Year Ended 08/31:	2016	2017	2018	2019
General Fund				
Non-spendable	$ 1,682,389	$ 1,948,897	$ 1,848,633	$ 2,179,115
Committed	5,000,000	5,000,000	5,000,000	5,000,000
Assigned	59,718,583	45,262,824	62,918,089	52,716,009
Unassigned	131,220,046	150,613,416	143,728,990	198,222,716
Total General Fund	$ 197,621,018	$ 202,825,137	$ 213,495,712	$ 258,117,840
All Other Governmental Funds				
Non-spendable	$ 331,870	$ 331,544	$ 207,179	$ 260,761
Restricted (1)	217,167,264	221,277,995	210,979,294	184,050,525
Committed	5,187,661	5,576,420	5,842,269	5,812,699
Total All Other Governmental Funds	$ 222,686,795	$ 227,185,959	$ 217,028,742	$ 190,123,985

(1) Changes in Restricted Fund Balances due to the timing of annual bond sales and related construction expenditures.

Source: District Financial Statements

2020	2021	2022	2023	2024	2025
$ 2,261,731	$ 2,955,406	$ 3,126,905	$ 3,367,012	$ 3,394,744	$ 3,942,485
21,000,000	20,000,000	15,500,000	15,500,000	15,500,000	15,500,000
50,761,742	60,160,195	64,071,747	76,276,031	71,692,397	67,173,407
221,419,646	224,682,222	244,089,789	257,640,394	273,711,426	288,417,982
$ 295,443,119	$ 307,797,823	$ 326,788,441	$ 352,783,437	$ 364,298,567	$ 375,033,874
$ 446,821	$ 318,844	$	$	$	$
195,011,151	93,065,550	364,925,546	326,397,834	393,892,827	584,587,961
7,331,468	7,847,845	8,176,528	8,179,601	8,581,649	9,179,330
$ 202,789,440	$ 101,232,239	$ 373,102,074	$ 334,577,435	$ 402,474,476	$ 593,767,291

KATY INDEPENDENT SCHOOL DISTRICT
CHANGES IN FUND BALANCES OF GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS
(modified accrual basis of accounting)

	2016	2017	2018	2019
REVENUES				
Local, Intermediate, and Out-of-State	$ 527,631,325	$ 576,874,276	$ 603,546,527	$ 624,762,055
State Programs	265,692,757	243,863,371	260,653,526	304,288,538
Federal Programs	47,985,831	46,055,262	58,717,189	64,922,155
Total Revenues	841,309,913	866,792,909	922,917,242	993,972,748
EXPENDITURES				
Current:				
Instruction	416,482,583	439,624,519	451,424,438	479,928,997
Instructional Resources and Media Services	8,519,921	8,599,763	9,077,874	9,129,785
Curriculum and Instructional Staff Development	12,088,477	12,137,508	12,435,116	13,478,434
Instructional Leadership	5,797,435	5,841,285	6,105,336	6,567,554
School Leadership	35,609,939	37,228,648	39,391,028	41,493,359
Guidance, Counseling, and Evaluation Services	29,156,552	30,580,322	31,893,274	35,313,581
Social Work				
Health Services	5,960,809	6,630,238	6,982,347	7,558,316
Student Transportation	17,925,290	18,329,722	18,975,217	22,624,329
Food Services	28,791,021	29,818,640	29,720,128	31,562,559
Extracurricular Activities	13,617,113	14,810,002	18,570,489	19,840,676
General Administration	11,010,758	11,767,473	12,997,178	13,661,788
Facilities Maintenance and Operations	60,259,705	61,652,019	82,833,701	67,117,475
Security and Monitoring Services	8,226,561	7,806,514	8,440,652	9,029,182
Data Processing Services	11,867,199	12,049,626	13,404,040	14,185,533
Community Services	1,395,720	865,482	767,654	859,600
Debt Service:				
Principal on Long-term Debt	64,781,333	69,182,539	70,416,790	84,235,000
Interest on Long-term Debt	67,048,851	71,125,300	80,326,526	81,419,061
Bond Issuance Costs and Fees	2,001,218	191,596,866	1,493,821	1,999,416
Capital Outlay:				
Facilities Acquisition and Construction	290,909,587	298,649,086	234,599,020	246,026,660
Intergovernmental:				
Payments to Shared Service Arrangements	330,796	315,376	428,982	630,385
Payments to JJAEP	37,893	35,755	26,124	5,500
Payments to Tax Increment Reinvestment Zone	3,120,641	3,407,903	3,570,449	4,155,711
Other Intergovernmental Charges	3,508,948	3,851,222	4,377,773	4,272,945
Total Expenditures	1,098,448,350	1,335,905,808	1,138,257,957	1,195,095,846
Excess (Deficiency) of Revenues Over (Under) Expenditures	(257,138,437)	(469,112,899)	(215,340,715)	(201,123,098)
OTHER FINANCING SOURCES (USES)				
Refunding Bonds Issued	23,515,000	163,825,000		
Issuance of Capital Related Debt (General Obligation Bonds)	245,095,000	261,640,000	186,225,000	190,695,000
Sale of Real and Personal Property	151,785	161,628	3,395,097	108,452
Transfers In	4,040,477	4,630,440	14,102,249	23,606,508
Premium/Discount from Issuance of Bonds	35,746,877	56,189,554	15,233,976	20,037,017
SBITAs Issued				
Transfers Out	(8,040,477)	(7,630,440)	(18,102,249)	(25,606,508)
Payment to Bond Refunding Escrow Agent	(27,459,965)			
Total Other Financing Sources (Uses)	273,048,697	478,816,182	200,854,073	208,840,469
SPECIAL ITEMS				
Insurance Recoveries			15,000,000	10,000,000
Net Change in Fund Balances	$ 15,910,260	$ 9,703,283	$ 513,358	$ 17,717,371
Debt Service as a Percentage of Noncapital Expenditures (1)	16.40%	13.53%	16.84%	17.56%

Source: District Financial Statements

(1) In calculating the ratio of total debt service expenditures to noncapital expenditures, governmental fund expenditures for the acquisition and construction of assets that are classified as capital assets for reporting in the government-wide financial statements are subtracted from the total governmental fund expenditures.

Total Expenditures	$ 1,098,448,350	$ 1,335,905,808	$ 1,138,257,957	$ 1,195,095,846
Less: Capital Expenditures	294,411,021	299,269,468	243,365,797	251,744,339
Total Non-Capital Expenditures	$ 804,037,329	$ 1,036,636,340	$ 894,892,160	$ 943,351,507

2020	2021	2022	2023	2024	2025
$ 626,904,970	$ 636,427,250	$ 661,779,761	$ 767,097,980	$ 691,245,852	$ 735,937,592
384,102,509	379,275,798	440,734,461	449,721,780	633,321,413	662,116,148
49,556,318	79,397,781	124,632,760	130,619,382	99,754,159	73,981,590
1,060,563,797	1,095,100,829	1,227,146,982	1,347,439,142	1,424,321,424	1,472,035,330
527,231,595	558,199,006	621,350,849	668,388,743	711,263,722	746,900,568
9,317,884	9,599,789	10,368,073	10,689,827	11,126,681	11,172,800
13,669,792	15,126,115	19,207,620	22,006,005	22,433,860	21,269,870
7,055,480	7,169,969	8,169,473	9,751,190	11,233,053	9,745,906
44,875,543	47,653,975	51,791,771	55,708,676	58,821,222	61,496,803
40,146,576	43,971,037	49,918,359	53,905,438	59,956,559	64,584,430
64,230	487,780	1,196,434	1,383,104	1,693,710	1,884,406
8,780,642	9,501,661	10,018,924	10,641,757	11,262,385	11,875,107
18,686,686	19,513,829	24,118,783	26,294,140	28,467,471	28,886,575
29,759,832	30,309,414	40,557,791	43,441,762	47,637,007	54,373,005
21,647,179	23,000,244	28,563,380	31,201,264	30,003,878	31,971,020
13,194,662	14,302,672	15,740,610	17,992,541	21,024,942	20,399,881
79,697,790	82,940,503	83,587,481	87,684,734	93,195,558	90,480,993
10,143,419	10,548,900	11,613,238	13,897,064	15,733,303	16,794,976
14,763,537	16,441,453	16,679,994	18,186,020	19,367,841	19,518,537
677,996	886,521	1,432,138	1,372,890	2,328,758	2,244,809
76,867,982	74,406,648	100,498,863	119,101,613	137,174,673	154,102,900
78,974,820	82,371,734	85,308,236	93,757,648	100,628,819	97,572,348
162,574,050	14,096,729	3,180,236	1,808,083	4,937,766	5,611,702
159,586,725	111,968,775	205,713,138	328,199,073	199,781,602	273,815,207
548,742	742,071	726,473	882,086	1,031,611	857,194
9,800	6,500	21,608	16,900	16,605	14,184
4,043,089	4,346,913	4,975,610	5,106,081	6,810,990	
4,489,151	4,610,384	5,001,153	5,415,547	6,020,350	5,773,376
1,326,807,202	1,182,202,622	1,399,740,235	1,626,832,186	1,601,952,366	1,731,346,597
(266,243,405)	(87,101,793)	(172,593,253)	(279,393,044)	(177,630,942)	(259,311,267)
304,659,942	106,904,919			31,495,000	218,785,000
141,240,000		439,620,000	242,960,000	245,915,000	439,805,000
93,580	233,573	313,460	5,434,070	54,193	21,067
7,689,744	1,530,925		8,230,804		
56,332,887	29,831,980	23,520,246	15,072,273	6,404,886	31,696,629
			3,397,058	2,589,034	6,950,549
(10,689,744)	(4,530,925)		(8,230,804)		
(185,668,087)	(136,071,176)			(31,915,000)	(235,918,856)
313,658,322	(2,100,704)	463,453,706	266,863,401	254,543,113	461,339,389
				2,500,000	
$ 47,414,917	$ (89,202,497)	$ 290,860,453	$ (12,529,643)	$ 79,412,171	$ 202,028,122
13.37%	14.70%	15.61%	16.55%	17.18%	17.38%
$ 1,326,807,202	$ 1,182,202,622	$ 1,399,740,235	$ 1,626,832,186	$ 1,601,952,366	$ 1,731,346,597
160,884,646	115,448,650	209,620,787	340,474,292	217,882,145	283,590,442
$ 1,165,922,556	$ 1,066,753,972	$ 1,190,119,448	$ 1,286,357,894	$ 1,384,070,221	$ 1,447,756,155

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REVENUE CAPACITY INFORMATION

These schedules contain information to assist users in understanding and assessing the factors affecting the District's ability to generate its own-source revenues.

