OFFICIAL NOTICE OF SALE, BID FORM
and
PRELIMINARY OFFICIAL STATEMENT

$75,620,000*

FRISCO INDEPENDENT SCHOOL DISTRICT

(Collin and Denton Counties, Texas)

Unlimited Tax Refunding Bonds
Series 2025

Bids Due
December 3, 2024
at 10:00 a.m., Central Time

*Preliminary, subject to change. See "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.

This Official Notice of Sale does not alone constitute an invitation for bids but is merely notice of sale of the Bonds defined and described herein. The invitation for bids on the Bonds is being made by means of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement.

OFFICIAL NOTICE OF SALE

$75,620,000*
FRISCO INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Collin and Denton Counties, Texas)

UNLIMITED TAX REFUNDING BONDS, SERIES 2025

THE SALE

BONDS OFFERED FOR SALE AT COMPETITIVE BID: The Board of Trustees (the "Board") of the Frisco Independent School District (the "District" or the "Issuer") is offering for sale at competitive bid its $75,620,000* Unlimited Tax Refunding Bonds, Series 2025 (the "Bonds"). Bidders may submit bids for the Bonds by either of the following methods:

(1) Submit bids electronically as described below in "BIDS BY INTERNET;" or
(2) Submit bids by facsimile as described below in "BIDS BY FACSIMILE."

BIDS BY INTERNET: Interested bidders may, at their option and risk, submit their bid by electronic media, as described below, by 10:00 A.M., Central time, on December 3, 2024. Bidders submitting a bid by internet **shall not** be required to submit signed Official Bid Forms prior to the award. Any prospective bidder that intends to submit an electronic bid must submit its electronic bid via the facilities of the i-Deal, LLC Parity System ("PARITY") and should, as a courtesy, register with PARITY by 9:00 A.M., Central time, on December 3, 2024 indicating their intent to submit a bid by internet.

In the event of a malfunction in the electronic bidding process, bidders may submit their bids by facsimile, as described below. Any bid received after the scheduled time for their receipt will not be accepted.

The official time for the receipt of bids shall be the time maintained by PARITY. All electronic bids shall be deemed to incorporate the provisions of this Official Notice of Sale, the Official Bid Form, and the Preliminary Official Statement. To the extent that any instructions or directions set forth in PARITY conflict with this Official Notice of Sale, the terms of this Official Notice of Sale shall control. For further information about the PARITY System, potential bidders may contact i-Deal LLC at 1359 Broadway, 2nd Floor, New York, New York 10018, Telephone 212-849-5021.

An electronic bid made through the facilities of PARITY shall be deemed an irrevocable offer to purchase the Bonds on the terms provided in this Official Notice of Sale, and shall be binding upon the bidder as if made by a signed, sealed bid delivered to the Issuer. The Issuer shall not be responsible for any malfunction or mistake made by, or as a result of the use of PARITY, the use of such facilities being the sole risk of the prospective bidder.

BIDS BY FACSIMILE: Interested bidders may, at their option and risk, submit their bid by facsimile to the District's Financial Advisor, SAMCO Capital Markets, Inc. Attention: Mr. Brian Grubbs at (214) 279-8683 by 10:00 A.M., Central time, on December 3, 2024. Bidders submitting a bid by facsimile shall not be required to submit signed Official Bid Forms prior to the award. Any prospective bidder that intends to submit a bid by facsimile should, as a courtesy, submit an email message to bgrubbs@samcocapital.com by 9:00 A.M., Central time, on December 3, 2024 indicating their intent to submit a bid by facsimile.

Neither the District nor SAMCO Capital Markets, Inc. is responsible for any failure of either of the Financial Advisor's or the bidder's fax machine. Bids received by facsimile after the bid deadline will not be accepted. Bidders who fax bids do so at their own risk. All such bids are binding on the bidder.

PLACE AND TIME OF BID OPENING: The bids for the Bonds will be opened at the District's offices at 10:00 A.M. Central time, on December 3, 2024.

AWARD OF THE BONDS: In the order authorizing the Bonds that was adopted on March 4, 2024 (the "Bond Order"), the Board has delegated authority to certain District officials (each, a "Designated Financial Officer") the authority to execute a pricing certificate (the "Pricing Certificate") to establish the final terms and effectuate the sale of the Bonds, which terms will be evidenced in the Pricing Certificate (the Bond Order and the Pricing Certificate are collectively referred to herein as the "Order"). Upon the opening of the bids as described above, the Designated Financial Officer shall award the Bonds by executing the Official Bid Form and the Pricing Certificate. The District, acting through the Designated Financial Officer, reserves the right to reject any and all bids and to waive any irregularities except time of submission.

THE BONDS

DESCRIPTION: The Bonds will be dated December 1, 2024 (the "Dated Date"). Interest on the Bonds will accrue from the Dated Date and will be due on February 15, 2025 and each August 15 and February 15 thereafter until maturity or prior redemption. The Bonds will be issued as fully registered obligations in book-entry form only and when issued will be registered in the name of Cede & Co., as nominee of The Depository Trust Company, New York, New York ("DTC"). DTC will act as securities depository for the Bonds (the "Securities Depository"). Book-entry interests in the Bonds will be made available for purchase in the principal amount of $5,000 or any integral multiple thereof. Purchasers of the Bonds ("Beneficial Owners") will not receive physical delivery of certificates representing their interest in the Bonds purchased. So long as DTC or its nominee is the registered owner of the Bonds, the principal of and interest on the Bonds will be payable by BOKF, NA, Dallas, Texas as Paying Agent/Registrar, to the Securities Depository, which will in turn remit such principal and interest to its Participants, which will in turn remit such principal and interest to the Beneficial Owners of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.)

**Preliminary, subject to change. See "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.*

MATURITY SCHEDULE: The Bonds will be stated to mature on the dates and in the amounts, as follows:

Maturity (2/15)	Principal Amount*	Maturity (2/15)	Principal Amount*
2025	$5,095,000	2033	$8,050,000
2026	2,430,000	2034	8,370,000
2027	2,500,000	2035	3,025,000
2028	2,580,000	2036	3,145,000
2029	2,655,000	2037	3,270,000
2030	7,325,000	2038	3,800,000
2031	7,535,000	2039	3,955,000
2032	7,765,000	2040	4,120,000

ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS: After selecting the winning bid, the aggregate principal amount of the Bonds and the principal amortization schedule may be adjusted as determined by the District and its Financial Advisor in $5,000 increments to reflect the actual interest rates and to create a substantially level debt service schedule for the District. Such adjustments will not change the aggregate principal amount of the Bonds by more than 10% from the amount set forth herein or change the principal amount due on the Bonds in any year by more than 20% (excluding maturities 2026-2029). The principal amount due on the Bonds in years 2026-2029 will not adjust to a par amount below $1,500,000. The dollar amount bid for the Bonds by the winning bidder will be adjusted proportionately to reflect any increase or decrease in the aggregate principal amount of the Bonds finally determined to be issued. The District will use its best efforts to communicate to the winning bidder any such adjustment within four (4) hours after the opening of the bids. Purchaser's compensation will be based upon the final par amount after any adjustment thereto, subsequent to the receipt and tabulation of the winning bid, within the aforementioned parameters.

In the event of any adjustment of the maturity schedule for the Bonds as described above, no rebidding or recalculation of the proposals submitted will be required or permitted. Any such adjustment of the aggregate principal amount of the Bonds and/or the maturity schedule for the Bonds made by the District or its Financial Advisor shall be subsequent to the award of the Bonds to the winning bidder as determined pursuant to "CONDITIONS OF THE SALE – BASIS OF AWARD" herein and shall not affect such determination. The winning bidder may not withdraw its bid as a result of any changes made within the aforementioned limits.

SERIAL BONDS AND/OR TERM BONDS: Bidders may provide that all of the Bonds be issued as serial maturities or may provide that maturities 2035 through 2040 be combined into term bonds (the "Term Bonds"). Such Term Bonds would be subject to mandatory sinking fund redemption in accordance with the Order. (See "THE BONDS – Mandatory Sinking Fund Redemption")

MANDATORY SINKING FUND REDEMPTION: If the successful bidder designates principal amounts of the Bonds to be combined into one or more Term Bonds, each such Term Bond will be subject to mandatory sinking fund redemption commencing on February 15 of the first year which has been combined to form such Term Bond and continuing on February 15 in each year thereafter until the stated maturity date of that Term Bond. The amount redeemed in any year will be equal to the principal amount for such year set forth in the table above under the caption "MATURITY SCHEDULE" (subject to adjustment, as provided in "ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS"). Term Bonds to be redeemed in any year by mandatory sinking fund redemption will be redeemed at par and will be selected by lot from among the Term Bonds then subject to redemption. The District, at its option, may credit against any mandatory sinking fund redemption requirement Term Bonds of the maturity then subject to redemption which have been purchased and canceled by the District and not theretofore applied as a credit against any mandatory sinking fund redemption requirement.

OPTIONAL REDEMPTION: The Bonds maturing on or after February 15, 2035 are subject to redemption at the option of the District in whole or in part on August 15, 2034 or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption.

AUTHORITY FOR ISSUANCE AND SECURITY FOR PAYMENT: The Bonds are being issued pursuant to the Constitution and general laws of the State of Texas including, particularly Chapters 1207 and 1371, Texas Government Code, as amended (together, the "Act"), and the Bond Order. As permitted by the provisions of Chapter 1207, the Board, in the Bond Order, delegated the authority to certain District officials to execute approval a Pricing Certificate establishing the pricing terms for the Bonds. The Bonds are direct obligations of the District and are payable as to both principal and interest from ad valorem taxes to be levied annually on all taxable property within the District, without legal limitation as to rate or amount. (See "THE BONDS – Security" in the Preliminary Official Statement.)

PAYING AGENT/REGISTRAR: The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas, Texas. In the Bond Order, the District covenants to provide a Paying Agent/Registrar at all times while the Bonds are outstanding, and any Paying Agent/Registrar selected by the District shall be a commercial bank or trust company organized under the laws of the United States and any state and duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds. The Paying Agent/Registrar will maintain the Security Register containing the names and addresses of the registered owners of the Bonds.

In the Bond Order the District retains the right to replace the Paying Agent/Registrar. If the Paying Agent/Registrar is replaced by the District, such Paying Agent/Registrar, promptly upon the appointment of a successor, is required to deliver the Security Register to the successor Paying Agent/Registrar.

In the event there is a change in the Paying Agent/Registrar, the District has agreed to notify each registered owner of the Bonds by United States mail, first-class postage prepaid, at the address in the Security Register, stating the effective date of the change and the mailing address of the successor Paying Agent/Registrar.

BOOK-ENTRY-ONLY SYSTEM: The District intends to utilize the Book-Entry-Only System of DTC with respect to the issuance of the Bonds. See "BOOK-ENTRY-ONLY SYSTEM" in the Preliminary Official Statement.

OFFICIAL STATEMENT AND OTHER TERMS AND COVENANTS IN THE ORDER: Further details regarding the Bonds and certain covenants of the District contained in the Bond Order are set forth in the Preliminary Official Statement, to which reference is made for all purposes.

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**Preliminary, subject to change. See "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.*

TYPES OF BIDS AND INTEREST RATES: The Bonds will be sold in one block, on an "All or None" basis, and at a price of not less than their par value, plus accrued interest on the Bonds from the Dated Date of the Bonds to the date of Initial Delivery (defined herein) of the Bonds. **No bid producing a cash premium on the Bonds that results in a dollar price of less than $102.50 nor greater than $112.00 will be considered; provided, however, that any bid is subject to adjustment as described under the caption "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS."** Bidders are invited to name the rate(s) of interest to be borne by the Bonds, provided that each rate bid must be in a multiple of 1/8 of 1% or 1/20 of 1% and the net effective interest rate for the Bonds (calculated in the manner required by Chapter 1204, as amended, Texas Government Code) must not exceed 15%. **The highest rate bid may not exceed the lowest rate bid by more than 100 basis points (or 1.00% in rate)**. **No limitation is imposed upon bidders as to the number of rates or changes which may be used**. All Bonds of one stated maturity must bear one and the same rate. No bids involving supplemental interest rates will be considered.

BASIS OF AWARD: The sale of the Bonds will be awarded to the bidder making a bid that conforms to the specifications herein and which produces the **lowest True Interest Cost (defined herein) rate on the Bonds to the District**. The "True Interest Cost" rate is that rate which, when used to compute the total present value as of the **Dated Date** of all debt service payments on the Bonds on the basis of semi-annual compounding, produces an amount equal to the sum of the par value of the Bonds plus the premium bid (but not interest accrued from the Dated Date to the date of their Initial Delivery). In the event of a bidder's error in interest cost rate calculations, the interest rates, and premium set forth in the Official Bid Form will be considered as the intended bid.

In order to provide the District with information required to be submitted to the Texas Bond Review Board pursuant to Section 1202.008, Texas Government Code, as amended, the Initial Purchaser will be required to provide the District with a breakdown of its "underwriting spread" among the following categories: Takedown, Management Fee (if any), Legal Counsel Fee (if any) and Spread Expenses (if any).

ESTABLISHING THE ISSUE PRICE FOR THE BONDS: The District intends to rely on Treasury Regulation section 1.148-1(f)(3)(i) (defining "competitive sale" for purposes of establishing the issue price of municipal bonds), which require, among other things, that the District receives bids from **at least three underwriters** of municipal bonds who have established industry reputations for underwriting new issuances of municipal bonds **(the "Competitive Sale Requirement")**.

In the event that the bidding process does not satisfy the Competitive Sale Requirement, Bids **will not be subject to cancellation** and the winning bidder (i) agrees to promptly report to the District the first prices at which at least 10% of each maturity of the Bonds **(the "First Price Maturity")** have been sold to the Public on the Sale Date **(the "10% Test")** (if different interest rates apply within a maturity, each separate CUSIP number within that maturity will be subject to the 10% Test) and (ii) agrees to hold-the-offering-price of each maturity of the Bonds that does not satisfy the 10% Test **("Hold-the-Price Maturity")**, as described below.

In order to provide the District with information that enables it to comply with the establishment of the issue price of the Bonds under the Internal Revenue Code of 1986, as amended, the winning bidder agrees to complete, execute, and timely deliver to the District or to the District's municipal advisor, SAMCO Capital Markets, Inc. (the "District's Municipal Advisor") a certification as to the Bonds' "issue price" (the "Issue Price Certificate") substantially in the form and to the effect attached hereto or accompanying this Notice of Sale, within 5 business days prior to the Closing Date if the Competitive Sale Requirement is satisfied or within 5 business days of the date on which the 10% Test is satisfied with respect to all of the First Price Maturities. In the event the winning bidder will not reoffer any maturity of the Bonds for sale to the Public (as defined herein) by the Closing Date, the Issue Price Certificate may be modified in a manner approved by the District. It will be the responsibility of the winning bidder to institute such syndicate reporting requirements, to make such investigation, or otherwise to ascertain such facts necessary to enable it to make such certification with reasonable certainty. Any questions concerning such certification should be directed to Bond Counsel (identified in the Preliminary Official Statement).

For purposes of this section of this Notice of Sale:

(i) "Public" means any person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter or a Related Party to the Underwriter,

(ii) "Underwriter" means (A) any person that agrees pursuant to a written contract with the District (or with the lead Underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public and (B) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (A) to participate in the initial sale of the Bonds to the Public (including a member of a selling group or a party to a retail distribution agreement participating in the initial sale of the Bonds to the Public),

(iii) "Related Party" means any two or more persons (including an individual, trust, estate, partnership, association, company, or corporation) that are subject, directly or indirectly, to (i) more than 50% common ownership of the voting power or the total value of their stock, if both entities are corporations (including direct ownership by one corporation of another), (ii) more than 50% common ownership of their capital interests or profits interests, if both entities are partnerships (including direct ownership by one partnership of another), or (iii) more than 50% common ownership of the value of the outstanding stock of the corporation or the capital interests or profit interests of the partnership, as applicable, if one entity is a corporation and the other entity is a partnership (including direct ownership of the applicable stock or interests by one entity of the other), and

(iv) "Sale Date" means the date that the Bonds are awarded by the District to the winning bidder.

All actions to be taken by the District under this Notice of Sale to establish the issue price of the Bonds may be taken on behalf of the District by the District's Municipal Advisor, and any notice or report to be provided to the District may be provided to the District's Municipal Advisor.

The District will consider any bid submitted pursuant to this Notice of Sale to be a firm offer for the purchase of the Bonds, as specified in the bid and, if so stated, in the Official Bid Form.

By submitting a bid, each bidder confirms that: (i) any agreement among underwriters, any selling group agreement and each third-party distribution agreement (to which the bidder is a party) relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter, each dealer who is a member of the selling group, and each broker-dealer that is a party to such third-party distribution agreement, as applicable, (A) to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder that either the 10% Test has been satisfied as to the Bonds of that maturity, (B) to promptly notify the winning

bidder of any sales of Bonds that, to its knowledge, are made to a purchaser who is a Related Party to an Underwriter, and (C) to acknowledge that, unless otherwise advised by the underwriter, dealer or broker-dealer, the winning bidder will assume that based on such agreement each order submitted by the underwriter, dealer or broker-dealer is a sale to the Public; and (ii) any agreement among underwriters or selling group agreement relating to the initial sale of the Bonds to the Public, together with the related pricing wires, contains or will contain language obligating each Underwriter that is a party to a third-party distribution agreement to be employed in connection with the initial sale of the Bonds to the Public to require each underwriter or dealer that is a party to such third-party distribution agreement to report the prices at which it sells to the Public the unsold Bonds of each maturity allocated to it until either all such Bonds have been sold or it is notified by the winning bidder or such Underwriter that either the 10% Test has been satisfied as to the Bonds of that maturity. Sales of any Bonds to any person that is a Related Party to an Underwriter shall not constitute sales to the public for purposes of this Notice of Sale.

By submitting a bid, the winning bidder agrees, on behalf of each Underwriter participating in the purchase of the Bonds, that each Underwriter will neither offer nor sell any Hold-the-Price Maturity to any person at a price that is higher than the initial offering price to the Public during the period starting on the Sale Date and ending on the earlier of (1) the close of the fifth (5th) business day after the Sale Date; or (2) the date on which the Underwriters have sold at least 10% of that Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public. The winning bidder shall promptly advise the District when the Underwriters have sold 10% of a Hold-the-Price Maturity to the Public at a price that is no higher than the initial offering price to the Public, if that occurs prior to the close of the fifth (5th) business day after the Sale Date.

GOOD FAITH DEPOSIT: A bank cashier's check, payable to the order of "Frisco Independent School District", in the amount of $1,512,400 which is 2% of the proposed par value of the Bonds (the "Good Faith Deposit"), is required to accompany any bid. The Good Faith Deposit of the Purchaser will be retained uncashed by the District pending the Purchaser's compliance with the terms of its bid and this Official Notice of Sale. In the event the Purchaser should fail or refuse to take up and pay for the Bonds in accordance with its bid, then said check shall be cashed and accepted by the District as full and complete liquidated damages. The Good Faith Deposit may accompany the Official Bid Form or it may be submitted separately; however, if submitted separately, it shall be made available to the District prior to the opening of the bids, and shall be accompanied by instructions from the bank on which it is drawn which authorizes its use as a Good Faith Deposit by the Purchaser who shall be named in such instructions. **The Good Faith Deposit of the Purchaser will be returned to the Purchaser on the date of Initial Delivery upon completion of the Closing of the Bonds**. No interest will be allowed on the Good Faith Deposit. Checks accompanying bids other than the winning bid will be returned promptly after the bids are opened, and an award of the Bonds has been made by the District.

If it is determined after the acceptance of the bid by the District that the Purchaser was found not to satisfy the requirements described under "VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS" and as a result the Texas Attorney General will not deliver its approving opinion of the Bonds, then said check shall be cashed and accepted by the District but shall not be the sole or exclusive remedy available to the District.

ADDITIONAL CONDITION OF AWARD — DISCLOSURE OF INTERESTED PARTY FORM:
Obligation of the District to receive information from winning bidder. In accordance with Texas Government Code, Section 2252.908, as amended (the "Interested Party Disclosure Act") the District may not award the Bonds to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC"),

or

(ii) certifies in the Official Bid Form that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

In the event that the bidder's bid for the Bonds is the best bid received, the District, acting through its financial advisor, will promptly notify the winning bidder. That notification will serve as the District's conditional verbal acceptance of the bid, and, unless the bidder is exempt from filing a Disclosure Form, such notification will obligate the winning bidder to promptly file a completed Disclosure Form, as described below, in order to allow the District to complete the award. The District reserves the right to reject any bid that does not comply with the requirements prescribed herein.

Process for completing the Disclosure Form. For purposes of illustration, the Disclosure Form is attached hereto, and reference should be made to such form for the following information needed to complete it: (a) item 2 – name of the governmental entity (*Frisco Independent School District*) and (b) item 3 – the identification number assigned to this contract by the District (*0001*) and description of the goods or services (*Purchase of the Frisco Independent School District Unlimited Tax Refunding Bonds, Series 2025*). **The Interested Party Disclosure Act and the rules adopted by the TEC with respect thereto (the "Disclosure Rules") require a non-exempt business entity contracting with the District to complete the Disclosure Form electronically at https://www.ethics.state.tx.us/main/file.htm, print, complete the unsworn declaration, sign, and deliver, in physical form, the certified Disclosure Form that is generated by the TEC's "electronic portal" to the District. The completed and signed Disclosure Form must be sent by email, to the District's financial advisor at bgrubbs@samcocapital.com, as soon as possible following the notification of conditional verbal acceptance and prior to the final written award.** Upon receipt of the final written award, the winning bidder must submit the Disclosure Form with original signatures by email to Bond Counsel as follows: sgill@mphlegal.com.

Preparations for completion, and the significance of, the reported information In accordance with the Interested Party Disclosure Act, the information reported by a non-exempt bidder MUST BE ACKNOWLEDGED BY AND SUBMITTED. No exceptions may be made to that requirement. The Interested Party Disclosure Act and the Disclosure Form provide that such declaration is made "under penalty of perjury." Consequently, a bidder should take appropriate steps prior to completion of the Disclosure Form to familiarize itself with the Interested Party Disclosure Act, the Disclosure Rules and the Disclosure Form. **Time will be of the essence in submitting the form to the District, and no final award will be made by the District regarding the sale of the Bonds until a completed Disclosure Form is received. The District reserves the right to reject any bid that does not satisfy the requirement of a completed Disclosure Form, as described herein.** Neither the District nor its consultants have the ability to verify the information included in a Disclosure Form, and neither party has an obligation nor undertakes responsibility for advising any bidder with respect to the proper completion of the Disclosure Form. Consequently, an entity intending to bid on the Bonds should consult its own advisors to the extent it deems necessary and be prepared to submit the completed form promptly upon notification from the District that its bid is the conditional winning bid. Instructional videos on logging in and creating a certificate are provided on the TEC's website at https://www.ethics.state.tx.us/whatsnew/elf_info_form1295.htm.

IMPACT OF BIDDING SYNDICATE ON AWARD: For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

VERIFICATIONS OF STATUTORY REPRESENTATIONS AND COVENANTS: The District will not award the Bonds to a bidder unless the following representations and covenants pursuant to Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended (the "Covered Verifications"), are included in the bid. As used in such verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of the agreement to purchase the Bonds shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the Official Bid Form or this Notice of Sale, notwithstanding anything in the Official Bid Form or this Notice of Sale to the contrary.

(i) No Boycott of Israel (Chapter 2271, Texas Government Code, as amended): A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of the agreement to purchase the Bonds. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Texas Government Code, as amended.

(ii) Not a Sanctioned Company (Chapter 2252, Texas Government Code, as amended): A bidder must represent that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Discrimination Against Firearm Entities or Firearm Trade Associations (Chapter 2274, Texas Government Code, as amended): A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of the agreement to purchase the Bonds. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Texas Government Code, as amended.

(iv) No Boycott of Energy Companies (Chapter 2276, Texas Government Code, as amended): A bidder must verify that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of the agreement to purchase the Bonds. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Texas Government Code, as amended.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT: Each prospective bidder must have a standing letter on file with the Texas Attorney General's Office in the form included as Exhibit A to the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any supplements thereto (the "All Bond Counsel Letter"). In submitting a bid, a bidder represents to the District that it has filed a standing letter in the form included as Exhibit A to the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Texas Attorney General's Office. Bidder agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter.

The District will not accept a bid from a bidder that does not have such standing letter on file as of the deadline for bids for the Bonds. If requested by the District, the Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Sale Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

THE DISTRICT RESERVES THE RIGHT, IN ITS SOLE DISCRETION, TO REJECT THE BID OF ANY BIDDER.

IN CONNECTION WITH THE SUBMISSION OF ITS BID, THE BIDDER SHALL PROVIDE A COURTESY COPY OF ITS STANDING LETTER, UNLESS OTHERWISE PUBLICLY AVAILABLE ON THE MUNICIPAL ADVISORY COUNCIL OF TEXAS' WEBSITE.

BY SUBMITTING A BID, EACH BIDDER AGREES, SHOULD IT BE THE WINNING BIDDER, TO COOPERATE WITH THE DISTRICT AND TAKE ANY ACTION NECESSARY TO FURTHER VERIFY AND CONFIRM COMPLIANCE WITH STATE LAW.

To the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the District reserves the right to cash and accept the Good Faith Deposit (see "ESTABLISHING THE ISSUE PRICE FOR THE BONDS - Good Faith Deposit"). **THE LIABILITY OF THE BIDDER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH COVERED VERIFICATIONS SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS NOTICE OF SALE OR THE OFFICIAL BID FORM. ADDITIONALLY, THE DISTRICT RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS.**

OFFICIAL STATEMENT

To assist the winning bidder (the "Purchaser" or "Initial Purchaser") in complying with Rule 15c2-12, as amended (the "Rule"), of the United States Securities and Exchange Commission ("SEC"), the Issuer and the Initial Purchaser contract and agree, by the submission and acceptance of the winning bid, as follows:

COMPLIANCE WITH RULE 15c2-12 OF THE SECURITIES AND EXCHANGE COMMISSION: The Issuer has approved and authorized distribution of the accompanying Preliminary Official Statement for dissemination to potential purchasers of the Bonds, but does not presently intend to prepare any other document or version thereof for such purpose, except as described below. Accordingly, the Issuer deems the accompanying Preliminary Official Statement to be final as of its date, within the meaning of the

Rule, except for information relating to the offering prices, yields, interest rates, final debt service schedule, selling compensation, identity of the Purchaser and other similar information, terms and provisions to be specified in the competitive bidding process. The Initial Purchaser shall be responsible for promptly informing the Issuer of the initial offering prices/yields of the Bonds.

Thereafter, the Issuer will complete and authorize distribution of the final Official Statement, being a modification of the Preliminary Official Statement, identifying the Initial Purchaser and containing such omitted information. The Issuer does not intend to amend or supplement the Official Statement otherwise, except to take into account certain subsequent events, if any, as described below. By delivering the final Official Statement or any amendment or supplement thereto in the requested quantity to the Initial Purchaser on or after the sale date, the Issuer intends the same to be final as of such date, within the meaning of the Rule. Notwithstanding the foregoing, the Issuer makes no representation concerning the absence of material misstatements or omissions from the Official Statement, except only as and to the extent under "NO LITIGATION AND OFFICIAL STATEMENT CERTIFICATION" as described below.

FINAL OFFICIAL STATEMENT: The Issuer will furnish to the Purchaser, within seven (7) business days after the sale date, an aggregate maximum of one hundred (100) copies of the Official Statement, together with information regarding interest rates, and other terms relating to the reoffering of the Bonds. In addition, the District agrees to provide, or cause to be provided, to the Purchaser, the Preliminary Official Statement and the Official Statement and any amendments or supplements thereto in a "designated electronic format" (or printed format with respect to the final Official Statement) as may be required for the Purchaser to comply with the Rule or the rules of the Municipal Securities Rulemaking Board ("MSRB"). The District consents to the distribution of such documents in a "designated electronic format." Upon receipt, the Purchaser shall promptly file the Official Statement with the MSRB in accordance with MSRB Rule G-32. The Purchaser may arrange at its own expense to have the Official Statement reproduced and printed if it requires more copies and may also arrange, at its own expense and responsibility, for completion and perfection of the first or cover page of the Official Statement so as to reflect interest rates and other terms and information related to the reoffering of the Bonds. The Purchaser will be responsible for providing information concerning the Issuer and the Bonds to subsequent purchasers of the Bonds, and the Issuer will undertake no responsibility for providing such information other than to make the Official Statement available to the Purchaser as provided herein. The Issuer's obligation to supplement the Official Statement to correct key representations determined to be omitted or materially misleading, after the date of the Official Statement, shall terminate 25 days after the date of initial delivery.

CHANGES TO OFFICIAL STATEMENT: If, subsequent to the date of the Official Statement, the Issuer learns, through the ordinary course of business and without undertaking any investigation or examination for such purposes, or is notified by the Initial Purchaser of any adverse event which causes the Official Statement to be incomplete or materially misleading, and unless the Initial Purchaser elects to terminate its obligation to purchase the Bonds, as described below under "DELIVERY AND ACCOMPANYING DOCUMENTS – CONDITIONS TO DELIVERY," the Issuer will promptly prepare and supply to the Initial Purchaser an appropriate amendment or supplement to the Official Statement, in a "designated electronic format" satisfactory to the Initial Purchaser.

NO LITIGATION AND OFFICIAL STATEMENT CERTIFICATION: At the time of payment for and delivery of the hereinafter defined Initial Bond ("Initial Delivery"), the Initial Purchaser will be furnished a certificate, executed by proper officials of the Issuer, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the Issuer contained in its Official Statement, and any addenda, supplement or amendment thereto, for the Bonds, on the date of such Official Statement, on the date of sale of said Bonds and the acceptance of the best bid therefor, and on the date of the Initial Delivery, were and are true and correct in all material respects; (b) insofar as the Issuer and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements including financial data, of or pertaining to entities, other than the Issuer, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the Issuer believes to be reliable and the Issuer has no reason to believe that they are untrue in any material respect; (d) except as may be otherwise described in the Official Statement, there has been no material adverse change in the financial condition of the Issuer, since June 30, 2024, the date of the last financial statements of the Issuer appearing in the Official Statement; and (e) no litigation of any nature has been filed or is pending, as of the date hereof, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner question the validity of the Bonds. The Official Statement and this Official Notice of Sale have been approved as to form and content and the use thereof in the offering of the Bonds has been authorized, ratified and approved by the Board in the Bond Order, and the Initial Purchaser will be furnished, upon request, at the time of payment for and the delivery of the Bonds, a certified copy of such approval, duly executed by the proper officials of the Issuer.

CONTINUING DISCLOSURE AGREEMENT: The District has agreed in the Order to provide certain periodic information and notices of certain events in accordance with the Rule, as described in the Official Statement under "CONTINUING DISCLOSURE OF INFORMATION". The Purchaser's obligation to accept and pay for the Bonds is conditioned upon delivery to the Purchaser or its agent of a certified copy of the Order containing the agreement described under such heading.

COMPLIANCE WITH PRIOR UNDERTAKINGS: During the last five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule.

DELIVERY AND ACCOMPANYING DOCUMENTS

INITIAL DELIVERY OF INITIAL BOND: Initial Delivery will be accomplished by the issuance of one or more fully registered Bonds in the aggregate principal amount of the Bonds payable to the Purchaser (the "Initial Bond"), signed by the duly appointed officers of the Board, by their manual or facsimile signatures, approved by the Texas Attorney General, and registered and electronically signed by the Texas Comptroller of Public Accounts. Initial Delivery will be at the corporate trust office of the Paying Agent/Registrar. Upon delivery of the Initial Bond, they shall be immediately canceled and one definitive Bond for each maturity of the Bonds payable to Cede & Co. will be delivered to DTC in connection with DTC's Book-Entry-Only System. Payment for the Bonds must be made in immediately available funds for unconditional credit to the District, or as otherwise directed by the District. The Purchaser will be given six business days' notice of the time fixed for delivery of the Bonds. It is anticipated that the delivery of the Initial Bond can be made on or about January 7, 2025, but if for any reason the District is unable to make delivery by February 4, 2025, then the District shall immediately contact the Purchaser and offer to allow the Purchaser to extend its obligation to take up and pay for the Bonds an additional thirty days. If the Purchaser does not elect to extend its offer within six days thereafter, then its Good Faith Deposit will be returned, and both the District and the Purchaser shall be relieved of any further obligation. In no event shall the District be liable for any damages by reason of its failure to deliver the Bonds, provided that such failure is due to circumstances beyond the District's reasonable control.

CUSIP NUMBERS: It is anticipated that CUSIP identification numbers will be printed on the Bonds, but neither the failure to print such number on any Bond nor any error with respect thereto shall constitute cause for a failure or refusal by the Initial Purchaser to accept delivery of and pay for the Bonds in accordance with the terms of the Official Bid Form and this Official Notice of Sale. All expenses in relation to the printing of CUSIP numbers on the Bonds shall be paid by the Issuer; however, the CUSIP Service Bureau's charge for the assignment of the numbers shall be paid by the Initial Purchaser.

CONDITIONS TO DELIVERY: The obligation to take up and pay for the Bonds is subject to the following conditions: the issuance of an approving opinion of the Attorney General of the State of Texas, the Initial Purchaser's receipt of the legal opinion of Bond Counsel and the certificate regarding the Official Statement as described under "CERTIFICATION OF THE OFFICIAL STATEMENT AND NO-LITIGATION", and the non-occurrence of the events described below under the caption "NO MATERIAL ADVERSE CHANGE". In addition, if the Issuer fails to comply with its obligations described under "OFFICIAL STATEMENT" above, the Initial Purchaser may terminate its contract to purchase the Bonds by delivering written notice to the Issuer within five (5) days thereafter.

NO MATERIAL ADVERSE CHANGE: The obligations of the Initial Purchaser to take up and pay for the Bonds, and of the Issuer to deliver the Initial Bond, are subject to the additional condition that, up to the time of delivery of and receipt of payment for the Initial Bond, there shall have been no material adverse change in the affairs of the Issuer subsequent to the date of sale from that set forth in the Official Statement, as it may have been finalized, supplemented or amended through the date of Initial Delivery.