KATY INDEPENDENT SCHOOL DISTRICT
ASSESSED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS

	Actual Value			
Fiscal Year Ended 8/31:	**Residential**	**Commercial & Industrial**	**Minerals**	**Vacant Land**
2016	$ 24,897,292,508	$ 9,645,411,945	$ 15,548,521	$ 1,636,118,144
2017	27,284,043,996	10,573,764,227	9,444,271	1,797,249,063
2018	28,244,724,287	11,013,853,113	8,564,405	1,905,381,116
2019	28,705,854,459	11,282,400,231	5,165,513	1,937,103,798
2020	30,840,955,596	12,006,108,674	2,834,628	1,883,960,856
2021	32,822,863,321	13,174,194,282	2,223,260	1,807,676,152
2022	35,491,902,007	13,529,242,264	3,370,520	1,716,190,295
2023	46,492,689,284	14,555,104,265	4,589,418	1,756,274,187
2024	54,897,552,087	15,687,599,595	3,173,687	1,877,497,755
2025	56,230,338,857	16,448,231,026	373,002	1,829,800,152

(1) Tax Rates are per $100 of assessed value.
(2) Disaster value exemptions presented as reductions to actual values.

Source: County Appraisal Districts

Other	Less: Exemptions		Total Assessed Value	Total Direct Rate (1)
$ 334,145,538	$ 3,624,091,528		$ 32,904,425,128	$ 1.5166
354,442,894	3,667,500,539		36,351,443,912	1.5166
371,624,924	3,563,634,688	(2)	37,980,513,157	1.5166
418,880,262	3,402,956,350		38,946,447,913	1.5166
451,870,961	3,556,951,950		41,628,778,765	1.4431
485,550,424	3,662,870,839		44,629,636,600	1.3888
539,534,252	3,833,696,255		47,446,543,083	1.3517
630,200,647	9,466,915,914		53,971,941,887	1.3048
671,014,641	16,513,349,702		56,623,488,063	1.1194
744,911,821	14,365,380,120		60,888,274,738	1.1171

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2016	2017	2018	2019
District Direct Rates:				
Maintenance & Operations	$ 1.1266	$ 1.1266	$ 1.1466	$ 1.1466
Debt Service	0.3900	0.3900	0.3700	0.3700
Total District Direct Rates	**$ 1.5166**	**$ 1.5166**	**$ 1.5166**	**$ 1.5166**
Overlapping Rates:				
Addicks UD	$ 0.6550	$ 0.6550	$ 0.6450	$ 0.6450
Baker Road MUD	0.3400	0.3000	0.3000	0.3000
Castlewood MUD	0.5800	0.4500	0.4300	0.4100
Cimarron MUD	0.4200	0.3850	0.3650	0.3650
Cinco MUD #1	0.4400	0.4400	0.4300	0.4278
Cinco MUD #2	0.4500	0.3400	0.2800	0.3100
Cinco MUD #3	0.4000	0.3700	0.3550	0.3550
Cinco MUD #5	0.3800	0.3700	0.3700	0.4900
Cinco MUD #6	0.3550	0.3300	0.3300	0.3850
Cinco MUD #7	0.4800	0.4400	0.4200	0.4800
Cinco MUD #8	0.6400	0.5900	0.5800	0.9600
Cinco MUD #9	0.4300	0.4050	0.3950	0.3950
Cinco MUD #10	0.5300	0.4950	0.4950	0.5050
Cinco MUD #12	0.2700	0.2500	0.2500	0.2500
Cinco MUD #14	0.5200	0.5000	0.4900	0.4900
Cinco SW MUD #1	0.9050	0.8500	0.7600	0.6800
Cinco SW MUD #2	1.0400	0.9850	0.9400	0.9100
Cinco SW MUD #3	1.2000	1.1200	1.0000	0.9350
Cinco SW MUD #4	1.0300	0.9600	0.9100	0.8300
Cornerstone MUD	0.3300	0.3000	0.3000	0.3000
Fort Bend Co.	0.4860	0.4740	0.4690	0.4640
Fort Bend Co. LID #12	0.1000	0.0900	0.0900	0.0850
Fort Bend Co. MUD #34	0.6300	0.6200	0.6100	0.6100
Fort Bend Co. MUD #35	0.5150	0.4400	0.4300	0.4250
Fort Bend Co. MUD #37	0.5000	0.4900	0.4900	0.4900
Fort Bend Co. MUD #57	1.0500	0.9400	0.9200	0.9000
Fort Bend Co. MUD #58	1.1600	1.0700	1.0200	0.9500
Fort Bend Co. MUD #124	0.8600	0.8600	0.8600	0.8600
Fort Bend Co. MUD #130	0.6600	0.6300	0.6300	0.6300
Fort Bend Co. MUD #130 Defined Area	*N/A	*N/A	*N/A	*N/A
Fort Bend Co. MUD #142	0.8500	0.7700	0.7500	0.7500
Fort Bend Co. MUD #151	1.1100	1.0000	0.9700	0.9500
Fort Bend Co. MUD #156	1.2500	1.0500	1.0500	1.0500
Fort Bend Co. MUD #161	0.9000	0.9000	0.9000	0.9000
Fort Bend Co. MUD #163	0.9000	0.9000	0.9000	0.9000
Fort Bend Co. MUD #171	1.1600	1.1200	1.1175	1.0650
Fort Bend Co. MUD #172	1.2818	1.2150	1.1850	1.1600
Fort Bend Co. MUD #173	1.3393	1.3440	1.3422	1.3384
Fort Bend Co. MUD #182	1.5000	1.5000	1.5000	1.3500

2020	2021	2022	2023	2024	2025
$ 1.0531	$ 0.9988	$ 0.9617	$ 0.9148	$ 0.7294	$ 0.7271
0.3900	0.3900	0.3900	0.3900	0.3900	0.3900
$ 1.4431	**$ 1.3888**	**$ 1.3517**	**$ 1.3048**	**$ 1.1194**	**$ 1.1171**
$ 0.6300	$ 0.6000	$ 0.5650	$ 0.5150	$ 0.4900	$ 0.4900
0.3000	0.3000	0.3000	0.2822	0.2900	0.2950
0.4100	0.4100	0.4800	0.4600	0.4500	0.4200
0.3650	0.3650	0.3500	0.3200	0.3000	0.2800
0.4450	0.4450	0.4414	0.4098	0.3800	0.3550
0.3700	0.3600	0.3500	0.3200	0.2700	0.2500
0.3450	0.3450	0.3450	0.3400	0.2750	0.2500
0.4400	0.4200	0.4200	0.3950	0.3550	0.3100
0.3300	0.3300	0.3200	0.3007	0.2800	0.2800
0.4200	0.4050	0.3900	0.3000	0.2700	0.2350
0.6200	0.6150	0.6100	0.5600	0.5100	0.3700
0.3950	0.3950	0.3900	0.3700	0.2238	0.3040
0.5300	0.5500	0.5590	0.5200	0.4800	0.4500
0.2500	0.2500	0.2500	0.2400	0.2200	0.2050
0.5250	0.5350	0.5350	0.4900	0.4500	0.4238
0.6600	0.6400	0.5800	0.4700	0.4422	0.4161
0.9300	0.9000	0.8800	0.8200	0.7350	0.6500
0.9300	0.9200	0.8650	0.8100	0.7500	0.6550
0.8379	0.8250	0.8000	0.6950	0.6450	0.6000
0.3000	0.3000	0.3000	0.2775	0.2575	0.2425
0.4600	0.4532	0.4528	0.4383	0.4265	0.4220
0.0800	0.0750	0.0700	0.6500	0.0550	0.0450
0.6100	0.6100	0.6100	0.5900	0.5650	0.5500
0.4250	0.4250	0.4100	0.3800	0.3550	0.3350
0.4900	0.4900	0.5098	0.4805	0.4505	0.4450
0.9000	0.8900	0.8800	0.8200	0.7680	0.7260
0.9500	0.9000	0.8500	0.8200	0.7900	0.7300
0.8600	0.8600	0.8600	0.8100	0.7840	0.7520
0.6300	0.5300	0.5200	0.4500	0.4200	0.4000
*N/A	0.8700	0.8700	0.7200	0.7100	0.6850
0.7500	0.7500	0.7300	0.7000	0.7000	0.6180
0.9300	0.8900	0.8900	0.8500	0.8200	0.7800
1.0100	0.9900	0.9700	0.9300	0.8400	0.7900
0.9000	0.9000	0.8800	0.8300	0.8000	0.7800
0.9000	0.9000	0.9000	0.8200	0.7400	0.6625
1.0742	1.0700	1.0500	1.0000	0.9030	0.8400
1.1350	1.0900	1.0300	0.9450	0.8500	0.8000
1.3338	1.2700	1.2350	1.1300	1.0100	0.9700
1.3000	1.2700	1.2700	1.1700	1.0700	1.0700