LEGAL OPINIONS: The District will furnish the Purchaser a complete transcript of proceedings incident to the authorization and issuance of the Bonds, including the unqualified approving legal opinion of the Attorney General of the State of Texas as to the Bonds, to the effect that the Bonds are valid and legally binding obligations of the District, and based upon examination of such transcript of proceedings, the approving legal opinion of Bond Counsel, regarding the legality and validity of the Bonds issued in compliance with the provisions of the Bond Order. (See "LITIGATION" and "LEGAL MATTERS" in the Official Statement and "Appendix C – Form of Legal Opinion of Bond Counsel" attached to the Official Statement.)

CHANGE IN TAX-EXEMPT STATUS: At any time before the Bonds are tendered for initial delivery to the Initial Purchaser, the Initial Purchaser may withdraw its bid if the interest on obligations such as the Bonds shall be declared to be includable in the gross income, as defined in section 61 of the Code, of the owners thereof for federal income tax purposes, either by Treasury regulations, by ruling or administrative guidance of the Internal Revenue Service, by a decision of any federal court, or by the terms of any federal income tax legislation enacted subsequent to the date of this Official Notice of Sale.

GENERAL CONSIDERATIONS

RATINGS: The Bonds are rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings ("S&P") based upon the guaranteed repayment thereof under the Permanent School Fund Guarantee Program of the Texas Education Agency. The District's unenhanced, underlying ratings, including the Bonds, are "Aa1" by Moody's and "AA+" by S&P. There is no assurance that such ratings will continue for any given period of time or that the rating will not be revised downward or withdrawn entirely by such rating company, if in the judgment of said rating company, circumstances so warrant. Any such downward revision or withdrawal of any such rating may have an adverse effect on the market price and marketability of the Bonds.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE: No registration statement relating to the Bonds has been filed with the SEC under the Securities Act of 1933, as amended, in reliance upon exemptions provided in such Act. The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. Any representation to the contrary is a criminal offense. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon exemptions contained therein, nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The Issuer assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Purchaser to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The Issuer agrees to cooperate, at the Purchaser's written request and expense and within reasonable limits, in registering or qualifying the Bonds, or in obtaining an exemption from registration or qualification in any state where such action is necessary, but the District will in no instance execute a general consent to service of process in any state in which the Bonds are offered for sale.

ADDITIONAL COPIES: Subject to the limitations described herein, additional copies of this Official Notice of Sale, the Official Bid Form, and the Official Statement may be obtained from SAMCO Capital Markets, Inc., 5800 Granite Parkway, Suite 210, Plano, Texas 75024.

In the Bond Order, the Board has delegated to the Designated Financial Officer the authority to approve the form and content of the Official Statement, and any addenda, supplement or amendment thereto, and the Board has authorized its further use in the reoffering of the Bonds by the Purchaser.

FRISCO INDEPENDENT SCHOOL DISTRICT

/s/
Designated Financial Officer

Dated: November 25, 2024

OFFICIAL BID FORM

President and Board of Trustees
Frisco Independent School District
5515 Ohio Drive
Frisco, TX 75035

December 3, 2024

Ladies & Gentlemen:

Reference is made to your Official Notice of Sale and Preliminary Official Statement dated November 25, 2024 of $75,620,000* FRISCO INDEPENDENT SCHOOL DISTRICT UNLIMITED TAX REFUNDING BONDS, SERIES 2025 (the "Bonds"), both of which constitute a part hereof.

For your legally issued Bonds, as described in said Official Notice of Sale and Preliminary Official Statement, we will pay you a price of par value thereof plus accrued interest from their Dated Date to the date of initial delivery to us, plus a cash premium of $_____ **(no bid producing a cash premium that results in a dollar price of less than $102.50 nor greater than $112.00 will be considered)** for Bonds maturing and bearing interest as follows:

Maturity (2/15)	Principal Amount*	Interest Rate	Maturity (2/15)	Principal Amount*	Interest Rate
2025	$5,095,000		2033	$8,050,000	
2026	2,430,000		2034	8,370,000	
2027	2,500,000		2035	3,025,000	
2028	2,580,000		2036	3,145,000	
2029	2,655,000		2037	3,270,000	
2030	7,325,000		2038	3,800,000	
2031	7,535,000		2039	3,955,000	
2032	7,765,000		2040	4,120,000	

(Interest to Accrue from the Dated Date)

Of the principal maturities of the Bonds set forth in the table above, we have created term bonds (the "Term Bonds") as indicated in the following table (which may include multiple Term Bonds, one Term Bond or no Term Bond if none is indicated). For those years which have been combined into a Term Bond, the principal amount shown in the table above will be the mandatory sinking fund redemption amounts in such years except that the amount shown in the year of the Term Bond maturity date will mature in such year. The Term Bonds created are as follows:

Term Bond Maturity Date February 15	Year of First Mandatory Redemption	Principal Amount of Term Bond	Interest Rate

Our calculation (which is not a part of this bid) of the interest cost in accordance with the above bid is:

TRUE INTEREST COST _____%

By accepting this bid, we understand the District will provide the copies of the Official Statement and of any amendments or supplements thereto in accordance with the Official Notice of Sale.

The Initial Bond shall be registered in the name of the Purchaser. We will advise DTC of registration instructions at least five business days prior to the date set for Initial Delivery. It is the obligation of the Purchaser of the Bonds to complete the DTC Eligibility Questionnaire.

Cashier's Check of the _____ (bank), _____ (location), in the amount of $1,512,400 which represents our Good Faith Deposit is attached hereto or has been made available to you prior to the opening of the bid, in accordance with the terms set forth in the Official Notice of Sale and the Preliminary Official Statement. The Good Faith Deposit of the Purchaser will be returned to the Purchaser on the date of Initial Delivery upon completion of the closing of the Bonds.

We agree to accept delivery of the Initial Bond through DTC and make payment for the Initial Bond in immediately available funds at BOKF, NA, Dallas, Texas, no later than 10:00 A.M., Central time, on January 7, 2025 or thereafter on the date the Initial Bond are tendered for delivery, pursuant to the terms set forth in the Official Notice of Sale.

The Issuer will consider any bid submitted pursuant to the Official Notice of Sale relating to the Bonds to be a firm offer for the purchase of the Bonds.

The undersigned agrees to complete, execute and deliver to the District by the date of delivery of the Bonds, a certificate relating to the "issue price" of the Bonds in the form and to the effect attached to or accompanying the Official Notice of Sale, with such changes thereto as may be acceptable to the District.

For purposes of contracting for the sale of the Bonds, the entity signing the bid form as Purchaser shall be solely responsible for the payment of the purchase price of the Bonds. The Purchaser may serve as a syndicate manager and contract under a separate agreement with other syndicate members. However, the District is not a party to that agreement and any information provided regarding syndicate managers would be for informational purposes only.

As used in the following verifications, "affiliate" means an entity that controls, is controlled by, or is under common control with the bidder within the meaning of SEC Rule 405, 17 C.F.R. § 230.405, and exists to make a profit. Liability for breach of any such verification during the term of this agreement shall survive until barred by the applicable statute of limitations and shall not be liquidated or otherwise limited by any provision of the bid or Notice of Sale, notwithstanding anything in the bid or Notice of Sale to the contrary.

(i) No Boycott of Israel Verification (Chapter 2271, Texas Government Code, as amended). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott Israel and will not boycott Israel during the term of this Agreement. As used in the foregoing verification, "boycott Israel" has the meaning provided in Section 2271.001, Texas Government Code, as amended.

(ii) Not a Sanctioned Company (Chapter 2252, Texas Government Code, as amended). The Purchaser represents that neither it nor any of its parent company, wholly- or majority-owned subsidiaries, and other affiliates is a company identified on a list prepared and maintained by the Texas Comptroller of Public Accounts under Section 2252.153 or Section 2270.0201, Texas Government Code, as amended. The foregoing representation excludes a bidder and each of its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, that the United States government has affirmatively declared to be excluded from its federal sanctions regime relating to Sudan or Iran or any federal sanctions regime relating to a foreign terrorist organization.

(iii) No Boycott of Energy Companies (Chapter 2276, Texas Government Code, as amended). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not boycott energy companies and will not boycott energy companies during the term of this Agreement. As used in the foregoing verification, "boycott energy companies" has the meaning provided in Section 2276.001(1), Texas Government Code, as amended.

(iv) No Discrimination Against Firearm Entities or Firearm Trade Associations (Texas Government Code Chapter 2274, as amended). The Purchaser hereby verifies that it and its parent company, wholly- or majority-owned subsidiaries, and other affiliates, if any, do not have a practice, policy, guidance, or directive that discriminates against a firearm entity or firearm trade association and will not discriminate against a firearm entity or firearm trade association during the term of this Agreement. As used in the foregoing verification, "discriminate against a firearm entity or firearm trade association" has the meaning provided in Section 2274.001(3), Texas Government Code, as amended.

By submitting this bid, the Purchaser understands and agrees that if Purchaser should fail or refuse to take up and pay for the Bonds in accordance with this bid, or it is determined that after the acceptance of this bid by the District that the Purchaser was found not to satisfy the requirements described in the Official Notice of Sale and Bidding Instructions under the heading "CONDITIONS OF THE SALE" and as a result the Texas Attorney General will not deliver its approving opinion of the Bonds, then the check submitted herewith as the Purchaser's Good Faith Deposit shall be cashed and accepted by the District. IF THE DISTRICT CASHES THE PURCHASER'S GOOD FAITH DEPOSIT AS DESCRIBED ABOVE, SUCH ACTION DOES NOT CONSTITUTE COMPLETE OR LIQUIDATED DAMAGES RELATED TO THE PURCHASER'S BREACH OF ANY OF THE COVERED VERIFICATIONS.

By submitting this bid, the Purchaser understands and agrees that the liability of the Purchaser for breach of any of the verifications made in connection with Chapters 2252, 2271, 2274, and 2276, Texas Government Code, as amended and as described above (collectively, the "Covered Verifications") shall survive until barred by the statute of limitations, and shall not be liquidated or otherwise limited by any provision of this Official Bid Form or the Official Notice of Sale. Additionally, the Purchaser acknowledges and agrees that the District reserves and retains all rights and remedies at law and in equity for pursuit and recovery of damages, if any, relating to the Covered Verifications.

FURTHER STATE LAW COMPLIANCE AND STANDING LETTER REQUIREMENT: By submitting this bid, the Purchaser understands and agrees that it must have a standing letter on file with the Texas Attorney General's Office in the form included in the All Bond Counsel Letter of the Texas Attorney General dated November 1, 2023 and any subsequent letters addressing similar matters (collectively, the "All Bond Counsel Letter"). In submitting this bid, the Purchaser represents to the District that it has filed a standing letter in the form included in the All Bond Counsel Letter without qualification and including current statutory citations and it has no reason to believe that the District may not be entitled to rely on the standing letter on file with the Texas Attorney General's Office. The Purchaser hereby further agrees that it will not rescind its standing letter at any time before the delivery of the Bonds unless same is immediately replaced with a standing letter meeting the requirements of the All Bond Counsel Letter. THE LIABILITY OF THE PURCHASER FOR BREACH OF ANY OF THE VERIFICATIONS MADE IN CONNECTION WITH THE COVERED VERIFICATIONS SHALL SURVIVE UNTIL BARRED BY THE STATUTE OF LIMITATIONS, AND SHALL NOT BE LIQUIDATED OR OTHERWISE LIMITED BY ANY PROVISION OF THIS OFFICIAL BID FORM. ADDITIONALLY, THE DISTRICT RESERVES AND RETAINS ALL RIGHTS AND REMEDIES AT LAW AND IN EQUITY FOR PURSUIT AND RECOVERY OF DAMAGES, IF ANY, RELATING TO THE COVERED VERIFICATIONS The Purchaser agrees to provide such further representations, certifications or assurances in connection with the Covered Verifications, as of the Delivery Date or such other date requested by the District including, but not limited to, a bring down certification as provided by the All Bond Counsel Letter.

The Purchaser acknowledges that the District, in its sole discretion, has reserved the right to reject the bid of any bidder.

The Purchaser understands and agrees that to the extent the Purchaser and each syndicate member listed on the Official Bid Form is unable to provide a Standing Letter in a form satisfactory to the Texas Office of the Attorney General, the District reserves the right to cash and accept the Good Faith Deposit (see "CONDITIONS OF THE SALE - Good Faith Deposit" in the Official Notice of Sale).

A courtesy copy of their firm's standing letter required by the All Bond Counsel letters is submitted herewith, unless otherwise publicly available on the Municipal Advisory Council of Texas' website.

Submission or Exemption of filing Form 1295: In accordance with Texas Government Code Section 2252.908, as amended (the "Interested Party Disclosure Act"), the District may not award the Bonds to a bidder unless the winning bidder either:

(i) submits a Certificate of Interested Parties Form 1295 (the "Disclosure Form") to the District as prescribed by the Texas Ethics Commission ("TEC"),

or

(ii) certifies below that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity.

Unless the bidder certifies that it is exempt from filing a Disclosure Form with the District, upon notification of conditional verbal acceptance and if required, the undersigned will complete an electronic form of the Disclosure Form through the TEC's electronic portal and the resulting certified Disclosure Form that is generated by the TEC's electronic portal will be printed, signed and sent by email to the District's financial advisor at bgrubbs@samcocapital.com. The undersigned understands that the failure to provide the certified Disclosure Form will prohibit the District from providing final written award of the enclosed bid.

The Purchaser (mark one):

(i) Agrees to timely make a filing of a completed Disclosure Form with the District [___]

or

(ii) Hereby certifies that it is exempt from filing the Disclosure Form by virtue of being a publicly traded business entity or a wholly owned subsidiary of a publicly traded business entity [___].

Respectfully submitted,

_____
(Purchaser)

_____
(Signature - Title)

_____
(Telephone)

[District signature page follows.]

ACCEPTANCE CLAUSE

THE FOREGOING BID IS IN ALL THINGS HEREBY ACCEPTED this December 3, 2024 by a Designated Financial Officer of the District by authority conveyed in the Bond Order of the Board of Trustees of the FRISCO INDEPENDENT SCHOOL DISTRICT adopted on March 4, 2024.

_____

Designated Financial Officer

CERTIFICATE OF INTERESTED PARTIES

FORM 1295

Complete Nos. 1 - 4 and 6 if there are interested parties.
Complete Nos. 1, 2, 3, 5, and 6 if there are no interested parties.

OFFICE USE ONLY
CERTIFICATION OF FILING

1 Name of business entity filing form, and the city, state and country of the business entity's place of business.

2 Name of governmental entity or state agency that is a party to the contract for which the form is being filed.

Frisco Independent School District

3 Provide the identification number used by the governmental entity or state agency to track or identify the contract, and provide a description of the services, goods, or other property to be provided under the contract.

0001

Purchase of the Frisco Independent School District Unlimited Tax Refunding Bonds, Series 2025

4 Name of Interested Party	City, State, Country (place of business)	Nature of interest (check applicable)	
		Controlling	Intermediary

5 Check only if there is NO Interested Party. ☐

6 UNSWORN DECLARATION

My name is _____, and my date of birth is _____.

My address is _____, _____, _____, _____, _____.
(street) (city) (state) (zip code) (country)

I declare under penalty of perjury that the foregoing is true and correct.

Executed in _____ County, State of _____, on the _____ day of _____, 20_____.
(month) (year)

_____
Signature of authorized agent of contracting business entity
(Declarant)

ISSUE PRICE CERTIFICATE

(**Form of Certificate if at least 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Refunding Bonds, Series 2025 issued by the Frisco Independent School District ("Issuer") in the principal amount of $75,620,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) On the first day on which there was a binding contract in writing for the purchase of the Bonds by the Purchaser, the Purchaser's reasonably expected initial offering prices of each maturity of the Bonds with the same credit and payment terms (the "Expected Offering Prices") to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter are as set forth in the pricing wire or equivalent communication for the Bonds, as attached to this Certificate as Schedule A. The Expected Offering Prices are the prices for the Bonds used by the Purchaser in formulating its bid to purchase the Bonds.

(b) The Purchaser had an equal opportunity to bid to purchase the Bonds and it was not given the opportunity to review other bids that was not equally given to all other bidders (i.e., no last look).

(c) The bid submitted by the Purchaser constituted a firm bid to purchase the Bonds.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this [ISSUE DATE].

[NAME OF PURCHASER], as Purchaser

By:_____

Name:_____

* *Preliminary, subject to change. See "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.*

ISSUE PRICE CERTIFICATE

(**Form of Certificate if less than 3 bids are received from underwriters**)

The undersigned, as the underwriter or the manager of the syndicate of underwriters ("Purchaser"), with respect to the purchase at competitive sale of the Unlimited Tax Refunding Bonds, Series 2025 issued by the Frisco Independent School District ("Issuer") in the principal amount of $75,620,000* ("Bonds"), hereby certifies and represents, based on its records and information, as follows:

(a) [Other than the Bonds maturing in ____ ("Hold-the-Price Maturities"), the][The first prices at which at least ten percent ("Substantial Amount") of the principal amount of each maturity of the Bonds having the same credit and payment terms ("Maturity") was sold to a person (including an individual, trust, estate, partnership, association, company, or corporation) other than an Underwriter ("Public") are their respective initial offering prices, as listed in the pricing wire or equivalent communication for the Bonds that is attached to this Certificate as Schedule A.

(Add (b) and (c) only if winning bidder designates one or more maturities as Hold-the-Price Maturities)

(b) On or before the first day on which there is a binding contract in writing for the sale of the Bonds ("Sale Date"), the Purchaser offered to the Public each Maturity of the Hold-the-Price Maturities at their respective initial offering prices, as set forth in Schedule A hereto ("Initial Offering Price").

(c) As set forth in the Notice of Sale, the Purchaser agreed in writing to neither offer nor sell any of the Hold-the-Price Maturities to any person at any higher price than the Initial Offering Price for each such Maturity until the earlier of the close of the fifth business day after the Sale Date or the date on which the Purchaser sells at least ten percent of a Hold-the-Price-Maturity of the Bonds to the Public at no higher price than the Initial Offering Price for such Maturity.

For purposes of this Issue Price Certificate, the term "Underwriter" means (1) (i) a person that agrees pursuant to a written contract with the Issuer (or with the lead underwriter to form an underwriting syndicate) to participate in the initial sale of the Bonds to the Public, or (ii) any person that agrees pursuant to a written contract directly or indirectly with a person described in clause (1)(i) of this paragraph (including a member of a selling group or a party to a third-party distribution agreement participating in the initial sale of the Bonds to the Public) to participate in the initial sale of the Bonds to the Public, and (2) any person who has more than 50% common ownership, directly or indirectly, with a person described in clause (1) of this paragraph.

The undersigned understands that the foregoing information will be relied upon by the Issuer with respect to certain of the representations set forth in the Federal Tax Certificate and with respect to compliance with the federal income tax rules affecting the Bonds, and by McCall, Parkhurst & Horton L.L.P. in connection with rendering its opinion that the interest on the Bonds is excluded from gross income for federal income tax purposes, the preparation of the Internal Revenue Service Form 8038-G, and other federal income tax advice that it may give to the Issuer from time to time relating to the Bonds. Notwithstanding anything set forth herein, the Purchaser is not engaged in the practice of law and makes no representation as to the legal sufficiency of the factual matters set forth herein.

EXECUTED and DELIVERED as of this [ISSUE DATE].

[NAME OF PURCHASER], as Purchaser

By:_____

Name:_____

* *Preliminary, subject to change. See "THE BONDS – ADJUSTMENT OF PRINCIPAL AMOUNT AND MATURITY SCHEDULE FOR THE BONDS" herein.*

SCHEDULE A

PRICING WIRE OR EQUIVALENT COMMUNICATION

(*Attached*)

Ratings: Moody's: "Aaa"
S&P: "AAA"
(See "RATINGS" and "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" herein)

PRELIMINARY OFFICIAL STATEMENT
Dated: November 25, 2024

NEW ISSUE: **BOOK-ENTRY-ONLY**

In the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, interest on the Bonds will be excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under "TAX MATTERS" herein, including the alternative minimum tax on certain corporations.

$75,620,000*
FRISCO INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Collin and Denton Counties, Texas)
Unlimited Tax Refunding Bonds, Series 2025

Dated Date: December 1, 2024 **Due: as shown on page ii**

The Frisco Independent School District Unlimited Tax Refunding Bonds, Series 2025 (the "Bonds") are being issued pursuant to the Constitution and general laws of the State of Texas, including Chapters 1207 and 1371, Texas Government Code (together, the "Act"), as amended, and an order (the "Bond Order") authorizing the issuance of the Bonds adopted on March 4, 2024 by the Board of Trustees (the "Board") of the Frisco Independent School District (the "District"). As permitted by the provisions of the Act, the Board, in the Bond Order, delegated the authority to certain District officials (each a "Pricing Officer") to execute a pricing certificate (the "Pricing Certificate") establishing the pricing terms for the Bonds (the Pricing Certificate, together with the Bond Order, are collectively referred to herein as the "Order"). The Bonds are payable as to principal and interest from the proceeds of an ad valorem tax levied annually, without legal limit as to rate or amount, against all taxable property located within the District. The District has received conditional approval from the Texas Education Agency for the Bonds to be guaranteed under the State of Texas Permanent School Fund Guarantee Program (hereinafter defined), which guarantee will automatically become effective when the Attorney General of Texas approves the Bonds. (See "THE BONDS – Permanent School Fund Guarantee" and "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

Interest on the Bonds will accrue from the Dated Date specified above and will be payable on February 15 and August 15 of each year, commencing February 15, 2025, until stated maturity or prior redemption. The Bonds will be issued in fully registered form in principal denominations of $5,000 or any integral multiple thereof. Principal of the Bonds will be payable by the Paying Agent/Registrar, which initially is BOKF, NA, Dallas, Texas (the "Paying Agent/Registrar"), upon presentation and surrender of the Bonds for payment. Interest on the Bonds is payable by check dated as of the interest payment date and mailed by the Paying Agent/Registrar to the registered owners as shown on the records of the Paying Agent/Registrar on the close of business as of the last business day of the month next preceding each interest payment date.

The District intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"). Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer of the Bonds. (See "BOOK-ENTRY-ONLY SYSTEM").

Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding bonds for debt service savings and (ii) pay the costs of issuing the Bonds. (See "PLAN OF FINANCING - Purpose", "PLAN OF FINANCING - Refunded Bonds" and "Schedule I – Schedule of Refunded Bonds").

The Bonds maturing on or after February 15, 2035 are subject to redemption at the option of the District in whole or in part on August 15, 2034 or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. (See "THE BONDS - Optional Redemption"). If two or more serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the winning bidder for the Bonds, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Order (see "THE BONDS – Mandatory Sinking Fund Redemption").

MATURITY SCHEDULE
(On Page ii)

The Bonds are offered for delivery when, as and if issued, and received by the initial purchaser at a competitive sale (the "Purchaser") subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. The Bonds are expected to be available for initial delivery through the facilities of DTC on or about January 7, 2025.

BIDS DUE DECEMBER 3, 2024 BY 10:00 A.M., CENTRAL TIME

*Preliminary, subject to change.

$75,620,000*
FRISCO INDEPENDENT SCHOOL DISTRICT
(A political subdivision of the State of Texas located in Collin and Denton Counties, Texas)
UNLIMITED TAX REFUNDING BONDS, SERIES 2025

MATURITY SCHEDULE*
Base CUSIP No.: 35880C[(1)]

Maturity Date (2/15)	Principal Amount*	Interest Rate	Initial Yield	CUSIP No. Suffix[(1)]
2025	$5,095,000			
2026	2,430,000			
2027	2,500,000			
2028	2,580,000			
2029	2,655,000			
2030	7,325,000			
2031	7,535,000			
2032	7,765,000			
2033	8,050,000			
2034	8,370,000			
2035	3,025,000			
2036	3,145,000			
2037	3,270,000			
2038	3,800,000			
2039	3,955,000			
2040	4,120,000			

(Interest to accrue from the Dated Date)

**Preliminary, subject to change.*

[(1)] CUSIP® is a registered trademark of the American Bankers Association. CUSIP Global Services ("CGS") is managed on behalf of the American Bankers Association by FactSet Research Systems Inc. Copyright(c) 2024 CGS. All rights reserved. CUSIP® data herein is provided by CGS. This data is not intended to create a database and does not serve in any way as a substitute for the CGS database. CUSIP® numbers are provided for convenience of reference only. None of the District, the Financial Advisor, the Purchaser or their agents or counsel assume responsibility for the accuracy of such numbers.

FRISCO INDEPENDENT SCHOOL DISTRICT

BOARD OF TRUSTEES

Name	Term Expires	Length of Service	Occupation
Dynette Davis, President	2026	4 Years	Educator and Entrepreneur
Gopal Ponangi, Vice President	2025	5 Years	Senior Manager
Mark Hill, Secretary	2026	2 Years	Partner
Stephanie Elad, Member	2025	2 Years	Vice President of HR
Marvin Lowe, Member	2025	2 Years	Real Estate Broker
Keith Maddox, Member	2027	5 Months	Chief Compliance Officer
Sherrie Salas, Member	2027	5 Months	Homemaker

APPOINTED OFFICIALS

Name	Position	Length of Education Service
Dr. Mike Waldrip	Superintendent	42 Years
Dr. Todd Fouche	Deputy Superintendent	21 Years
Dr. Wes Cunningham	Associate Deputy Superintendent	31 Years
Dr. Christy Fiori	Chief Academic Officer	24 Years
Dr. Pam Linton	Chief Human Resources Officer	34 Years
Cory McClendon	Chief Leadership Officer	25 Years
Amanda McCune	Chief Communications Officer	8 Years
Cheryl McDonald	Chief Technology Officer	30 Years
Erin Miller	Chief Student Services Officer	28 Years
Kimberly Smith	Chief Financial Officer	13 Years
Scott Warstler	Chief Operations Officer	27 Years

CONSULTANTS AND ADVISORS

McCall, Parkhurst & Horton L.L.P., Dallas, Texas	Bond Counsel
SAMCO Capital Markets, Inc., Plano, Texas	Financial Advisor
Weaver and Tidwell, L.L.P., Dallas, Texas	Certified Public Accountants

For additional information, contact:

Kimberly Smith
Chief Financial Officer
Frisco Independent School District
5515 Ohio
Frisco, Texas 75035
(469) 633-6000

Brian Grubbs / Doug Whitt
SAMCO Capital Markets, Inc.
5800 Granite Parkway, Suite 210
Plano, Texas 75024
(214) 765-1470
(214) 279-8683 (Fax)

USE OF INFORMATION IN OFFICIAL STATEMENT

For purposes of compliance with Rule 15c2-12 of the United States Securities and Exchange Commission, as amended ("Rule 15c2-12"), and in effect on the date of this Preliminary Official Statement, this document constitutes an "official statement" of the District with respect to the Bonds that has been "deemed final" by the District as of its date except for the omission of no more than the information permitted by Rule 15c2-12.

This Official Statement, which includes the cover page, Schedule I and the Appendices hereto, does not constitute an offer to sell or the solicitation of an offer to buy in any jurisdiction to any person to whom it is unlawful to make such offer, solicitation or sale.

No dealer, broker, salesperson or other person has been authorized to give information or to make any representation other than those contained in this Official Statement, and, if given or made, such other information or representations must not be relied upon.

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as the promise or guarantee of the District or the Financial Advisor. This Official Statement contains, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized.

The information and expressions of opinion contained herein are subject to change without notice, and neither the delivery of this Official Statement nor any sale made hereunder shall, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described herein. See "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM – PSF Continuing Disclosure Undertaking" AND "CONTINUING DISCLOSURE OF INFORMATION" for a description of the undertakings of the Texas Education Agency (the "TEA") and the District, respectively, to provide certain information on a continuing basis.

THE BONDS ARE EXEMPT FROM REGISTRATION WITH THE UNITED STATES SECURITIES AND EXCHANGE COMMISSION AND CONSEQUENTLY HAVE NOT BEEN REGISTERED THEREWITH. THE REGISTRATION, QUALIFICATION, OR EXEMPTION OF THE BONDS IN ACCORDANCE WITH APPLICABLE SECURITIES LAW PROVISIONS OF THE JURISDICTIONS IN WHICH THE BONDS HAVE BEEN REGISTERED, QUALIFIED, OR EXEMPTED SHOULD NOT BE REGARDED AS A RECOMMENDATION THEREOF.

NONE OF THE DISTRICT, ITS FINANCIAL ADVISOR, OR THE PURCHASER MAKES ANY REPRESENTATION OR WARRANTY WITH RESPECT TO THE INFORMATION CONTAINED IN THIS OFFICIAL STATEMENT REGARDING THE DEPOSITORY TRUST COMPANY, NEW YORK, NEW YORK ("DTC") OR ITS BOOK-ENTRY-ONLY SYSTEM, OR THE AFFAIRS OF THE TEA DESCRIBED UNDER "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM", AS SUCH INFORMATION WAS PROVIDED BY DTC AND TEA, RESPECTIVELY.

The agreements of the District and others related to the Bonds are contained solely in the contracts described herein. Neither this Official Statement nor any other statement made in connection with the offer or sale of the Bonds is to be construed as constituting an agreement with the purchasers of the Bonds. INVESTORS SHOULD READ THIS ENTIRE OFFICIAL STATEMENT, INCLUDING THE SCHEDULE, AND ALL APPENDICES ATTACHED HERETO, TO OBTAIN INFORMATION ESSENTIAL TO MAKING AN INFORMED INVESTMENT DECISION.

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SELECTED DATA FROM THE OFFICIAL STATEMENT

The selected data is subject in all respects to the more complete information and definitions contained or incorporated in this Official Statement. The offering of the Bonds to potential investors is made only by means of this entire Official Statement. No person is authorized to detach this page from this Official Statement or to otherwise use it without this entire Official Statement.

The District	The Frisco Independent School District (the "District") is a political subdivision of the State of Texas located in Collin and Denton Counties, Texas. The District is governed by a seven-member Board of Trustees (the "Board"). Policy-making and supervisory functions are the responsibility of, and are vested in, the Board. The Board delegates administrative responsibilities to the Superintendent of Schools who is the chief administrative officer of the District. Support services are supplied by consultants and advisors.
The Bonds	The Bonds are being issued in the principal amount of $75,620,000 (preliminary, subject to change) pursuant to the Constitution and general laws of the State of Texas, including particularly Chapters 1207 and 1371, Texas Government Code (together, the "Act"), as amended, and the order (the "Bond Order") adopted by the Board on March 4, 2024. As permitted by provisions of the Act, the Board, in the Bond Order, delegated the authority to certain District officials, each a "Pricing Officer", to execute a pricing certificate (the "Pricing Certificate") establishing the pricing terms for the Bonds (the Pricing Certificate and the Bond Order, are collectively referred to herein as the "Order"). Proceeds from the sale of the Bonds will be used to (i) refund a portion of the District's outstanding bonds for debt service savings and (ii) pay the costs of issuing the Bonds. (See "PLAN OF FINANCING - Purpose", "PLAN OF FINANCING - Refunded Bonds" and "Schedule I – Schedule of Refunded Bonds").
Paying Agent/Registrar	The initial Paying Agent/Registrar is BOKF, NA, Dallas, Texas. The District intends to use the Book-Entry-Only System of The Depository Trust Company, New York, New York. (See "BOOK-ENTRY-ONLY SYSTEM" herein).
Security	The Bonds will constitute direct obligations of the District, payable as to principal and interest from ad valorem taxes levied annually against all taxable property located within the District, without legal limitation as to rate or amount. Payments of principal and interest on the Bonds will be further secured by the corpus of the Permanent School Fund of Texas. (See "THE BONDS – Security", "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS", "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" and "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").
Redemption	The Bonds maturing on or after February 15, 2035 are subject to redemption at the option of the District in whole or in part on August 15, 2034 or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. (See "THE BONDS - Optional Redemption"). If two or more serial bonds of consecutive maturities are combined into one or more "Term Bonds" by the winning bidder for the Bonds, such Term Bonds will be subject to mandatory sinking fund redemption in accordance with the provisions of the Order (see "THE BONDS – Mandatory Sinking Fund Redemption").
Permanent School Fund Guarantee	The District has received conditional approval from the Texas Education Agency for the payment of the Bonds to be guaranteed under the Permanent School Fund Guarantee Program (defined herein), which guarantee will automatically become effective when the Attorney General of Texas approves the Bonds. (See "THE BONDS – Permanent School Fund Guarantee" and "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM.")
Ratings	The Bonds are rated "Aaa" by Moody's Investors Service, Inc. ("Moody's") and "AAA" by S&P Global Ratings ("S&P") based upon the guaranteed repayment thereof under the Permanent School Fund Guarantee Program (as defined herein) of the Texas Education Agency. The District's unenhanced, underlying ratings, including the Bonds, are "Aa1" by Moody's and "AA+" by S&P. (See "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM – Ratings of Bonds Guaranteed Under the Guarantee Program" and "RATINGS" herein.)
Tax Matters	In the opinion of Bond Counsel for the District, interest on the Bonds is excludable from gross income for federal income tax purposes, subject to the matters described under "TAX MATTERS" herein. (See "TAX MATTERS" and APPENDIX C - "Form of Legal Opinion of Bond Counsel.")
Payment Record	The District has never defaulted on the payment of its bonded indebtedness.
Legal Opinion	Delivery of the Bonds is subject to the approval by the Attorney General of the State of Texas and the rendering of an opinion as to legality by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel.
Delivery	When issued, anticipated to be on or about January 7, 2025.

INTRODUCTORY STATEMENT

This Official Statement (the "Official Statement"), which includes the cover page, Schedule I and the Appendices attached hereto, has been prepared by the Frisco Independent School District (the "District"), a political subdivision of the State of Texas (the "State") located in Collin and Denton Counties, Texas, in connection with the offering by the District of its Unlimited Tax Refunding Bonds, Series 2025 (the "Bonds") identified on page ii hereof.

All financial and other information presented in this Official Statement has been provided by the District from its records, except for information expressly attributed to other sources. The presentation of information, including tables of receipts from taxes and other sources, is intended to show recent historic information, and is not intended to indicate future or continuing trends in the financial position or other affairs of the District. No representation is made that past experience, as is shown by that financial and other information, will necessarily continue or be repeated in the future.

There follows in this Official Statement descriptions of the Bonds and the Bond Order (defined below) adopted by the Board of Trustees of the District (the "Board") on March 4, 2024 authorizing the issuance of the Bonds and certain other information about the District and its finances. All descriptions of documents contained herein are only summaries and are qualified in their entirety by reference to each such document. Copies of such documents may be obtained upon request by writing the Frisco Independent School District, 5515 Ohio Drive, Frisco, Texas 75035 and, during the offering period, from the Financial Advisor, SAMCO Capital Markets, Inc., 5800 Granite Parkway, Suite 210, Plano, Texas 75024 by electronic mail or upon payment of reasonable copying, mailing, and handling charges.

This Official Statement speaks only as of its date, and the information contained herein is subject to change. A copy of this Official Statement relating to the Bonds will be submitted by the initial Purchaser of the Bonds to the Municipal Securities Rulemaking Board, and will be available through its Electronic Municipal Market Access system. See "CONTINUING DISCLOSURE OF INFORMATION" for a description of the District's undertaking to provide certain information on a continuing basis.

PLAN OF FINANCING

Purpose

Proceeds from the sale of the Bonds will be utilized to (i) refund certain of the District's currently outstanding indebtedness as disclosed in Schedule I hereto (the "Refunded Bonds") for debt service savings and (ii) pay the costs of issuance of the Bonds.

Refunded Bonds

The Bond Order provides that from a portion of the proceeds of the sale of the Bonds to the Purchaser, the District will deposit with BOKF, NA, Dallas, Texas, the escrow agent for the Refunded Bonds (the "Escrow Agent"), an amount, together with other lawfully available funds of the District, if required, which will be sufficient to accomplish the discharge and final payment of the Refunded Bonds on their redemption date (the "Redemption Date") as shown on Schedule I hereto. Such funds will be held by the Escrow Agent in an escrow account (the "Escrow Fund") and invested in U.S. Treasury securities ("Defeasance Securities") until the Redemption Date for the Refunded Bonds. Such maturing principal of and interest on the Defeasance Securities will not be available to pay the Bonds. SAMCO Capital Markets, Inc., in its capacity as Financial Advisor to the District, will certify as to the sufficiency of the amounts initially deposited with the Escrow Agent to pay the principal of and interest on the Refunded Bonds on the Redemption Date (the "Sufficiency Certificate"). Under the Escrow Agreement, the Escrow Fund is irrevocably pledged to the payment of principal of and interest on the Refunded Bonds.

By the deposit of cash and Defeasance Securities with the Escrow Agent pursuant to the Escrow Agreement, the District will have effected the defeasance of the Refunded Bonds pursuant to the terms of Chapter 1207, Texas Government Code, as amended ("Chapter 1207") and the bond order authorizing the issuance of the Refunded Bonds. It is the opinion of Bond Counsel that as a result of such deposit, and in reliance on the Sufficiency Certificate, the Refunded Bonds will be outstanding only for the purpose of receiving payments from the Defeasance Securities and cash held for such purpose by the Escrow Agent, and the Refunded Bonds will not be deemed as being outstanding obligations of the District, payable from the sources and secured in the manner provided in the orders authorizing their issuance or for any other purpose, and the District will have no further responsibility with respect to amounts available in the Escrow Fund for the payment of the Refunded Bonds. Upon their defeasance, the payment of the Refunded Bonds will no longer be guaranteed by the Permanent School Fund of Texas.

Sources and Uses of Funds

The proceeds from the sale of the Bonds will be applied approximately as follows:

Sources	
Par Amount of Bonds	$
Net Reoffering Premium	
Accrued Interest	
Total Sources of Funds	$
Uses	
Deposit to Escrow Fund	$
Costs of Issuance	
Purchaser's Discount	
Deposit to Interest and Sinking Fund	
Total Uses of Funds	$

THE BONDS

Authorization

The Bonds are being issued in the principal amount of $75,620,000 (preliminary, subject to change) pursuant to the Constitution and general laws of the State, including particularly Chapters 1207 and 1371, Texas Government Code (together, the "Act"), as amended, and the order (the "Bond Order") adopted on March 4, 2024 by the Board, which authorizes the issuance of the Bonds. As permitted by the provisions of the Act, the Board, in the Bond Order, delegated the authority to certain District officials, each a "Pricing Officer", to execute a pricing certificate (the "Pricing Certificate") establishing the pricing terms for the Bonds (the Pricing Certificate and the Bond Order are collectively referred to herein as the "Order").

General Description

The Bonds will be dated December 1, 2024 (the "Dated Date") and will bear interest from the Dated Date. The Bonds will mature on the dates and in the principal amounts set forth on page ii of this Official Statement. Interest on the Bonds will be computed on the basis of a 360-day year of twelve 30-day months, and is payable on February 15, 2025 and on each August 15 and February 15 thereafter until stated maturity or prior redemption.

The Bonds will be issued only as fully registered bonds. The Bonds will be issued in the denominations of $5,000 of principal or any integral multiple thereof within a maturity.

Interest on the Bonds is payable by check mailed on or before each interest payment date by the Paying Agent/Registrar, initially, BOKF, NA, Dallas, Texas, to the registered owner at the last known address as it appears on the Paying Agent/Registrar's registration books on the Record Date (as defined herein) or by such other customary banking arrangement acceptable to the Paying Agent/Registrar and the registered owner to whom interest is to be paid, provided, however, that such person shall bear all risk and expense of such other arrangements. Principal of the Bonds will be payable only upon presentation of such Bonds at the corporate trust office of the Paying Agent/Registrar at stated maturity or redemption prior to maturity. So long as the Bonds are registered in the name of CEDE & CO. or other nominee for The Depository Trust Company, New York, New York ("DTC"), payments of principal of and interest on the Bonds will be made as described in "BOOK-ENTRY-ONLY SYSTEM" herein.

If the date for any payment on the Bonds is a Saturday, Sunday, legal holiday or a day on which banking institutions in the city where the Paying Agent/Registrar is located are authorized by law or executive order to close, then the date for such payment shall be the next succeeding day which is not a Saturday, Sunday, legal holiday or a day on which banking institutions are authorized to close; and payment on such date shall have the same force and effect as if made on the original date payment was due.

Optional Redemption

The Bonds maturing on or after, February 15, 2035 are subject to redemption, at the option of the District, in whole or in part, in principal amounts of $5,000 or integral multiples thereof, on August 15, 2034 or any date thereafter, at a price equal to the principal amount thereof, plus accrued interest to the date of redemption. If less than all of the Bonds are to be redeemed, the District shall determine the amounts and maturities thereof to be redeemed and shall direct the Paying Agent/Registrar to select by lot the Bonds, or portions thereof, to be redeemed. Not less than 30 days prior to a redemption date for the Bonds, the District shall cause a notice of redemption to be sent by United States mail, first class, postage prepaid, to each registered owner of a Bond to be redeemed, in whole or in part, at the address of the registered owner appearing on the registration books of the Paying Agent/Registrar at the close of business on the business day next preceding the date of mailing such notice.

Mandatory Sinking Fund Redemption

If the successful bidder designates principal amounts of the Bonds to be combined into one or more Term Bonds, each such Term Bond will be subject to mandatory sinking fund redemption as provided in the Order and as further set forth in the Official Statement.

Security

The Bonds are direct obligations of the District and are payable as to both principal and interest from an ad valorem tax annually levied, without legal limit as to rate or amount, on all taxable property within the District. The District has received conditional approval from the Texas Education Agency for the payment of the Bonds to be guaranteed under the State of Texas Permanent School Fund Guarantee Program (hereinafter defined), which guarantee will automatically become effective when the Attorney General of Texas approves the Bonds. (See "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS", "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" and "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

Permanent School Fund Guarantee

In connection with the sale of the Bonds, the District has received conditional approval from the Commissioner of Education of the TEA for the guarantee of the Bonds under the Permanent School Fund Guarantee Program (Chapter 45, Subchapter C, of the Texas Education Code, as amended). Subject to meeting certain conditions discussed under the heading "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" herein, the Bonds will be absolutely and unconditionally guaranteed by the corpus of the Permanent School Fund of the State of Texas. In the event of a payment default by the District, registered owners will receive all payments due from the corpus of the Permanent School Fund.

In the event the District defeases any of the Bonds, the payment of such defeased Bonds will cease to be guaranteed by the Permanent School Fund Guarantee. See "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" and "REGISTERED OWNERS' REMEDIES" herein.

Legality

The Bonds are offered when, as and if issued, subject to the approval of legality by the Attorney General of the State of Texas and the approval of certain legal matters by McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel. (See "LEGAL MATTERS" and "APPENDIX C – FORM OF LEGAL OPINION OF BOND COUNSEL").

Payment Record

The District has never defaulted on the payment of its bonded indebtedness.

Amendments

In the Order, the District has reserved the right to amend the Order without the consent of any holder for the purpose of amending or supplementing the Order to (i) cure any ambiguity, defect or omission therein that does not materially adversely affect the interests of the holders, (ii) grant additional rights or security for the benefit of the holders, (iii) add events of default as shall not be inconsistent with the provisions of the Order that do not materially adversely affect the interests of the holders, (iv) qualify the Order under the Trust Indenture Act of 1939, as amended, or corresponding provisions of federal laws from time to time in effect or (v) make such other provisions in regard to matters or questions arising under the Order that are not inconsistent with the provisions thereof and which, in the opinion of Bond Counsel for the District, do not materially adversely affect the interests of the holders.

The Order further provides that the majority of owners of the Bonds shall have the right from time to time to approve any amendment not described above to the Order if it is deemed necessary or desirable by the District; provided, however, that without the consent of 100% of the holders in principal amount of the then outstanding Bonds so affected, no amendment may be made for the purpose of: (i) making any change in the maturity of any of the outstanding Bonds; (ii) reducing the rate of interest borne by any

of the outstanding Bonds; (iii) reducing the amount of the principal payable on any outstanding Bonds; (iv) modifying the terms of payment of principal or interest on outstanding Bonds or imposing any condition with respect to such payment; or (v) changing the minimum percentage of the principal amount of the Bonds necessary for consent to such amendment. Reference is made to the Order for further provisions relating to the amendment thereof.

Defeasance

The Order provides for the defeasance of the Bonds when payment of the principal amount of the Bonds plus interest accrued on the Bonds to their due date (whether such due date be by reason of stated maturity or otherwise), is provided by irrevocably depositing with a paying agent, or other authorized escrow agent, in trust (1) lawful money of the United States of America in an amount sufficient to make such payment and/or (2) Defeasance Securities, that will mature as to principal and interest in such amounts and at such times to insure the availability, without reinvestment, of sufficient money to provide for such payment, and all necessary and proper fees, compensation and expenses of the paying agent for the Bonds, and thereafter the District will have no further responsibility with respect to amounts available to such paying agent (or other financial institution permitted by applicable law) for the payment of such defeased Bonds, including any insufficiency therein caused by the failure of such paying agent (or other financial institution permitted by applicable law) to receive payment when due on the Defeasance Securities. The District has additionally reserved the right, subject to satisfying the requirements of (1) and (2) above, to substitute other Defeasance Securities originally deposited, to reinvest the uninvested moneys on deposit for such defeasance and to withdraw for the benefit of the District moneys in excess of the amount required for such defeasance. The Order provides that "Defeasance Securities" means any securities and obligations now or hereafter authorized by State law that are eligible to refund, defease or otherwise discharge obligations such as the Bonds. Current State law permits defeasance with the following types of securities: (a) direct, noncallable obligations of the United States of America, including obligations that are unconditionally guaranteed by the United States of America, (b) noncallable obligations of an agency or instrumentality of the United States of America, including obligations that are unconditionally guaranteed or insured by the agency or instrumentality and that, on the date the governing body of the District authorizes the defeasance, are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent, and (c) noncallable obligations of a state or an agency or a county, municipality, or other political subdivision of a state that on the date the governing body of the District adopts or approves the proceedings authorizing the financial arrangements have been refunded and are rated as to investment quality by a nationally recognized investment rating firm not less than AAA or its equivalent. The Pricing Officer may restrict such eligible Defeasance Securities as deemed appropriate in connection with the sale of the Bonds (and if so restricted, the Final Official Statement will provide the details). There is no assurance that the current law will not be changed in a manner which would permit investments other than those described above to be made with amounts deposited to defease the Bonds. Because the Order does not contractually limit such investments, registered owners will be deemed to have consented to defeasance with such other investments, notwithstanding the fact that such investments may not be of the same investment quality as those currently permitted under State law. There is no assurance that the ratings for U.S. Treasury securities used for defeasance purposes or that for any other Defeasance Security will be maintained at any particular rating category.

Upon such deposit as described above, such Bonds shall no longer be regarded to be outstanding or unpaid. After firm banking and financial arrangements for the discharge and final payment of the Bonds have been made as described above, all rights of the District to initiate proceedings to call the Bonds for redemption or take any other action amending the terms of the Bonds are extinguished, provided, however, the District has reserved the option, to be exercised at the time of the defeasance of the Bonds, to call for redemption at an earlier date those Bonds which have been defeased to their maturity date, if the District (i) in the proceedings providing for the firm banking and financial arrangements, expressly reserves the right to call the Bonds for redemption, (ii) gives notice of the reservation of that right to the owners of the Bonds immediately following the making of the firm banking and financial arrangements, and (iii) directs that notice of the reservation be included in any redemption notices that it authorizes.

Defeasance of the Bonds will automatically cancel the Permanent School Fund Guarantee with respect to those defeased Bonds.

REGISTERED OWNERS' REMEDIES

The Order establishes specific events of default with respect to the Bonds, and provides that if the District defaults in the payment of principal or interest on the Bonds when due, or defaults in the observation or performance of any other covenants, conditions, or obligations set forth in the Order and the continuation thereof for a period of 60 days after notice of default is given by the District by any owner, the registered owners may seek a writ of mandamus to compel District officials to carry out their legally imposed duties with respect to the Bonds, if there is no other available remedy at law to compel performance of the Bonds or the Order covenants and the District's obligations are not uncertain or disputed. The issuance of a writ of mandamus is controlled by equitable principles and rests with the discretion of the court, but may not be arbitrarily refused. There is no acceleration of maturity of the Bonds in the event of default and, consequently, the remedy of mandamus may have to be relied upon from year to year. The Order does not provide for the appointment of a trustee to represent the interest of the bondholders upon any failure of the District to perform in accordance with the terms of the Order, or upon any other condition and accordingly all legal actions to enforce such remedies would have to be undertaken at the initiative of, and be financed by, the registered owners. The Texas Supreme Court has ruled in *Tooke v. City of Mexia*, 197 S.W.3d 325 (Tex. 2006), that a waiver of sovereign immunity in a contractual dispute must be provided for by statute in "clear and unambiguous" language. Chapter 1371, Texas Government Code, as amended ("Chapter 1371"), which pertains to the issuance of public securities by issuers such as the District, permits the District to waive sovereign immunity in the proceedings authorizing the issuance of the Bonds. Notwithstanding its reliance upon the provisions of Chapter 1371 in connection with the issuance of the Bonds (see "THE BONDS – Authorization and Purpose" herein), the District has not waived the defense of sovereign immunity with respect thereto. Because it is unclear whether the Texas legislature has effectively waived the District's sovereign immunity from a suit for money damages outside of Chapter 1371, bondholders may not be able to bring such a suit against the District for breach of the Bonds or Order covenants. Even if a judgment against the District could be obtained, it could not be enforced by direct levy and execution against the District's property. Further, the registered owners cannot themselves foreclose on property within the District or sell property within the District to enforce the tax lien on taxable property to pay the principal of and interest on the Bonds. Furthermore, the District is eligible to seek relief from its creditors under Chapter 9 of the U.S. Bankruptcy Code ("Chapter 9"). Although Chapter 9 provides for the recognition of a security interest represented by a specifically pledged source of revenues, the pledge of ad valorem taxes in support of a general obligation of a bankrupt entity is not specifically recognized as a security interest under Chapter 9. Chapter 9 also includes an automatic stay provision that would prohibit, without Bankruptcy Court approval, the prosecution of any other legal action by creditors or bondholders of an entity which has sought protection under Chapter 9. Therefore, should the District avail itself of Chapter 9 protection from creditors, the ability to enforce would be subject to the approval of the Bankruptcy Court (which could require that the action be heard in Bankruptcy Court instead of other federal or state court); and the Bankruptcy Code provides for broad discretionary powers of a Bankruptcy Court in administering any proceeding brought before it. See "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" herein for a description of the procedures to be followed for payment of the Bonds by the Permanent School Fund in

the event the District fails to make a payment on the Bonds when due. The opinion of Bond Counsel will note that all opinions relative to the enforceability of the Order and the Bonds are qualified with respect to the customary rights of debtors relative to their creditors by general principles of equity which permit the exercise of judicial discretion.

BOOK-ENTRY-ONLY SYSTEM

This section describes how ownership of the Bonds is to be transferred and how the principal of, premium, if any, and interest on the Bonds are to be paid to and credited by DTC while the Bonds are registered in its nominee name. The information in this section concerning DTC and the Book-Entry-Only System has been provided by DTC for use in disclosure documents such as this Official Statement. The District, the Financial Advisor and the Purchaser believe the source of such information to be reliable, but take no responsibility for the accuracy or completeness thereof.

The District cannot and does not give any assurance that (1) DTC will distribute payments of debt service on the Bonds, or any notices, to Direct Participants, (2) DTC or others will distribute debt service payments paid to DTC or its nominee (as the registered owner of the Bonds) or any notices, to the Beneficial Owners, or that they will do so on a timely basis, or (3) DTC will serve and act in the manner described in this Official Statement. The current rules applicable to DTC are on file with the United States Securities and Exchange Commission, and the current procedures of DTC to be followed in dealing with Direct Participants are on file with DTC.

DTC will act as securities depository for the Bonds. The Bonds will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered Bond certificate will be issued for each maturity of the Bonds, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC, the world's largest securities depository, is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for over 3.5 million issues of U.S. and non-U.S. equity issues, corporate and municipal debt issues, and money market instruments (from over 100 countries) that DTC's participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited Securities, through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC is the holding company for DTC, National Securities Clearing Corporation and Fixed Income Clearing Corporation, all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as both U.S. and non-U.S. securities brokers and dealers, banks, trust companies, and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). DTC has a S&P Global Ratings rating of AA+. The DTC Rules applicable to its Participants are on file with the United States Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com.

Purchases of Bonds under the DTC system must be made by or through Direct Participants, which will receive a credit for the Bonds on DTC's records. The ownership interest of each actual purchaser of each Bond ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Bonds are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in Bonds, except in the event that use of the Book-Entry-Only System for the Bonds is discontinued.

To facilitate subsequent transfers, all Bonds deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Bonds with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Bonds; DTC's records reflect only the identity of the Direct Participants to whose accounts such Bonds are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Bonds may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Bonds, such as, tenders, defaults, and proposed amendments to the Bond documents. For example, Beneficial Owners of Bonds may wish to ascertain that the nominee holding the Bonds for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of notices be provided directly to them.

Redemption notices shall be sent to DTC. If less than all of the Bonds within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor any other DTC nominee) will consent or vote with respect to Bonds unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to The District as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts Bonds are credited on the record date (identified in a listing attached to the Omnibus Proxy).

All payments on the Bonds will be made to Cede & Co., or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts upon DTC's receipt of funds and corresponding detail information from the District or the Paying Agent/Registrar, on payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC, the Paying Agent/Registrar, or the District, subject to any statutory or regulatory requirements as may be in effect from time to time. All payments with respect to the Bonds to Cede & Co. (or such other nominee as may be requested by an authorized representative of DTC) are the responsibility of the District or the

Paying Agent/Registrar, disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

DTC may discontinue providing its services as depository with respect to the Bonds at any time by giving reasonable notice to the District or the Paying Agent/Registrar. Under such circumstances, in the event that a successor depository is not obtained, physical Bond certificates are required to be printed and delivered to Bondholders.

The District may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, physical Bond certificates will be printed and delivered.

The information in this section concerning DTC and DTC's Book-Entry-Only System has been obtained from sources that the District believes to be reliable, but none of the District, the Financial Advisor, or the Purchaser take any responsibility for the accuracy thereof.

Use of Certain Terms in Other Sections of this Official Statement

In reading this Official Statement it should be understood that while the Bonds are in the Book-Entry-Only System, references in other sections of this Official Statement to registered owners should be read to include the person for which the Direct or Indirect Participant acquires an interest in the Bonds, but (i) all rights of ownership must be exercised through DTC and the Book-Entry-Only System, and (ii) except as described above, notices that are to be given to registered owners under the Order will be given only to DTC.

REGISTRATION, TRANSFER AND EXCHANGE

Paying Agent/Registrar

The initial Paying Agent/Registrar for the Bonds is BOKF, NA, Dallas, Texas. In the Order, the District covenants to maintain and provide a Paying Agent/Registrar until the Bonds are duly paid.

Successor Paying Agent/Registrar

Provision is made in the Order for replacing the Paying Agent/Registrar. If the District replaces the Paying Agent/Registrar, such Paying Agent/Registrar shall, promptly upon the appointment of a successor, deliver the Paying Agent/Registrar's records to the successor Paying Agent/Registrar, and the successor Paying Agent/Registrar shall act in the same capacity as the previous Paying Agent/Registrar. Any successor Paying Agent/Registrar selected by the District shall be a commercial bank or trust company organized under the laws of the United States or any state or other entity duly qualified and legally authorized to serve and perform the duties of the Paying Agent/Registrar for the Bonds. Upon any change in the Paying Agent/Registrar for the Bonds, the District has agreed to promptly cause a written notice thereof to be sent to each registered owner of the Bonds by United States mail, first-class, postage prepaid, which notice shall also give the address of the new Paying Agent/Registrar.

Initial Registration

Definitive Bonds will be initially registered and delivered only to CEDE & CO., the nominee of DTC pursuant to the Book-Entry-Only System described herein.

Future Registration

In the event the Book-Entry-Only System is discontinued, the Bonds may be transferred, registered and assigned on the registration books only upon presentation and surrender of the Bonds to the Paying Agent/Registrar, and such registration and transfer shall be without expense or service charge to the registered owner, except for any tax or other governmental charges required to be paid with respect to such registration and transfer. A Bond may be assigned by the execution of an assignment form on the Bonds or by other instrument of transfer and assignment acceptable to the Paying Agent/Registrar. A new Bond or Bonds will be delivered by the Paying Agent/Registrar in lieu of the Bond or Bonds being transferred or exchanged at the corporate trust office of the Paying Agent/Registrar, or sent by United States registered mail to the new registered owner at the registered owner's request, risk and expense. To the extent possible, new Bonds issued in an exchange or transfer of Bonds will be delivered to the registered owner or assignee of the registered owner in not more than three (3) business days after the receipt of the Bonds to be canceled in the exchange or transfer and the written instrument of transfer or request for exchange duly executed by the registered owner or his duly authorized agent, in form satisfactory to the Paying Agent/Registrar. New Bonds registered and delivered in an exchange or transfer shall be in authorized denominations and for a like aggregate principal amount as the Bonds surrendered for exchange or transfer.

Record Date For Interest Payment

The record date ("Record Date") for determining the person to whom the interest on the Bonds is payable on any interest payment date means the close of business on the last business day of the next preceding month. In the event of a non-payment of interest on a scheduled payment date, and for 30 days thereafter, a new record date for such interest payment (a "Special Record Date") will be established by the Paying Agent/Registrar, if and when funds for the payment of such interest have been received from the District. Notice of the Special Record Date and of the scheduled payment date of the past due interest (the "Special Payment Date" which shall be 15 days after the Special Record Date) shall be sent at least five business days prior to the Special Record Date by United States mail, first class, postage prepaid, to the address of each registered owner of a Bond appearing on the books of the Paying Agent/Registrar at the close of business on the last business day next preceding the date of mailing of such notice.

Limitation on Transfer of Bonds

The Paying Agent/Registrar shall not be required to make any such transfer, conversion or exchange (i) during the period commencing with the close of business on any Record Date and ending with the opening of business on the next following principal or interest payment date or (ii) with respect to any Bond or any portion thereof called for redemption prior to maturity, within 45 days prior to its redemption date; provided, however, that such limitation shall not apply to uncalled portions of a Bond redeemed in part.

Replacement Bonds

If any Bond is mutilated, destroyed, stolen or lost, a new Bond in the same principal amount as the Bond so mutilated, destroyed, stolen or lost will be issued. In the case of a mutilated Bond, such new Bond will be delivered only upon surrender and cancellation of such mutilated Bond. In the case of any Bond issued in lieu of and substitution for a Bond which has been destroyed, stolen or lost, such new Bond will be delivered only (a) upon filing with the District and the Paying Agent/Registrar a certificate to the effect that such Bond has been destroyed, stolen or lost and proof of the ownership thereof, and (b) upon furnishing the District and the

Paying Agent/Registrar with indemnity satisfactory to them. The person requesting the authentication and delivery of a new Bond must pay such expenses as the Paying Agent/Registrar may incur in connection therewith.

THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM

Subject to satisfying certain conditions, the payment of the Bonds will be guaranteed by the corpus of the Permanent School Fund of the State of Texas. In the event of default, registered owners will receive all payments due on the Bonds from the Permanent School Fund, and the Charter District Bond Guarantee Reserve would be the first source to pay debt service if a charter school was unable to make such payment. See "Appendix E – THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" for pertinent information regarding the Permanent School Fund Guarantee Program. The disclosure regarding the Permanent School Fund Guarantee Program in Appendix E is incorporated herein and made a part hereof for all purposes.

STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS

Litigation Relating to the Texas Public School Finance System

On seven occasions in the last thirty years, the Texas Supreme Court (the "Court") has issued decisions assessing the constitutionality of the Texas public school finance system (the "Finance System"). The litigation has primarily focused on whether the Finance System, as amended by the Texas Legislature (the "Legislature") from time to time (i) met the requirements of article VII, section 1 of the Texas Constitution, which requires the Legislature to "establish and make suitable provision for the support and maintenance of an efficient system of public free schools," or (ii) imposed a statewide ad valorem tax in violation of article VIII, section 1-e of the Texas Constitution because the statutory limit on property taxes levied by school districts for maintenance and operation purposes had allegedly denied school districts meaningful discretion in setting their tax rates. In response to the Court's previous decisions, the Legislature enacted multiple laws that made substantive changes in the way the Finance System is funded in efforts to address the prior decisions declaring the Finance System unconstitutional.

On May 13, 2016, the Court issued its opinion in the most recent school finance litigation, *Morath v. The Texas Taxpayer & Student Fairness Coal.*, 490 S.W.3d 826 (Tex. 2016) ("*Morath*"). The plaintiffs and intervenors in the case had alleged that the Finance System, as modified by the Legislature in part in response to prior decisions of the Court, violated article VII, section 1 and article VIII, section 1-e of the Texas Constitution. In its opinion, the Court held that "[d]espite the imperfections of the current school funding regime, it meets minimum constitutional requirements." The Court also noted that:

> Lawmakers decide if laws pass, and judges decide if those laws pass muster. But our lenient standard of review in this policy-laden area counsels modesty. The judicial role is not to second-guess whether our system is optimal, but whether it is constitutional. Our Byzantine school funding "system" is undeniably imperfect, with immense room for improvement. But it satisfies minimum constitutional requirements.

Possible Effects of Changes in Law on District Bonds

The Court's decision in *Morath* upheld the constitutionality of the Finance System but noted that the Finance System was "undeniably imperfect". While not compelled by the *Morath* decision to reform the Finance System, the Legislature could enact future changes to the Finance System. Any such changes could benefit or be a detriment to the District. If the Legislature enacts future changes to, or fails adequately to fund the Finance System, or if changes in circumstances otherwise provide grounds for a challenge, the Finance System could be challenged again in the future. In its 1995 opinion in *Edgewood Independent School District v. Meno*, 917 S.W.2d 717 (Tex. 1995), the Court stated that any future determination of unconstitutionality "would not, however, affect the district's authority to levy the taxes necessary to retire previously issued bonds, but would instead require the Legislature to cure the system's unconstitutionality in a way that is consistent with the Contract Clauses of the U.S. and Texas Constitutions" (collectively, the "Contract Clauses"), which prohibit the enactment of laws that impair prior obligations of contracts.

Although, as a matter of law, the Bonds, upon issuance and delivery, will be entitled to the protections afforded previously existing contractual obligations under the Contract Clauses, the District can make no representations or predictions concerning the effect of future legislation, or any litigation that may be associated with such legislation, on the District's financial condition, revenues or operations. While the enactment of future legislation to address school funding in Texas could adversely affect the financial condition, revenues or operations of the District, the District does not anticipate that the security for payment of the Bonds, specifically, the District's obligation to levy an unlimited debt service tax and any Permanent School Fund guarantee of the Bonds would be adversely affected by any such legislation. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM".

CURRENT PUBLIC SCHOOL FINANCE SYSTEM

Overview

The following language constitutes only a summary of the Finance System. The information contained under the captions "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" and "TAX RATE LIMITATIONS" is subject to change, and only reflects the District's understanding based on information available to the District as of the date of this Official Statement. For a more complete description of school finance and fiscal management in the State, reference is made to Chapters 43 through 49 of the Texas Education Code, as amended. Additionally, prospective investors are encouraged to review the Property Tax Code (as defined herein) for definitive requirements for the levy and collection of ad valorem taxes and the calculation of the defined tax rates.

Local funding is derived from collections of ad valorem taxes levied on property located within each school district's boundaries. School districts are authorized to levy two types of property taxes: a maintenance and operations ("M&O") tax to pay current expenses and an interest and sinking fund ("I&S") tax to pay debt service on bonds. School districts may not increase their M&O tax rate for the purpose of creating a surplus to pay debt service on bonds. School districts are prohibited from levying an M&O tax rate for the purpose of creating a surplus in M&O tax revenues to pay the district's debt service. Current law also requires school districts to demonstrate their ability to pay debt service on outstanding bonded indebtedness through the levy of an I&S tax at a rate not to exceed $0.50 per $100 of taxable value at the time bonds are issued. Once bonds are issued, however, school districts generally may levy an I&S tax sufficient to pay debt service on such bonds unlimited as to rate or amount (see "TAX RATE LIMITATIONS – I&S Tax Rate Limitations" herein). Because property values vary widely among school districts, the amount of local funding generated by school districts with the same I&S tax rate and M&O tax rate is also subject to wide variation; however, the public school finance funding formulas are designed to generally equalize local funding generated by a school district's M&O tax rate.

2025 Legislative Session

In close proximity to the closing of the Bonds, the 89th Texas legislative session will commence on January 14, 2025 and continue to June 2, 2025. During this time, the Texas Legislature may enact laws that materially affect the District and its

finances. The District can make no prediction as to the outcome of this legislative session but intends to monitor applicable legislation related thereto.

2023 Regular and Special Legislative Sessions

The regular session of the 88th Texas Legislature began on January 10, 2023 and adjourned on May 29, 2023. The Texas Legislature (the "Legislature") meets in regular session in odd numbered years for 140 days. During the 88th Regular Session, the Legislature considered a general appropriations act and legislation affecting the Finance System and ad valorem taxation procedures and exemptions, and investments, among other legislation affecting school districts and the administrative agencies that oversee school districts. Legislation enacted by the Legislature fully-funded the Foundation School Program for the 2023-2024 State fiscal biennium and increased the state guaranteed yield on the first $0.08 cents of tax effort beyond a school district's Maximum Compressed Tax Rate (as defined herein) to $126.21 per penny of tax effort per student in WADA (as defined herein) in 2024 (from $98.56 in 2023) and $129.52 per penny of tax effort per student in WADA in 2025. See "– State Funding for School Districts – Tier Two." The Legislature also provided for an increase in funding for the school safety allotment to $10.00 (from $9.72 in the prior year) per ADA (as defined herein) and $15,000 per campus. The Legislature set aside approximately $4,000,000,000 in additional funding for public education contingent on certain legislation passing in future special sessions. However, the Legislature did not take action on such funding during any of the special sessions of the 88th Texas Legislature.

During the second called special session, legislation was passed, and at an election held in the State on November 7, 2023, voters approved a State constitutional amendment that (i) reduced the Maximum Compressed Tax Rate for school districts by approximately $0.107 for the 2023-2024 school year; (ii) increased the amount of the mandatory school district general residential homestead exemption from ad valorem taxation from $40,000 to $100,000 and to hold districts harmless from certain M&O and I&S tax revenue losses associated with the increase in the mandatory homestead exemption; (iii) adjusted the amount of the limitation on school district ad valorem taxes imposed on the residence homesteads of the elderly or disabled to reflect increases in exemption amounts; (iv) prohibited school districts, cities and counties from repealing or reducing an optional homestead exemption that was granted in tax year 2022 (the prohibition expires on December 31, 2027); (v) established a three-year pilot program limiting growth in the taxable assessed value of non-residence homestead property valued at $5,000,000 or less to 20 percent (school districts are not held harmless for any negative revenue impacts associated with such limits); (vi) excepted certain appropriations to pay for ad valorem tax relief from the constitutional limitation on the rate of growth of appropriations; and (vii) expanded the size of the governing body of an 15 appraisal district in a county with a population of more than 75,000 by adding elected directors and authorizing the Legislature to provide for a four-year term of office for a member of the board of directors of certain appraisal districts. This legislation reduces the amount of property taxes paid by homeowners and businesses and increases the State's share of the cost of funding public education.

The Governor may call additional special sessions. During any additional called special session, the Legislature may enact laws that materially change current law as it relates to the funding of public schools, including the District. The District can make no representations or predictions regarding the scope of additional legislation that may be considered during any additional called special sessions or the potential impact of such legislation at this time.

Local Funding for School Districts

A school district's M&O tax rate is composed of two distinct parts: the "Tier One Tax Rate", which is the local M&O tax rate required for a school district to receive any part of the basic level of State funding (referred to herein as "Tier One") under the Foundation School Program, as further described below, and the "Enrichment Tax Rate", which is any local M&O tax effort in excess of its Tier One Tax Rate. Formulas for the State Compression Percentage and Maximum Compressed Tax Rate (each as described below) are designed to compress M&O tax rates in response to year-over-year increases in property values across the State and within a school district, respectively. The discussion in this subcaption "Local Funding For School Districts" is generally intended to describe funding provisions applicable to all school districts; however, there are distinctions in the funding formulas for school districts that generate local M&O tax revenues in excess of the school districts' funding entitlements, as further discussed under the subcaption "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – Local Revenue Level In Excess of Entitlement" herein.