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2016	2017	2018	2019
Overlapping Rates:				
Fort Bend Co. MUD #185	$ 1.0400	$ 1.0300	$ 1.0200	$ 1.0000
Fort Bend Co. MUD #199	0.6000	0.6000	0.6000	0.6000
Fort Bend Waller Co. MUD #3	0.9300	0.9300	0.9300	0.9300
Fort Bend Improvement District #24	1.4500	1.4500	1.4500	1.4500
Fry Road MUD	0.4700	0.4550	0.4400	0.4300
Fulshear MUD #3A	*N/A	*N/A	1.5000	1.5000
Grand Lakes MUD #1	0.5150	0.4950	0.4950	0.5700
Grand Lakes MUD #2	0.3200	0.3075	0.3000	0.2650
Grand Lakes MUD #4	0.6000	0.5725	0.5525	0.5000
Grand Lakes WC & ID	0.0665	0.0650	0.0650	0.0650
Green Trails MUD	0.1900	0.2100	0.2100	0.2100
Harris Co.	0.4192	0.4166	0.4180	0.4186
Harris Co. Dept. of Education	0.0054	0.0052	0.0052	0.0052
Harris Co. Flood Contr. Dist.	0.0273	0.0283	0.0283	0.0288
Harris Co. ID #25	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #61	0.5000	0.4900	0.4800	0.4800
Harris Co. MUD #62	0.5900	0.5750	0.5750	0.5550
Harris Co. MUD #63	0.5000	0.4100	0.3300	0.3000
Harris Co. MUD #64	0.6900	0.6300	0.5800	0.5800
Harris Co. MUD #65	0.8400	0.7300	0.6700	0.6400
Harris Co. MUD #71	0.9700	0.8900	0.8000	0.7900
Harris Co. MUD #81	0.3300	0.3300	0.3300	0.3100
Harris Co. MUD #105	0.8500	0.8300	0.8000	0.8000
Harris Co. MUD #185	0.5450	0.5575	0.5375	0.5100
Harris Co. MUD #216	0.7000	0.5600	0.5000	0.5000
Harris Co. MUD #238	0.6200	0.5400	0.5100	0.5000
Harris Co. MUD #287	1.3500	1.2700	1.2200	1.1700
Harris Co. MUD #345	0.3100	0.2800	0.2500	0.2200
Harris Co. MUD #346	0.1000	0.1000	0.1000	0.1000
Harris Co. MUD #432	1.4500	1.4000	1.3800	1.3400
Harris Co. MUD #449	1.5000	1.4400	1.4200	1.3700
Harris Co. MUD #457	*N/A	1.5000	1.5000	1.5000
Harris Co. MUD #465	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #495	*N/A	*N/A	1.5000	1.5000
Harris Co. MUD #534	*N/A	*N/A	*N/A	*N/A
Harris Co. MUD #536	*N/A	1.5000	1.5000	1.5000
Harris Co. MUD #538	*N/A	*N/A	*N/A	1.5000
Harris Co. UD #6	0.2300	0.2200	0.2200	0.2300
Harris Co. WC & ID #159	*N/A	*N/A	*N/A	*N/A
Harris-Fort Bend Cos. MUD #1	0.6550	0.6100	0.6200	0.6200
Harris-Fort Bend Cos. MUD #3	0.9700	0.9200	0.8200	0.8100

2020	2021	2022	2023	2024	2025
$ 0.9600	$ 0.9300	$ 0.8900	$ 0.8500	$ 0.8150	$ 0.8150
0.6000	0.6000	0.6000	0.6000	0.7000	0.7000
0.9300	0.9300	0.9300	0.9300	0.9100	0.8500
1.4500	*N/A	1.4500	1.4500	1.4500	1.4500
0.4250	0.4175	0.3910	0.3630	0.3278	0.3266
1.5000	1.4500	1.4000	1.3000	1.2000	1.1500
0.5400	0.5400	0.5450	0.5140	0.4800	0.4529
0.2400	0.1800	0.1500	0.1300	0.1300	0.1345
0.5000	0.5000	0.5000	0.4700	0.4700	0.4250
0.0700	0.0700	0.0700	0.6308	0.0589	0.0525
0.2150	0.2100	0.2090	0.1975	0.1971	0.2523
0.4071	0.3912	0.3769	0.3437	0.3501	0.3853
0.0050	0.0050	0.0050	0.0049	0.0048	0.0048
0.0279	0.0314	0.0335	0.0306	0.0311	0.0490
0.9000	0.9000	0.9000	0.9000	0.4620	0.6500
0.4800	0.4600	0.4500	0.4500	0.4500	0.4400
0.5550	0.5550	0.5790	0.5620	0.5620	0.5620
0.2800	0.2500	0.2000	0.1750	0.0850	0.0750
0.5600	0.5600	0.5400	0.5000	0.4800	0.4780
0.6200	0.6000	0.5750	0.5170	0.4750	0.4500
0.7900	0.7900	0.7900	0.7700	0.7500	0.7450
0.3000	0.3000	0.2950	0.2750	0.2650	0.2500
0.7800	0.7700	0.7400	0.6900	0.6400	0.6100
0.4600	0.4350	0.4400	0.4175	0.4175	0.4175
0.4900	0.4900	0.4900	0.4800	0.4700	0.4600
0.4900	0.4850	0.4650	0.4375	0.4124	0.3956
1.1600	1.1400	1.0900	1.0000	0.9400	0.9200
0.1900	0.1800	0.1750	0.1750	0.1650	0.1580
0.1000	0.1000	0.1000	0.1000	0.1000	0.1000
1.3200	1.3000	1.3000	1.2600	1.1800	1.1300
1.3200	1.2900	1.2400	1.1600	1.0300	0.9900
1.5000	1.5000	1.5000	1.4300	1.4136	1.4100
*N/A	1.4500	1.4500	1.4500	1.4500	1.4500
1.5000	1.5000	1.4400	1.1500	1.0300	1.0000
*N/A	*N/A	1.5000	1.5000	1.5000	1.5000
1.5000	1.5000	1.5000	1.4000	1.3700	1.3500
1.5000	1.5000	1.4500	1.3750	1.3300	1.3300
0.2025	0.1900	0.1779	0.2350	0.2820	0.2820
0.5000	0.5000	0.4600	0.4200	0.4050	0.4050
0.6400	0.6400	0.6400	0.5934	0.5600	0.5300
0.7300	0.7000	0.6700	0.6200	0.5700	0.5450

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX RATES – DIRECT AND OVERLAPPING GOVERNMENTS
(PER $100 OF ASSESSED VALUE)
LAST TEN FISCAL YEARS

Taxing Authority	2016	2017	2018	2019
Overlapping Rates:				
Harris-Fort Bend Cos. MUD #5	$ 0.5900	$ 0.5400	$ 0.5150	$ 0.5050
Harris-Waller Cos. MUD #2	0.9500	0.9500	0.9500	0.9500
Harris-Waller Cos. MUD #3	0.9300	0.9300	0.9300	0.9300
Houston, City of	0.6011	0.5864	0.5842	0.5883
Interstate MUD	0.4000	0.3950	0.3900	0.3900
Jackrabbit Road PUD	0.3000	0.3000	0.3000	0.3000
Katy, City of	0.5267	0.5067	0.4867	0.4867
Katy Management District #1	0.8200	0.8000	0.8000	0.8000
Katy West MUD	0.8000	0.8000	0.8000	0.8000
Longhorn Town UD	0.5000	0.4600	0.4500	0.4300
Mason Creek UD	0.3230	0.3230	0.3230	0.3300
Mayde Creek MUD	0.9300	0.9300	0.9200	0.8900
Memorial MUD	0.4800	0.4400	0.4150	0.4150
Morton Road MUD	0.6900	0.6600	0.6400	0.6300
Northwest Harris Co. MUD #12	0.9800	0.9300	0.8500	0.8000
Nottingham Country MUD	0.3450	0.3400	0.3400	0.3400
Port of Houston Authority	0.0134	0.0133	0.0126	0.0116
Ricewood MUD	0.4750	0.4200	0.4000	0.3900
Rolling Creek UD	0.8500	0.7800	0.7000	0.7000
Village at Katy DD	*N/A	*N/A	*N/A	*N/A
Waller County	0.6204	0.6004	0.5848	0.6540
Waller County ID #2	*N/A	*N/A	*N/A	*N/A
Waller County MUD #9B	*N/A	*N/A	*N/A	0.7700
Waller County RID #1	1.2500	1.2500	1.2500	1.2500
Waller-Harris ESD 200	0.0995	0.0995	0.0995	0.0995
West Harris Co. MUD #2	0.4800	0.4800	0.4600	0.4500
West Harris Co. MUD #5	1.0900	1.0500	1.0100	1.0000
West Harris Co. MUD #7	0.8400	0.7700	0.6700	0.6400
West Harris Co. MUD #17	1.1900	1.0700	1.0450	1.0450
Westlake MUD #1	0.5625	0.5400	0.5300	0.4900
West Memorial MUD	0.4300	0.3900	0.3900	0.3900
Weston MUD	0.4800	0.4600	0.4100	0.3700
Westpark MUD	0.6500	0.5800	0.4600	0.4200
Willow Creek Farms MUD	1.1500	1.0950	1.0100	1.0400
Willow Fork DD	0.1850	0.1850	0.1850	0.1850
Willow Point MUD	1.5000	1.5000	1.5000	1.4800
WoodCreek Reserve MUD	0.5600	0.5600	0.5200	0.5050

UD - Utility District
MUD - Municipal Utility District
PUD - Public Utility District
ID - Improvement District
LID - Land Improvement District
RID - Road Improvement District
DD - Development District
ESD - Emergency Services District
WC & ID - Water Control & Improvement District

*N/A Political entity not in existence or taxes not yet levied.

Source: County Appraisal Districts

2020	2021	2022	2023	2024	2025
$ 0.4800	$ 0.4600	$ 0.4500	$ 0.3900	$ 0.3500	$ 0.3300
0.9500	0.9500	0.9500	0.8700	0.7600	0.6900
0.9300	0.9300	0.9300	0.9300	0.8800	0.8800
0.5679	0.5618	0.5508	0.5336	0.5192	0.5192
0.3900	0.3900	0.3700	0.3425	0.3200	0.3200
0.3000	0.2973	0.2840	0.2665	0.2490	0.2362
0.4800	0.4472	0.4472	0.4400	0.4300	0.4250
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.8000	0.8000	0.8000	0.8000	0.8000	0.8000
0.3800	0.3500	0.3200	0.2600	0.2325	0.2241
0.3510	0.3510	0.3360	0.3120	0.3053	0.3014
0.8600	0.8400	0.8000	0.7200	0.6900	0.6800
0.4050	0.4000	0.3800	0.3530	0.3250	0.3000
0.6200	0.6000	0.5500	0.5190	0.4700	0.4400
0.8000	0.7800	0.7300	0.6500	0.6100	0.5900
0.3400	0.3400	0.3000	0.2750	0.2750	0.2600
0.0107	0.0099	0.0087	0.0080	0.0057	0.0062
0.3900	0.3850	0.3650	0.3400	0.3400	0.3400
0.7000	0.6800	0.6400	0.6100	0.5500	0.5400
1.0000	1.0000	1.0000	1.0000	1.0000	1.0000
0.6301	0.5871	0.5757	0.5226	0.4987	0.4730
*N/A	0.8000	0.8000	0.8000	0.8000	0.8000
0.7700	0.7700	0.7700	0.7700	0.7400	0.7400
1.2500	1.1700	1.1700	1.1700	1.0500	1.0000
0.1000	0.1000	0.0988	0.0974	0.0863	0.0966
0.4300	0.4300	0.4000	0.3600	0.3500	0.3400
0.9800	0.9700	0.9000	0.8400	0.8200	0.7850
0.6100	0.6000	0.5300	0.4800	0.4300	0.4200
0.9850	0.9650	0.9650	0.8600	0.8400	0.8200
0.4800	0.4589	0.4538	0.4365	0.4256	0.4058
0.3900	0.3900	0.3900	0.3600	0.3375	0.3200
0.3500	0.3400	0.3200	0.3000	0.3000	0.3000
0.3950	0.3250	0.3750	0.3750	0.3750	0.4100
1.1400	1.1400	1.1400	1.1000	1.1500	1.1500
0.1850	0.1850	0.1850	0.1720	0.1600	0.1500
1.4600	1.4300	1.3800	1.3200	1.2900	1.2700
0.5000	0.4900	0.4600	0.5300	0.4400	0.4350

KATY INDEPENDENT SCHOOL DISTRICT
PRINCIPAL TAXPAYERS

CURRENT YEAR AND NINE YEARS AGO

Exhibit VII

	2025			2016		
Taxpayer	**Assessed Value (1)**	**Rank**	**Percentage of Total Assessed Value (2)**	**Assessed Value (1)**	**Rank**	**Percentage of Total Assessed Value (3)**
Shell Oil Co.	$ 379,341,168	1	0.62%	$ 555,891,979	1	1.69%
Southern Glazer's Wine & Spirits	314,532,700	2	0.52			
Centerpoint Energy	256,279,224	3	0.42	118,913,501	9	0.36
Katy Mills LP	230,232,670	4	0.38	121,548,330	7	0.37
BPHQ LLC	219,508,442	5	0.36	549,544,059	2	1.67
Schlumberger Technology Corp.	172,983,814	6	0.28	187,344,688	4	0.57
Academy Corp. Ltd.	156,670,344	7	0.26	163,400,202	5	0.50
West Memorial Place Owner LLC	132,084,883	8	0.22			
Gateway Helios Inc.	131,613,392	9	0.22			
PR II La Centerra	131,285,765	10	0.22			
Westlake Four Owner Corp.				268,230,911	3	0.82
Conoco Phillips Co.				161,761,546	6	0.49
Bravelake Property Owner Corp.				120,000,000	8	0.36
I10 EC Corridor LP				99,000,000	10	0.30
TOTALS	$ 2,124,532,402		3.50%	$ 2,345,635,216		7.13%

(1) Assessed (taxable) value equals appraised value after exemptions.
(2) Total assessed value equals: $ 60,888,274,738
(3) Total assessed value equals: $ 32,904,425,128

Source: County Appraisal Districts

KATY INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS
LAST TEN FISCAL YEARS

Exhibit VIII

Fiscal Year Ended 8/31:	Adjusted Tax Levy	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years (2)	Total Collections to Date	
		Amount	Percentage of Levy (1)		Amount	Percentage of Levy
2016	$ 487,727,871	$ 487,326,155	99.92%	$ 93,457	$ 487,419,612	99.94%
2017	534,672,445	536,816,559	100.40	(2,540,826)	534,275,733	99.93
2018	557,212,427	560,383,716	100.57	(3,792,184)	556,591,532	99.89
2019	575,547,597	574,967,028	99.90	(24,341)	574,942,687	99.89
2020	585,563,316	585,598,568	100.01	(912,149)	584,686,419	99.85
2021	601,385,071	604,861,042	100.58	(4,487,398)	600,373,644	99.83
2022	624,616,343	625,457,758	100.13	(1,983,208)	623,474,550	99.82
2023	682,919,091	687,009,309	100.60	(7,408,426)	679,600,883	99.51
2024	608,934,640	602,164,207	98.89	(6,425,879)	595,738,328	97.83
2025	649,639,960	642,631,815	98.92		642,631,815	98.92

(1) Collections within fiscal year of levy exceed 100% due to subsequent adjustments to original tax levy.
(2) Negative collections represent refunds made to taxpayers.

Source: District Records

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DEBT CAPACITY INFORMATION

These schedules contain information to assist users in understanding and assessing the District's debt burden and its ability to issue additional debt in the future.

KATY INDEPENDENT SCHOOL DISTRICT

RATIOS OF OUTSTANDING DEBT BY TYPE — Exhibit IX

LAST TEN FISCAL YEARS

	Governmental Activities								
Fiscal Year Ended 8/31:	General Obligation Bonds (3)	Accretion on Capital Appreciation Bonds	Bond Issuance Premiums (4)	Note Payable	Lease Payable	SBITA Payable	Total Primary Government	Ratio of Debt to Assessed Value (1)	Debt per ADA (2)
2016	$ 1,449,414,330	$ 5,602,776	$ 128,684,350	$ 12,690,000			$ 1,596,391,456	4.85%	$ 22,901
2017	1,621,576,790	2,835,055	175,631,661	11,435,000			1,811,478,506	4.98	25,155
2018	1,737,385,000		182,091,664	10,145,000			1,929,621,664	5.08	26,182
2019	1,843,845,000		193,051,387	8,820,000			2,045,716,387	5.25	26,875
2020	1,888,706,959	93,522	215,607,409	7,455,000			2,111,862,890	5.07	26,701
2021	1,801,090,230	114,558	229,723,445	6,050,000			2,036,978,233	4.56	25,521
2022	2,140,211,367	37,235	234,252,578	4,645,000	193,758		2,379,339,938	5.01	28,912
2023	2,267,301,460	42,067	231,625,035	3,115,000	84,389	4,008,901	2,506,176,852	4.64	29,145
2024	2,379,055,000		218,850,417	1,565,000		3,402,482	2,602,872,899	4.60	29,382
2025	2,657,125,000		187,694,515			8,850,187	2,853,669,702	4.69	31,777

(1) See Exhibit V for assessed value data.
(2) See Exhibit XV for student Average Daily Attendance (ADA) data.
(3) General Obligation Bonds include Capital Appreciation Bonds
(4) Bond Issuance Premiums includes premiums on issuance of Capital Appreciation Bonds

Source: District Records

KATY INDEPENDENT SCHOOL DISTRICT

RATIOS OF NET GENERAL OBLIGATION BONDED DEBT OUTSTANDING — Exhibit X

LAST TEN FISCAL YEARS

Fiscal Year Ended 8/31:	Governmental Activities				Primary Government Net Bonded Debt	Ratio of Net Bonded Debt to Assessed Value (1)	Net Bonded Debt per ADA (2)
	General Obligation Bonds	Accretion on Capital Appreciation Bonds	Bond Issuance Premiums	Less Reserve for Retirement of Bonded Debt			
2016	$ 1,449,414,330	$ 5,602,776	$ 128,684,350	$ 51,026,434	$ 1,532,675,022	4.66%	$ 21,987
2017	1,621,576,790	2,835,055	175,631,661	53,113,798	1,746,929,708	4.81	24,259
2018	1,737,385,000		182,091,664	56,325,629	1,863,151,035	4.91	25,281
2019	1,843,845,000		193,051,387	57,944,031	1,978,952,356	5.08	25,998
2020	1,888,706,959	93,522	215,607,409	59,643,831	2,044,764,059	4.91	25,853
2021	1,801,090,230	114,558	229,723,445	62,074,135	1,968,854,098	4.41	24,668
2022	2,140,211,367	37,235	234,252,578	58,954,065	2,315,547,115	4.88	28,137
2023	2,267,301,460	42,067	231,625,035	63,829,896	2,435,138,666	4.51	28,319
2024	2,379,055,000		218,850,417	64,779,516	2,533,125,901	4.47	28,595
2025	2,657,125,000		187,694,515	63,517,703	2,781,301,812	4.57	30,971

(1) See Exhibit V for assessed value data.
(2) See Exhibit XV for student Average Daily Attendance data.

Source: District Records

Taxing Authority	Gross Debt Outstanding Amount	As Of	Percent Overlapping (1)	Amount Overlapping Gross Debt
Direct:				
Katy Independent School District	$ 2,853,669,702	8/31/2025	100.00%	$ 2,853,669,702
Overlapping:				
Addicks UD	11,880,000	8/31/2025	100.00	11,880,000
Castlewood MUD	12,685,000	8/31/2025	100.00	12,685,000
Cimarron MUD	20,050,000	8/31/2025	100.00	20,050,000
Cinco MUD #1	3,229,439	8/31/2025	100.00	3,229,439
Cinco MUD #2	8,768,036	8/31/2025	100.00	8,768,036
Cinco MUD #3	4,138,831	8/31/2025	100.00	4,138,831
Cinco MUD #5	4,686,934	8/31/2025	100.00	4,686,934
Cinco MUD #6	4,635,064	8/31/2025	100.00	4,635,064
Cinco MUD #7	7,246,739	8/31/2025	100.00	7,246,739
Cinco MUD #8	9,109,208	8/31/2025	100.00	9,109,208
Cinco MUD #9	5,962,313	8/31/2025	100.00	5,962,313
Cinco MUD #10	7,282,653	8/31/2025	100.00	7,282,653
Cinco MUD #12	6,046,441	8/31/2025	100.00	6,046,441
Cinco MUD #14	13,214,220	8/31/2025	100.00	13,214,220
Cinco Southwest MUD #1	867,074	8/31/2025	100.00	867,074
Cinco Southwest MUD #2	50,777,507	8/31/2025	100.00	50,777,507
Cinco Southwest MUD #3	41,546,412	8/31/2025	100.00	41,546,412
Cinco Southwest MUD #4	48,079,007	8/31/2025	100.00	48,079,007
Cornerstone MUD	625,000	8/31/2025	100.00	625,000
Fort Bend Co.	1,237,428,859	8/31/2025	18.04	223,232,166
Fort Bend Co. Drainage District	21,645,000	8/31/2025	18.04	3,904,758
Fort Bend Co. ID #24	12,655,000	8/31/2025	100.00	12,655,000
Fort Bend Co. LID #12	3,755,000	8/31/2025	3.85	144,568
Fort Bend Co. MUD #34	15,020,000	8/31/2025	100.00	15,020,000
Fort Bend Co. MUD #35	20,125,000	8/31/2025	100.00	20,125,000
Fort Bend Co. MUD #57	36,545,000	8/31/2025	100.00	36,545,000
Fort Bend Co. MUD #58	122,040,000	8/31/2025	100.00	122,040,000
Fort Bend Co. MUD #124	4,625,000	8/31/2025	100.00	4,625,000
Fort Bend Co. MUD #130	6,165,000	8/31/2025	100.00	6,165,000
Fort Bend Co. MUD #130 Def. Area	11,760,000	8/31/2025	100.00	11,760,000
Fort Bend Co. MUD #142	111,625,000	8/31/2025	29.82	33,286,575
Fort Bend Co. MUD #151	54,970,000	8/31/2025	63.37	34,834,489
Fort Bend Co. MUD #156	15,220,000	8/31/2025	100.00	15,220,000
Fort Bend Co. MUD #161	26,075,000	8/31/2025	100.00	26,075,000
Fort Bend Co. MUD #163	11,795,000	8/31/2025	100.00	11,795,000
Fort Bend Co. MUD #171	37,634,225	8/31/2025	100.00	37,634,225
Fort Bend Co. MUD #172	85,114,978	8/31/2025	100.00	85,114,978
Fort Bend Co. MUD #173	54,617,462	8/31/2025	100.00	54,617,462