State Compression Percentage

The State Compression Percentage is a statutorily-defined percentage of the rate of $1.00 per $100 that is used to determine a school district's Maximum Compressed Tax Rate (described below). The State Compression Percentage is the lesser of three alternative calculations: (1) 93% or a lower percentage set by appropriation for a school year; (2) a percentage determined by formula if the estimated total taxable property value of the State (as submitted annually to the State Legislature by the State Comptroller) has increased by at least 2.5% over the prior year; and (3) the prior year State Compression Percentage. For any year, the maximum State Compression Percentage is 93%. For the State fiscal year ending in 2024, the State Compression Percentage is set at 68.80%.

Maximum Compressed Tax Rate

The Maximum Compressed Tax Rate (the "MCR") is the tax rate per $100 of valuation of taxable property at which a school district must levy its Tier One Tax Rate to receive the full amount of the Tier One funding to which the school district is entitled. The MCR is equal to the lesser of two alternative calculations: (1) the school district's prior year MCR; or (2) a percentage determined by formula if the school district experienced a year-over-year increase in property value of at least 2.5% (if the increase in property value is less than 2.5%, then MCR is equal to the prior year MCR). However, each year the TEA shall evaluate the MCR for each school district in the State, and for any given year, if a school district's MCR is calculated to be less than 90% of any other school district's MCR for the current year, then the school district's MCR is instead equal to the school district's prior year MCR, until TEA determines that the difference between the school district's MCR and any other school district's MCR is not more than 10%. These compression formulas are intended to more closely equalize local generation of Tier One funding among districts with disparate tax bases and generally reduce the Tier One Tax Rates of school districts as property values increase. During the 2023 Legislative Session, took action to reduce the maximum MCR for the 2023-2024 school year. It established $0.6680 as the maximum rate and $0.6192 as the floor. The MCR for the 2024-2025 school year is $0.6855 and the floor is $0.6169.

Tier One Tax Rate

A school district's Tier One Tax Rate is defined as a school district's M&O tax rate levied that does not exceed the school district's MCR.

Enrichment Tax Rate

The Enrichment Tax Rate is the number of cents a school district levies for M&O in excess of the Tier One Tax Rate, up to an additional $0.17. The Enrichment Tax Rate is divided into two components: (i) "Golden Pennies" which are the first $0.08 of tax effort in excess of a school district's Tier One Tax Rate; and (ii) "Copper Pennies" which are the next $0.09 in excess of a school district's Tier One Tax Rate plus Golden Pennies.

School districts may levy an Enrichment Tax Rate at a level of their choice, subject to the limitations described under "TAX RATE LIMITATIONS – Public Hearing and Voter-Approval Tax Rate"; however to levy any of the Enrichment Tax Rate in a given year, a school district must levy a Tier One Tax Rate equal to the school district's MCR. Additionally, a school district's levy of Copper Pennies is subject to compression if the guaranteed yield (i.e., the guaranteed level of local tax revenue and State aid generated for each cent of tax effort) of Copper Pennies is increased from one year to the next (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts – Tier Two").

State Funding for School Districts

State funding for school districts is provided through the two-tiered Foundation School Program, which guarantees certain levels of funding for school districts in the State. School districts are entitled to a legislatively appropriated guaranteed yield on their Tier One Tax Rate and Enrichment Tax Rate. When a school district's Tier One Tax Rate and Enrichment Tax Rate generate tax revenues at a level below the respective entitlement, the State will provide "Tier One" funding or "Tier Two" funding, respectively, to fund the difference between the school district's entitlements and the actual M&O revenues generated by the school district's respective M&O tax rates.

The first level of funding, Tier One, is the basic level of funding guaranteed to all school districts based on a school district's Tier One Tax Rate. Tier One funding may then be "enriched" with Tier Two funding. Tier Two provides a guaranteed entitlement for each cent of a school district's Enrichment Tax Rate, allowing a school district increase or decrease its Enrichment Tax Rate to supplement Tier One funding at a level of the school district's own choice. While Tier One funding may be used for the payment of debt service (except for school districts subject to the recapture provisions of Chapter 49 of the Texas Education Code, as discussed herein), and in some instances is required to be used for that purpose (see "TAX RATE LIMITATIONS – I&S Tax Rate Limitations"), Tier Two funding may not be used for the payment of debt service or capital outlay.

The current public school finance system also provides an Existing Debt Allotment ("EDA") to subsidize debt service on eligible outstanding school district bonds, an Instructional Facilities Allotment ("IFA") to subsidize debt service on newly issued bonds, and a New Instructional Facilities Allotment ("NIFA") to subsidize operational expenses associated with the opening of a new instructional facility. IFA primarily addresses the debt service needs of property-poor school districts. For the 2024-2025 State fiscal biennium, the State Legislature appropriated funds in the amount of $1,072,511,740 for the EDA, IFA, and NIFA.

Tier One and Tier Two allotments represent the State's share of the cost of M&O expenses of school districts, with local M&O taxes representing the school district's local share. EDA and IFA allotments supplement a school district's local I&S taxes levied for debt service on eligible bonds issued to construct, acquire and improve facilities, provided that a school district qualifies for such funding and that the State Legislature makes sufficient appropriations to fund the allotments for a State fiscal biennium. Tier One and Tier Two allotments and existing EDA and IFA allotments are generally required to be funded each year by the State Legislature.

Tier One

Tier One funding is the basic level of funding guaranteed to a school district, consisting of a State-appropriated baseline level of funding (the "Basic Allotment") for each student in "Average Daily Attendance" (being generally calculated as the sum of student attendance for each State-mandated day of instruction divided by the number of State-mandated days of instruction, defined herein as "ADA"). The Basic Allotment is revised downward if a school district's Tier One Tax Rate is less than the State-determined threshold. The Basic Allotment is supplemented by additional State funds, allotted based upon the unique school district characteristics and demographics of students in ADA, to make up most of a school district's Tier One entitlement under the Foundation School Program.

The Basic Allotment for school districts with a Tier One Tax Rate equal to the school district's MCR, is $6,160 for each student in ADA and is revised downward for school districts with a Tier One Tax Rate lower than the school district's MCR. The Basic Allotment is then supplemented for all school districts by various weights to account for differences among school districts and their student populations. Such additional allotments include, but are not limited to, increased funds for students in ADA who: (i) attend a qualified special education program, (ii) are diagnosed with dyslexia or a related disorder, (iii) are economically disadvantaged, or (iv) have limited English language proficiency. Additional allotments to mitigate differences among school districts include, but are not limited to: (i) a transportation allotment for mileage associated with transporting students who reside two miles or more from their home campus, (ii) a fast growth allotment (for school districts in the top 25% of enrollment growth relative to other school districts), (iii) a college, career and military readiness allotment to further Texas' goal of increasing the number of students who attain a post-secondary education or workforce credential, and (iv) a teacher incentive allotment to increase teacher compensation retention in disadvantaged or rural school districts. A school district's total Tier One funding, divided by $6,160, is a school district's measure of students in "Weighted Average Daily Attendance" ("WADA"), which serves to calculate Tier Two funding.

The fast growth allotment weights are 0.48 for districts in the top 40% of school districts for growth, 0.33 for districts in the middle 30% of school districts for growth and 0.18 for districts in the bottom 30% of school districts for growth. The fast growth allotment is limited to $315 million for the 2023-2024 school year and $320 million for the 2024-2025 school year.

Tier Two

Tier Two supplements Tier One funding and provides two levels of enrichment with different guaranteed yields (i.e., Golden Pennies and Copper Pennies) depending on the school district's Enrichment Tax Rate. Golden Pennies generate a guaranteed yield equal to the greater of (i) the local revenue per student in WADA per cent of tax effort available to a school district at the ninety-sixth (96th) percentile of wealth per student in WADA, or (ii) the Basic Allotment (or a greater amount as may be provided by appropriation) multiplied by 0.016. For the 2024-2025 State fiscal biennium, school districts are guaranteed a yield of $126.21 per student in WADA in 2024 and $129.52 per student in WADA in 2025 for each Golden Penny levied. Copper Pennies generate a guaranteed yield per student in WADA equal to the school district's Basic Allotment (or a greater amount as may be provided by appropriation) multiplied by 0.008. For the 2024-2025 State fiscal biennium, school districts are guaranteed a yield of $49.28 per student in WADA for each Copper Penny levied. For any school year in which the guaranteed yield of Copper Pennies per student in WADA exceeds the guaranteed yield of Copper Pennies per student in WADA for the preceding school year, a school district is required to reduce its Copper Pennies levied so as to generate no more revenue per student in WADA than was available to the school district for the preceding year.

Existing Debt Allotment, Instruction Facilities Allotment, and New Instructional Facilities Allotment

The Foundation School Program also includes facilities funding components consisting of the IFA and the EDA, subject to legislative appropriation each State fiscal biennium. To the extent funded for a biennium, these programs assist school districts in funding facilities by, generally, equalizing a school district's I&S tax effort. The IFA guarantees each awarded school district a specified amount per student (the "IFA Yield") in State and local funds for each cent of I&S tax levied to pay the principal of and interest on eligible bonds issued to construct, acquire, renovate or improve instructional facilities. The IFA Yield has been $35 since this program first began in 1997. New awards of IFA are only available if appropriated funds are allocated for such purpose by the State Legislature. To receive an IFA award, in years where new IFA awards are available, a school district must apply to the Commissioner in accordance with rules adopted by the TEA before issuing the bonds to be paid with IFA State assistance. The total amount of debt service assistance over a biennium for which a school district may be awarded is limited to the lesser of (1) the

actual debt service payments made by the school district in the biennium in which the bonds are issued; or (2) the greater of (a) $100,000 or (b) $250 multiplied by the number of students in ADA. The IFA is also available for lease-purchase agreements and refunding bonds meeting certain prescribed conditions. Once a school district receives an IFA award for bonds, it is entitled to continue receiving State assistance for such bonds without reapplying to the Commissioner. The guaranteed level of State and local funds per student percent of local tax effort applicable to the bonds may not be reduced below the level provided for the year in which the bonds were issued. For the 2024-2025 State fiscal biennium, the State Legislature did not appropriate any funds for new IFA awards; however, awards previously granted in years the State Legislature did appropriate funds for new IFA awards will continue to be funded.

State financial assistance is provided for certain existing eligible debt issued by school districts through the EDA program. The EDA guaranteed yield (the "EDA Yield") is the lesser of (i) $40 per student in ADA or a greater amount for any year provided by appropriation; or (ii) the amount that would result in a total additional EDA of $60 million more than the EDA to which school districts would have been entitled to if the EDA Yield were $35. The portion of a school district's local debt service rate that qualifies for EDA assistance is limited to the first $0.29 of its I&S tax rate (or a greater amount for any year provided by appropriation by the State Legislature). In general, a school district's bonds are eligible for EDA assistance if (i) the school district made payments on the bonds during the final fiscal year of the preceding State fiscal biennium, or (ii) the school district levied taxes to pay the principal of and interest on the bonds for that fiscal year. Each biennium, access to EDA funding is determined by the debt service taxes collected in the final year of the preceding biennium. A school district may not receive EDA funding for the principal and interest on a series of otherwise eligible bonds for which the school district receives IFA funding.

Since future-year IFA awards were not funded by the State Legislature for the 2024-2025 State fiscal biennium and debt service assistance on school district bonds that are not yet eligible for EDA is not available, debt service payments during the 2024-2025 State fiscal biennium on new bonds issued by school districts in the 2024-2025 State fiscal biennium to construct, acquire and improve facilities must be funded solely from local I&S taxes, except to the extent the bonds of a school district are eligible for hold harmless funding from the State for local tax revenue lost as a result of an increase in the mandatory homestead exemption from $40,000 to $100,000. Hold harmless applies only to bonds authorized by voters prior to September 1, 2023.

A school district may also qualify for a NIFA allotment, which provides assistance to school districts for operational expenses associated with opening new instructional facilities. In the 2023 Legislative Sessions, the State Legislature appropriated funds in the amount of $100,000,000 for each fiscal year of the 2024-2025 State fiscal biennium for NIFA allotments.

Tax Rate and Funding Equity

The Commissioner may proportionally reduce the amount of funding a school district receives under the Foundation School Program and the ADA calculation if the school district operates on a calendar that provides less than the State-mandated minimum instruction time in a school year. The Commissioner may also adjust a school district's ADA as it relates to State funding where disaster, flood, extreme weather or other calamity has a significant effect on a school district's attendance.

Furthermore, "property-wealthy" school districts that received additional State funds under the public school finance system prior to the enactment of the 2019 Legislation are entitled to an equalized wealth transition grant on an annual basis, which will be phased out in the 2023-2024 school year in an amount equal to the amount of additional revenue such school district would have received under former Texas Education Code Sections 41.002(e) through (g), as those sections existed on January 1, 2019. Additionally, school districts and open-enrollment charter schools may be entitled to receive an allotment in the form of a formula transition grant, but they will not be entitled to an allotment beginning with the 2024-2025 school year. This grant is meant to ensure a smooth transition into the funding formulas enacted by the 86th State Legislature. Furthermore, if the total amount of allotments to which school districts and open enrollment charter schools are entitled for a school year exceeds $400 million, the Commissioner shall proportionately reduce each district's or school's allotment. The reduction in the amount to which a district or school is entitled may not result in an amount that is less than zero.

For the 2023-2024 school year, school districts will be held harmless and entitled to additional state aid to the extent that state and local revenue used to service eligible debt is less than the state and local revenue that would have been available to the district under state law providing for state aid to districts to account for increases in the general residence homestead exemption and the elderly or disabled tax ceiling as such state law existed on September 1, 2022, if any increase in a residence homestead exemption under the Texas Constitution, and any additional limitation on tax increases under the elderly or disabled tax ceiling had not occurred.

Local Revenue Level in Excess of Entitlement

A school district that has sufficient property wealth per student in ADA to generate local revenues on the school district's Tier One Tax Rate and Copper Pennies in excess of the school district's respective funding entitlements (a "Chapter 49 school district"), is subject to the local revenue reduction provisions contained in Chapter 49 of Texas Education Code, as amended ("Chapter 49"). Additionally, in years in which the amount of State funds appropriated specifically excludes the amount necessary to provide the guaranteed yield for Golden Pennies, local revenues generated on a school district's Golden Pennies in excess of the school district's respective funding entitlement are subject to the local revenue reduction provisions of Chapter 49. To reduce local revenue, Chapter 49 school districts are generally subject to a process known as "recapture", which requires a Chapter 49 school district to exercise certain options to remit local M&O tax revenues collected in excess of the Chapter 49 school district's funding entitlements to the State (for redistribution to other school districts) or otherwise expending the respective M&O tax revenues for the benefit of students in school districts that are not Chapter 49 school districts, as described in the subcaption "Options for Local Revenue Levels in Excess of Entitlement". Chapter 49 school districts receive their allocable share of funds distributed from the constitutionally-prescribed Available School Fund, but are generally not eligible to receive State aid under the Foundation School Program, although they may continue to receive State funds for certain competitive grants and certain programs that remain outside the Foundation School Program.

Recapture is measured by the "local revenue level" (being the M&O tax revenues generated in a school district) in excess of the entitlements appropriated by the State Legislature each fiscal biennium. Therefore, school districts are now guaranteed that recapture will not reduce revenue below their statutory entitlement.

Options for Local Revenue Levels in Excess of Entitlement

Under Chapter 49, a school district has six options to reduce local revenues to a level that does not exceed the school district's respective entitlements: (1) a school district may consolidate by agreement with one or more school districts to form a consolidated school district; all property and debt of the consolidating school districts vest in the consolidated school district; (2) a school district may detach property from its territory for annexation by a property-poor school district; (3) a school district may purchase attendance credits from the State; (4) a school district may contract to educate nonresident students from a property-poor school district by sending money directly to one or more property-poor school districts; (5) a school district may execute an agreement to provide students of one or more other school districts with career and technology education through a program designated as an area program for career and technology education; or (6) a school district may consolidate by agreement with one or more school districts to form a consolidated taxing school district solely to levy and distribute either M&O taxes or both M&O taxes and I&S

taxes. A Chapter 49 school district may also exercise any combination of these remedies. Options (3), (4) and (6) require prior approval by the Chapter 49 school district's voters.

Furthermore, a school district may not adopt a tax rate until its effective local revenue level is at or below the level that would produce its guaranteed entitlement under the Foundation School Program. If a school district fails to exercise a permitted option, the Commissioner must reduce the school district's local revenue level to the level that would produce the school district's guaranteed entitlement, by detaching certain types of property from the school district and annexing the property to a property-poor school district or, if necessary, consolidate the school district with a property-poor school district. Provisions governing detachment and annexation of taxable property by the Commissioner do not provide for assumption of any of the transferring school district's existing debt.

CURRENT PUBLIC SCHOOL FINANCE SYSTEM AS APPLIED TO THE DISTRICT

For the 2024-2025 school year, the District was designated as an "excess local revenue" Chapter 49 school district by TEA. Accordingly, the District has entered into a wealth equalization agreement with the Commissioner for the purchase of attendance credits for the 2024-25 school year, for the purpose of implementing permitted wealth equalization options.

A district's "excess local revenues" must be tested for each future school year and, if it exceeds the maximum permitted level, the District must reduce its wealth per student by the exercise of one of the permitted wealth equalization options. Accordingly, if the District's wealth per student should exceed the maximum permitted value in future school years, it will be required to exercise one or more of the permitted wealth equalization options. If the District were to consolidate (or consolidate its tax base for all purposes) with a property-poor district, the outstanding debt of each district could become payable from the consolidated district's combined property tax base, and the District's ration of taxable property to debt could become diluted. If the District were to detach property voluntarily, a portion of its outstanding debt (including the Bonds) could be assumed by the district to which the property is annexed, in which case timely payment of the Bonds could become dependent in part on the financial performance of an annexing district.

For a detailed discussion of State funding for school district see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts."

AD VALOREM TAX PROCEDURES

The following is a summary of certain provisions of State law as it relates to ad valorem taxation and is not intended to be complete. Prospective investors are encouraged to review Title I of the Texas Tax Code, as amended (the "Property Tax Code"), for identification of property subject to ad valorem taxation, property exempt or which may be exempted from ad valorem taxation if claimed, the appraisal of property for ad valorem tax purposes, and the procedures and limitations applicable to the levy and collection of ad valorem taxes.

Valuation of Taxable Property

The Property Tax Code provides for countywide appraisal and equalization of taxable property values and establishes in each county of the State an appraisal district and an appraisal review board (the "Appraisal Review Board") responsible for appraising property for all taxing units within the county. The appraisal of property within the District is the responsibility of the Collin Central Appraisal District and the Denton Central Appraisal District (collectively, the "Appraisal District"). Except as generally described below, the Appraisal District is required to appraise all property within the Appraisal District on the basis of 100% of its market value and is prohibited from applying any assessment ratios. In determining market value of property, the Appraisal District is required to consider the cost method of appraisal, the income method of appraisal and the market data comparison method of appraisal, and use the method the chief appraiser of the Appraisal District considers most appropriate. The Property Tax Code requires appraisal districts to reappraise all property in its jurisdiction at least once every three (3) years. A taxing unit may require annual review at its own expense, and is entitled to challenge the determination of appraised value of property within the taxing unit by petition filed with the Appraisal Review Board.

State law requires the appraised value of an owner's principal residence ("homestead" or "homesteads") to be based solely on the property's value as a homestead, regardless of whether residential use is considered to be the highest and best use of the property. State law further limits the appraised value of a homestead to the lesser of (1) the market value of the property or (2) 110% of the appraised value of the property for the preceding tax year plus the market value of all new improvements to the property.

Effective January 1, 2024, an appraisal district is prohibited from increasing the appraised value of real property during the 2024 tax year on certain non-homestead properties (the "Subjected Property") whose appraised values are not more than $5 million dollars (the "maximum property value") to an amount not to exceed the lesser of: (1) the market value of the Subjected Property for the most recent tax year that the market value was determined by the appraisal office or (2) the sum of: (a) 20 percent of the appraised value of the Subjected Property for the preceding tax year; (b) the appraised value of the Subjected Property for the preceding tax year; and (c) the market value of all new improvements to the Subjected Property (collectively, the "Appraisal Cap"). After the 2024 tax year, through December 31, 2026 unless extended by the State Legislature, the maximum property value may be increased or decreased by the product of the preceding state fiscal year's increase or decrease in the consumer price index, as applicable, to the maximum property value. The Appraisal Cap took effect on January 1, 2024.

State law provides that eligible owners of both agricultural land and open-space land, including open-space land devoted to farm or ranch purposes or open-space land devoted to timber production, may elect to have such property appraised for property taxation on the basis of its productive capacity. The same land may not be qualified as both agricultural and open-space land.

The appraisal values set by the Appraisal District are subject to review and change by the Appraisal Review Board. The appraisal rolls, as approved by the Appraisal Review Board, are used by taxing units, such as the District, in establishing their tax rolls and tax rates (see "AD VALOREM TAX PROCEDURES – District and Taxpayer Remedies").

State Mandated Homestead Exemptions

State law grants, with respect to each school district in the State, (1) a $100,000 exemption (as described below) of the appraised value of all homesteads, (2) a $10,000 exemption of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled, and (3) various exemptions for disabled veterans and their families, surviving spouses of members of the armed services killed in action and surviving spouses of first responders killed or fatally wounded in the line of duty. On November 2, 2021, the Texas Constitution was amended to provide that the surviving spouse of an individual who received a limitation on the school district property taxes on the person's residence homestead on the basis of disability continued to receive that limitation while the property remained the spouse's residence homestead if the spouse was at least 55 years old. Senate Bill 1, which was also passed during the Third Special Session of the 87th Texas Legislature makes provisions for additional state aid to hold school districts harmless for tax revenue losses resulting from the increased homestead exemption.

Additional legislation concerning the required homestead exemption was passed in the 2nd Special Session of the 88th Texas Legislature. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – 2023 Legislative Sessions" herein.

Local Option Homestead Exemptions

The governing body of a taxing unit, including a city, county, school district, or special district, at its option may grant: (1) an exemption of up to 20% of the appraised value of all homesteads (but not less than $5,000) and (2) an additional exemption of at least $3,000 of the appraised value of the homesteads of persons sixty-five (65) years of age or older and the disabled. Each taxing unit decides if it will offer the local option homestead exemptions and at what percentage or dollar amount, as applicable. The exemption described in (2), above, may also be created, increased, decreased or repealed at an election called by the governing body of a taxing unit upon presentment of a petition for such creation, increase, decrease, or repeal of at least 20% of the number of qualified voters who voted in the preceding election of the taxing unit. Cities, counties, and school districts are prohibited from repealing or reducing an optional homestead exemption that was granted in tax year 2022 through December 31, 2027. See "Appendix A – Financial Information of the District – Assessed Valuation" for the reduction in taxable valuation, if any, attributable to local option homestead exemptions.

State Mandated Freeze on School District Taxes

Except for increases attributable to certain improvements, a school district is prohibited from increasing the total ad valorem tax on the homestead of persons sixty-five (65) years of age or older or of disabled persons above the amount of tax imposed in the year such homestead qualified for such exemption. This freeze is transferable to a different homestead if a qualifying taxpayer moves and, under certain circumstances, is also transferable to the surviving spouse of persons sixty-five (65) years of age or older, but not the disabled. See "Appendix A – Financial Information of the District – Assessed Valuation" for the reduction in taxable valuation attributable to the freeze on taxes for the elderly and disabled.

Personal Property

Tangible personal property (furniture, machinery, supplies, inventories, etc.) used in the "production of income" is taxed based on the property's market value. Taxable personal property includes income-producing equipment and inventory. Intangibles such as goodwill, accounts receivable, and proprietary processes are not taxable. Tangible personal property not held or used for production of income, such as household goods, automobiles or light trucks, and boats, is exempt from ad valorem taxation unless the governing body of a taxing unit elects to tax such property.

Freeport and Goods-In-Transit Exemptions

Certain goods that are acquired in or imported into the State to be forwarded outside the State, and are detained in the State for 175 days or less for the purpose of assembly, storage, manufacturing, processing or fabrication ("Freeport Property") are exempt from ad valorem taxation unless a taxing unit took official action to tax Freeport Property before April 1, 1990 and has not subsequently taken official action to exempt Freeport Property. Decisions to continue taxing Freeport Property may be reversed in the future; decisions to exempt Freeport Property are not subject to reversal.

Certain goods, that are acquired in or imported into the State to be forwarded to another location within or without the State, stored in a location that is not owned by the owner of the goods and are transported to another location within or without the State within 175 days ("Goods-in-Transit"), are generally exempt from ad valorem taxation; however, the Property Tax Code permits a taxing unit, on a local option basis, to tax Goods-in-Transit if the taxing unit takes official action, after conducting a public hearing, before January 1 of the first tax year in which the taxing unit proposes to tax Goods-in-Transit. Goods-in-Transit and Freeport Property do not include oil, natural gas or petroleum products, and Goods-in-Transit does not include aircraft or special inventories such as manufactured housing inventory, or a dealer's motor vehicle, boat, or heavy equipment inventory.

A taxpayer may receive only one of the Goods-in-Transit or Freeport Property exemptions for items of personal property. See "Appendix A – Financial Information of the District – Assessed Valuation" for the reduction in taxable valuation, if any, attributable to Goods-in-Transit or Freeport Property exemptions.

Other Exempt Property

Other major categories of exempt property include property owned by the State or its political subdivisions if used for public purposes, property exempt by federal law, property used for pollution control, farm products owned by producers, property of nonprofit corporations used for scientific research or educational activities benefitting a college or university, designated historic sites, solar and wind-powered energy devices, and certain classes of intangible personal property.

Temporary Exemption for Qualified Property Damaged by a Disaster

The Property Tax Code entitles the owner of certain qualified (i) tangible personal property used for the production of income, (ii) improvements to real property, and (iii) manufactured homes located in an area declared by the Governor to be a disaster area following a disaster and is at least 15 percent damaged by the disaster, as determined by the chief appraiser, to an exemption from taxation of a portion of the appraised value of the property. The amount of the exemption ranges from 15 percent to 100 percent based upon the damage assessment rating assigned by the chief appraiser. For tax years beginning on or after January 1, 2022, the governing body of the taxing unit is not required to take any action in order for the taxpayer to be eligible for the exemption. If a taxpayer qualifies for the exemption after the beginning of the tax year, the amount of the exemption is prorated based on the number of days left in the tax year following the day on which the Governor declares the area to be a disaster area. The Texas Legislature amended Section 11.35, Property Tax Code, to clarify that "damage" for purposes of such statute is limited to "physical damage." For more information on the exemption, reference is made to Section 11.35 of the Tax Code.

Tax Increment Reinvestment Zones

A city or county, by petition of the landowners or by action of its governing body, may create one or more tax increment reinvestment zones ("TIRZ") within its boundaries. At the time of the creation of the TIRZ, a "base value" for the real property in the TIRZ is established and the difference between any increase in the assessed valuation of taxable real property in the TIRZ in excess of the base value is known as the "tax increment". During the existence of the TIRZ, all or a portion of the taxes levied against the tax increment by a city or county, and all other overlapping taxing units that elected to participate, are restricted to paying only planned project and financing costs within the TIRZ and are not available for the payment of other obligations of such taxing units.

Until September 1, 1999, school districts were able to reduce the value of taxable property reported to the State to reflect any taxable value lost due to TIRZ participation by the school district. The ability of the school district to deduct the taxable value of the tax increment that it contributed prevented the school district from being negatively affected in terms of state school funding. However, due to a change in law, local M&O tax rate revenue contributed to a TIRZ created on or after May 31, 1999 will count toward a school district's Tier One entitlement (reducing Tier One State funds for eligible school districts) and will not be considered in calculating any school district's Tier Two entitlement (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts").

Tax Limitation Agreements

The Texas Economic Development Act (Chapter 313, Texas Tax Code, as amended) allowed school districts to grant limitations on appraised property values to certain corporations and limited liability companies to encourage economic development within the school district. Generally, during the last eight (8) years of the ten-year term of a tax limitation agreement, a school district could only levy and collect M&O taxes on the agreed-to limited appraised property value. For the purposes of calculating its Tier One and Tier Two entitlements, the portion of a school district's property that is not fully taxable is excluded from the school district's taxable property values. Therefore, a school district will not be subject to a reduction in Tier One or Tier Two State funds as a result of lost M&O tax revenues due to entering into a tax limitation agreement (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM – State Funding for School Districts"). The 87th Texas Legislature did not vote to extend this program, which expired by its terms effective December 31, 2022.

During the regular session of the 88th Texas Legislature, House Bill 5 ("HB 5") was enacted into law. HB 5 is intended as a replacement of former Chapter 313, Texas Tax Code ("Chapter 313"), but it contains significantly different provisions than the prior program under Chapter 313. The effective date of HB 5 was January 1, 2024. Under HB 5, a school district may offer a 50% abatement on taxable value for maintenance and operations property taxes for certain eligible projects, except that projects in a federally designated economic opportunity zone receive a 75% abatement. HB 5 also provides a 100% abatement of maintenance and operations taxes for eligible property during a project's construction period. Taxable valuation for purposes of the debt services taxes securing the Bonds cannot be abated under HB 5. Eligible projects must relate to manufacturing, provision of utility services, dispatchable electric generation (such as non-renewable energy), development of natural resources, critical infrastructure, or research and development for high-tech equipment or technology, and projects must create and maintain jobs and meet certain minimum investment requirements. The District is still in the process of reviewing HB 5 and cannot make any representations as to what impact, if any, HB 5 will have on its finances or operations.

For a discussion of how the various exemptions described above are applied by the District, see "THE PROPERTY TAX CODE AS APPLIED TO THE DISTRICT" herein.

Tax Abatement Agreements

Taxing units may also enter into tax abatement agreements to encourage economic development. Under the agreements, a property owner agrees to construct certain improvements on its property. The taxing unit, in turn, agrees not to levy a tax on all or part of the increased value attributable to the improvements until the expiration of the agreement. The abatement agreement could last for a period of up to 10 years.

For a discussion of how the various exemptions described above are applied by the District, see " THE PROPERTY TAX CODE AS APPLIED TO THE DISTRICT" herein.

District and Taxpayer Remedies

Under certain circumstances, taxpayers and taxing units, including the District, may appeal the determinations of the Appraisal District by timely initiating a protest with the Appraisal Review Board. Additionally, taxing units such as the District may bring suit against the Appraisal District to compel compliance with the Property Tax Code.

Owners of certain property with a taxable value in excess of the current year "minimum eligibility amount", as determined by the State Comptroller, and situated in a county with a population of one million or more, may protest the determinations of an appraisal district directly to a three-member special panel of the appraisal review board, appointed by the chairman of the appraisal review board, consisting of highly qualified professionals in the field of property tax appraisal. The minimum eligibility amount is set at $59,562,331 for the 2024 tax year and is adjusted annually by the State Comptroller to reflect the inflation rate.

The Property Tax Code sets forth notice and hearing procedures for certain tax rate increases by the District and provides for taxpayer referenda that could result in the repeal of certain tax increases (see "TAX RATE LIMITATIONS – Public Hearing and Voter-Approval Tax Rate"). The Property Tax Code also establishes a procedure for providing notice to property owners of reappraisals reflecting increased property value, appraisals which are higher than renditions, and appraisals of property not previously on an appraisal roll.

Levy and Collection of Taxes

The District is responsible for the collection of its taxes, unless it elects to transfer such functions to another governmental entity. Taxes are due October 1, or when billed, whichever comes later, and become delinquent after January 31 of the following year. A delinquent tax incurs a penalty of six percent (6%) of the amount of the tax for the first calendar month it is delinquent, plus one percent (1%) for each additional month or portion of a month the tax remains unpaid prior to July 1 of the year in which it becomes delinquent. If the tax is not paid by July 1 of the year in which it becomes delinquent, the tax incurs a total penalty of twelve percent (12%) regardless of the number of months the tax has been delinquent and incurs an additional penalty of up to twenty percent (20%) if imposed by the District. The delinquent tax also accrues interest at a rate of one percent (1%) for each month or portion of a month it remains unpaid. The Property Tax Code also makes provision for the split payment of taxes, discounts for early payment and the postponement of the delinquency date of taxes for certain taxpayers. Furthermore, the District may provide, on a local option basis, for the split payment, partial payment, and discounts for early payment of taxes under certain circumstances. The Property Tax Code permits taxpayers owning homes or certain businesses located in a disaster area and damaged as a direct result of the declared disaster to pay taxes imposed in the year following the disaster in four equal installments without penalty or interest, commencing on February 1 and ending on August 1. See "AD VALOREM TAX PROCEDURES – Temporary Exemption for Qualified Property Damaged by a Disaster" for further information related to a discussion of the applicability of this section of the Property Tax Code.

District's Rights in the Event of Tax Delinquencies

Taxes levied by the District are a personal obligation of the owner of the property. On January 1 of each year, a tax lien attaches to property to secure the payment of all state and local taxes, penalties, and interest ultimately imposed for the year on the property. The lien exists in favor of each taxing unit, including the District, having power to tax the property. The District's tax lien is on a parity with tax liens of such other taxing units. A tax lien on real property takes priority over the claim of most creditors and other holders of liens on the property encumbered by the tax lien, whether or not the debt or lien existed before the attachment of the tax lien; however, whether a lien of the United States is on a parity with or takes priority over a tax lien of the District is determined by applicable federal law. Personal property, under certain circumstances, is subject to seizure and sale for the payment of delinquent taxes, penalty, and interest.

At any time after taxes on property become delinquent, the District may file suit to foreclose the lien securing payment of the tax, to enforce personal liability for the tax, or both. In filing a suit to foreclose a tax lien on real property, the District must join other taxing units that have claims for delinquent taxes against all or part of the same property.

Collection of delinquent taxes may be adversely affected by the amount of taxes owed to other taxing units, adverse market conditions, taxpayer redemption rights, or bankruptcy proceedings which restrain the collection of a taxpayer's debt.

Federal bankruptcy law provides that an automatic stay of actions by creditors and other entities, including governmental units, goes into effect with the filing of any petition in bankruptcy. The automatic stay prevents governmental units from foreclosing on property and prevents liens for post-petition taxes from attaching to property and obtaining secured creditor status unless, in either case, an order lifting the stay is obtained from the bankruptcy court. In many cases, post-petition taxes are paid as an administrative expense of the estate in bankruptcy or by order of the bankruptcy court.