Taxing Authority	Gross Debt Outstanding Amount	Gross Debt Outstanding As Of	Percent Overlapping (1)	Amount Overlapping Gross Debt
Overlapping:				
Fort Bend Co. MUD #182	$ 175,075,000	8/31/2025	31.30%	$ 54,798,475
Fort Bend Co. MUD #185	28,645,000	8/31/2025	100.00	28,645,000
Fort Bend Co. MUD #199	7,935,000	8/31/2025	100.00	7,935,000
Fort Bend Waller Co. MUD #3	48,965,000	8/31/2025	59.25	29,011,763
Fulshear MUD #3A	121,070,000	8/31/2025	1.08	1,307,556
Grand Lakes MUD #1	2,450,000	8/31/2025	100.00	2,450,000
Grand Lakes MUD #4	3,540,000	8/31/2025	100.00	3,540,000
Grand Lakes WC & ID	2,460,000	8/31/2025	100.00	2,460,000
Green Trails MUD	9,085,000	8/31/2025	100.00	9,085,000
Harris Co.	2,358,264,736	8/31/2025	4.96	116,969,931
Harris Co. Dept. of Education	28,960,000	8/31/2025	4.96	1,436,416
Harris Co. ESD #13	5,500,000	8/31/2025	1.13	62,150
Harris Co. Flood Contr. Dist.	963,805,000	8/31/2025	4.96	47,804,728
Harris Co. Hosp. District	867,820,000	8/31/2025	4.96	43,043,872
Harris Co. ID #25	8,415,000	8/31/2025	100.00	8,415,000
Harris Co. MUD #61	22,835,000	8/31/2025	100.00	22,835,000
Harris Co. MUD #62	26,510,000	8/31/2025	100.00	26,510,000
Harris Co. MUD #63	3,235,000	8/31/2025	100.00	3,235,000
Harris Co. MUD #64	11,975,000	8/31/2025	100.00	11,975,000
Harris Co. MUD #65	16,130,000	8/31/2025	100.00	16,130,000
Harris Co. MUD #71	32,745,000	8/31/2025	99.21	32,486,315
Harris Co. MUD #81	10,345,000	8/31/2025	100.00	10,345,000
Harris Co. MUD #105	80,385,000	8/31/2025	10.09	8,110,847
Harris Co. MUD #185	250,000	8/31/2025	3.89	9,725
Harris Co. MUD #216	2,560,000	8/31/2025	100.00	2,560,000
Harris Co. MUD #238	11,115,000	8/31/2025	100.00	11,115,000
Harris Co. MUD #287	54,470,000	8/31/2025	100.00	54,470,000
Harris Co. MUD #432	63,235,000	8/31/2025	100.00	63,235,000
Harris Co. MUD #449	66,110,000	8/31/2025	100.00	66,110,000
Harris Co. MUD #457	155,005,957	8/31/2025	100.00	155,005,957
Harris Co. MUD #465	28,240,000	8/31/2025	100.00	28,240,000
Harris Co. MUD #493	5,450,000	8/31/2025	0.83	45,235
Harris Co. MUD #495	115,520,000	8/31/2025	100.00	115,520,000
Harris Co. MUD #532	1,204,716	8/31/2025	100.00	1,204,716
Harris Co. MUD #533	1,091,268	8/31/2025	100.00	1,091,268
Harris Co. MUD #534	88,402,413	8/31/2025	100.00	88,402,413
Harris Co. MUD #536	83,755,000	8/31/2025	100.00	83,755,000
Harris Co. MUD #538	24,670,000	8/31/2025	100.00	24,670,000
Harris Co. MUD #539	3,750,000	8/31/2025	100.00	3,750,000
Harris Co. MUD #540	27,845,000	8/31/2025	100.00	27,845,000
Harris Co. MUD #569	51,827,677	8/31/2025	100.00	51,827,677
Harris Co. UD #6	12,255,000	8/31/2025	98.72	12,098,136

Taxing Authority	Gross Debt Outstanding Amount	Gross Debt Outstanding As Of	Percent Overlapping (1)	Amount Overlapping Gross Debt
Overlapping:				
Harris Co. WC & ID #159	$ 61,515,000	8/31/2020	0.44%	$ 270,666
Harris-Fort Bend Cos. MUD #1	14,210,000	8/31/2025	100.00	14,210,000
Harris-Fort Bend Cos. MUD #3	44,935,000	8/31/2025	100.00	44,935,000
Harris-Fort Bend Cos. MUD #5	13,745,000	8/31/2025	100.00	13,745,000
Harris-Waller Counties MUD #2	21,240,000	8/31/2025	100.00	21,240,000
Harris-Waller Counties MUD #3	135,850,000	8/31/2025	100.00	135,850,000
Harris-Waller Counties MUD #4	294,529	8/31/2025	100.00	294,529
Harris-Waller Counties MUD #5	113,366,118	8/31/2025	100.00	113,366,118
Houston, City of	3,438,180,000	8/31/2025	1.51	51,916,518
Interstate MUD	8,595,000	8/31/2025	100.00	8,595,000
Katy West MUD	52,125,000	8/31/2025	100.00	52,125,000
Katy, City of	22,525,000	8/31/2025	94.43	21,270,358
Mason Creek UD	3,215,000	8/31/2025	100.00	3,215,000
Mayde Creek MUD	4,135,000	8/31/2025	100.00	4,135,000
Memorial MUD	2,030,000	8/31/2025	100.00	2,030,000
Morton Road MUD	7,400,000	8/31/2025	100.00	7,400,000
Northwest Harris Co. MUD #12	71,120,000	8/31/2025	22.84	16,243,808
Port of Houston Authority	406,509,397	8/31/2025	4.96	20,162,866
Ricewood MUD	8,400,000	8/31/2025	100.00	8,400,000
Rolling Creek UD	33,775,000	8/31/2025	9.95	3,360,613
Village at Katy DD	10,600,000	8/31/2025	100.00	10,600,000
Waller County	166,345,000	8/31/2025	32.87	54,677,602
Waller Co. ID #2	17,450,000	8/31/2025	100.00	17,450,000
Waller Co. MUD #37	64,659,492	8/31/2025	100.00	64,659,492
Waller Co. RID #1	101,370,000	8/31/2025	15.06	15,266,322
West Harris Co. MUD #2	23,220,000	8/31/2025	100.00	23,220,000
West Harris Co. MUD #5	28,780,000	8/31/2025	100.00	28,780,000
West Harris Co. MUD #7	17,035,000	8/31/2025	100.00	17,035,000
West Harris Co. MUD #17	3,495,000	8/31/2025	100.00	3,495,000
Westlake MUD #1	5,860,000	8/31/2025	100.00	5,860,000
West Memorial MUD	5,490,000	8/31/2025	100.00	5,490,000
West Park MUD	22,380,000	8/31/2025	100.00	22,380,000
Weston MUD	17,685,000	8/31/2025	100.00	17,685,000
Willow Creek Farms MUD	39,570,000	8/31/2025	83.66	33,104,262
Willow Fork DD	21,575,000	8/31/2025	100.00	21,575,000
Willow Point MUD	36,640,000	8/31/2025	100.00	36,640,000
WoodCreek Reserve MUD	14,415,000	8/31/2025	100.00	14,415,000
Subtotal, Overlapping Debt				3,230,269,430
TOTAL DIRECT AND OVERLAPPING DEBT				**$ 6,083,939,132**

UD - Utility District
MUD - Municipal Utility District
PUD - Public Utility District
LID - Land Improvement District
RID - Road Improvement District
DD - Development District
WC & ID - Water Control & Improvement District

(1) 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: Texas Municipal Reports compiled and published by the Municipal Advisory Council of Texas

DEMOGRAPHIC AND ECONOMIC INFORMATION

These schedules contain information to assist users in understanding the socioeconomic environment in which the District operates and to provide information that facilitates comparisons of financial statement information over time and with other school districts.

KATY INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS Exhibit XII
LAST TEN FISCAL YEARS

Fiscal Year Ended 08/31:	Residential Units (1)	Total Assessed Value of Residential Units (1)	Average Assessed Value Per Residential Unit	Average Daily Attendance (2)		Unemployment Rate (3)
2016	88,340	$ 23,019,705,718	$ 260,581	69,709		4.30%
2017	91,262	25,041,894,422	274,396	72,013		4.60
2018	93,713	25,919,208,165	276,581	73,699	(4)	4.50
2019	96,294	26,208,047,208	272,167	76,120		4.20
2020	98,983	28,025,701,366	283,137	79,092	(4)	8.50
2021	102,109	29,461,399,304	288,529	79,815	(4)	6.00
2022	106,142	30,298,173,153	285,449	82,295	(4)	4.60
2023	110,518	37,786,193,407	341,901	85,990		4.20
2024	114,461	41,044,903,287	358,593	88,586		4.10
2025	117,894	43,672,698,937	370,440	89,802		4.10

(1) Source: County Appraisal Districts - Includes Single Family Residential Units
(2) Source: District Records
(3) Source: Katy Area Economic Development Council and Katy Area Chamber of Commerce
(4) ADA in table above does not reflect the state hold harmless disaster adjustment and State COVID-19 adjustments

Due to the District's boundaries falling within three separate counties, total personal income data for geographic area is not available for the ten year period presented.