TAX RATE LIMITATIONS

M&O Tax Rate Limitations

A school district is authorized to levy maintenance and operation ("M&O") taxes subject to approval of a proposition submitted to district voters. The maximum M&O tax rate that may be levied by a district cannot exceed the voted maximum rate or the maximum rate described in the succeeding paragraphs. The maximum voted M&O tax rate for the District is $1.50 per $100 of assessed valuation as approved by the voters at an election held on October 6, 2001 under Chapter 20, Texas Education Code (now codified as Section 45.003, Texas Education Code).

The maximum maintenance tax rate per $100 of taxable value that may be adopted by an independent school district is the sum of $0.17 and the school district's MCR. The District's MCR is, generally, inversely proportional to the change in taxable property values both within the District and the State and is subject to recalculation annually. For any year, highest possible MCR for an independent school district is $0.93.

Furthermore, a school district cannot annually increase its tax rate in excess of the school district's Voter-Approval Tax Rate without submitting such tax rate to an election and a majority of the voters voting at such election approving the adopted rate. See "TAX RATE LIMITATIONS – Public Hearing and Voter-Approval Tax Rate" herein.

I&S Tax Rate Limitations

A school district is also authorized to issue bonds and levy taxes for payment of bonds subject to voter approval of one or more propositions submitted to the voters under Section 45.003(b)(1), Texas Education Code, as amended, which provides a tax unlimited as to rate or amount for the support of school district bonded indebtedness (see "THE BONDS – Security").

Section 45.0031 of the Texas Education Code, as amended, requires a school district to demonstrate to the Texas Attorney General that it has the prospective ability to pay its maximum annual debt service on a proposed issue of bonds and all previously issued bonds, other than bonds approved by voters of a school district at an election held on or before April 1, 1991 and issued before September 1, 1992 (or debt issued to refund such bonds, collectively, "exempt bonds"), from a tax levied at a rate of $0.50 per $100 of assessed valuation before bonds may be issued (the "50-cent Test"). In demonstrating the ability to pay debt service at a rate of $0.50, a school district may take into account EDA and IFA allotments to the school district, which effectively reduces the school district's local share of debt service, and may also take into account Tier One funds allotted to the school district. If a school district exercises this option, it may not adopt an I&S tax until it has credited to the school district's I&S fund an amount equal to all State allotments provided solely for payment of debt service and any Tier One funds needed to demonstrate compliance with the threshold tax rate test and which is received or to be received in that year. Additionally, a school district may demonstrate its ability to comply with the 50-cent Test by applying the $0.50 tax rate to an amount equal to 90% of projected future taxable value of property in the school district, as certified by a registered professional appraiser, anticipated for the earlier of the tax year five (5) years after the current tax year or the tax year in which the final payment for the bonds is due. However, if a school district uses projected future taxable values to meet the 50-cent Test and subsequently imposes a tax at a rate greater than $0.50 per $100 of valuation to pay for bonds subject to the test, then for subsequent bond issues, the Texas Attorney General must find that the school district has the projected ability to pay principal and interest on the proposed bonds and all previously issued bonds subject to the 50-cent Test from a tax rate of $0.45 per $100 of valuation. Once the prospective ability to pay such tax has been shown and the bonds are issued, a school district may levy an unlimited tax to pay debt service. Refunding bonds issued pursuant to Chapter 1207, Texas Government Code ("Chapter 1207"), are not subject to the 50-cent Test; however, taxes levied to pay debt service on such bonds (other than bonds issued to refund exempt bonds) are included in maximum annual debt service for calculation of the 50-cent Test when applied to subsequent bond issues that are subject to the 50-cent Test. The Bonds are issued as refunding bonds pursuant to Chapter 1207 and are, therefore, not subject to the 50-cent Test; however, taxes levied to pay debt service on the Bonds are included in the calculation of the 50-cent Test as applied to subsequent issues of "new debt". In connection with prior bond issues, the District has not used State assistance other than EDA or IFA allotment funding or projected property values to satisfy this threshold test.

Public Hearing and Voter-Approval Tax Rate

A school district's total tax rate is the combination of the M&O tax rate and the I&S tax rate. Generally, the highest rate at which a school district may levy taxes for any given year without holding an election to approve the tax rate is the "Voter-Approval Tax Rate", as described below.

A school district is required to adopt its annual tax rate before the later of September 30 or the sixtieth (60th) day after the date the certified appraisal roll is received by the taxing unit, except that a tax rate that exceeds the Voter-Approval Tax Rate must be adopted not later than the seventy-first (71st) day before the next occurring November uniform election date. A school district's failure to adopt a tax rate equal to or less than the Voter-Approval Tax Rate by September 30 or the sixtieth (60th) day after receipt of the certified appraisal roll, will result in the tax rate for such school district for the tax year to be the lower of the "no-new-revenue tax rate" calculated for that tax year or the tax rate adopted by the school district for the preceding tax year. A school district's failure to adopt a tax rate in excess of the Voter-Approval Tax Rate on or prior to the seventy-first (71st) day before the next occurring November uniform election date, will result in the school district adopting a tax rate equal to or less than its Voter-Approval Tax Rate by the later of September 30 or the sixtieth (60th) day after receipt of the certified appraisal roll. "No-new-revenue tax rate" means the rate that will produce the prior year's total tax levy from the current year's total taxable values, adjusted such that lost values are not included in the calculation of the prior year's taxable values and new values are not included in the current year's taxable values.

The Voter-Approval Tax Rate for a school district is the sum of (i) the school district's MCR; (ii) the greater of (a) the school district's Enrichment Tax Rate for the preceding year, less any amount by which the school district is required to reduce its

current year Enrichment Tax Rate pursuant to Section 48.202(f), Education Code, as amended, or (b) the rate of $0.05 per $100 of taxable value; and (iii) the school district's current I&S tax rate. A school district's M&O tax rate may not exceed the rate equal to the sum of (i) $0.17 and (ii) the school district's MCR (see "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" herein, for more information regarding the State Compression Percentage, MCR, and the Enrichment Tax Rate).

The governing body of a school district generally cannot adopt a tax rate exceeding the school district's Voter-Approval Tax Rate without approval by a majority of the voters approving the higher rate at an election to be held on the next uniform election date. Further, subject to certain exceptions for areas declared disaster areas, State law requires the board of trustees of a school district to conduct an efficiency audit before seeking voter approval to adopt a tax rate exceeding the Voter-Approval Tax Rate and sets certain parameters for conducting and disclosing the results of such efficiency audit. An election is not required for a tax increase to address increased expenditures resulting from certain natural disasters in the year following the year in which such disaster occurs; however, the amount by which the increased tax rate exceeds the school district's Voter-Approval Tax Rate for such year may not be considered by the school district in the calculation of its subsequent Voter-Approval Tax Rate.

The calculation of the Voter-Approval Tax Rate does not limit or impact the District's ability to set an I&S tax rate in each year sufficient to pay debt service on all of the District's tax-supported debt obligations, including the Bonds.

Before adopting its annual tax rate, a public meeting must be held for the purpose of adopting a budget for the succeeding year. A notice of public meeting to discuss the school district's budget and proposed tax rate must be published in the time, format and manner prescribed in Section 44.004 of the Texas Education Code. Section 44.004(e) of the Texas Education Code provides that a person who owns taxable property in a school district is entitled to an injunction restraining the collection of taxes by the school district if the school district has not complied with such notice requirements or the language and format requirements of such notice as set forth in Section 44.004(b), (c), (c-1), (c-2), and (d), and, if applicable, subsection (i), and if such failure to comply was not in good faith. Section 44.004(e) further provides the action to enjoin the collection of taxes must be filed before the date the school district delivers substantially all of its tax bills. A school district that elects to adopt a tax rate before the adoption of a budget for the fiscal year that begins in the current tax year may adopt a tax rate for the current tax year before receipt of the certified appraisal roll, so long as the chief appraiser of the appraisal district in which the school district participates has certified to the assessor for the school district an estimate of the taxable value of property in the school district. If a school district adopts its tax rate prior to the adoption of its budget, both the no-new-revenue tax rate and the Voter-Approval Tax Rate of the school district shall be calculated based on the school district's certified estimate of taxable value. A school district that adopts a tax rate before adopting its budget must hold a public hearing on the proposed tax rate followed by another public hearing on the proposed budget rather than holding a single hearing on the two items.

A school district must annually calculate and prominently post on its internet website and submit to the county tax assessor-collector for each county in which all or part of the school district is located, its Voter-Approval Tax Rate in accordance with forms prescribed by the State Comptroller.

THE PROPERTY TAX CODE AS APPLIED TO THE DISTRICT

The Appraisal District has the responsibility for appraising property in the District as well as other taxing units in each respective county. Each Appraisal District is governed by a board of directors appointed by voters of the governing bodies of various political subdivisions within the respective county.

The District does not grant a local option exemption to the market value of the residence homestead of persons who are 65 years of age or older; and, the District does not grant a local option exemption to the market value of the residence homestead of the disabled.

The District has not granted any part of the local option, additional exemption of up to 20% of the market value of residence homesteads.

Split payments are not permitted. Discounts are not permitted.

The District does not tax freeport property. For the 2022/23 fiscal year, property valued at $56,326,970 was eligible for the freeport exemption. See "Appendix A – Financial Information of the District - Assessed Valuation" for a listing of the amounts of the exemptions described above.

The District has taken action to tax goods-in-transit.

The District has not granted any tax abatements.

The District does not tax non-business personal property.

Ad valorem taxes are not levied by the District against the exempt value of residence homesteads for the payment of debt.

Property within the District is assessed as of January 1 of each year; taxes become due October 1 of the same year and become delinquent on February 1 of the following year.

The Board has approved a resolution initiating an additional 20% penalty to defray attorney costs in the collection of delinquent taxes over and above the penalty automatically assessed under the Tax Code.

The District does participate in a tax increment reinvestment zone. The City of Frisco, Texas (the "City"), pursuant to Texas Tax Code, Chapter 311 has designated an area within the City as a reinvestment zone known as Reinvestment Zone Number One, City of Frisco, Texas (the "Zone") to promote development within the area. In designating the area as a reinvestment zone, the City has provided for certain improvements to be constructed using tax increment financing, i.e., a tax increment base is established for real property in the area within the reinvestment zone as of the year of its designation and property taxes levied by the city creating the reinvestment zone and other participating overlapping taxing units against the taxable values of such real property in excess of the tax increment base (the "Captured Appraised Value") are deposited into a tax increment fund ("TIF") to fund projects within the reinvestment zone in accordance with a "Project Plan" and "Financing Plan" approved for the reinvestment zone. The tax increment base value of the Zone for the District is $30,681,136 and the Captured Appraised Value in the Zone for the 2024/2025 tax year is approximately $2,617,237,860. The District has agreed to participate in the Zone by contributing 100% of its taxes collected against the Captured Appraised Value in the TIF and such taxes remitted to the TIF will not be available for operations of the District. The Zone was created by the City in accordance with the requirements of Section 403.302(d) of the Texas Government Code. Accordingly, the Commissioner of Education does not include the Captured Appraised Value of property that is located in the Zone in determining the District's property value wealth per student. See "AD VALOREM TAX PROCEDURES."

EMPLOYEES' RETIREMENT PLAN AND OTHER POST-EMPLOYMENT BENEFITS

The District's employees participate in a retirement plan with the State of Texas; the Plan is administered by the Teacher Retirement System of Texas ("TRS"). State contributions are made to cover costs of the TRS retirement plan up to certain statutory limits. The District is obligated for a portion of TRS costs relating to employee salaries that exceed the statutory limit. In addition to its participation in the TRS, the District contributes to the Texas Public School Retired Employees Group Insurance Program (the "TRS-Care"), a cost-sharing multiple-employer defined benefit post-employment health care plan. The TRS-Care provides health care coverage for certain persons (and their dependents) who retired under the TRS. Contribution requirements are not actuarially determined but are legally established each biennium by the Texas Legislature. Upon an employee's retirement, the District is no longer obligated to make contributions to the TRS-Care on behalf of such retired employee. (For more detailed information concerning the District's funding policy and contributions in connection with the TRS-Care, see **"**Note 11" in the audited financial statements of the District for the year ended June 30, 2024, set forth in Appendix D hereto) As a result of its participation in TRS and TRS-Care and having no other postemployment retirement benefit plans, the District has no obligations for other post-employment benefits within the meaning of Governmental Accounting Standards Board Statement No. 45. (See "Note 11" in the audited financial statements of the District for the year ended June 30, 2024, set forth in Appendix D hereto).

Formal collective bargaining agreements relating directly to wages and other conditions of employment are prohibited by State law, as are strikes by teachers. There are various local, state and national organized employee groups who engage in efforts to better terms and conditions of employment of school employees. Some districts have adopted a policy to consult with employer groups with respect to certain terms and conditions of employment. Some examples of these groups are the Texas State Teachers Association, the Texas Classroom Teachers Association, the Association of Texas Professional Educators and the National Education Association.

RATINGS

The Bonds are rated "Aaa" by Moody's Investors Service ("Moody's") and "AAA" by S&P Global Ratings ("S&P") based upon the guaranteed repayment thereof under the Permanent School Fund Guarantee Program of the Texas Education Agency (see "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" herein). The District's unenhanced, underlying ratings, including the Bonds, are "Aa1" by Moody's and "AA+" by S&P.

An explanation of the significance of such ratings may be obtained from Moody's and S&P the respective rating company. The ratings of the Bonds reflects only the view of said company at the time the ratings are given, and the District makes no representations as to the appropriateness of the ratings. There is no assurance that the ratings will continue for any given period of time, or that the ratings will not be revised downward or withdrawn entirely by Moody's and S&P, if, in the judgment of such rating company, circumstances so warrant. Any such downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

The above ratings are not a recommendation to buy, sell or hold the Bonds, and such ratings may be subject to revision or withdrawal at any time by Moody's and Fitch. Any downward revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

LEGAL MATTERS

The delivery of the Bonds is subject to the approval of the Attorney General of Texas, who will deliver its opinion, to the effect that the Bonds are valid and legally binding obligations of the District payable from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, upon all taxable property in the District, and based upon examination of such transcript of proceedings, the approving legal opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel to the District ("Bond Counsel"), to like effect and to the effect that the interest on the Bonds will be excludable from gross income for federal income tax purposes under section 103(a) of the Internal Revenue Code, subject to the matters described under "TAX MATTERS" herein. The form of Bond Counsel's opinion is attached hereto as Appendix C. The District intends to pay the legal fee of Bond Counsel for services rendered in connection with the issuance of the Bonds from proceeds of the Bonds.

Bond Counsel represents the Financial Advisor and purchasers of school district bonds from time to time in matters unrelated to the issuance of the Bonds, but Bond Counsel has been engaged by and only represents the District in the issuance of the Bonds. McCall, Parkhurst & Horton L.L.P. also advises the TEA in connection with its disclosure obligations under the Federal securities laws, but such firm has not passed upon any TEA disclosures contained in this Official Statement. Bond Counsel was not requested to participate, and did not take part, in the preparation of the Official Statement, and such firm has not assumed any responsibility with respect thereto or undertaken independently to verify any of the information contained herein, except that, in its capacity as Bond Counsel, such firm has reviewed the information describing the Bonds in the Official Statement to verify that such description conforms to the provisions of the Order.

The various legal opinions to be delivered concurrently with the delivery of the Bonds express the professional judgment of the attorneys rendering the opinions as to the legal issues explicitly addressed therein. In rendering a legal opinion, the attorney does not become an insurer or guarantor of the expression of professional judgment, of the transaction opined upon, or of the future performance of the parties to the transaction. Nor does the rendering of an opinion guarantee the outcome of any legal dispute that may arise out of the transaction.

TAX MATTERS

Opinion

On the date of initial delivery of the Bonds, McCall, Parkhurst & Horton L.L.P., Dallas, Texas, Bond Counsel to the District, will render its opinion that, in accordance with statutes, regulations, published rulings and court decisions existing on the date thereof ("Existing Law"), (1) interest on the Bonds for federal income tax purposes will be excludable from the "gross income" of the holders thereof and (2) the Bonds will not be treated as "specified private activity bonds" the interest on which would be included as an alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). Except as stated above, Bond Counsel will express no opinion as to any other federal, state or local tax consequences of the purchase, ownership or disposition of the Bonds. See Appendix C - Form of Legal Opinion of Bond Counsel.

In rendering its opinion, Bond Counsel will rely upon (a) the District's federal tax certificate, (b) covenants of the District with respect to arbitrage and the use of the proceeds of the Bonds and the Refunded Bonds and the property financed or refinanced therewith, (c) the certificate with respect to arbitrage by the Commissioner of Education regarding the allocation and investment of certain investments in the Permanent School Fund, and (d) the Sufficiency Certificate certifying as to the sufficiency of the deposit to the escrow fund. Failure by the District to observe the aforementioned representations or covenants could cause the interest on the Bonds to become taxable retroactively to the date of issuance.

The Code and the regulations promulgated thereunder contain a number of requirements that must be satisfied subsequent to the issuance of the Bonds in order for interest on the Bonds to be, and to remain, excludable from gross income for federal income tax purposes. Failure to comply with such requirements may cause interest on the Bonds to be included in gross income retroactively to the date of issuance of the Bonds. The opinion of Bond Counsel is conditioned on compliance by the District with such requirements, and Bond Counsel has not been retained to monitor compliance with these requirements subsequent to the issuance of the Bonds.

Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the reliance on the aforementioned information, representations and covenants. Existing Law is subject to change by the Congress and to subsequent judicial and administrative interpretation by the courts and the Department of the Treasury. There can be no assurance that Existing Law or the interpretation thereof will not be changed in a manner which would adversely affect the tax treatment of the purchase, ownership or disposition of the Bonds.

A ruling was not sought from the Internal Revenue Service by the District with respect to the Bonds or the property financed or refinanced with proceeds of the Bonds or the Refunded Bonds. Bond Counsel's opinion represents its legal judgment based upon its review of Existing Law and the representations of the Issuer that it deems relevant to render such opinion and is not a guarantee of a result. No assurances can be given as to whether the Internal Revenue Service will commence an audit of the Bonds, or as to whether the Internal Revenue Service would agree with the opinion of Bond Counsel. If an Internal Revenue Service audit is commenced, under current procedures the Internal Revenue Service is likely to treat the District as the taxpayer and the Bondholders may have no right to participate in such procedure. No additional interest will be paid upon any determination of taxability.

Federal Income Tax Accounting Treatment of Original Issue Discount

The initial public offering price to be paid for one or more maturities of the Bonds may be less than the maturity amount thereof or one or more periods for the payment of interest on the Bonds may not be equal to the accrual period or be in excess of one year (the "Original Issue Discount Bonds"). In such event, the difference between (i) the "stated redemption price at maturity" of each Original Issue Discount Bond, and (ii) the initial offering price to the public of such Original Issue Discount Bond would constitute original issue discount. The "stated redemption price at maturity" means the sum of all payments to be made on the Bonds less the amount of all periodic interest payments. Periodic interest payments are payments which are made during equal accrual periods (or during any unequal period if it is the initial or final period) and which are made during accrual periods which do not exceed one year.

Under Existing Law, any owner who has purchased such Original Issue Discount Bond in the initial public offering is entitled to exclude from gross income (as defined in section 61 of the Code) an amount of income with respect to such Original Issue Discount Bond equal to that portion of the amount of such original issue discount allocable to the accrual period. For a discussion of certain collateral federal tax consequences, see the discussion set forth below.

In the event of the redemption, sale or other taxable disposition of such Original Issue Discount Bond prior to stated maturity, however, the amount realized by such owner in excess of the basis of such Original Issue Discount Bond in the hands of such owner (adjusted upward by the portion of the original issue discount allocable to the period for which such Original Issue Discount Bond was held by such initial owner) is includable in gross income.

Under Existing Law, the original issue discount on each Original Issue Discount Bond is accrued daily to the stated maturity thereof (in amounts calculated as described below for each six-month period ending on the date before the semiannual anniversary dates of the date of the Bonds and ratably within each such six-month period) and the accrued amount is added to an initial owner's basis for such Original Issue Discount Bond for purposes of determining the amount of gain or loss recognized by such owner upon the redemption, sale or other disposition thereof. The amount to be added to basis for each accrual period is equal to (a) the sum of the issue price and the amount of original issue discount accrued in prior periods multiplied by the yield to stated maturity (determined on the basis of compounding at the close of each accrual period and properly adjusted for the length of the accrual period) less (b) the amounts payable as current interest during such accrual period on such Original Issue Discount Bond.

The federal income tax consequences of the purchase, ownership, redemption, sale or other disposition of Original Issue Discount Bonds which are not purchased in the initial offering at the initial offering price may be determined according to rules which differ from those described above. All owners of Original Issue Discount Bonds should consult their own tax advisors with respect to the determination for federal, state and local income tax purposes of the treatment of interest accrued upon redemption, sale or other disposition of such Original Issue Discount Bonds and with respect to the federal, state, local and foreign tax consequences of the purchase, ownership, redemption, sale or other disposition of such Original Issue Discount Bonds.

Collateral Federal Income Tax Consequences

The following discussion is a summary of certain collateral federal income tax consequences resulting from the purchase, ownership or disposition of the Bonds. This discussion is based on Existing Law, which is subject to change or modification, retroactively.

The following discussion is applicable to investors, other than those who are subject to special provisions of the Code, such as financial institutions, property and casualty insurance companies, life insurance companies, individual recipients of Social Security or Railroad Retirement benefits, individuals allowed an earned income credit, certain S corporations with Subchapter C earnings and profits, foreign corporations subject to the branch profits tax, taxpayers qualifying for the health insurance premium assistance credit and taxpayers who may be deemed to have incurred or continued indebtedness to purchase tax-exempt obligations.

THE DISCUSSION CONTAINED HEREIN MAY NOT BE EXHAUSTIVE. INVESTORS, INCLUDING THOSE WHO ARE SUBJECT TO SPECIAL PROVISIONS OF THE CODE, SHOULD CONSULT THEIR OWN TAX ADVISORS AS TO THE TAX TREATMENT WHICH MAY BE ANTICIPATED TO RESULT FROM THE PURCHASE, OWNERSHIP AND DISPOSITION OF TAX-EXEMPT OBLIGATIONS BEFORE DETERMINING WHETHER TO PURCHASE THE BONDS.

Under section 6012 of the Code, holders of tax-exempt obligations, such as the Bonds, may be required to disclose interest received or accrued during each taxable year on their returns of federal income taxation.

Interest on the Bonds may be includable in certain corporation’s “adjusted financial statement income” determined under Section 56A of the Code to calculate the alternative minimum tax imposed by section 55 of the Code.

Section 1276 of the Code provides for ordinary income tax treatment of gain recognized upon the disposition of a tax-exempt obligation, such as the Bonds, if such obligation was acquired at a "market discount" and if the fixed maturity of such obligation

is equal to, or exceeds, one year from the date of issue. Such treatment applies to "market discount bonds" to the extent such gain does not exceed the accrued market discount of such bonds; although for this purpose, a de minimis amount of market discount is ignored. A "market discount bond" is one which is acquired by the holder at a purchase price which is less than the stated redemption price at maturity or, in the case of a bond issued at an original issue discount, the "revised issue price" (i.e., the issue price plus accrued original issue discount). The "accrued market discount" is the amount which bears the same ratio to the market discount as the number of days during which the holder holds the obligation bears to the number of days between the acquisition date and the final maturity date.

Future and Proposed Legislation

Tax legislation, administrative actions taken by tax authorities, or court decisions, whether at the Federal or state level, may adversely affect the tax-exempt status of interest on the Bonds under Federal or state law and could affect the market price or marketability of the Bonds. Any such proposal could limit the value of certain deductions and exclusions, including the exclusion for tax-exempt interest. The likelihood of any such proposal being enacted cannot be predicted. Prospective purchasers of the Bonds should consult their own tax advisors regarding the foregoing matters.

State, Local and Foreign Taxes

Investors should consult their own tax advisors concerning the tax implications of the purchase, ownership or disposition of the Bonds under applicable state or local laws. Foreign investors should also consult their own tax advisors regarding the tax consequences unique to investors who are not United States persons.

Information Reporting and Backup Withholding

Subject to certain exceptions, information reports describing interest income, including original issue discount, with respect to the Bonds will be sent to each registered holder and to the Internal Revenue Service. Payments of interest and principal may be subject to backup withholding under section 3406 of the Code if a recipient of the payments fails to furnish to the payor such owner's social security number or other taxpayer identification number ("TIN"), furnishes an incorrect TIN, or otherwise fails to establish an exemption from the backup withholding tax. Any amounts so withheld would be allowed as a credit against the recipient's federal income tax. Special rules apply to partnerships, estates and trusts, and in certain circumstances, and in respect of Non-U.S. Holders, certifications as to foreign status and other matters may be required to be provided by partners and beneficiaries thereof.

INVESTMENT AUTHORITY AND INVESTMENT PRACTICES OF THE DISTRICT

Available District funds are invested as authorized by State law and in accordance with investment policies approved by the Board of Trustees. Both State law and the District's investment policies are subject to change. Under State law, the District is authorized to invest in: (1) obligations, including letters of credit, of the United States or its agencies and instrumentalities, including the Federal Home Loan Banks; (2) direct obligations of the State or its agencies and instrumentalities; (3) collateralized mortgage obligations issued by a federal agency or instrumentality of the United States, the underlying security for which is guaranteed by an agency or instrumentality of the United States; (4) other obligations, the principal and interest of which are unconditionally guaranteed or insured by, or backed by the full faith and credit of, the State or the United States or their respective agencies and instrumentalities, including obligations that are fully guaranteed or insured by the Federal Deposit Insurance Corporation (the "FDIC") or by the explicit full faith and credit of the United States; (5) obligations of states, agencies, counties, cities, and other political subdivisions of any state rated as to investment quality by a nationally recognized investment rating firm not less than A or its equivalent; (6) bonds issued, assumed, or guaranteed by the State of Israel; (7) interest-bearing banking deposits that are guaranteed or insured by the FDIC or the National Credit Union Share Insurance Fund (the "NCUSIF") or their respective successors; (8) interest-bearing banking deposits, other than those described in clause (7), that (i) are invested through a broker or institution with a main office or branch office in this state and selected by the District in compliance with the PFIA, (ii) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the District's account, (iii) the full amount of the principal and accrued interest of the banking deposits is insured by the United States or an instrumentality of the United States, and (iv) the District appoints as its custodian of the banking deposits, in compliance with the PFIA, the institution in clause (8)(i) above, a bank, or a broker-dealer; (9) certificates of deposit and share certificates meeting the requirements of the PFIA (i) that are issued by an institution that has its main office or a branch office in the State and are guaranteed or insured by the FDIC or the NCUSIF, or their respective successors, or are secured as to principal by obligations described in clauses (1) through (8), above, or secured in accordance with Chapter 2257, Texas Government Code, or in any other manner and amount provided by law for District deposits, or (ii) where (a) the funds are invested by the District through a broker or institution that has a main office or branch office in the State and selected by the District in compliance with the PFIA, (b) the broker or institution arranges for the deposit of the funds in one or more federally insured depository institutions, wherever located, for the account of the District, (c) the full amount of the principal and accrued interest of each of the certificates of deposit is insured by the United States or an instrumentality of the United States; and (d) the District appoints, in compliance with the PFIA, the institution in clause (9)(ii)(a) above, a bank, or broker-dealer as custodian for the District with respect to the certificates of deposit; (10) fully collateralized repurchase agreements that have a defined termination date, are secured by a combination of cash and obligations described by clauses (1) or (12), or, if applicable, corporate bonds as described below, which are pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party selected and approved by the District, and are placed through a primary government securities dealer, as defined by the Federal Reserve, or a financial institution doing business in the State; (11) certain bankers' acceptances with a stated maturity of 270 days or less, if the short-term obligations of the accepting bank, or of the holding company of which the bank is the largest subsidiary, are rated not less than A-1 or P-1 or the equivalent by at least one nationally recognized credit rating agency; (12) commercial paper with a stated maturity of 365 days or less that is rated at least A-1 or P-1 or an equivalent by either (i) two nationally recognized credit rating agencies, or (ii) one nationally recognized credit rating agency if the commercial paper is fully secured by an irrevocable letter of credit issued by a United States or state bank; (13) no-load money market mutual funds registered with and regulated by the Securities and Exchange Commission and complies with Securities and Exchange Commission Rule 2a-7; (14) no-load mutual funds that are registered and regulated by the Securities and Exchange Commission that have a weighted maturity of less than two years and either (i) have a duration of one year or more and are invested exclusively in obligations approved in this paragraph, or (ii) have a duration of less than one year and the investment portfolio is limited to investment grade securities, excluding asset backed securities; (15) guaranteed investment contracts that have a defined termination date and are secured by obligations described in clause (1), excluding obligations which the District is explicitly prohibited from investing in, and in an amount at least equal to the amount of bond proceeds invested under such contract; and (16) securities lending programs if (i) the securities loaned under the program are 100% collateralized, including accrued income, (ii) a loan made under the program allows for termination at any time, (iii) a loan made under the program is either secured by (a) obligations described in clauses (1) through (8) above, (b) irrevocable letters of credit issued by a state or national bank that is continuously rated by a nationally recognized investment rating firm at not less than A or its equivalent, or (c) cash invested in obligations described in clauses (1) through (8) above,

clauses (12) through (14) above, or an authorized investment pool, (iv) the terms of a loan made under the program require that the securities being held as collateral be pledged to the District, held in the District's name, and deposited at the time the investment is made with the District or with a third party designated by the District, (v) a loan made under the program is placed through either a primary government securities dealer or a financial institution doing business in the State, and (vi) the agreement to lend securities has a term of one year or less.

The District is also authorized to purchase, sell, and invest its funds in corporate bonds. "Corporate bond" is defined as a senior secured debt obligation issued by a domestic business entity and rated not lower than AA- or the equivalent by a nationally recognized investment rating firm (does not include convertible bonds or unsecured debt). The bonds must have a stated final maturity that is not later than 3 years from the date the corporate bonds were purchased. The District may not (1) invest more than 15 percent of its monthly average fund balance (excluding bond proceeds, reserves, and other funds held for the payment of debt service), in corporate bonds; or (2) invest more than 25 percent of the funds invested in corporate bonds in any one domestic business entity, including subsidiaries and affiliates of the entity. The District must sell corporate bonds if they are rated "AA-" or its equivalent and are either downgraded or placed on negative credit watch.

The District may invest in such obligations directly or through government investment pools that invest solely in such obligations provided that the pools are rated no lower than AAA or AAAm or an equivalent by at least one nationally recognized rating service. The District may also contract with an investment management firm registered under the Investment Advisers Act of 1940 (15 U.S.C. Section 80b-1 et seq.) or with the State Securities Board to provide for the investment and management of its public funds or other funds under its control for a term up to two years, but the District retains ultimate responsibility as fiduciary of its assets. In order to renew or extend such a contract, the District must do so by order, ordinance, or resolution.

The District is specifically prohibited from investing in: (1) obligations whose payment represents the coupon payments on the outstanding principal balance of the underlying mortgage-backed security collateral and pays no principal; (2) obligations whose payment represents the principal stream of cash flow from the underlying mortgage-backed security and bears no interest; (3) collateralized mortgage obligations that have a stated final maturity of greater than 10 years; and (4) collateralized mortgage obligations the interest rate of which is determined by an index that adjusts opposite to the changes in a market index.

Under State law, the District is required to invest its funds under written investment policies that primarily emphasize safety of principal and liquidity; that address investment diversification, yield, maturity, and the quality and capability of investment management; and that include a list of authorized investments for District funds, the maximum allowable stated maturity of any individual investment, the maximum average dollar-weighted maturity allowed for pooled fund groups, methods to monitor the market price of investments acquired with public funds, a requirement for settlement of all transactions, except investment pool funds and mutual funds, on a delivery versus payment basis, and procedures to monitor rating changes in investments acquired with public funds and the liquidation of such investments consistent with the PFIA. All District funds must be invested consistent with a formally adopted "Investment Strategy Statement" that specifically addresses each fund's investment. Each Investment Strategy Statement will describe its objectives concerning: (1) suitability of investment type, (2) preservation and safety of principal, (3) liquidity, (4) marketability of each investment, (5) diversification of the portfolio, and (6) yield.

Under State law, the District's investments must be made "with judgment and care, under prevailing circumstances, that a person of prudence, discretion, and intelligence would exercise in the management of the person's own affairs, not for speculation, but for investment considering the probable safety of capital and the probable income to be derived." At least quarterly the District's investment officers must submit an investment report to the Board detailing: (1) the investment position of the District, (2) that all investment officers jointly prepared and signed the report, (3) the beginning market value, the ending market value and the fully accrued interest for the reporting period of each pooled fund group, (4) the book value and market value of each separately listed asset at the beginning and end of the reporting period, (5) the maturity date of each separately invested asset, (6) the account or fund or pooled fund group for which each individual investment was acquired, and (7) the compliance of the investment portfolio as it relates to: (a) adopted investment strategies and (b) State law. No person may invest District funds without express written authority from the Board.

Under State law, the District is additionally required to: (1) annually review its adopted policies and strategies; (2) adopt a written instrument by rule, order, ordinance or resolution stating that it has reviewed its investment policy and investment strategies and records any changes made to either its investment policy or investment strategy in the respective rule, order, ordinance or resolution; (3) require any investment officers with personal business relationships or relatives with firms seeking to sell securities to the District to disclose the relationship and file a statement with the Texas Ethics Commission and the Board; (4) require the qualified representative of business organization offering to engage in an investment transaction with the District to: (a) receive and review the District's investment policy, (b) acknowledge that reasonable controls and procedures have been implemented to preclude investment transactions conducted between the District and the business organization that are not authorized by the District's investment policy (except to the extent that this authorization is dependent on an analysis of the makeup of the entity's entire portfolio, requires an interpretation of subjective investment standards or relates to investment transactions of the entity that are not made through accounts or other contractual arrangements over which the business organization has accepted discretionary investment authority), and (c) deliver a written statement in a form acceptable to the District and the business organization attesting to these requirements; (5) in conjunction with its annual financial audit, perform a compliance audit of the management controls on investments and adherence to the District's investment policy; (6) provide specific investment training for the Treasurer, chief financial officer and investment officers; (7) restrict reverse repurchase agreements to not more than 90 days and restrict the investment of reverse repurchase agreement funds to no greater than the term of the reverse purchase agreement; (8) restrict the investment in no-load mutual funds in the aggregate to no more than 15% of the District's monthly average fund balance, excluding bond proceeds and reserves and other funds held for debt service; (9) require local government investment pools to conform to the new disclosure, rating, net asset value, yield calculation, and advisory board requirements; and (10) at least annually review, revise and adopt a list of qualified brokers that are authorized to engage in investment transactions with the District.

REGISTRATION AND QUALIFICATION OF BONDS FOR SALE

No registration statement relating to the Bonds has been filed with the SEC under the United States Securities Act of 1933, as amended, in reliance upon the exemption provided thereunder by Section 3(a)(2). The Bonds have not been approved or disapproved by the SEC, nor has the SEC passed upon the accuracy or adequacy of the Official Statement. The Bonds have not been registered or qualified under the Securities Act of Texas in reliance upon various exemptions contained therein; nor have the Bonds been registered or qualified under the securities acts of any other jurisdiction. The District assumes no responsibility for registration or qualification of the Bonds under the securities laws of any jurisdiction in which the Bonds may be sold, assigned, pledged, hypothecated or otherwise transferred. This disclaimer of responsibility for registration or qualification for sale or other disposition of the Bonds shall not be construed as an interpretation of any kind with regard to the availability of any exemption from securities registration or qualification provisions.

It is the obligation of the Purchaser to register or qualify the sale of the Bonds under the securities laws of any jurisdiction which so requires. The District agrees to cooperate, at the Purchaser's written request and sole expense, in registering or qualifying the

Bonds or in obtaining an exemption from registration or qualification in any state where such action is necessary; provided, however, that the District shall not be required to qualify as a foreign corporation or to execute a general or special consent to service of process in any jurisdiction.

CYBERSECURITY RISK MANAGEMENT

The District's operations are increasingly dependent on information technologies and services, which are exposed to cybersecurity risks and cyber incidents or attacks. While the District continually assesses and monitors its cybersecurity risks, the District may be subject to cyber-attacks from time to time. In response to such assessments and monitoring, the District takes actions it deems appropriate in response to cybersecurity risks, including, but not limited to, implementing cybersecurity training programs, obtaining technology improvements to mitigate cybersecurity risks, and taking other similar measures. To date, the District has not been the victim of any cyber-attack that has had a material adverse effect on its operations or financial condition. However, no assurance can be given that the District will fully prevent or successfully remediate the operational and/or financial impact of any cybersecurity incursions or incidents arising from events wholly or partially beyond the District's control, including electrical telecommunications outages, natural disasters or cyber-attacks initiated by criminal activities of individuals or organizations. Any such occurrence could materially and adversely affect the District's operations and/or financial condition.

FINANCIAL ADVISOR

SAMCO Capital Markets, Inc. is employed as Financial Advisor to the District to assist in the issuance of the Bonds. In this capacity, the Financial Advisor has compiled certain data relating to the Bonds that is contained in this Official Statement. The Financial Advisor has not independently verified any of the data contained herein or conducted a detailed investigation of the affairs of the District to determine the accuracy or completeness of this Official Statement. Because of their limited participation, the Financial Advisor assumes no responsibility for the accuracy or completeness of any of the information contained herein. The fee of the Financial Advisor for services with respect to the Bonds is contingent upon the issuance and sale of the Bonds. In the normal course of business, the Financial Advisor may from time to time sell investment securities to the District for the investment of bond proceeds or other funds of the District upon the request of the District.

The Financial Advisor has provided the following sentence for inclusion in this Official Statement. The Financial Advisor has reviewed the information in this Official Statement in accordance with, and as part of, its responsibilities to the District and, as applicable, to investors under the federal securities laws as applied to the facts and circumstances of this transaction, but the Financial Advisor does not guarantee the accuracy or completeness of such information.

LEGAL INVESTMENTS AND ELIGIBILITY TO SECURE PUBLIC FUNDS IN TEXAS

Section 1201.041 of the Public Securities Procedures Act (Chapter 1201, Texas Government Code) provides that the Bonds are negotiable instruments governed by Chapter 8, Texas Business and Commerce Code, and are legal and authorized investments for insurance companies, fiduciaries, and trustees, and for the sinking funds of municipalities or other political subdivisions or public agencies of the State. With respect to investment in the Bonds by municipalities or other political subdivisions or public agencies of the State, the Public Funds Investment Act, Chapter 2256, Texas Government Code, requires that the Bonds be assigned a rating of not less than "A" or its equivalent as to investment quality by a national rating agency. See "RATINGS" herein. In addition, various provisions of the Texas Finance Code provide that, subject to a prudent investor standard, the Bonds are legal investments for state banks, savings banks, trust companies with at least $1 million of capital, and savings and loan associations. The Bonds are eligible to secure deposits of any public funds of the State, its agencies, and its political subdivisions, and are legal security for those deposits to the extent of their market value.

The District has made no investigation of other laws, rules, regulations or investment criteria which might apply to such institutions or entities or which might limit the suitability of the Bonds for any of the foregoing purposes or limit the authority of such institutions or entities to purchase or invest in the Bonds for such purposes. The District has made no review of laws in other states to determine whether the Bonds are legal investments for various institutions in those states.

CONTINUING DISCLOSURE OF INFORMATION

In the Order, the District has made the following agreement for the benefit of the holders and beneficial owners of the Bonds. The District is required to observe the agreement for so long as it remains obligated to advance funds to pay the Bonds. Under the agreement, the District will be obligated to provide certain updated financial information and operating data annually and timely notice of specified events to the MSRB. The information provided to the MSRB will be available to the public free of charge via the EMMA system at www.emma.msrb.org. See "APPENDIX E - THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM" for a description of the TEA's continuing disclosure undertaking to provide certain updated financial information and operating data annually with respect to the Permanent School Fund and the State, as the case may be, and to provide timely notice of certain specified events related to the guarantee, to the MSRB.

Annual Reports

The District will provide certain updated financial information and operating data annually to the MSRB. The information to be updated includes financial information and operating data with respect to the District of the general type included in this Official Statement in Appendix A (such information being the "Annual Operating Report"). The District will additionally provide financial statements of the District (the "Financial Statements"), that will be (i) prepared in accordance with the accounting principles described in Appendix D or such other accounting principles as the District may be required to employ from time to time pursuant to State law or regulation and shall be in substantially the form included in Appendix D and (ii) audited, if the District commissions an audit of such Financial Statements and the audit is completed within the period during which they must be provided. The District will update and provide the Annual Operating Report within six months after the end of each fiscal year and the Financial Statements within 12 months of the end of each fiscal year, in each case beginning with the fiscal year ending in and after 2025. The District may provide the Financial Statements earlier, including at the time it provides its Annual Operating Report, but if the audit of such Financial Statements is not complete within 12 months after any such fiscal year end, then the District shall file unaudited Financial Statements within such 12-month period and audited Financial Statements for the applicable fiscal year, when and if the audit report on such Financial Statements becomes available.

The District may provide updated information in full text or may incorporate by reference certain other publicly available documents, as permitted by Rule 15c2-12.

The District's current fiscal year end is June 30. Accordingly, the Annual Operating Report must be provided by the last day of December in each year, and the Financial Statements must be provided by June 30 of each year, unless the District changes its fiscal year. If the District changes its fiscal year, it will notify the MSRB of the change.

Notice of Certain Events

The District will also provide timely notices of certain events to the MSRB. The District will provide notice of any of the following events with respect to the Bonds to the MSRB in a timely manner (but not in excess of ten business days after the occurrence of the event): (1) principal and interest payment delinquencies; (2) non-payment related defaults, if material; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Bonds, or other material events affecting the tax status of the Bonds; (7) modifications to rights of holders of the Bonds, if material; (8) Bond calls, if material, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of the Bonds, if material; (11) rating changes; (12) bankruptcy, insolvency, receivership, or similar event of the District, which shall occur as described below; (13) the consummation of a merger, consolidation, or acquisition involving the District or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into of a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if material; (14) appointment of a successor or additional trustee or the change of name of a trustee, if material; and (15) incurrence of a financial obligation of the District, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the District, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or others similar events under the terms of a financial obligation of the District, any of which reflect financial difficulties. In addition, the District will provide timely notice of any failure by the District to provide annual financial information in accordance with their agreement described above under "Annual Reports". The District will provide each notice described in this paragraph to the MSRB. Neither the Bonds nor the Order make any provision for a bond trustee, debt service reserves, credit enhancement (except for the Permanent School Fund guarantee), or liquidity enhancement. In the Order, the District will adopt policies and procedures to ensure timely compliance of its continuing disclosure undertakings.

For these purposes, (a) an event described in clause (12) of in the immediately preceding paragraph is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the District in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the District, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the District. For the purposes of the above describe event notices (15) and (16), the term "financial obligation" means a (i) debt obligation, (ii) derivative instrument entered into in connection with, or pledged as security or a source of payment for, an existing or planned debt obligation, or (iii) a guarantee of (i) or (ii); provided however, that a "financial obligation" shall not include municipal securities as to which a final official statement (as defined in Rule 15c2-12) has been provided to the MSRB consistent with Rule 15c2-12.

Availability of Information

All information and documentation filing required to be made by the District in accordance with its undertaking made for the Bonds will be made with the MSRB in electronic format in accordance with MSRB guidelines. Access to such filings will be provided, without charge to the general public, by the MSRB through EMMA at www.emma.msrb.org.

Limitations and Amendments

The District has agreed to update information and to provide notices of events only as described above. The District has not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that has been provided except as described above. The District makes no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell Bonds at any future date. The District disclaims any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the District to comply with its agreement. Nothing in this paragraph is intended or shall act to disclaim, waive or limit the District's duties under federal or state securities laws.

The District may amend its continuing disclosure agreement to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the District, if, but only if, (1) the agreement, as so amended, would have permitted underwriters to purchase or sell Bonds in the initial primary offering in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 to the date of such amendment, as well as such changed circumstances, and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding Bonds consent or (b) any qualified person unaffiliated with the District (such as nationally recognized bond counsel) determines that the amendment will not materially impair the interests of the holders and beneficial owners of the Bonds. The District may also amend or repeal the provisions of this continuing disclosure agreement if the SEC amends or repeals the applicable provision of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling Bonds in the primary offering of the Bonds. If the District amends its agreement, it has agreed to include with the financial information and operating data next provided, in accordance with its agreement described above under "Annual Reports" an explanation, in narrative form, of the reasons for the amendment and of the impact of any change in the type of information and operating data so provided.

Compliance with Prior Undertakings

During the past five years, the District has complied in all material respects with all continuing disclosure agreements made by it in accordance with the Rule 15c2-12.

LITIGATION

In the opinion of District officials, except as may be described in this Official Statement, the District is not a party to any litigation or other proceeding pending or to their knowledge threatened, in any court, agency or other administrative body (either state or federal) which, if decided adversely to the District, would have a material adverse effect on the financial condition of the District.

FORWARD-LOOKING STATEMENTS

The statements contained in this Official Statement, and in any other information provided by the District, that are not purely historical, are forward-looking statements, including statements regarding the District's expectations, hopes, intentions, or strategies regarding the future. Readers should not place undue reliance on forward-looking statements. All forward-looking statements included in this Official Statement are based on information available to the District on the date hereof, and the

District assumes no obligation to update any such forward-looking statements. It is important to note that the District's actual results could differ materially from those in such forward-looking statements.

The forward-looking statements herein are necessarily based on various assumptions and estimates and are inherently subject to various risks and uncertainties, including risks and uncertainties relating to the possible invalidity of the underlying assumptions and estimates and possible changes or developments in social, economic, business, industry, market, legal and regulatory circumstances and conditions and actions taken or omitted to be taken by third parties, including customers, suppliers, business partners and competitors, and legislative, judicial and other governmental authorities and officials. Assumptions related to the foregoing involve judgments with respect to, among other things, future economic, competitive, and market conditions and future business decisions, all of which are difficult or impossible to predict accurately and many of which are beyond the control of the District. Any of such assumptions could be inaccurate and, therefore, there can be no assurance that the forward-looking statements included in this Official Statement would prove to be accurate.

WINNING BIDDER

On December 3, 2024, the Bonds were awarded to an investment bank or group of investment banks managed by _____ (the "Purchaser"). The initial reoffering yields for the Bonds were supplied to the District by the Purchaser. The initial reoffering yields shown on page ii hereof will produce compensation to the Purchaser of approximately $_____.

NO LITIGATION AND OFFICIAL STATEMENT CERTIFICATION

At the time of payment for and delivery of the Initial Bond, the Purchaser will be furnished a certificate, executed by proper officials of the District, acting in their official capacities, to the effect that to the best of their knowledge and belief: (a) the descriptions and statements of or pertaining to the District contained in its Official Statement, and any addenda, supplement or amendment thereto, for the Bonds, on the date of such Official Statement, on the date of sale of said Bonds and the acceptance of the best bid therefor, and on the date of initial delivery of the Bonds, were and are true and correct in all material respects; (b) insofar as the District and its affairs, including its financial affairs, are concerned, such Official Statement did not and does not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; (c) insofar as the descriptions and statements including financial data, of or pertaining to entities, other than the District, and their activities contained in such Official Statement are concerned, such statements and data have been obtained from sources which the District believes to be reliable and the District has no reason to believe that they are untrue in any material respect; (d) except as may be otherwise described in the Official Statement, there has been no material adverse change in the financial condition of the District, since June 30, 2024, the date of the last financial statements of the District appearing in the Official Statement; and (e) no litigation of any nature has been filed or is pending, as of the date hereof, to restrain or enjoin the issuance or delivery of the Bonds or which would affect the provisions made for their payment or security or in any manner question the validity of the Bonds.

CONCLUDING STATEMENT

No person has been authorized to give any information or to make any representations other than those contained in this Official Statement, and if given or made, such other information or representations must not be relied upon as having been authorized by the District. This Official Statement does not constitute an offer to sell or solicitation of an offer to buy in any state in which such offer or solicitation is not authorized or in which the person making such offer or solicitation is not qualified to do so or to any person to whom it is unlawful to make such offer of solicitation.

The information set forth herein has been obtained from the District's records, audited financial statements and other sources which the District considers to be reliable. There is no guarantee that any of the assumptions or estimates contained herein will ever be realized. All of the summaries of the statutes, documents and the Order contained in this Official Statement are made subject to all of the provisions of such statutes, documents, and the Order. These summaries do not purport to be complete statements of such provisions and reference is made to such summarized documents for further information. Reference is made to official documents in all respects.

The Bond Order authorized the Pricing Officer to approve the form and content of this Official Statement and any addenda, supplement or amendment thereto and authorized its further use in the re-offering of the Bonds by the Purchaser. This Official Statement will be approved by the Pricing Officer of the District for distribution in accordance with the provisions of Rule 15c2-12.

/s/

Pricing Officer

FRISCO INDEPENDENT SCHOOL DISTRICT

Schedule I - Schedule of Refunded Bonds*

Unlimited Tax School Building and Refunding Bonds, Series 2015

Maturities Being Redeemed	Original CUSIP	Principal Amount Outstanding	Interest Rate	Principal Amount Being Refunded	Call Date	Principal Amount Unrefunded
8/15/2025	35880CQJ6	$ 2,905,000.00	5.000%	$ 2,905,000.00	February 15, 2025	-
8/15/2025	35880CQZ0	1,025,000.00	4.000%	1,025,000.00	February 15, 2025	-
8/15/2026	35880CQK3	2,400,000.00	4.000%	2,400,000.00	February 15, 2025	-
8/15/2027	35880CQL1	1,250,000.00	4.000%	1,250,000.00	February 15, 2025	-
8/15/2027	35880CRA4	1,245,000.00	3.150%	1,245,000.00	February 15, 2025	-
8/15/2028	35880CQM9	2,585,000.00	3.300%	2,585,000.00	February 15, 2025	-
8/15/2029	35880CQN7	2,665,000.00	3.450%	2,665,000.00	February 15, 2025	-
8/15/2030	35880CQP2	6,095,000.00	3.550%	6,095,000.00	February 15, 2025	-
8/15/2030	35880CRB2	1,185,000.00	4.000%	1,185,000.00	February 15, 2025	-
8/15/2031	35880CQQ0	7,530,000.00	4.000%	7,530,000.00	February 15, 2025	-
8/15/2032	35880CQR8	7,815,000.00	4.000%	7,815,000.00	February 15, 2025	-
8/15/2033	35880CQS6	8,115,000.00	4.000%	8,115,000.00	February 15, 2025	-
8/15/2034	35880CQT4	8,430,000.00	4.000%	8,430,000.00	February 15, 2025	-
8/15/2035	35880CQU1	3,195,000.00	4.000%	3,195,000.00	February 15, 2025	-
8/15/3036		3,320,000.00	4.000%	3,320,000.00 (1)	February 15, 2025	-
8/15/3037		3,450,000.00	4.000%	3,450,000.00 (1)	February 15, 2025	-
8/15/2038		3,975,000.00	4.000%	3,975,000.00 (1)	February 15, 2025	-
8/15/2039		4,135,000.00	4.000%	4,135,000.00 (1)	February 15, 2025	-
8/15/2040	35880CQV9	4,300,000.00	4.000%	4,300,000.00 (1)	February 15, 2025	-
		$ 75,620,000.00	1/4/1900	$ 75,620,000.00		$ -

(1) Represents a mandatory sinking fund redemption of the term bond outstanding in the principal amount of $19,180,000 that matures August 15, 2040.

**Preliminary, subject to change.*

APPENDIX A

FINANCIAL INFORMATION OF THE DISTRICT

FRISCO INDEPENDENT SCHOOL DISTRICT

Financial Information

ASSESSED VALUATION [1]

2024/25 Total Valuation		$ 80,421,247,300
Less Exemptions & Deductions [2]:		
State Homestead Exemption	$ 5,752,885,164	
State Over-65 Exemption	98,133,925	
Disabled Exemption	286,069,872	
Veterans Exemption	7,572,420	
Surviving Spouse Disabled Veteran Exemption	6,428,628	
Surviving Spouse Killed in Action Exemption	666,493	
Freeport Exemption	88,698,297	
Pollution Control Exemption	4,482,290	
Productivity Loss	1,262,122,951	
Solar / Wind Exemption	15,321,739	
Homestead Cap Loss	5,126,312,529	
Non-Homestead (23.231) Cap Loss	46,580,880	
	$ 12,695,275,188	
2024/25 Net Taxable Valuation		$ 67,725,972,112

(1) Source: Certified Values from the Collin and Denton Central Appraisal Districts as of July 2024. The passage of a Texas constitutional amendment on November 7, 2023 election increased the homestead exemption from $40,000 to $100,000. See "AD VALOREM TAX PROCEDURES -- Residential Homestead Exemptions" in this Official Statement.
(2) Excludes the values on which property taxes are frozen for persons 65 years of age or older and disabled taxpayers which totaled $1,615,599,124 in 2023/24.

VOTED GENERAL OBLIGATION DEBT

Unlimited Tax Bonds Outstanding [1]		$ 2,191,990,934
Less: The Refunded Bonds [2]		(75,620,000)
Plus: The Bonds [2]		75,620,000
Total Unlimited Tax Bonds [1] [2]		$ 2,191,990,934
Less: Interest & Sinking Fund Balance (As of June 30, 2024) [3]		(141,656,498)
Net General Obligation Debt		$ 2,050,334,436
Ratio of Net G.O. Debt to Net Taxable Valuation [4]	3.03%	
2025 Population Estimate [5]	243,063	
Per Capita Net Taxable Valuation	$278,635	
Per Capita Net G.O. Debt	$8,435	

(1) Excludes interest accreted on outstanding capital appreciation bonds.
(2) Preliminary, subject to change.
(3) Source: Frisco ISD Audited Financial Statements.
(4) See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in this Official Statement and "DEBT SERVICE REQUIREMENTS" in this appendix and see the "Audited Financial Report Fiscal Year Ended June 30, 2024" in Appendix D for more information relative to the District's outstanding obligations.
(5) Source: Municipal Advisory Council of Texas.

PROPERTY TAX RATES AND COLLECTIONS

Fiscal Year	Net Taxable Valuation [1]	Tax Rate	% Collections [6] Current [7]	% Collections [6] Total [7]
2006/07	$ 12,291,132,177 [1]	$ 1.5800 [8]	98.63%	99.51%
2007/08	14,921,727,758 [1]	1.3500 [8]	98.75%	100.01%
2008/09	16,633,310,020 [1]	1.3700	98.38%	100.01%
2009/10	17,179,508,143 [1]	1.3900	98.24%	99.66%
2010/11	16,875,840,490 [1]	1.3900	98.84%	100.01%
2011/12	17,504,186,578 [1]	1.4200	99.18%	100.77%
2012/13	18,411,180,611 [1]	1.4600	99.34%	100.05%
2013/14	20,072,774,219 [1]	1.4600	99.11%	99.62%
2014/15	23,005,771,528 [1]	1.4600	99.14%	98.94%
2015/16	26,230,139,504 [1] [2]	1.4600	99.41%	100.70%
2016/17	30,621,651,034 [1] [2]	1.4600	99.30%	99.64%
2017/18	35,570,550,343 [1] [2]	1.4600	99.59%	100.34%
2018/19	40,349,486,303 [1] [2]	1.4400	99.33%	99.70%
2019/20	43,491,816,275 [1] [2]	1.3383 [9]	99.37%	100.27%
2020/21	46,267,939,261 [1] [2]	1.3102	99.27%	99.81%
2021/22	49,483,508,443 [1] [2]	1.2672	99.51%	100.28%
2022/23	57,110,581,645 [1] [3]	1.2129	99.38%	99.66%
2023/24	62,146,932,956 [1] [4]	1.0275	99.40%	99.95%
2024/25	67,725,972,112 [4] [5]	1.0569	(In Process of Collection)	

(1) Source: Comptroller of Public Accounts - Property Tax Division.
(2) The passage of a Texas constitutional amendment on November 3, 2015 increased the homestead exemption from $15,000 to $25,000.
(3) The passage of a Texas constitutional amendment on May 7, 2022 increased the homestead exemption from $25,000 to $40,000.
(4) The passage of a Texas constitutional amendment on November 7, 2023 election increased the homestead exemption from $40,000 to $100,000.
(5) Source: Certified Values from the Collin and Denton Central Appraisal Districts as of July 2024.
(6) Source: Frisco ISD Audited Financial Statements.
(7) Excludes penalties and interest.
(8) The declines in the District's Maintenance & Operation Tax for the 2006/07 and 2007/08 fiscal years are a function of House Bill 1 adopted by the Texas Legislature in May 2006. See "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS" and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in this Official Statement.
(9) The decline in the District's Maintenance & Operation Tax from the 2018/19 fiscal year to the 2019/20 fiscal year is a function of House Bill 3 adopted by the Texas Legislature in June 2019. See "STATE AND LOCAL FUNDING OF SCHOOL DISTRICTS IN TEXAS" and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in this Official Statement.

TAX RATE DISTRIBUTION [1]

	2020/21	2021/22	2022/23	2023/24	2024/25
Maintenance & Operations [2]	$1.0402	$0.9972	$0.9429	$0.7575	$0.7869
Debt Service	$0.2700	$0.2700	$0.2700	$0.2700	$0.2700
Total Tax Rate	$1.3102	$1.2672	$1.2129	$1.0275	$1.0569

(1) On November 6, 2018, the District successfully held a tax ratification election at which the voters of the District approved a maintenance and operations tax not to exceed $1.17. On November 5, 2024, the District will hold another tax ratification election.
(2) The decline in the District's Maintenance & Operations Tax from the 2018/19 fiscal year to the 2024/25 fiscal year is a function of House Bill 3 adopted by the Texas Legislature in June 2019.

VALUATION AND FUNDED DEBT HISTORY

Fiscal Year	Net Taxable Valuation	Bond Debt Outstanding [1]	Ratio Debt to A.V. [2]
2006/07	$ 12,291,132,177	$ 802,862,979	6.53%
2007/08	14,921,727,758	992,862,979	6.65%
2008/09	16,633,310,020	1,163,469,342	6.99%
2009/10	17,179,508,143	1,178,615,745	6.86%
2010/11	16,875,840,490	1,265,634,232	7.50%
2011/12	17,504,186,578	1,310,323,851	7.49%
2012/13	18,411,180,611	1,353,110,843	7.35%
2013/14	20,072,774,219	1,524,710,843	7.60%
2014/15	23,005,771,528	1,741,980,843	7.57%
2015/16	26,230,139,504	1,851,248,851	7.06%
2016/17	30,621,651,034	1,884,538,851	6.15%
2017/18	35,570,550,343	1,884,983,851	5.30%
2018/19	40,349,486,303	1,952,677,591	4.84%
2019/20	43,491,816,275	1,966,343,118	4.52%
2020/21	46,267,939,261	2,149,080,696	4.64%
2021/22	49,483,508,443	2,258,595,227	4.56%
2022/23	57,110,581,645	2,260,453,779	3.96%
2023/24	62,146,932,956	2,191,990,934	3.53%
2024/25	67,725,972,112 [3]	2,113,173,257 [4]	3.12%

(1) The Bonds are illustrated on the State of Texas fiscal year end of August 31st, although the District's fiscal year ends June 30th. Excludes interest accreted on outstanding capital appreciation bonds.
(2) See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in the Official Statement, "DEBT SERVICE REQUIREMENTS" in this Appendix and see the "Audited Financial Report Fiscal Year Ended June 30, 2024" in Appendix D for more information.
(3) Source: Certified Values from the Collin and Denton Central Appraisal Districts as of July 2024.
(4) Includes the Bonds and excludes the Refunded Bonds. Preliminary, subject to change.

ESTIMATED OVERLAPPING DEBT STATEMENT

Taxing Body	Amount	Percent Overlapping	Amount Overlapping
Collin County	$ 841,715,000	20.17%	$ 169,773,916
Collin County CCD	459,865,000	20.17%	92,754,771
Denton County	673,670,000	10.98%	73,968,966
Frisco West WC&ID of Denton County	33,495,000	99.35%	33,277,283
City of Frisco	626,498,914	88.63%	555,265,987
Town of Little Elm	55,734,149	28.47%	15,867,512
City of McKinney	459,440,000	18.35%	84,307,240
City of Plano	604,725,000	13.87%	83,875,358
City of The Colony	76,310,500	0.07%	53,417
Total Overlapping Debt [1]			$ 1,109,144,448
Frisco Independent School District [2]			2,050,334,436
Total Direct & Overlapping Debt [2]			$ 3,159,478,885
Ratio of Net Direct & Overlapping Debt to Net Taxable Valuation		4.67%	
Per Capita Direct & Overlapping Debt		$12,999	

(1) Equals gross debt less self-supporting debt.
(2) Includes the Bonds and excludes the Refunded Bonds. Preliminary, subject to change. Excludes interest accreted on outstanding capital appreciation bonds.

Source: Municipal Advisory Council of Texas. The District has not independently verified the accuracy or completeness of such information (except for the amounts relating to the District), and no person should rely upon such information as being accurate or complete.

PRINCIPAL TAXPAYERS [1]

2024/25 Top Ten Taxpayers

Name of Taxpayer	Type of Business	Taxable Value	% of Net Valuation
JP Morgan Chase Bank NA	Banking & Finance	$ 630,746,696	0.93%
Liberty Mutual Plano LLC	Banking & Finance	385,447,036	0.57%
Toyota Motor North America Inc	Automotive	264,969,921	0.39%
Capital One National Association	Banking & Finance	226,296,755	0.33%
Blue Star HQ Inc	Real Estate Development	221,550,743	0.33%
5765 Bozeman (TX) Owner LP	Real Estate Development	215,675,776	0.32%
BRE Retail Residual Owner 1 LLC	Real Estate Development	185,500,000	0.27%
Blue Star Land Phase III LLC	Real Estate Development	157,776,169	0.23%
PPF Amli Parkwood Boulevard LLC	Real Estate Development	156,433,040	0.23%
Bell Fund VII Frisco Market Center LLC	Real Estate Development	156,000,000	0.23%
		$ 2,600,396,136	3.84%

2023/24 Top Ten Taxpayers

Name of Taxpayer	Type of Business	Taxable Value	% of Net Valuation
JP Morgan Chase Bank NA	Banking & Finance	$ 758,487,600	1.22%
Liberty Mutual Plano LLC	Banking & Finance	390,006,849	0.63%
Toyota Motor North America Inc	Automotive	265,206,953	0.43%
Capital One National Association	Banking & Finance	235,215,970	0.38%
Blue Star HQ Inc	Real Estate Development	225,596,462	0.36%
5765 Bozeman (TX) Owner LP	Real Estate Development	214,210,789	0.34%
BRE Retail Residual Owner 1 LLC	Real Estate Development	173,747,715	0.28%
PPF Amli Parkwood Boulevard LLC	Real Estate Development	166,964,776	0.27%
Blue Star Land Phase III LLC	Real Estate Development	159,371,836	0.26%
Bell Fund VII Frisco Market Center LLC	Real Estate Development	151,000,000	0.24%
		$ 2,739,808,950	4.41%

2022/23 Top Ten Taxpayers

Name of Taxpayer	Type of Business	Taxable Value	% of Net Valuation
JP Morgan Chase Bank NA	Banking & Finance	$ 751,853,175	1.32%
Liberty Mutual Plano LLC	Banking & Finance	381,938,992	0.67%
Toyota Motor North America Inc	Automotive	261,511,678	0.46%
Capital One National Association	Banking & Finance	235,215,970	0.41%
Blue Star HQ Inc	Real Estate Development	217,920,051	0.38%
BPR Shopping Center LP	Real Estate Development	158,600,000	0.28%
5765 Bozeman (TX) Owner LP	Real Estate Development	157,445,023	0.28%
Blue Star Land Phase III LLC	Real Estate Development	151,587,636	0.27%
PPF Amli Parkwood Boulevard LLC	Real Estate Development	147,621,308	0.26%
Union Investment Real Estate GMBH	Real Estate Development	146,142,591	0.26%
		$ 2,609,836,424	4.57%

(1) Source: Collin and Denton Central Appraisal Districts.

CLASSIFICATION OF ASSESSED VALUATION BY USE CATEGORY [1]

Category	2024/25 [2]	% of Total	2023/24 [3]	% of Total	2022/23 [3]	% of Total
Real, Residential, Single-Family	$ 52,803,168,233	65.66%	$ 51,253,792,017	66.47%	$ 42,941,811,664	65.07%
Real, Residential, Multi-Family	8,099,166,474	10.07%	7,661,225,123	9.94%	6,515,780,179	9.87%
Real, Vacant Lots/Tracts	1,152,799,480	1.43%	1,273,030,915	1.65%	1,011,689,455	1.53%
Real, Qualified Land & Improvements	1,262,920,711	1.57%	1,351,690,749	1.75%	1,300,765,880	1.97%
Real, Non-Qualified Land & Improvements	117,891,328	0.15%	147,758,288	0.19%	133,248,305	0.20%
Real, Commercial & Industrial	14,093,293,924	17.52%	12,788,966,701	16.58%	11,552,730,897	17.51%
Oil & Gas	-	0.00%	-	0.00%	-	0.00%
Utilities	394,331,630	0.49%	394,039,037	0.51%	385,871,268	0.58%
Tangible Personal, Commercial	1,910,579,932	2.38%	1,733,740,341	2.25%	1,602,292,907	2.43%
Tangible Personal, Industrial	23,767,339	0.03%	21,999,519	0.03%	10,502,255	0.02%
Tangible Personal, Mobile Homes & Other	1,343,049	0.00%	1,315,776	0.00%	756,447	0.00%
Tangible Personal, Residential Inventory	457,993,117	0.57%	383,865,245	0.50%	446,876,316	0.68%
Tangible Personal, Special Inventory	103,992,083	0.13%	100,833,117	0.13%	86,818,163	0.13%
Total Appraised Value	$ 80,421,247,300	100.00%	$ 77,112,256,828	100.00%	$ 65,989,143,736	100.00%
Less:						
Homestead Cap Adjustment	$ 5,126,312,529		$ 7,652,129,389		$ 5,071,095,181	
Non-Homestead (23.231) Cap Adjustment	46,580,880		-		-	
Productivity Loss	1,262,122,951		1,350,735,894		1,299,757,779	
Exemptions	6,260,258,828 [4]		5,962,458,589 [4]		2,507,709,131 [5]	
Total Exemptions/Deductions [7]	$ 12,695,275,188		$ 14,965,323,872		$ 8,878,562,091	
Net Taxable Assessed Valuation	$ 67,725,972,112		$ 62,146,932,956		$ 57,110,581,645	

Category	2021/22 [3]	% of Total	2020/21 [3]	% of Total	2019/20 [3]	% of Total
Real, Residential, Single-Family	$ 31,700,467,837	60.30%	$ 28,858,661,067	58.60%	$ 27,700,222,652	59.35%
Real, Residential, Multi-Family	5,545,805,013	10.55%	5,143,741,573	10.44%	4,312,749,169	9.24%
Real, Vacant Lots/Tracts	1,019,017,715	1.94%	818,924,974	1.66%	716,778,295	1.54%
Real, Qualified Land & Improvements	1,360,286,585	2.59%	1,377,349,895	2.80%	1,555,046,008	3.33%
Real, Non-Qualified Land & Improvements	88,891,677	0.17%	363,530,881	0.74%	386,943,453	0.83%
Real, Commercial & Industrial	10,479,963,916	19.93%	10,126,029,542	20.56%	9,323,706,887	19.98%
Oil & Gas	-	0.00%	-	0.00%	-	0.00%
Utilities	346,669,753	0.66%	320,762,579	0.65%	302,354,814	0.65%
Tangible Personal, Commercial	1,470,220,405	2.80%	1,509,492,044	3.07%	1,537,040,764	3.29%
Tangible Personal, Industrial	818,558	0.00%	994,819	0.00%	877,346	0.00%
Tangible Personal, Mobile Homes & Other	516,596	0.00%	412,098	0.00%	415,622	0.00%
Tangible Personal, Residential Inventory	506,849,197	0.96%	672,350,754	1.37%	783,004,960	1.68%
Tangible Personal, Special Inventory	53,373,962	0.10%	53,736,219	0.11%	56,519,910	0.12%
Total Appraised Value	$ 52,572,881,214	100.00%	$ 49,245,986,445	100.00%	$ 46,675,659,880	100.00%
Less:						
Homestead Cap Adjustment	$ 95,763,205		$ 39,391,242		$ 80,754,171	
Non-Homestead (23.231) Cap Adjustment	-		-		-	
Productivity Loss	1,359,268,267		1,376,255,377		1,553,825,560	
Exemptions	1,634,341,299 [6]		1,562,400,565 [6]		1,549,263,874 [6]	
Total Exemptions/Deductions [7]	$ 3,089,372,771		$ 2,978,047,184		$ 3,183,843,605	
Net Taxable Assessed Valuation	$ 49,483,508,443		$ 46,267,939,261		$ 43,491,816,275	

(1) The Taxable Assessed Valuation includes the Captured Appraised Value of property that is located in the City of Frisco Reinvestment Zone Number One. See "AD VALOREM TAX PROCEDURES - The Property Tax Code as Applied to the District." The Zone was created by the City in accordance with the requirements of Section 403.302(d) of the Texas Government Code. Accordingly, the Commissioner of Education does not include the Captured Appraised Value of property that is located in the Zone in determining the District's property value wealth per student.
(2) Source: Certified Values from the Collin and Denton Central Appraisal Districts as of July 2024.
(3) Source: Comptroller of Public Accounts - Property Tax Division.
(4) The passage of a Texas constitutional amendment on November 7, 2023 increased the homestead exemption from $40,000 to $100,000.
(5) The passage of a Texas constitutional amendment on May 7, 2022 increased the homestead exemption from $25,000 to $40,000.
(6) The passage of a Texas constitutional amendment on November 3, 2015 increased the homestead exemption from $15,000 to $25,000.
(7) Excludes values on which property taxes are frozen for persons 65 years of age or older and disabled taxpayers.