KATY INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO

Exhibit XIII

	2025			2016		
Employer	**Employees**	**Rank**	**Percentage of Total Employment (1)**	**Employees**	**Rank**	**Percentage of Total Employment (2)**
Katy ISD	13,403	1	5.86%	9,186	1	5.67%
BP America	5,000	2	2.19	5,000	2	3.08
Shell USA	3,200	3	1.40	4,000	4	2.47
Academy Sports and Outdoors	2,355	4	1.03	2,900	6	1.79
Wood Group/ Mustang Engineering	2,175	5	0.95	4,000	3	2.47
Houston Methodist West	1,580	6	0.69	1,650	7	1.02
Walmart	1,260	7	0.55	1,400	8	0.86
Achilles Information, Inc.	1,050	8	0.46			
Harris County	980	9	0.43			
Worley Parsons	900	10	0.39	1,000	10	0.62
ConocoPhillips				3,000	5	1.85
Foster Wheeler				1,000	9	0.62
TOTALS	**31,903**		**13.95%**	**33,136**		**20.45%**

(1) Total employment for 2025: 228,764
(2) Total employment for 2016: 162,084

Source: Katy Area Economic Development Council through Info USA and direct interviews.

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OPERATING INFORMATION

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

KATY INDEPENDENT SCHOOL DISTRICT
FULL-TIME EQUIVALENT DISTRICT EMPLOYEES BY POSITION
LAST TEN FISCAL YEARS

POSITION:	2016	2017	2018	2019
Instruction	5,960	6,229	6,471	6,687
Instructional Resources and Media Services	113	119	127	129
Curriculum and Instructional Staff Development	95	100	99	101
Instructional Leadership	69	70	72	77
School Leadership	552	575	612	628
Guidance, Counseling, and Evaluation Services	359	371	390	411
Social Work Services				
Health Services	105	112	121	127
Student Transportation	334	344	346	339
Food Services	436	449	448	474
Co-curricular/Extracurricular Activities	94	102	117	120
General Administration	106	108	115	126
Facilities Maintenance and Operations	705	734	771	782
Security and Monitoring Services	125	127	134	137
Data Processing Services	113	113	115	119
Community Services	13	12	11	10
Facilities Acquisition and Construction	7	7	7	7
Total Employees	9,186	9,572	9,956	10,274

Source: District Records

2020	2021	2022	2023	2024	2025
7,188	7,593	7,807	8,168	8,647	8,774
136	138	140	140	146	151
107	119	133	146	148	155
86	83	88	98	113	94
673	694	717	790	811	826
481	514	572	606	653	685
	6	12	14	18	17
137	146	157	162	170	177
342	331	326	303	294	305
496	493	459	489	482	603
138	136	136	132	132	137
132	136	139	146	160	176
816	866	840	810	857	914
147	155	154	156	174	216
122	126	127	134	137	143
10	10	11	13	22	24
7	5	6	6	6	6
11,018	11,551	11,824	12,313	12,970	13,403

KATY INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS

Fiscal Year Ended 8/31:	Average Daily Attendance		Operating Expenditures (1)	Cost Per ADA	Percentage Change
2016	69,709		$ 670,205,927	$ 9,614	2.11%
2017	72,013		704,731,635	9,786	1.79
2018	73,699	(2)	742,655,023	10,077	2.97
2019	76,120		775,698,030	10,190	1.13
2020	79,092	(2)	847,505,704	10,715	5.15
2021	79,815	(2)	895,878,861	11,248	4.97
2022	82,295	(2)	1,001,132,113	12,165	8.15
2023	85,990		1,071,690,550	12,463	2.45
2024	88,586		1,141,328,225	12,884	3.38
2025	89,802		1,190,469,205	13,257	2.89

(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) ADA in table above does not reflect the state hold harmless disaster adjustment and State COVID-19 adjustments
(3) 2018 Government Wide Expenses decreased significantly due to implementation of GASB No. 75

Source: Academic Excellence Indicator System of Texas (AEIS), Texas Performance Reporting System (TPRS) and District records

Government Wide Expenses	Cost Per ADA		Percentage Change	Teaching Staff	Student to Teacher Ratio	Percentage of Students in Free/Reduced Lunch Program
$ 809,342,745	$ 11,610		6.32%	4,803	14.51	28.30%
867,060,640	12,040		3.71	4,996	14.41	28.80
662,948,230	8,995	(3)	(25.29)	5,160	14.28	31.00
997,302,709	13,102		45.66	5,274	14.43	31.60
1,072,886,090	13,565		3.53	5,603	14.12	32.70
1,091,806,035	13,708		1.05	5,882	13.54	34.40
1,105,704,784	13,436		(1.98)	6,081	13.53	39.80
1,218,573,936	14,171		5.47	6,447	13.34	43.40
1,334,090,295	15,060		6.27	6,763	13.10	43.95
1,354,319,458	15,081		0.14	6,865	13.08	42.68

KATY INDEPENDENT SCHOOL DISTRICT
TEACHER BASE SALARIES
LAST TEN FISCAL YEARS

Exhibit XVI

Fiscal Year Ended 08/31:	Minimum Salary (1)	Maximum Salary (1)	KISD Average Salary (2)	Region IV Average Salary (2)	Statewide Average Salary (2)
2016	$ 50,100	$ 80,792	$ 55,955	$ 55,580	$ 51,891
2017	50,500	80,861	56,390	55,992	52,525
2018	52,000	82,005	57,522	57,076	53,334
2019	53,000	82,556	58,308	57,707	54,122
2020	55,200	84,231	60,577	60,292	57,091
2021	55,525	84,181	60,958	60,798	57,641
2022	56,700	85,426	62,499	62,589	58,887
2023	60,700	88,361	65,203	64,771	60,716
2024	60,700	89,821	66,897	66,418	62,463
2025	64,130	91,306	69,235	68,416	63,749

(1) Source: District records
(2) Source: Texas Performance Reporting System (TPRS)

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KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2017	2018	2019
HIGH SCHOOLS				
Cinco Ranch (1999)				
Square Footage	581,934	581,934	581,934	581,934
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,143	3,234	3,155	3,189
Freeman (20204)				
Square Footage				
Capacity				
Enrollment				
Jordan (2020)				
Square Footage				
Capacity				
Enrollment				
Katy (1947)				
Square Footage	589,196	589,196	589,196	589,196
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,200	3,483	3,413	3,395
Mayde Creek (1984)				
Square Footage	603,141	603,141	603,141	603,141
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,737	2,771	2,715	2,759
Morton Ranch (2004)				
Square Footage	583,628	583,628	583,628	583,628
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,402	3,539	3,092	2,849
Paetow (2017)				
Square Footage			635,058	635,058
Capacity			3,000	3,000
Enrollment			728	1,401
Seven Lakes (2005)				
Square Footage	599,005	599,005	599,005	599,005
Capacity	3,000	3,000	3,000	3,000
Enrollment	3,225	3,394	3,538	3,637
Taylor (1979)				
Square Footage	542,192	542,192	542,192	542,192
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,909	2,936	2,950	2,900
Tompkins (2013)				
Square Footage	610,134	610,134	610,134	610,134
Capacity	3,000	3,000	3,000	3,000
Enrollment	2,478	2,963	3,387	3,770

2020	2021	2022	2023	2024	2025
581,934	581,934	581,934	581,934	581,934	581,934
3,000	3,000	3,000	3,000	3,000	3,000
3,264	3,407	3,476	3,656	3,755	3,740
				625,154	625,154
				3,000	3,000
					778
625,154	625,154	625,154	625,154	625,154	625,154
3,000	3,000	3,000	3,000	3,000	3,000
	1,129	1,940	2,745	3,128	3,330
589,196	589,196	589,196	589,196	589,196	589,196
3,000	3,000	3,000	3,000	3,000	3,000
3,467	3,186	3,196	3,330	3,500	3,543
603,141	603,141	603,141	603,141	603,141	603,141
3,000	3,000	3,000	3,000	3,000	3,000
2,892	2,804	2,862	2,940	2,970	3,036
583,628	583,628	583,628	583,628	583,628	583,628
3,000	3,000	3,000	3,000	3,000	3,000
2,560	2,533	2,542	2,718	2,832	2,944
635,058	635,058	635,058	635,058	635,058	635,058
3,000	3,000	3,000	3,000	3,000	3,000
2,164	2,556	3,164	3,537	3,695	3,447
599,005	599,005	599,005	599,005	599,005	599,005
3,000	3,000	3,000	3,000	3,000	3,000
3,783	3,685	3,589	3,595	3,719	3,773
542,192	542,192	542,192	542,192	542,192	542,192
3,000	3,000	3,000	3,000	3,000	3,000
2,919	3,019	3,060	3,085	3,188	3,384
610,134	610,134	610,134	610,134	610,134	610,134
3,000	3,000	3,000	3,000	3,000	3,000
4,031	3,490	3,265	2,908	3,061	3,155

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2017	2018	2019
JUNIOR HIGH SCHOOLS				
Adams (2019)				
Square Footage				
Capacity				
Enrollment				
Beck (1996)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,232	1,232	1,232	1,232
Enrollment	1,040	999	957	1,001
Beckendorff (2004)				
Square Footage	184,398	184,398	184,398	184,398
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,770	1,754	1,739	1,699
Cardiff (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	965	912	886	951
Cinco Ranch (2001)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,260	1,222	1,259	1,272
Haskett (2021)				
Square Footage				
Capacity				
Enrollment				
Katy (1995)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,231	1,231	1,231	1,231
Enrollment	1,341	1,353	1,039	1,085
Mayde Creek (1980)				
Square Footage	172,386	172,386	172,386	172,386
Capacity	1,414	1,414	1,414	1,414
Enrollment	1,121	1,135	1,076	1,141
McDonald (1991)				
Square Footage	137,569	137,569	137,569	137,569
Capacity	1,220	1,220	1,220	1,220
Enrollment	1,076	1,144	928	902
McMeans (2000)				
Square Footage	154,637	154,637	154,637	154,637
Capacity	1,400	1,400	1,400	1,400
Enrollment	1,163	1,140	1,108	1,136

2020	2021	2022	2023	2024	2025
192,313	192,313	192,313	192,313	192,313	192,313
1,400	1,400	1,400	1,400	1,400	1,400
1,300	1,475	1,611	1,761	1,866	1,963
137,569	137,569	137,569	137,569	137,569	137,569
1,232	1,232	1,232	1,232	1,232	1,232
1,259	1,260	1,277	1,259	1,270	1,239
184,398	184,398	184,398	184,398	184,398	184,398
1,403	1,403	1,403	1,403	1,403	1,403
1,708	1,695	1,720	1,731	1,688	1,674
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
1,008	924	962	863	818	803
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,460	1,445	1,430	1,510	1,500	1,455
	195,117	195,117	195,117	195,117	195,117
	1,400	1,400	1,400	1,400	1,400
		907	1,116	1,359	1,208
137,569	137,569	137,569	137,569	137,569	137,569
1,231	1,231	1,232	1,232	1,232	1,232
1,220	1,267	1,099	1,094	1,166	1,155
172,386	172,386	172,386	172,386	172,386	172,386
1,414	1,414	1,414	1,414	1,414	1,414
1,161	1,231	1,260	1,273	1,239	1,214
137,569	137,569	137,569	137,569	137,569	154,763
1,220	1,220	1,220	1,220	1,220	1,470
910	976	1,033	1,059	1,007	966
154,637	154,637	154,637	154,637	154,637	154,637
1,400	1,400	1,400	1,400	1,400	1,400
1,187	1,136	1,152	1,169	1,168	1,133