PRINCIPAL REPAYMENT SCHEDULE [1]

Fiscal Year Ending 8/31	Outstanding Bonds [2]	Less: Refunded Bonds [3]	Plus: The Bonds [3]	Total [2] [3]	Bonds Unpaid At Year End	Percent of Principal Retired
2025	$ 77,652,677.75	$ 3,930,000.00	$ 5,095,000.00	$ 78,817,677.75	$ 2,113,173,256.70	3.60%
2026	84,404,730.30	2,400,000.00	2,430,000.00	84,434,730.30	2,028,738,526.40	7.45%
2027	87,801,872.70	2,495,000.00	2,500,000.00	87,806,872.70	1,940,931,653.70	11.45%
2028	89,875,218.55	2,585,000.00	2,580,000.00	89,870,218.55	1,851,061,435.15	15.55%
2029	89,952,325.85	2,665,000.00	2,655,000.00	89,942,325.85	1,761,119,109.30	19.66%
2030	104,350,115.10	7,280,000.00	7,325,000.00	104,395,115.10	1,656,723,994.20	24.42%
2031	100,392,801.00	7,530,000.00	7,535,000.00	100,397,801.00	1,556,326,193.20	29.00%
2032	104,878,770.00	7,815,000.00	7,765,000.00	104,828,770.00	1,451,497,423.20	33.78%
2033	94,744,731.20	8,115,000.00	8,050,000.00	94,679,731.20	1,356,817,692.00	38.10%
2034	98,212,692.00	8,430,000.00	8,370,000.00	98,152,692.00	1,258,665,000.00	42.58%
2035	125,630,000.00	3,195,000.00	3,025,000.00	125,460,000.00	1,133,205,000.00	48.30%
2036	123,065,000.00	3,320,000.00	3,145,000.00	122,890,000.00	1,010,315,000.00	53.91%
2037	132,905,000.00	3,450,000.00	3,270,000.00	132,725,000.00	877,590,000.00	59.96%
2038	109,025,000.00	3,975,000.00	3,800,000.00	108,850,000.00	768,740,000.00	64.93%
2039	112,650,000.00	4,135,000.00	3,955,000.00	112,470,000.00	656,270,000.00	70.06%
2040	116,800,000.00	4,300,000.00	4,120,000.00	116,620,000.00	539,650,000.00	75.38%
2041	120,870,000.00	-	-	120,870,000.00	418,780,000.00	80.89%
2042	83,270,000.00	-	-	83,270,000.00	335,510,000.00	84.69%
2043	67,575,000.00	-	-	67,575,000.00	267,935,000.00	87.78%
2044	57,380,000.00	-	-	57,380,000.00	210,555,000.00	90.39%
2045	44,315,000.00	-	-	44,315,000.00	166,240,000.00	92.42%
2046	36,700,000.00	-	-	36,700,000.00	129,540,000.00	94.09%
2047	27,600,000.00	-	-	27,600,000.00	101,940,000.00	95.35%
2048	26,960,000.00	-	-	26,960,000.00	74,980,000.00	96.58%
2049	25,235,000.00	-	-	25,235,000.00	49,745,000.00	97.73%
2050	18,800,000.00	-	-	18,800,000.00	30,945,000.00	98.59%
2051	16,505,000.00	-	-	16,505,000.00	14,440,000.00	99.34%
2052	10,055,000.00	-	-	10,055,000.00	4,385,000.00	99.80%
2053	3,325,000.00	-	-	3,325,000.00	1,060,000.00	99.95%
2054	1,060,000.00	-	-	1,060,000.00	-	100.00%
Total	$ 2,191,990,934.45	$ 75,620,000.00	$ 75,620,000.00	$ 2,191,990,934.45		

(1) The Bonds are illustrated on the State of Texas fiscal year end of August 31st, although the District's fiscal year ends June 30th.
(2) Excludes the accreted value of outstanding capital appreciation bonds.
(3) Preliminary, subject to change.

DEBT SERVICE REQUIREMENTS [1]

Fiscal Year Ending 8/31	Outstanding Debt Service [2]	Less: Refunded Debt Service [3]	Plus: The Bonds [3] Principal	Interest	Total	Combined Total [2] [3] [4]
2025	$ 174,748,983.00	$ 6,913,087.50	$ 5,095,000.00	$ 1,817,832.92	$ 6,912,832.92	$ 174,748,728.42
2026	173,747,113.80	5,196,837.50	2,430,000.00	2,495,475.00	4,925,475.00	173,475,751.30
2027	173,246,498.25	5,195,837.50	2,500,000.00	2,421,525.00	4,921,525.00	172,972,185.75
2028	173,249,189.37	5,196,620.00	2,580,000.00	2,345,325.00	4,925,325.00	172,977,894.37
2029	173,247,526.54	5,191,315.00	2,655,000.00	2,266,800.00	4,921,800.00	172,978,011.54
2030	172,745,933.19	9,714,372.50	7,325,000.00	2,117,100.00	9,442,100.00	172,473,660.69
2031	172,745,362.79	9,700,600.00	7,535,000.00	1,894,200.00	9,429,200.00	172,473,962.79
2032	172,749,807.84	9,684,400.00	7,765,000.00	1,645,287.50	9,410,287.50	172,475,695.34
2033	172,746,469.10	9,671,800.00	8,050,000.00	1,348,400.00	9,398,400.00	172,473,069.10
2034	172,747,180.70	9,662,200.00	8,370,000.00	1,020,000.00	9,390,000.00	172,474,980.70
2035	172,749,648.01	4,090,000.00	3,025,000.00	792,100.00	3,817,100.00	172,476,748.01
2036	172,745,177.38	4,087,200.00	3,145,000.00	668,700.00	3,813,700.00	172,471,677.38
2037	172,747,715.06	4,084,400.00	3,270,000.00	540,400.00	3,810,400.00	172,473,715.06
2038	139,974,996.13	4,471,400.00	3,800,000.00	399,000.00	4,199,000.00	139,702,596.13
2039	139,974,545.88	4,472,400.00	3,955,000.00	243,900.00	4,198,900.00	139,701,045.88
2040	139,976,828.21	4,472,000.00	4,120,000.00	82,400.00	4,202,400.00	139,707,228.21
2041	139,973,916.36	-	-	-	-	139,973,916.36
2042	98,801,638.76	-	-	-	-	98,801,638.76
2043	79,869,323.76	-	-	-	-	79,869,323.76
2044	67,045,928.76	-	-	-	-	67,045,928.76
2045	51,831,944.38	-	-	-	-	51,831,944.38
2046	42,487,518.13	-	-	-	-	42,487,518.13
2047	31,970,340.63	-	-	-	-	31,970,340.63
2048	30,324,900.01	-	-	-	-	30,324,900.01
2049	27,622,543.76	-	-	-	-	27,622,543.76
2050	20,268,118.76	-	-	-	-	20,268,118.76
2051	17,357,593.76	-	-	-	-	17,357,593.76
2052	10,426,103.13	-	-	-	-	10,426,103.13
2053	3,436,781.25	-	-	-	-	3,436,781.25
2054	1,081,200.00	-	-	-	-	1,081,200.00
	$ 3,292,640,826.70	$ 101,804,470.00	$ 75,620,000.00	$ 22,098,445.42	$ 97,718,445.42	$ 3,288,554,802.12

(1) Debt service for the Bonds is illustrated on the State of Texas fiscal year end of August 31st, although the District's fiscal year ends on June 30th.
(2) Includes the accreted value of outstanding capital appreciation bonds.
(3) Preliminary, subject to change.
(4) Based on it's wealth per student, the District does not expect to receive state financial assistance for the payment of debt service for the fiscal year 2024/25. The amount of state financial assistance for debt service, if any, may differ substantially each year depending on a variety of factors, including the amount, if any, appropriated for that purpose by the state legislature and a school district's wealth per student. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in this Official Statement.

TAX ADEQUACY WITH RESPECT TO THE DISTRICT'S BONDS

Projected Maximum Debt Service Requirement [1]	$ 174,748,728.42
Projected State Financial Assistance for Hold Harmless of Increased Homestead Exemption [2]	12,140,000.00
Projected Net Debt Service Requirement [1] [2]	$ 162,608,728.42
$0.24252 Tax Rate @ 99% Collections Produces	$ 162,608,728.42
2024/25 Certified Net Taxable Assessed Valuation [3]	$ 67,725,972,112

(1) Includes the Bonds and excludes the Refunded Bonds. Preliminary, subject to change.
(2) The amount of state financial assistance for debt service, if any, may differ substantially each year depending on a variety of factors, including the amount, if any, appropriated for that purpose by the state legislature and a school district's wealth per student. See "CURRENT PUBLIC SCHOOL FINANCE SYSTEM" in this Official Statement. The District will not receive any Instructional Facilities Allotment nor Existing Debt Allotment state aid in 2024/25, but will receive additional state aid for the increase in the homestead exemption which took effect in 2015/16, 2022/23 and 2023/24.
(3) Source: Certified Values from the Collin and Denton Central Appraisal Districts as of July 2024.

AUTHORIZED BUT UNISSUED BONDS

The District has $32,000,000 of authorized but unissued unlimited ad valorem tax bonds from the November 6, 2018 bond election. The District may issue a portion of the remaining authorized but unissued bonds within the next twelve months. The District may incur other financial obligations payable from its collection of taxes and other sources of revenue, including maintenance tax notes payable from its collection of maintenance taxes, public property finance contractual obligations, delinquent tax notes, and leases for various purposes payable from State appropriations and surplus maintenance taxes.

COMPARATIVE STATEMENT OF GENERAL FUND REVENUES AND EXPENDITURES [1]

	Fiscal Year Ended June 30				
	2020	**2021**	**2022**	**2023**	**2024**
Beginning Fund Balance	**$ 206,607,695**	**$ 235,131,243**	**$ 249,521,421**	**$ 249,047,697**	**$ 254,296,993**
Revenues:					
Local and Intermediate Sources	$ 478,853,977	$ 484,542,235	$ 500,399,323	$ 557,416,001	$ 486,501,062
State Sources	123,619,347	133,327,814	133,332,274	116,246,633	217,584,580
Federal Sources & Other	4,663,718	5,271,823	6,917,910	10,815,757	5,637,646
Total Revenues	**$ 607,137,042**	**$ 623,141,872**	**$ 640,649,507**	**$ 684,478,391**	**$ 709,723,288**
Expenditures:					
Instruction	$ 348,085,246	$ 366,450,064	$ 375,899,612	$ 394,667,100	$ 415,246,435
Instructional Resources & Media Services	6,311,497	6,540,156	6,787,023	7,157,844	7,308,007
Curriculum & Instructional Staff Development	12,542,301	14,074,093	16,956,183	16,349,430	17,092,230
Instructional Leadership	10,026,450	10,909,165	11,879,499	12,051,786	11,549,718
School Leadership	34,900,930	35,803,103	38,006,630	38,845,366	40,224,053
Guidance, Counseling & Evaluation Services	21,406,422	23,046,457	24,558,644	26,509,337	29,561,064
Social Work Services	207,193	274,222	271,925	253,802	268,270
Health Services	6,576,377	7,202,270	6,985,989	7,357,328	7,644,685
Student (Pupil) Transportation	14,034,400	12,616,229	14,541,070	16,530,814	17,230,753
Food Services	360,577	236,027	439,221	254,957	-
Cocurricular/Extracurricular Activities	17,099,452	18,180,811	21,364,837	22,668,841	24,115,570
General Administration	14,112,405	15,929,725	16,148,475	17,168,048	18,250,470
Plant Maintenance and Operations	40,436,585	42,753,295	46,200,696	52,741,058	59,530,502
Security and Monitoring Services	4,770,191	4,893,585	5,101,294	5,555,705	5,879,930
Data Processing Services	7,467,908	8,657,419	8,638,992	8,728,571	8,685,461
Community Services	1,128,951	968,707	1,523,121	1,991,924	2,523,688
Other Intergovernmental Charges	3,798,571	3,852,070	4,036,852	4,314,075	4,323,031
Debt Service Principal on Long-Term Debt	-	-	420,735	1,570,605	1,908,536
Debt Service Interest on Long-Term Debt	-	-	50,387	124,262	86,543
Facilities Acquisition and Construction	-	-	2,745,177	-	-
Contracted Instructional Services Between Schools	3,152,395	4,177,231	5,323,841	8,633,222	10,746,030
Payments to Juvenile Justice Alternative Ed. Program	30,681	-	22,494	19,046	42,401
Payments to Tax Increment Fund	27,151,041	28,283,215	30,052,993	36,285,371	41,509,928
Total Expenditures	**$ 573,599,573**	**$ 604,847,844**	**$ 637,955,690**	**$ 679,778,492**	**$ 723,727,305**
Excess (Deficiency) of Revenues over Expenditures	$ 33,537,469	$ 18,294,028	$ 2,693,817	$ 4,699,899	$ (14,004,017)
Other Resources and (Uses):					
Sale of Real and Personal Property	$ 57,518	$ 20,489	$ 10,426	$ 45,261	$ 5,066
Right-To-Use Leases	-	-	2,745,177	-	-
Transfer In	32,698	309,791	91,820	-	-
Insurance Recovery	-	16,266	-	504,136	1,230,255
Transfer Out	(5,104,137)	(4,250,396)	(6,014,964)	-	(223,207)
Total Other Resources (Uses)	**$ (5,013,921)**	**$ (3,903,850)**	**$ (3,167,541)**	**$ 549,397**	**$ 1,012,114**
Excess (Deficiency) of Revenues and Other Sources over Expenditures and Other Uses	$ 28,523,548	$ 14,390,178	$ (473,724)	$ 5,249,296	$ (12,991,903)
Ending Fund Balance	**$ 235,131,243**	**$ 249,521,421**	**$ 249,047,697**	**$ 254,296,993**	**$ 241,305,090**

(1) See "MANAGEMENT'S DISCUSSION AND ANALYSIS - Economic Factors and Next Year's Budget and Rates" in Appendix D hereto for a discussion of the 2024/25 budget and "CURRENT PUBLIC SCHOOL FINANCE SYSTEM - Possible Effects of Wealth Transfer Provisions on the District's Financial Condition" in this Official Statement. The District elected to change its fiscal year from August 31st to June 30th beginning with the period ending June 30, 2008.

CHANGE IN NET ASSETS [1]

	Fiscal Year Ended June 30				
	2020	2021	2022	2023	2024
Revenues:					
Program Revenues:					
Charges for Services	$ 36,129,968	$ 15,059,185	$ 11,537,342	$ 37,580,785	$ 60,895,088
Operating Grants and Contributions	71,108,796	63,842,316	60,202,232	62,048,485	60,242,984
General Revenues:					
Property Taxes Levied for General Purposes	466,660,821	478,566,522	490,824,666	507,881,325	460,615,709
Property Taxes Levied for Debt Service	112,411,956	118,266,811	126,247,863	175,723,423	154,504,329
State Aid - Formula Grants	97,396,084	104,693,320	103,591,855	86,131,392	194,052,449
Grants and Contributions Not Restricted	4,663,718	5,271,823	6,917,910	10,815,757	5,637,646
Investment Earnings	8,429,226	420,973	737,996	25,089,974	33,771,011
Miscellaneous	23,587,596	24,206,014	4,339,001	2,291,391	2,763,457
Other Tax Related Income - TIRZ	-	-	24,369,169	27,108,824	36,998,854
	$ 820,388,165	$ 810,326,964	$ 828,768,034	$ 934,671,356	$ 1,009,481,527
Expenses:					
Instruction	$ 444,377,695	$ 431,632,246	$ 419,333,798	$ 466,735,077	$ 474,322,644
Instruction Resources & Media Services	8,932,969	8,860,354	9,289,511	9,589,976	9,859,218
Curriculum & Staff Development	14,315,808	15,092,758	16,584,811	16,845,431	18,082,551
Instructional Leadership	11,116,828	11,231,262	10,863,912	11,661,415	11,789,050
School Leadership	43,158,588	41,905,984	42,548,828	46,468,155	45,293,239
Guidance, Counseling & Evaluation Services	25,968,948	26,323,164	26,315,463	31,228,811	34,512,591
Social Work Services	227,696	282,024	247,009	241,210	268,477
Health Services	7,215,668	7,524,465	6,620,459	5,708,170	7,728,847
Student Transportation	17,135,255	15,562,096	16,530,852	19,330,258	20,893,892
Food Service	26,200,312	20,696,850	28,760,885	28,359,713	30,271,460
Cocurricular/Extracurricular Activities	22,890,618	23,846,884	27,370,330	30,319,051	34,241,493
General Administration	16,605,179	17,512,837	20,066,326	17,697,321	18,481,351
Plant Maintenance & Operations	60,027,110	71,801,617	68,331,734	97,622,662	98,140,433
Security and Monitoring Services	6,577,228	7,552,762	8,659,653	7,562,280	7,588,328
Data Processing Services	10,906,676	11,445,169	11,038,744	15,139,001	12,761,005
Community Services	2,231,893	1,998,783	2,399,796	3,191,714	3,577,846
Debt Service - Interest on Long-term Debt	79,729,973	67,188,505	76,450,416	76,533,868	84,866,293
Debt Service - Bond Issuance Cost and Fees	924,809	4,872,571	1,723,232	1,739,661	1,555,049
Contracted Instructional Services Between Schools	3,152,395	4,177,231	5,323,841	8,633,222	10,746,030
Payments to Juvenile Justice Alternative Ed. Prg.	30,681	-	22,494	19,046	42,401
Other Intergovernmental Charges	3,798,571	3,852,070	4,036,852	4,314,075	4,323,031
Payments to Tax Increment Fund	27,151,041	28,283,215	30,052,993	36,285,371	41,509,928
Total Expenditures	$ 832,675,941	$ 821,642,847	$ 832,571,939	$ 935,225,488	$ 970,855,157
Change in Net Assets	$ (12,287,776)	$ (11,315,883)	$ (3,803,905)	$ (554,132)	$ 38,626,370
Beginning Net Assets	$ (407,656,757)	$ (419,944,533)	$ (431,260,416)	$ (435,064,321)	$ (435,618,453)
Ending Net Assets	$ (419,944,533)	$ (431,260,416)	$ (435,064,321)	$ (435,618,453)	$ (396,992,083)

(1) The foregoing information represents government-wide financial information provided in accordance with GASB 34, which the District adopted for the 2002.

APPENDIX B

GENERAL INFORMATION REGARDING THE DISTRICT AND ITS ECONOMY

GENERAL INFORMATION REGARDING
FRISCO INDEPENDENT SCHOOL DISTRICT, THE CITY OF FRISCO AND COLLIN COUNTY, TEXAS

GENERAL AND ECONOMIC INFORMATION

The District is a residential, commercial, and agricultural area, which covers approximately 75 total square miles in the western portion of Collin County extending into the eastern section of neighboring Denton County. The District includes the City of Frisco, which is the primary commercial and population center of the District.

The District has been one of the fastest growing Districts in the State of Texas, increasing in student enrollment from 7,161 in 2000-01 to 65,274 in 2024-25. The 2025 population estimate for the District is 243,063 compared to the 2000 population estimate of 34,000. The District's economic base is primarily comprised of commercial and governmental concerns which provide a variety of goods and services. The following table illustrates the leading employers located within the City of Frisco.

Employer	2024 Approximate Number of Employees
Frisco Independent School District	9,226
T-Mobile	1,500
City of Frisco	1,102
Mario Sinacola & Sons Excavating	603
CCCD Preston Ridge Campus	550
Amerisource Bergens Specialty Group	500
CLA USA, Inc.	450
IKEA Frisco	400
Tenet Texas RBO	300
Market Street	300

*Sources: The District, the Municipal Advisory Council of Texas, and the Frisco Economic Development Corp.

SCHOLASTIC INFORMATION

The District offers a fully accredited and comprehensive educational program. Presently twelve high schools, eighteen middle schools, forty-three elementary schools, one intermediate school, and three special program centers serve the District.

The District is accredited by the Texas Education Agency. The District's personnel totals 9,226, of which 6,572 are teachers. Approximately 30 percent of the teachers hold advanced degrees. Currently, the District reflects a classroom size of as near as possible to 19-24:1 for grades 5-12 and 19-20:1 for grades K-4. The student to teacher ratio in the district is 14.9:1.

Computer labs are in every school and the District has a ratio of four students to every computer. Through a technology outreach program, older computers that are no longer suitable for the school setting have been refurbished and loaded with appropriate software to be placed in homes of students in need of a computer.

In addition to the core curriculum, the District offers a wide variety of classes and training for students including:

- Physical Education, Music and Art for elementary students
- After-school programming and Spanish Language classes are offered at elementary schools through partnerships with the YMCA and other educational entities.
- Duke University Talent Search, Math/Science Competition, pre Advanced Placement courses, Mock Trial, Band, Choir, Art, Theatre Arts, Robotics, Video production and may other opportunities are available at the middle school level.
- Advance Placement and Honors courses are being offered in the high schools including Language, Literature, Composition, Computer Science, US History, Government, Macroeconomics, Chemistry, Biology, Physics, Calculus, Art, Statistics.
- Dual credit classes are offered in conjunction with community colleges for English IV, Government and Economics. Additionally, Tech Prep courses are available.
- The Independent Study Mentorship Program is offered for qualifying, committed juniors and seniors, enabling them to explore a career through a community mentor.
- Comprehensive special education programs for students with special learning needs, including Gifted Instruction, Special Education, ESL/Bilingual, Dyslexia, Head Start, Early Literacy, Career and Technology Education, Credit Recovery and GED.
- Clubs and activities include band, color guard, chorale music, drill team, cheerleading, National Honor Society, Student Council, Academic Decathlon, National Junior Statesman, Theatre, Agriculture, Key Club, Spanish Club, Yearbook, Fellowship of Christian Athletes, Science Club, French Club, Future Homemakers of America and Art Club.
- UIL competition is at the 4A level which includes football, basketball, baseball, soccer, softball, volleyball, track and cross-country, swimming, golf, power lifting and wrestling.

PRESENT SCHOOL FACILITIES

A description of the present school facilities is as follows:

School	Capacity	Grades Provided	Current Enrollment	Teachers	Others[(a)]	Aides	Admin.	Auxilary
Allen Elementary	760	K-5	681	41.00	3.0	5.0	2.0	5.0
Anderson Elementary	760	K-5	752	46.00	3.0	5.0	2.0	5.0
Ashley Elementary	760	K-5	569	38.00	3.0	10.0	2.0	10.0
Bledsoe Elementary	760	K-5	672	44.00	3.0	7.0	2.0	7.0
Boals Elementary	760	K-5	641	42.00	3.0	5.0	2.0	5.0
Borchardt Elementary	760	K-5	666	38.00	3.0	7.0	2.0	7.0
Bright Elementary	760	K-5	482	37.00	3.0	9.0	3.0	9.0
Carroll Elementary	760	K-5	551	42.00	3.0	12.0	3.0	12.0
Christie Elementary	760	K-5	627	47.00	3.0	12.0	2.0	12.0
Comstock Elementary	760	K-4	684	44.00	3.0	7.0	2.0	7.0
Corbell Elementary	760	K-5	510	36.00	3.0	5.0	2.0	5.0
Curtsinger Elementary	760	K-5	620	41.00	3.0	11.0	2.0	11.0
Elliott Elementary	760	K-4	418	32.00	3.0	5.0	3.0	5.0
Fisher Elementary	760	K-5	644	41.00	3.0	8.0	2.0	8.0
Gunstream Elementary	760	K-5	708	47.00	3.0	10.0	3.0	10.0
Hosp Elementary	760	K-5	670	42.00	3.0	10.0	2.0	10.0
Isbell Elementary	760	K-5	613	40.00	3.0	6.0	2.0	6.0
Liscano Elementary	760	K-5	660	39.00	3.0	6.0	2.0	6.0
McSpedden Elementary	760	K-5	771	46.00	3.0	9.0	3.0	9.0
Miller Elementary	760	K-5	576	37.00	2.0	5.0	2.0	5.0
Minett Elementary	760	K-5	545	35.00	3.0	7.0	2.0	7.0
Mooneyham Elementary	760	K-5	558	35.00	3.0	7.0	2.0	7.0
Newman Elementary	760	K-5	594	40.00	3.0	10.0	2.0	10.0
Nichols Elementary	760	K-5	634	40.00	3.0	7.0	2.0	7.0
Norris Elementary	760	K-5	603	37.00	3.0	9.0	2.0	9.0
Ogle Elementary	760	K-4	531	38.00	2.0	9.0	3.0	9.0
Phillips Elementary	760	K-5	602	41.00	3.0	10.0	2.0	10.0
Pink Elementary	760	K-5	583	37.00	3.0	12.0	2.0	12.0
Purefoy Elementary	760	K-5	609	42.00	3.0	11.0	2.0	11.0
Riddle Elementary	760	K-5	661	41.00	4.0	7.0	2.0	7.0
Robertson Elementary	760	K-5	618	41.00	3.0	7.0	2.0	7.0
Rogers Elementary	760	K-5	468	37.00	3.0	8.0	3.0	8.0
Scott Elementary	760	K-5	591	41.00	3.0	11.0	2.0	11.0
Sem Elementary	760	K-5	563	38.00	3.0	10.0	2.0	10.0
Shawnee Trail Elementary	760	K-5	494	40.00	4.0	13.0	3.0	13.0
Smith Elementary	760	K-5	638	41.00	4.0	9.0	2.0	9.0
Sonntag Elementary	760	K-5	433	36.00	3.0	8.0	3.0	8.0
Sparks Elementary	760	K-5	533	37.00	3.0	7.0	3.0	7.0
Spears Elementary	760	K-5	668	46.00	4.0	8.0	2.0	8.0
Tadlock Elementary	760	K-5	456	35.00	3.0	9.0	2.0	9.0
Talley Elementary	760	K-5	613	41.00	3.0	9.0	2.0	9.0
Taylor Elementary	760	K-5	734	47.00	4.0	7.0	2.0	7.0
Vaughn Elementary	760	K-5	633	43.00	3.0	8.0	2.0	8.0
Clark Middle School	1,000	6-8	823	64.00	5.0	7.0	3.0	6.0
Cobb Middle School	1,000	6-8	799	59.00	4.0	10.0	3.0	6.0
Fowler Middle School	1,000	6-8	961	64.00	4.0	5.0	3.0	7.0
Griffin Middle School	1,000	6-8	686	51.00	4.0	10.0	3.0	5.0
Hunt Middle School	1,000	6-8	854	55.00	5.0	6.0	3.0	6.0
Lawler Middle School	1,000	6-8	903	60.00	4.0	9.0	3.0	5.0
Maus Middle School	1,000	6-8	831	60.00	4.0	6.0	3.0	6.0
Nelson Middle School	1,000	6-8	1,094	71.00	4.0	6.0	3.0	5.0
Pearson Middle School	1,000	6-8	1,035	68.00	4.0	6.0	3.0	5.0
Pioneer Heritage Middle School	1,000	6-8	1,040	69.00	4.0	5.0	3.0	6.0
Roach Middle School	1,000	6-8	954	68.00	4.0	7.0	3.0	6.0
Scoggins Middle School	1,000	7-8	810	60.00	4.0	4.0	3.0	5.0
Stafford Middle School	1,000	6-8	941	67.00	4.0	5.0	3.0	5.0
Staley Middle School	800	6-8	586	52.00	4.0	8.0	3.0	7.0
Trent Middle School	1,000	6-8	695	61.00	4.0	7.0	3.0	6.0
Vandeventer Middle School	1,000	6-8	840	60.00	5.0	5.0	3.0	7.0
Wester Middle School	1,000	6-8	919	63.00	4.0	6.0	3.0	6.0

School	Capacity	Grades Provided	Current Enrollment	Teachers	Others[a]	Aides	Admin.	Auxilary
Wilkinson Middle School	1,000	6-8	667	49.00	4.0	3.0	3.0	5.0
Wortham Intermediate School	1,000	5-6	823	53.00	4.0	8.0	3.0	5.0
Centennial High School	2,100	9-12	2,017	131.00	10.0	12.0	6.0	16.0
Emerson High School	2,100	9-12	1,845	122.00	10.0	8.0	6.0	17.0
Frisco High School	2,100	9-12	1,990	129.00	12.0	9.0	7.0	17.0
Heritage High School	2,100	9-12	2,006	137.00	10.0	10.0	6.0	15.0
Independence High School	2,100	9-12	1,700	110.00	10.0	12.0	6.0	14.0
Lebanon Trail High School	2,100	9-12	2,171	135.00	11.0	9.0	6.0	15.0
Liberty High School	2,100	9-12	1,802	114.00	10.0	9.0	6.0	17.0
Lone Star High School	1,800	9-12	2,003	131.00	10.0	11.0	6.0	16.0
Memorial High School	2,100	9-12	1,447	107.00	10.0	10.0	6.0	16.0
Panther Creek High School	2.100	9-12	1,252	91.00	8.0	7.0	6.0	17.0
Reedy High School	2,100	9-12	2,203	130.00	10.0	12.0	6.0	16.0
Wakeland High School	2,100	9-12	2,235	134.00	10.0	12.0	6.0	16.0
Career and Technology Center[b]	NA	9-12		49.00	2.0	1.0	2.0	6.0
Early Childhood School	1,100	EC	465	40.00	5.0	56.0	3.0	5.0
Student Opportunity Center[c]	NA	1-12		15.00	2.0	6.0	1.0	3.0
District Wide				109.00	317.0	19.0		70.0
Z.T. Acker Special Program Ctr.[d]	NA	EC-1						
TOTAL	77,480		65,274	4,567.00	658.0	683.0	232.0	742.0

[a] Includes counselors, librarians, nurses, diagnosticians, and psychologist.
[b] The Career and Technical Education Center (CATE) does not have students assigned as a home campus. All students who attend classes here are counted as enrolled at another high school campus.
[c] The Student Opportunity Center (SOC) does not have students assigned as a home campus. This is the districts discipline center.
[d] Acker Special Programs Center has additional students who attend K-8 Disciplinary Alternative Education Program or (DAEP). These students are counted on their assigned home campus.

STUDENT ENROLLMENT BY GRADES

Grade	2024/25	2023/24	2022/23	2021/2022
E.C.	269	371	317	340
PRE-K	1,134	1,221	980	944
K	3,371	3,677	3,805	4,041
1	3,732	4,106	4,224	4,181
2	4,193	4,498	4,371	4,455
3	4,537	4,601	4,540	4,738
4	4,728	4,746	4,886	4,928
5	4,761	5,077	4,999	4,978
6	5,130	5,227	5,168	5,217
7	5,298	5,367	5,305	5,212
8	5,450	5,491	5,321	5,523
9	5,661	5,665	5,758	5,694
10	5,610	5,790	5,689	5,260
11	5,662	5,532	5,175	5,147
12	5,738	5,377	5,295	5,207
Total	**65,274**	**66,746**	**65,833**	**65,865**

AVERAGE DAILY ATTENDANCE

School Year	Attendance
2024-2025	65,263.45
2023-2024	64,409.43
2022-2023	63,537.86
2021-2022	61,192.87
2020-2021	59,266.92
2019-2020	60,455.73
2018-2019	57,485.16
2017-2018	55,901.96
2016-2017	53,852.90
2015-2016	51,434.44

SCHOLASTIC ENROLLMENT INCREASE/(DECREASES)

School Year	Enrollment	Amount	Percent (%)
1995-96	2,679	475	21.55
1996-97	3,111	432	16.13
1997-98	3,759	648	20.83
1998-99	4,622	863	22.96
1999-00	5,565	943	20.40
2000-01	7,161	1,596	28.68
2001-02	9,292	2,131	29.76
2002-03	11,412	2,120	22.82
2003-04	13,672	2,260	19.80
2004-05	16,677	3,005	21.98
2005-06	20,215	3,538	21.21
2006-07	23,798	3,583	17.72
2007-08	27,419	3,771	15.22
2008-09	30,932	3,513	12.81
2009-10	34,273	3,341	10.80
2010-11	37,651	3,378	9.86
2011-12	40,139	2,488	6.61
2012-13	42,707	2,568	6.40
2013-14	45,996	3,289	7.70
2014-15	49,657	3,661	7.96
2015-16	53,300	3,643	7.34
2016-17	55,916	2,616	4.91
2017-18	58,461	2,545	4.55
2018-19	60,581	2,120	3.63
2019-20	62,705	2,124	3.51
2020-21	64,241	1,536	2.45
2021-22	65,865	1,624	2.53
2022-23	65,833	-32	-0.05
2023-24	66,746	913	1.39
2024-25	65,274	-1,472	-2.21

STUDENT ENROLLMENT PROJECTIONS

Grade	2025/26	2026/27	2027/28	2028/29
EE-PK	1,845	1,893	1,941	1,697
K	4,008	4,069	4,240	3,751
1	4,266	4,300	4,405	3,964
2	4,499	4,538	4,399	4,136
3	4,645	4,706	4,526	4,246
4	5,006	4,883	4,664	4,433
5	5,106	5,224	4,706	4,591
6	5,320	5,390	5,181	4,771
7	5,607	5,481	5,541	5,181
8	5,701	5,805	5,602	5,538
9	5,862	6,019	5,716	5,760
10	5,868	5,906	5,975	5,686
11	5,616	5,788	5,762	5,788
12	5,915	5,761	5,935	5,834
Total	**69,264**	**69,763**	**68,594**	**65,376**

GENERAL INFORMATION REGARDING THE CITY OF FRISCO AND COLLIN COUNTY, TEXAS

The City of Frisco, Texas (the "City") is located approximately 20 miles north of Dallas off State Highway 289. The northern extension of the Dallas North Tollway service road to Main Street (FM 720) and north to U.S. 380 provides direct access to downtown Dallas.