Building:	2016	2017	2018	2019
JUNIOR HIGH SCHOOLS (cont.)				
Memorial Parkway (1982)				
Square Footage	148,627	148,627	161,462	161,462
Capacity	1,133	1,133	1,133	1,133
Enrollment	853	827	799	788
Morton Ranch (2003)				
Square Footage	180,290	180,290	180,290	180,290
Capacity	1,403	1,403	1,403	1,403
Enrollment	1,177	1,201	1,215	1,190
Nelson (2024)				
Square Footage				
Capacity				
Enrollment				
Seven Lakes (2012)				
Square Footage	187,748	187,748	187,748	187,748
Capacity	1,400	1,400	1,400	1,400
Enrollment	2,006	1,771	1,924	2,032
Stockdick (2017)				
Square Footage			192,984	192,984
Capacity			1,400	1,400
Enrollment			715	903
Tays (2016)				
Square Footage		185,944	185,944	185,944
Capacity		1,400	1,400	1,400
Enrollment		1,377	1,591	1,719
West Memorial (1976)				
Square Footage	169,920	169,920	169,920	169,920
Capacity	998	998	998	998
Enrollment	763	802	800	851
WoodCreek (2008)				
Square Footage	188,602	188,602	188,602	188,602
Capacity	1,403	1,403	1,403	1,403
Enrollment	2,156	1,346	1,477	1,587
ELEMENTARY SCHOOLS				
Alexander (1998)				
Square Footage	106,134	106,134	106,134	106,134
Capacity	935	935	935	935
Enrollment	1,102	1,024	993	954
Bear Creek (1978)				
Square Footage	101,269	101,269	101,269	101,269
Capacity	799	799	799	799
Enrollment	754	713	629	679

2020	2021	2022	2023	2024	2025
161,462	161,462	161,462	161,462	161,462	161,462
1,133	1,133	1,133	1,133	1,133	1,133
911	826	867	787	771	766
180,290	180,290	180,290	180,290	180,290	180,290
1,403	1,403	1,403	1,403	1,403	1,403
1,187	1,195	1,219	1,184	1,185	1,205
				192,046	192,046
				1,400	1,400
					904
187,748	187,748	187,748	187,748	187,748	187,748
1,400	1,400	1,400	1,400	1,400	1,400
1,483	1,558	1,529	1,630	1,607	1,571
192,984	192,984	192,984	192,984	192,984	192,984
1,400	1,400	1,400	1,400	1,400	1,400
1,075	1,327	1,128	1,313	1,405	1,103
185,944	185,944	185,944	185,944	185,944	185,944
1,400	1,400	1,400	1,400	1,400	1,400
1,391	1,452	1,488	1,508	1,467	1,462
169,920	169,920	169,920	169,920	169,920	169,920
998	998	998	998	998	998
866	913	886	927	911	897
188,602	188,602	188,602	188,602	188,602	188,602
1,403	1,403	1,403	1,403	1,403	1,403
1,215	1,350	1,509	1,568	1,569	1,566
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
950	916	1,000	1,008	1,020	968
101,269	101,269	101,269	101,269	101,269	101,269
799	799	799	799	799	799
751	707	666	668	641	631

Building:	2016	2017	2018	2019
ELEMENTARY SCHOOLS (cont.)				
Bethke (2016)				
Square Footage		144,303	144,303	144,303
Capacity		1,030	1,030	1,030
Enrollment		667	935	1,352
Bryant (2017)				
Square Footage			144,303	144,303
Capacity			1,030	1,030
Enrollment			580	716
Campbell (2018)				
Square Footage				144,303
Capacity				1,030
Enrollment				782
Cimarron (1980)				
Square Footage	98,823	98,823	98,823	98,823
Capacity	861	861	861	861
Enrollment	679	679	655	624
Creech (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	874	888	715	808
Davidson (2014)				
Square Footage	124,938	124,938	124,938	124,938
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,434	1,100	1,164	1,140
Exley (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,000	956	982	1,037
Faldyn (2023)				
Square Footage				
Capacity				
Enrollment (3)				
Fielder (1993)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	1,243	1,027	1,133	950
Franz (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,061	1,018	1,037	1,004

2020	2021	2022	2023	2024	2025
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
1,147	878	1,156	1,284	960	964
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
911	1,062	1,330	1,149	1,190	1,194
144,303	144,303	144,303	144,303	144,303	144,303
1,030	1,030	1,030	1,030	1,030	1,030
1,090	1,357	1,486	1,545	1,302	1,173
98,823	98,823	98,823	98,823	98,823	98,823
861	861	861	861	861	861
631	611	607	612	565	495
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
857	861	847	873	817	804
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,142	1,117	1,069	1,065	995	922
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,045	953	970	954	944	868
			137,674	137,674	137,674
			1,030	1,030	1,030
				1,118	1,263
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
957	929	910	955	923	945
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
979	925	938	1,000	1,097	1,115

KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2017	2018	2019
ELEMENTARY SCHOOLS (cont.)				
Golbow (1989)				
Square Footage	95,709	95,709	95,709	95,709
Capacity	867	867	867	867
Enrollment	806	768	783	790
Griffin (2006)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	950	1,039	1,030	991
Hayes (1995)				
Square Footage	106,117	106,117	106,117	106,117
Capacity	907	907	907	907
Enrollment	697	663	682	670
Holland (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,035	1,056	1,098	1,093
Hutsell (1978)				
Square Footage	115,086	115,086	115,086	115,086
Capacity	983	983	983	983
Enrollment	793	743	763	727
Jenks (2016)				
Square Footage		156,608	156,608	156,608
Capacity		1,318	1,318	1,318
Enrollment		1,256	1,543	1,297
Katy (1965)				
Square Footage	86,825	86,825	86,825	86,825
Capacity	643	643	643	643
Enrollment	633	694	665	672
Kilpatrick (2003)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,166	1,152	1,195	1,175
King (2001)				
Square Footage	121,164	121,164	121,164	121,164
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,411	990	981	989
Leonard (2019)				
Square Footage				
Capacity				
Enrollment				

2020	2021	2022	2023	2024	2025
95,709	95,709	95,709	95,709	95,709	95,709
867	867	867	867	867	867
850	853	868	959	695	640
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
850	810	766	821	778	782
106,117	106,117	106,117	106,117	106,117	106,117
907	907	907	907	907	907
665	561	608	610	602	515
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
1,012	883	834	864	805	784
115,086	115,086	115,086	115,086	115,086	115,086
983	983	983	983	983	983
846	802	809	855	800	804
156,608	156,608	156,608	156,608	156,608	156,608
1,318	1,318	1,318	1,318	1,318	1,318
1,453	1,450	1,315	1,434	1,448	1,356
86,825	86,825	86,825	115,825	115,825	115,825
643	643	643	814	814	814
634	636	662	682	702	699
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,195	1,092	1,046	1,042	1,033	968
121,164	121,164	121,164	121,164	121,164	121,164
1,030	1,030	1,030	1,030	1,030	1,030
942	868	867	981	967	1,011
137,674	137,674	137,674	137,674	137,674	137,674
1,030	1,030	1,030	1,030	1,030	1,030
689	892	1,177	1,190	1,013	1,051

Building:	2016	2017	2018	2019
ELEMENTARY SCHOOLS (cont.)				
Mayde Creek (1983)				
Square Footage	112,913	112,913	112,913	112,913
Capacity	968	968	968	968
Enrollment	869	859	840	804
McElwain (2020)				
Square Footage				
Capacity				
Enrollment				
McRoberts (1997)				
Square Footage	106,134	106,134	106,134	106,134
Capacity	935	935	935	935
Enrollment	810	747	719	760
Memorial Parkway (1978)				
Square Footage	103,658	103,658	131,274	131,274
Capacity	742	742	940	940
Enrollment	815	796	823	865
Morton Ranch (2008)				
Square Footage	123,843	123,843	123,843	123,843
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,022	954	950	981
Nottingham Country (1981)				
Square Footage	101,427	101,427	101,427	101,427
Capacity	1,053	1,053	1,053	1,053
Enrollment	650	702	790	798
Pattison (1989)				
Square Footage	112,156	112,156	112,156	112,156
Capacity	1,052	1,052	1,052	1,052
Enrollment	972	1,045	1,015	1,021
Randolph (2014)				
Square Footage	124,938	124,938	124,938	124,938
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,030	1,151	1,273	1,095
Rhoads (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,122	1,072	1,041	1,000
Robertson (2022)				
Square Footage				
Capacity				
Enrollment				

2020	2021	2022	2023	2024	2025
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
762	747	795	825	839	816
138,519	138,519	138,519	138,519	138,519	138,519
1,030	1,030	1,030	1,030	1,030	1,030
	692	1,095	1,374	885	1,039
106,134	106,134	106,134	106,134	106,134	106,134
935	935	935	935	935	935
755	683	674	708	834	864
131,274	131,274	131,274	131,274	131,274	131,274
940	940	940	940	940	940
898	820	911	920	940	714
123,843	123,843	123,843	123,843	123,843	123,843
1,030	1,030	1,030	1,030	1,030	1,030
949	1,017	1,095	1,130	976	969
101,427	101,427	101,427	101,427	101,427	101,427
1,053	1,053	1,053	1,053	1,053	1,053
877	816	860	854	841	836
112,156	112,156	112,156	112,156	112,156	128,256
1,052	1,052	1,052	1,052	1,052	1,272
1,101	1,144	1,140	1,228	1,237	1,265
124,938	124,938	124,938	124,938	124,938	124,938
1,030	1,030	1,030	1,030	1,030	1,030
1,146	1,075	1,089	1,078	1,032	995
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
943	813	760	796	757	703
		138,519	138,519	138,519	138,519
		1,030	1,030	1,030	1,030
			761	1,149	1,508

Building:	2016	2017	2018	2019
ELEMENTARY SCHOOLS (cont.)				
Rylander (2004)				
Square Footage	121,638	121,638	121,638	121,638
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,323	1,138	1,126	1,087
Schmalz (2001)				
Square Footage	121,164	121,164	121,164	121,164
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,168	1,176	1,185	1,174
Shafer (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,148	1,187	1,197	1,175
Stanley (2009)				
Square Footage	126,897	126,897	126,897	126,897
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,098	1,063	1,040	1,005
Stephens (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	765	718	692	723
Sundown (1982)				
Square Footage	112,913	112,913	112,913	112,913
Capacity	968	968	968	968
Enrollment	851	788	822	781
West Memorial (1974)				
Square Footage	89,742	89,742	89,742	89,742
Capacity	683	683	683	683
Enrollment	891	795	822	820
Williams (2000)				
Square Footage	111,734	111,734	111,734	111,734
Capacity	935	935	935	935
Enrollment	728	672	695	803
Wilson (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,073	1,121	1,057	1,044
Winborn (1981)				
Square Footage	94,596	94,596	94,596	94,596
Capacity	848	848	848	848
Enrollment	814	763	699	695

2020	2021	2022	2023	2024	2025
121,638	121,638	121,638	121,638	121,638	121,638
1,030	1,030	1,030	1,030	1,030	1,030
1,100	987	1,068	1,090	1,078	1,034
121,164	121,164	121,164	141,532	141,532	141,532
1,030	1,030	1,030	1,674	1,674	1,674
1,207	1,176	1,247	1,312	1,206	1,172
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,195	1,127	1,096	1,091	1,044	935
126,897	126,897	126,897	126,897	126,897	126,897
1,030	1,030	1,030	1,030	1,030	1,030
1,058	985	967	935	887	835
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
693	595	601	618	585	578
112,913	112,913	112,913	112,913	112,913	112,913
968	968	968	968	968	968
771	722	725	722	752	720
89,742	89,742	89,742	89,742	89,742	109,742
683	683	683	683	683	991
821	819	822	830	818	970
111,734	111,734	111,734	111,734	111,734	111,734
935	935	935	935	935	935
839	851	888	936	911	868
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,015	917	1,105	1,148	1,121	1,058
94,596	94,596	94,596	94,596	94,596	94,596
848	848	848	848	848	848
664	641	680	737	734	728

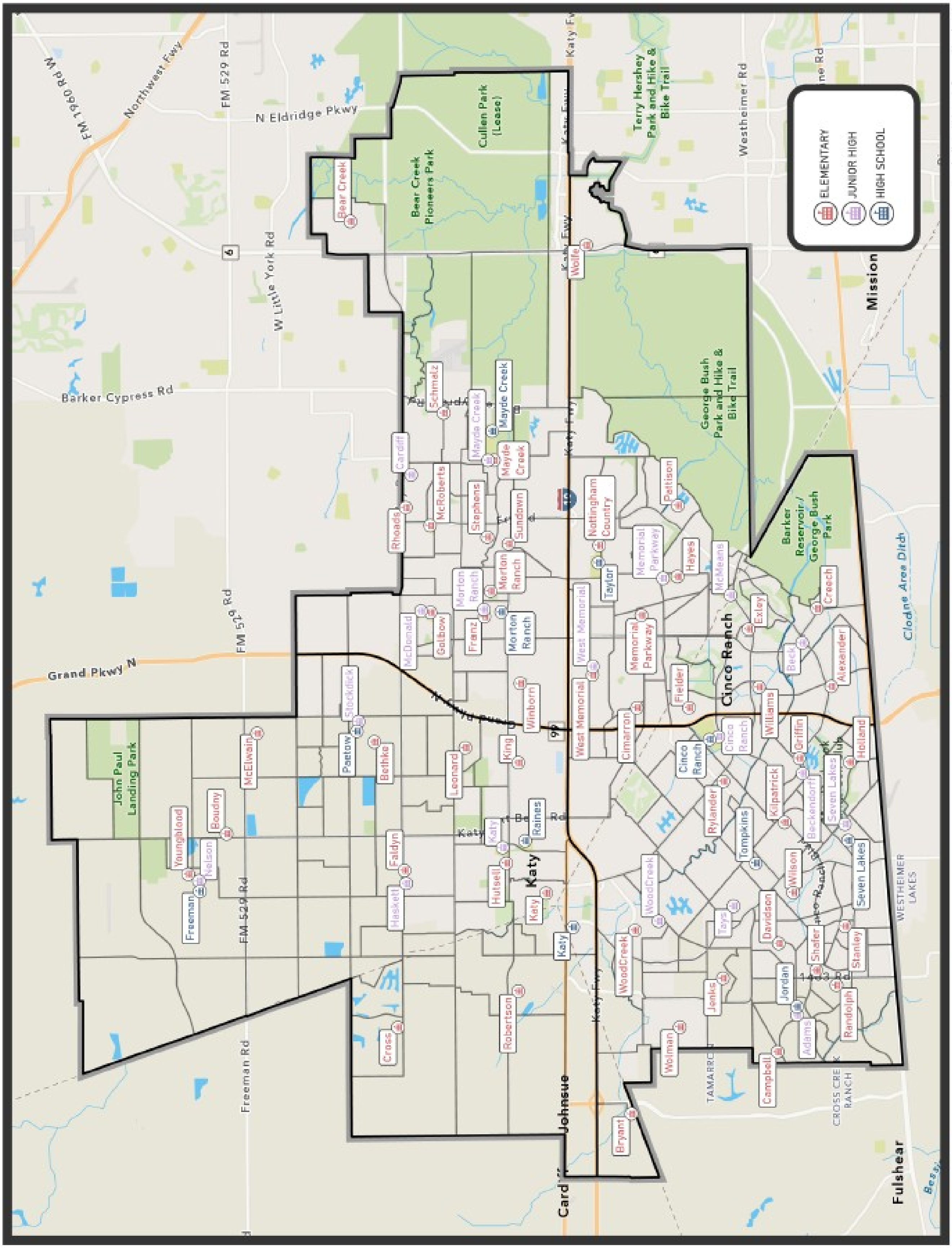
KATY INDEPENDENT SCHOOL DISTRICT
SCHOOL BUILDING INFORMATION
LAST TEN FISCAL YEARS

Building:	2016	2017	2018	2019
ELEMENTARY SCHOOLS (cont.)				
Wolfe (1968, 2012)				
Square Footage	98,761	98,761	98,761	98,761
Capacity	500	500	500	500
Enrollment	437	418	348	326
Wolman (2012)				
Square Footage	123,966	123,966	123,966	123,966
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,411	1,198	915	979
WoodCreek (2007)				
Square Footage	123,249	123,249	123,249	123,249
Capacity	1,030	1,030	1,030	1,030
Enrollment	1,156	1,139	1,201	1,197
Youngblood (2023)				
Square Footage				
Capacity				
Enrollment (3)				
OTHER INSTRUCTIONAL FACILITIES				
Miller Career & Technology Center (1982)				
Square Footage	132,951	136,239	136,239	136,239
Capacity	907	1,230	1,230	1,230
Enrollment (1)				
Opportunity Awareness Center (1981)				
Square Footage	87,015	87,015	87,015	87,015
Capacity	677	677	677	677
Enrollment (1)				
Raines Academy (2008)				
Square Footage	21,916	21,916	21,916	21,916
Capacity	331	331	331	331
Enrollment (1)	200	190	218	173
Project TYKE				
Enrollment				
Portable Buildings (2)				
Number Utilized	354	355	354	354
Classrooms Provided	584	636	641	641

Source: District Records

(1) Enrollment numbers included in home campus totals
(2) Used at schools where enrollment exceeded building capacity
(3) Opened in August, no official enrollment available
(4) Beginning in 2022-2023, all enrollments based on state PEIMS reported enrollment

2020	2021	2022	2023	2024	2025
98,761	98,761	98,761	98,761	98,761	98,761
500	500	500	500	500	500
370	358	396	405	416	412
123,966	123,966	123,966	123,966	123,966	123,966
1,030	1,030	1,030	1,030	1,030	1,030
1,005	953	937	859	1,025	1,054
123,249	123,249	123,249	123,249	123,249	123,249
1,030	1,030	1,030	1,030	1,030	1,030
1,237	1,236	1,315	1,327	1,324	1,301
			137,604	137,604	137,604
			1,030	1,030	1,030
				855	1,186
136,239	136,239	136,239	136,239	136,239	136,239
1,230	1,230	1,230	1,230	1,230	1,230
87,015	87,015	87,015	87,015	87,015	87,015
677	677	688	688	688	688
			166	267	172
21,916	21,916	52,857	52,857	52,857	52,857
331	331	500	500	500	500
				13	13
355	358	377	389	388	384
643	663	703	727	728	718


ELEMENTARY
JUNIOR HIGH
HIGH SCHOOL
Bear Creek Pioneers Park
Cullen Park (Lease)
Terry Hershey Park and Hike & Bike Trail
George Bush Park and Hike & Bike Trail
Barker Reservoir / George Bush Park
John Paul Landing Park
Cinco Ranch
Katy
Mission
Fulshear
Brookshire
Westheimer Rd
N Eldridge Pkwy
FM 529 Rd
Northwest Fwy
FM 1960 Rd W
W Little York Rd
Barker Cypress Rd
Grand Pkwy N
Freeman Rd
Katy Fwy
Cloudne Area Ditch
WESTHEIMER LAKES
TAMARRON
CROSS CREEK RANCH
Bear Creek
Wolfe
Schmalz
Mayde Creek
Cardiff
McRoberts
Rhoads
Stephens
Sundown
Nottingham Country
Pattison
Memorial Parkway
Hayes
McMeans
Taylor
Morton Ranch
Creech
Exley
McDonald
Golbow
Franz
West Memorial
Beck
Alexander
Fielder
Stockdick
Winborn
Williams
Cimarron
Paetow
Bethke
Leonard
King
Griffin
Holland
Cinco Ranch
McElwain
Boudny
Youngblood
Nelson
Raines
Rylander
Kilpatrick
Beckendorff
Seven Lakes
Tompkins
Faldyn
Hutsell
Haskett
Freeman
WoodCreek
Wilson
Tays
Davidson
Shafer
Stanley
Jordan
Jenks
Robertson
Cross
Wolman
Adams
Randolph
Campbell
Bryant

Katy Independent School District
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