The City's estimated population reached 210,719 in 2022, which is a 650% increase over the 2000 census of 33,714. The City's population is estimated to reach 280,000 by the year 2025.

The City is home to three sports teams: the Frisco Rough Riders – professional baseball, Texas Tornado – amateur hockey, and FC Dallas - major league soccer. The City of Frisco, Frisco Independent School District, Collin County and Hunt Sports Group teamed up to build the $65 million soccer facility named Pizza Hut Park, the first large scale soccer facility of its type in the United States. The stadium features a 20,000 seat stadium; 17 soccer fields serving the amateur players which include a 600 seat stadium and turf field dedicated for the high school football and soccer teams.

POPULATION TRENDS

	City of Frisco	Collin County
2024 Estimate	238,720	1,195,359
2000 Census	33,714	491,675
1990 Census	6,141	264,036
1980 Census	3,420	144,490
1970 Census	1,845	66,920
1960 Census	1,184	41,247

Sources: Municipal Advisory Council of Texas, U.S. Census Bureau, Frisco Economic Development Corporation, and Oncor Economic Development Corporation.

APPENDIX C

FORM OF LEGAL OPINION OF BOND COUNSEL

McCALL PARKHURST & HORTON

Focused on Public Finance since 1919.

Proposed Form of Opinion of Bond Counsel

An opinion in substantially the following form will be delivered by McCall, Parkhurst & Horton L.L.P., Bond Counsel, upon the delivery of the Bonds, assuming no material changes in facts or law.

FRISCO INDEPENDENT SCHOOL DISTRICT
UNLIMITED TAX REFUNDING BONDS, SERIES 2025
IN THE AGGREGATE PRINCIPAL AMOUNT OF $_____

AS BOND COUNSEL FOR THE ISSUER (the "Issuer") of the Bonds described above (the "Bonds"), we have examined into the legality and validity of the Bonds, which are payable, bear interest and are subject to further provisions, all in accordance with the terms and conditions stated in the text of the Bonds.

WE HAVE EXAMINED the Constitution and laws of the State of Texas, certified copies of the proceedings of the Issuer and other documents authorizing and relating to the issuance of said Bonds, including the executed Bonds.

BASED ON SAID EXAMINATION, IT IS OUR OPINION that said Bonds have been authorized, issued and duly delivered in accordance with law; and that except as may be limited by governmental immunity, bankruptcy, insolvency, reorganization, moratorium liquidation and other similar laws now or hereafter enacted relating to creditor's rights generally or by principles of equity which permit the exercise of judicial discretion, the Bonds constitute valid and legally binding obligations of the Issuer; and that ad valorem taxes sufficient to provide for the payment of the interest on and principal of said Bonds have been levied and pledged for such purpose, without legal limit as to rate or amount.

IT IS FURTHER OUR OPINION, except as discussed below, that the interest on the Bonds is excludable from the gross income of the owners thereof for federal income tax purposes under the statutes, regulations, published rulings and court decisions existing on the date of this opinion. We are further of the opinion that the Bonds are not "specified private activity bonds" and that, accordingly, interest on the Bonds will not be included as an individual alternative minimum tax preference item under section 57(a)(5) of the Internal Revenue Code of 1986 (the "Code"). In expressing the aforementioned opinions, we have relied on, and assume compliance by the Issuer with, certain covenants regarding the use and investment of the proceeds of the Bonds and the use of the property financed and refinanced therewith, the report or certificate verifying the sufficiency of the amounts deposited in the escrow fund to pay the principal of and interest on the refunded bonds and the certificate with respect to arbitrage by the Commissioner of Education regarding the allocation and investment of certain investments in the Permanent School Fund. We call your attention to the fact that if such representations are determined to be inaccurate or upon failure by the Issuer to comply with such covenants, interest on the Bonds may become includable in gross income retroactively to the date of issuance of the Bonds.

EXCEPT AS STATED ABOVE, we express no opinion as to any other federal, state or local tax consequences of acquiring, carrying, owning or disposing of the Bonds, including the

amount, accrual or receipt of interest on, the Bonds. Owners of the Bonds should consult their tax advisors regarding the applicability of any collateral tax consequences of owning the Bonds.

WE CALL YOUR ATTENTION TO THE FACT that the interest on tax-exempt obligations, such as the Bonds, may be includable in a corporation's adjusted financial statement income for purposes of determining the alternative minimum tax imposed on certain corporations by section 55 of the Code.

WE EXPRESS NO OPINION as to any insurance policies issued with respect to the payments due for the principal of and interest on the Bonds, nor as to any such insurance policies issued in the future.

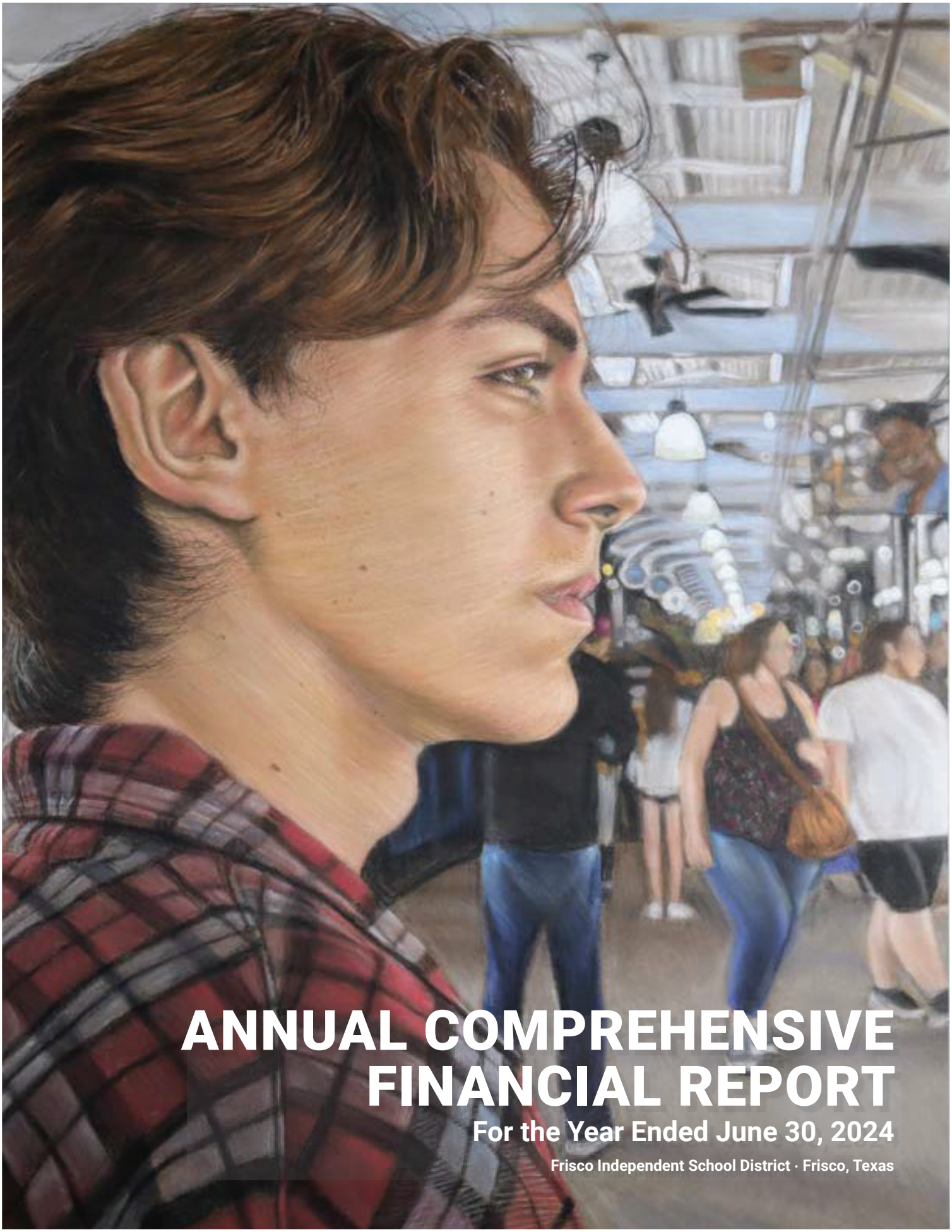
OUR SOLE ENGAGEMENT in connection with the issuance of the Bonds is as Bond Counsel for the Issuer, and, in that capacity, we have been engaged by the Issuer for the sole purpose of rendering an opinion with respect to the legality and validity of the Bonds under the Constitution and laws of the State of Texas, and with respect to the exclusion from gross income of the interest on the Bonds for federal income tax purposes, and for no other reason or purpose. The foregoing opinions represent our legal judgment based upon a review of existing legal authorities that we deem relevant to render such opinions and are not a guarantee of a result. We have not been requested to investigate or verify, and have not independently investigated or verified any records, data, or other material relating to the financial condition or capabilities of the Issuer, or the disclosure thereof in connection with the sale of the Bonds, and have not assumed any responsibility with respect thereto. We express no opinion and make no comment with respect to the marketability of the Bonds and have relied solely on certificates executed by officials of the Issuer as to the current outstanding indebtedness of, and assessed valuation of taxable property within the Issuer. Our role in connection with the Issuer's Official Statement prepared for use in connection with the sale of the Bonds has been limited as described therein.

OUR OPINIONS ARE BASED ON EXISTING LAW, which is subject to change. Such opinions are further based on our knowledge of facts as of the date hereof. We assume no duty to update or supplement our opinions to reflect any facts or circumstances that may thereafter come to our attention or to reflect any changes in any law that may thereafter occur or become effective. Moreover, our opinions are not a guarantee of a result and are not binding on the Internal Revenue Service (the "Service"). Rather, our opinions represent our legal judgment based upon our review of existing law and in reliance upon the representations and covenants referenced above that we deem relevant to such opinions. The Service has an ongoing audit program to determine compliance with rules that relate to whether interest on state or local obligations is includable in gross income for federal income tax purposes. No assurance can be given as to whether or not the Service will commence an audit of the Bonds. If an audit is commenced, in accordance with its current published procedures the Service is likely to treat the Issuer as the taxpayer. We observe that the Issuer has covenanted not to take any action, or omit to take any action within its control, that if taken or omitted, respectively, might result in the treatment of interest on the Bonds as includable in gross income for federal income tax purposes.

Respectfully,

APPENDIX D

AUDITED FINANCIAL REPORT
FISCAL YEAR ENDED JUNE 30, 2024



ANNUAL COMPREHENSIVE FINANCIAL REPORT

For the Year Ended June 30, 2024

Frisco Independent School District · Frisco, Texas

The Frisco ISD Finance Department is proud to showcase the artwork of Frisco ISD students whose work was honored at the 2024 State High School Visual and Scholastic Arts Event (VASE). Student artwork is featured on the cover and throughout the publication.

COVER ART:

Looking Into The Future
by Jasmina Vrtanoska
Independence High School

Annual Comprehensive Financial Report

Frisco Independent School District
5515 Ohio Drive
Frisco, Texas 75035

Fiscal Year Ended
June 30, 2024

Prepared by:
Finance Department

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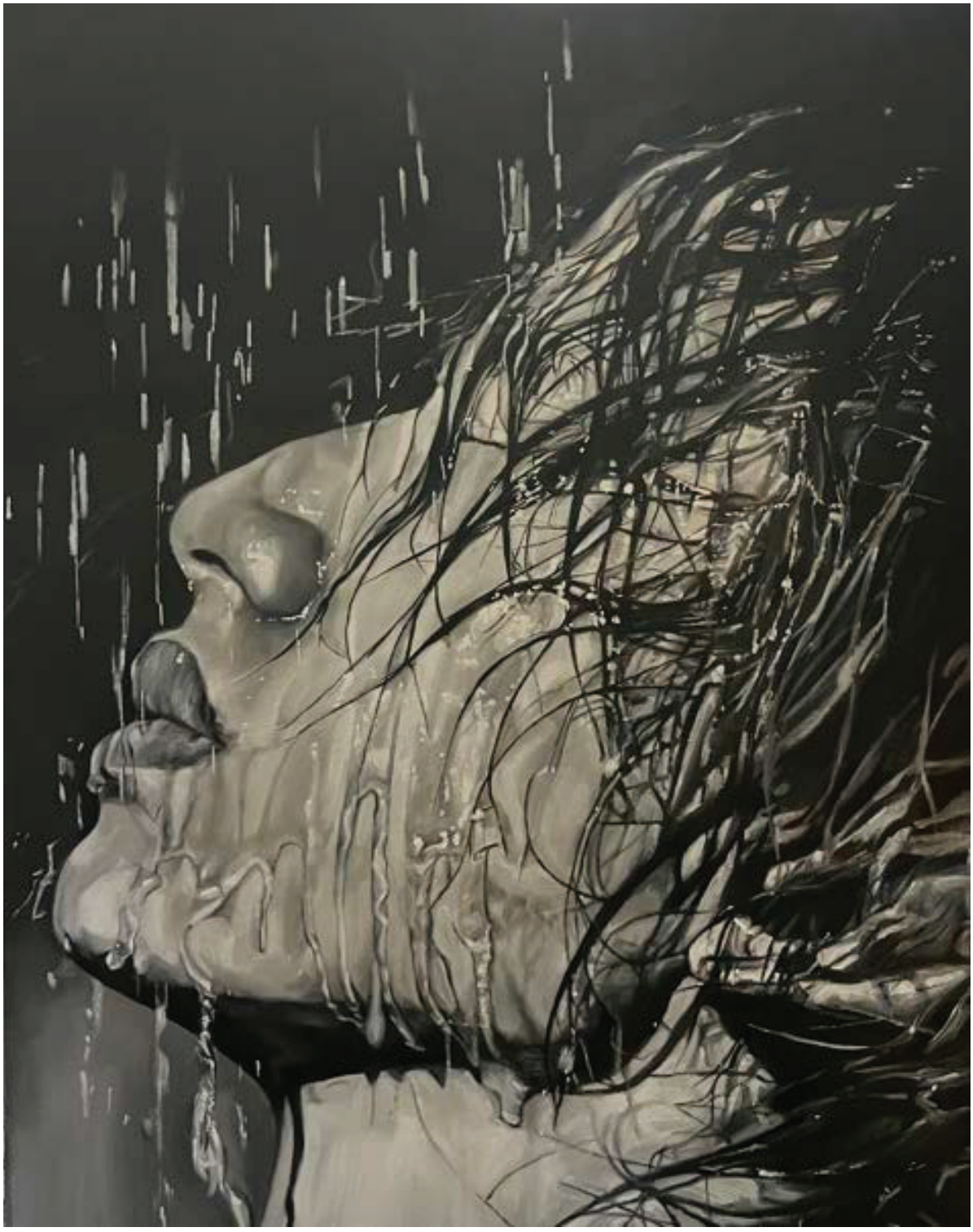
FRISCO
INDEPENDENT SCHOOL DISTRICT

Introductory Section
(Unaudited)



Taking a Cleanse · Ethan Qiu · Centennial High School

FRISCO
INDEPENDENT SCHOOL DISTRICT

Certificate of the Board

Frisco Independent School District	Collin	043-905
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 X approved___disapproved for the year ended June 30, 2024, at a meeting of the Board of Trustees of such school district on the 18th day of November, 2024.

Signature of Board President

Signature of Board Secretary

If the Board of Trustees disapproved of the auditor's report, the reason(s) for disapproving it is (are):

5515 Ohio Drive
Frisco, Texas 75035
469.633.6000
www.friscoisd.org

November 18, 2024

To the Citizens of Frisco Independent School District:

The Annual Comprehensive Financial Report (ACFR) of the Frisco Independent School District ("FISD" or "the District") for the fiscal year ended June 30, 2024, is hereby submitted. Responsibility for both the accuracy of the data and the completeness and fairness of the presentation, including all disclosures, rests with the District. To the best of our knowledge and belief, the enclosed data is accurate in all material respects and is reported in a manner designed to fairly present the financial position and results of operations of the various funds of FISD. All disclosures necessary to enable the reader to gain an understanding of the District's financial activities have been included. The District's financial position is discussed in greater detail in the Management's Discussion and Analysis (MD&A) in the Financial Section of this report.

State law and District policy require an annual audit by independent certified public accountants. The financial statements for the fiscal year ended June 30, 2024, have been audited by Weaver and Tidwell, L.L.P., a licensed certified public accounting firm, and their report is presented as the first component of the Financial Section of this report.

The independent audit of the financial statements is part of a broader, federally mandated single audit designed to meet the special needs of federal grantor agencies. Information related to the single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and the independent auditor's reports on internal control, compliance, and other matters are included in the Federal Awards Section of this report.

Profile of the District

Frisco ISD is an independent public education agency, recognized by the State of Texas, to provide appropriate educational services to students in pre-kindergarten through twelfth grade. The District is located about 30 miles north of Dallas, Texas, and encompasses 75 square miles in Collin and Denton Counties, including most of the City of Frisco and portions of neighboring Plano, McKinney, and Little Elm.

FISD currently enrolls more than 65,000 students in 12 high schools, 18 middle schools, 1 intermediate school, 43 elementary schools, and 3 special programs centers. We employ approximately 8,700 full and part-time employees, including more than 4,600 teachers.

Governance and oversight of the District is provided by a non-compensated, seven member Board of Trustees. Members of the Board are elected to office for three-year terms on a rotating basis with two or three places being filled through a general election held annually on the first Saturday in May. Should a vacancy occur on the Board, the position may be filled by appointment or left vacant until the next scheduled election. In addition to general oversight and governance, Trustees are charged with calling trustee and other school elections, adopting and amending the annual operating budget, setting the tax rate, setting salary schedules, acting as a board of appeals for student and personnel matters, and employing the Superintendent of Schools. In the performance of these duties, the Board must adhere to all state regulations and other legal restrictions. Since the Board is elected by the community, the decisions of the Board provide administrative guidance to the District in meeting community standards.

At the heart of our success is a student opportunity model that has guided the District through three decades of explosive enrollment growth. With the support of parents and the community, leaders remain committed to creating personalized learning environments, as evidenced by our mission to know every student by name and need. This philosophy drives our day-to-day efforts to understand each child's unique circumstances, their strengths and weaknesses, and the role we must play to ensure each student reaches their full potential.

Education

Frisco ISD's mission is to know every student by name and need, and our vision is to empower students to pursue their passion and purpose. With the support of parents and the community, leaders remain committed to creating small, personalized learning environments. This philosophy drives our day-to-day efforts to understand each child's unique circumstances, their strengths and weaknesses, and the role we must play to ensure each student reaches their full potential.

In Frisco ISD, we believe nothing is more important than hiring the best people to work with students each day and providing them with the best possible support and resources. In our classrooms, highly-qualified and caring teachers strive to carry out our mission and vision by personalizing each student's educational experience.

FISD educators write the curriculum in-house to emphasize critical thinking, writing, and problem-solving. Rigorous lessons set high standards for achievement and challenge all learners. When developing curriculum and planning instruction, educators consider:

- What do we want students to know and be able to do?
- How will we know if students have learned it?
- How will we respond when they have not learned it?
- How will we respond when they already know it?

Current and emerging technology is also integrated into all content areas to extend student learning and keep them engaged.

Employees engage in continuous professional learning and collaborate with their peers to evaluate and improve teaching practices and target students' individual goals. By working together and supporting one another, there is shared responsibility for each student's learning and growth.

This approach and reflection ensure the District is constantly evaluating our practices in light of their impact on learning.

Special Programs
Services provided through our special programs occur in the District on home campuses or through centralized programming. These include Gifted and Talented, Special Education, ESL/Bilingual, Dyslexia, Accelerated Reading/Math Instruction, and Credit Recovery.

The District's Career and Technical Education Center offers more than 30 programs of study for high school students to explore their futures, while the Student Opportunity Center provides extra support to help struggling students reach their maximum potential. A free, full-day prekindergarten program is offered at the Early Childhood School and elementary schools across the District for qualifying families.

FISD offers a growing number of choice programs. Bright Academy offers the International Baccalaureate Primary Years Programme, Project Lead the Way Launch, and Spanish language enrichment. Frisco High School offers the International Baccalaureate Diploma Programme, and Lebanon Trail High School offers the Navy JROTC. These unique learning opportunities are available to students across the District through an admissions process.

Extracurricular Opportunities
Frisco ISD offers art, band, cheerleading, choir, dance, drill team, orchestra, and theatre for secondary students interested in fine arts. Some schools are also home to harp programs.

When it comes to athletics, middle school students compete in basketball, cross country, football, soccer, tennis, track and field, and volleyball. High schools also offer baseball, golf, softball, swimming and diving, and wrestling. All FISD high schools with varsity team programs compete in the University Interscholastic League (UIL) 4A or 5A classification.

In addition to fine arts and athletics, a wide variety of clubs and organizations are available at the secondary level, including both curricular and non-curricular activities. The majority of middle and high school students are involved in some sort of school-related activity outside of the classroom.

Student Opportunity Model
Frisco ISD's student opportunity model is a cornerstone of the District's philosophy that impacts everything from the construction of campuses to student participation in campus programming.

In some districts with fewer schools and larger programs, there are a few select student leadership roles for drum majors, quarterbacks, student organizations, and valedictorians. Frisco ISD operates more elementary, middle, and high schools to allow a greater percentage of students to reap the benefits of participation.

Frisco ISD's student opportunity model facilitates increased student participation, involvement, and engagement in myriad activities from visual and performing arts to athletics and competitive academic events. With more secondary schools, students can participate in more courses and extracurricular activities than at a larger campus.

FISD is committed to maximizing opportunities for students to connect with their school community. By creating personalized learning environments at all levels, students feel connected to their campus community. When students feel connected with the students and adults in their academic community, they are more likely to engage and embrace the Future-Ready Learner focus areas.

Strategic Planning

Frisco ISD is committed to ongoing reflection and review of District practices to better serve our students, staff, and community. In the spirit of continuous improvement, we have replaced the idea of a long-term strategic plan with a framework for ongoing strategic change that we call Dynamic Organizational Strategy.

Dynamic Organizational Strategy includes a foundational vision, strategic plan, data-driven actions, and local accountability. As we analyze the need for changes to programs or practices, we work through a hierarchy of purpose that intentionally aligns our goals and actions with our mission, vision, and priorities. Our continuous improvement efforts align all our systems and resources with our Future-Ready Framework and allow us to:

- Ensure long-term goals and improvement efforts are aligned with the community's expectations and definition of success
- Engage and receive feedback from internal and external stakeholders throughout the change process, and
- Evaluate in real-time our capacity (time, energy and resources) to move forward with new initiatives.

Our annual District Improvement Plan outlines the District's priorities and goals for the school year based on a needs assessment conducted by District leadership and a set of priorities adopted by the Board of Trustees. The Board adopted four priorities that drove the District's work during the 2023-24 school year:

- Frisco ISD staff will be equipped to ensure student behavior does not interfere with the learning environment.
- Frisco ISD staff will experience a positive working environment that encourages professional growth, fulfillment, and retention.
- Communication between Frisco ISD and its stakeholders will reflect a strategic, coordinated effort to engage and inform the school community.
- Frisco ISD students will be agents of their own learning with access to differentiated, meaningful, and relevant opportunities for growth.

Economic Condition and Outlook

Local Economy
Frisco ISD is currently the 10th largest district in the state of Texas. Over the past 20 years, commercial and residential economic development throughout the City of Frisco and neighboring areas has driven new families into Frisco ISD. We served nearly 66,700 students during the 2023-24 school year, which is a slight decrease from the year before.

As major corporations continue to relocate their headquarters into the Dallas/Fort Worth Area, strong academics and outstanding opportunities for students continue to make Frisco ISD a destination school district for the families moving in. However, as the district reaches build-out, we expect our graduating seniors to

outpace the number of new students moving into the district, leading to a slight decline in enrollment over the next 5-10 years.

Approximately 85% of the District's area is fully developed, and the remainder is expected to be developed over the next 15-20 years. Frisco ISD's tax base is strong and made up of a healthy mix of residential and commercial values. The District's largest taxpayer comprises only 1.2% of our total taxable value, and the total assessed value for all of the top ten taxpayers comprises only 4.4% of our total taxable value. Therefore, the loss of a single taxpayer would not have a significant impact on the District's ability to provide educational services or meet future financial obligations. Additionally, the mix of residential and commercial development and the attractiveness of the area for families has had a positive impact on property values over time. The District's property tax base has grown by 170% over the last ten years, and we added over $5.0 billion of taxable value in fiscal year 2024 alone.

Long-Term Financial Planning
The two most cricital factors influencing our annual budget and long-term financial plan are enrollment and available revenue.

- Enrollment drives the number of classes needed, the number of staff to be hired, the amount of money to be spent on existing programs, and the potential need for new programs or supports.
- Available revenue is controlled by enrollment, the economy, our ability to levy property taxes, and the will of the Texas Legislature.

High home values and mortgage rates have kept aging neighborhoods from regenerating over the last few years, which may have caused our enrollment trajectory to reach its peak sooner than expected. With enrollment expected to decline in the future, FISD faces some significant funding challenges under the the state's educational funding formula. The amount of money alloted per student in the formula is not indexed to inflation, which has increased more than 20% since 2019 (the last time the formula was substantively updated). An estimated $10 billion is needed statewide to provide Texas public schools with the same buying power that we had in 2019. With the rising cost of goods and services and the need to maintain competitive wages, many Texas school districts, including Frisco ISD, have struggled to maintain balanced budgets.

The state of Texas ended its 2022-2023 biennium with a historic $33 billion revenue surplus, and lawmakers began the 88th legislative session in January 2023 with plenty of money available to help public schools overcome the economic challenges caused by inflation. Unfortunately, although $4 billion in new funding was appropriated for education during the 88th regular session, lawmakers were unable to agree on the allocation of those funds before the session ended. Four special legislative sessions took place during the summer and fall of 2023, but the money remained unallocated, and districts like Frisco ISD were forced to use fund balance to close out the fiscal year.

Frisco ISD uses a number of financial management strategies, including multi-year financial planning, periodic analysis of peer district comparative financial data, and regular discussion with the Frisco ISD Instructional Support Team and Board of Trustees throughout the year regarding budgetary decisions. Stakeholder input is also sought through various forms of community engagement.

Long-range planning has proven to be an effective tool for FISD to anticipate, plan, and implement budgetary strategies that allow us to operate under the constraints of the state's formula without reducing the overall quality of our educational programs. The 89th legislative session will begin in January 2025, and while we are hopeful for a more adequate funding system, we are committed to balancing the District's budget by the 2025-26 school year.

Capital Projects
In 2018, the FISD community passed a $691 million bond authorization package to meet the capital needs associated with the District's enrollment growth and to begin addressing the needs of aging buildings. With most projects from that bond program completed or nearing completion, the District convened a bond exploration committee in the fall of 2023 to develop a new five-year bond package. That committee, made up of staff, students, parents, and community members, recommended three bond propositions totaling $1.1 billion to provide major facility renovations for 20 campuses, infrastructure life-cycle replacements, district-wide security and emergency management upgrades, paving and landscaping repairs, and technology for students and staff, among other things. The Board of Trustees ordered a bond election for the recommended propositions to be held on November 5, 2024.

Internal Control

The Board and Administration of FISD are responsible for establishing and maintaining an internal control structure designed to ensure that the assets of the District are protected from loss, theft or misuse and to ensure that adequate accounting data are compiled to allow for the preparation of financial statements in conformity with accounting principles generally accepted in the United States. The internal control structure is designed to provide reasonable, but not absolute assurance that these objectives are met. The concept of reasonable assurance recognizes that: (1) the cost of a control should not exceed the benefits likely to be derived; and (2) the valuation of costs and benefits requires estimates and judgments by management. District management monitors the internal control system to determine its effectiveness and makes appropriate revisions when necessary.

Budgetary Controls
The District has established and maintains a system of budgetary controls. The objective of these controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget as adopted by the Board of Trustees. District management is responsible for developing the budget, within the established control system, and presenting the budget to the Board for final adoption. The official budget represents the allocation of resources in the General Fund, Child Nutrition Fund, and Debt Service Fund. The level of budgetary control (i.e. the level at which expenditures cannot legally exceed the appropriated amount) is at the fund-function level as required by the Texas Education Agency. In addition, lower level organizational units' expenditures are controlled at varying combinations of the account code structure. Oversight control of all FISD expenditures is maintained by the District's Finance Department staff.

The District also utilizes an encumbrance accounting system to maintain budgetary control through a transaction's life cycle. At the end of a fiscal year, outstanding encumbrances, subject to review and approval, are rolled forward into the subsequent fiscal period, with the subsequent budget amended accordingly.

We believes that these methods of control provide the optimum level of oversight and flexibility to meet the District's budgetary needs.

Awards

The Association of School Business Officials International (ASBO) awarded a **Certificate of Excellence in Financial Reporting**, and the Government Finance Officers Association (GFOA) awarded a **Certificate of Achievement for Excellence in Financial Reporting** to FISD for its annual comprehensive financial report for the fiscal year ended June 30, 2023. The ASBO award is granted only after an intensive review of financial reports by an expert panel of certified public accountants and practicing school business officials. The GFOA award is considered the highest form of recognition in the area of governmental accounting and financial reporting. The ACFR is judged by an impartial panel to determine if it meets the high standards of the program, demonstrating a constructive "spirit of full disclosure", to clearly communicate the District's financial story, and confirm the District's commitment to financial accountability and transparency. Both certificates are valid for a period of one year only. Management believe that this ACFR for the year ended June 30, 2024, which will be submitted for review to both associations, continues to meet the criteria of both ASBO and GFOA's certificate programs.

The District also publishes a Popular Annual Financial Report (PAFR) and received a **Popular Annual Financial Reporting Award** from the GFOA for that publication in 2023. The PAFR Awards Program encourages state and local governments to extract information from their annual comprehensive financial report to produce high quality popular annual financial reports specifically designed to be readily accessible and easily understandable to the general public and other interested parties without a background in public finance and then recognizes individual governments that are successful in achieving that goal.

The State of Texas initiated the **Financial Integrity Rating System of Texas (FIRST)** program in 1999. The goal of this legislation was to develop an accountability system, similar to the academic accountability system, by which school districts could be rated on their financial management practices. Frisco ISD received "Above Standard Achievement" for 2023-2024 based on its 2022-2023 financial statements.

The **Texas Comptroller of Public Accounts' Transparency Stars** program recognizes local governments for going above and beyond in their transparency efforts. Frisco ISD is eligible to apply for Transparency Stars in the areas of traditional finances, contracts and procurement, and debt obligations. As of June 30, 2024, FISD

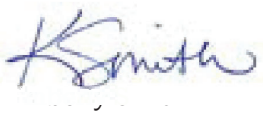
has earned all 3 of the Transparency Stars for which we are eligible.

Acknowledgments

Frisco ISD remains steadfast in our mission to know every student by name and need and to foster an environment where students are empowered to pursue their passion and purpose. We value the collaboration and support we receive from our staff, parents, community members, business owners, and corporate and non-profit partners. Those partnerships allow Frisco ISD to stand out as a model of excellence among any other educational institution available for parents to choose from--public, private, or otherwise. Over time, we have weathered a number of challenges as a community, and we believe we can work together to overcome today's financial challenges without sacrificing student opportunity.

In closing, I would like to thank the Frisco ISD Board of Trustees, Instructional Support Team, and all 8,400 staff for their cooperative spirit and thoughtful approach managing and spending the public funds entrusted to us. I would also like to recognize and thank each member of the FISD Business Office, especially the Accounting Department, without whom this publication and our success as a district would not be possible.

With these acknowledgments, this report is respectfully submitted for your review.



Chief Finance & Strategy Officer
Frisco ISD

Frisco Independent School District

Principal Officers and Advisors

Board of Trustees

Name	Term Expires	Length of Service	Occupation
Dynette Davis, President	2026	4 years	Educator, Entrepreneur
Gopal Ponangi, Vice President	2025	5 years	Senior Manager at Tata Consultancy Services, Dallas
Mark Hill, Secretary	2026	2 years	Partner, Scheef & Stone LLP
Marvin Lowe	2025	2 years	Real Estate Broker
Stephanie Elad	2025	2 years	Vice President of Human Resources and Administration
Sherrie Salas	2027	<1 year	Homemaker
Keith Maddox	2027	<1 year	Chief Compliance Officer, University of North Texas at Dallas

Appointed Officials

Name	Position	Length of Education Service
Mike Waldrip, Ed.D.	Superintendent	42 years
Todd Fouche, Ed.D.	Deputy Superintendent	21 years
Wes Cunningham, Ed.D.	Associate Deputy Superintendent of Academic Services	31 years
Christy Fiori, Ed.D.	Chief Academic Officer	24 years
Amanda McCune	Chief Communications Officer	8 years
Kimberly Smith, CPA	Chief Finance and Strategy Officer	13 years
Pamela Linton, Ed.D.	Chief Human Resources Officer	34 years
Cory McClendon	Chief Leadership Officer	25 years
Scott Warstler	Chief Operations Officer	27 years
Erin Miller	Chief Student Services Officer	28 years
Cheryl McDonald	Chief Technology Officer	30 years

Consultants and Advisors

Weaver and Tidwell, LLP
Independent Auditors

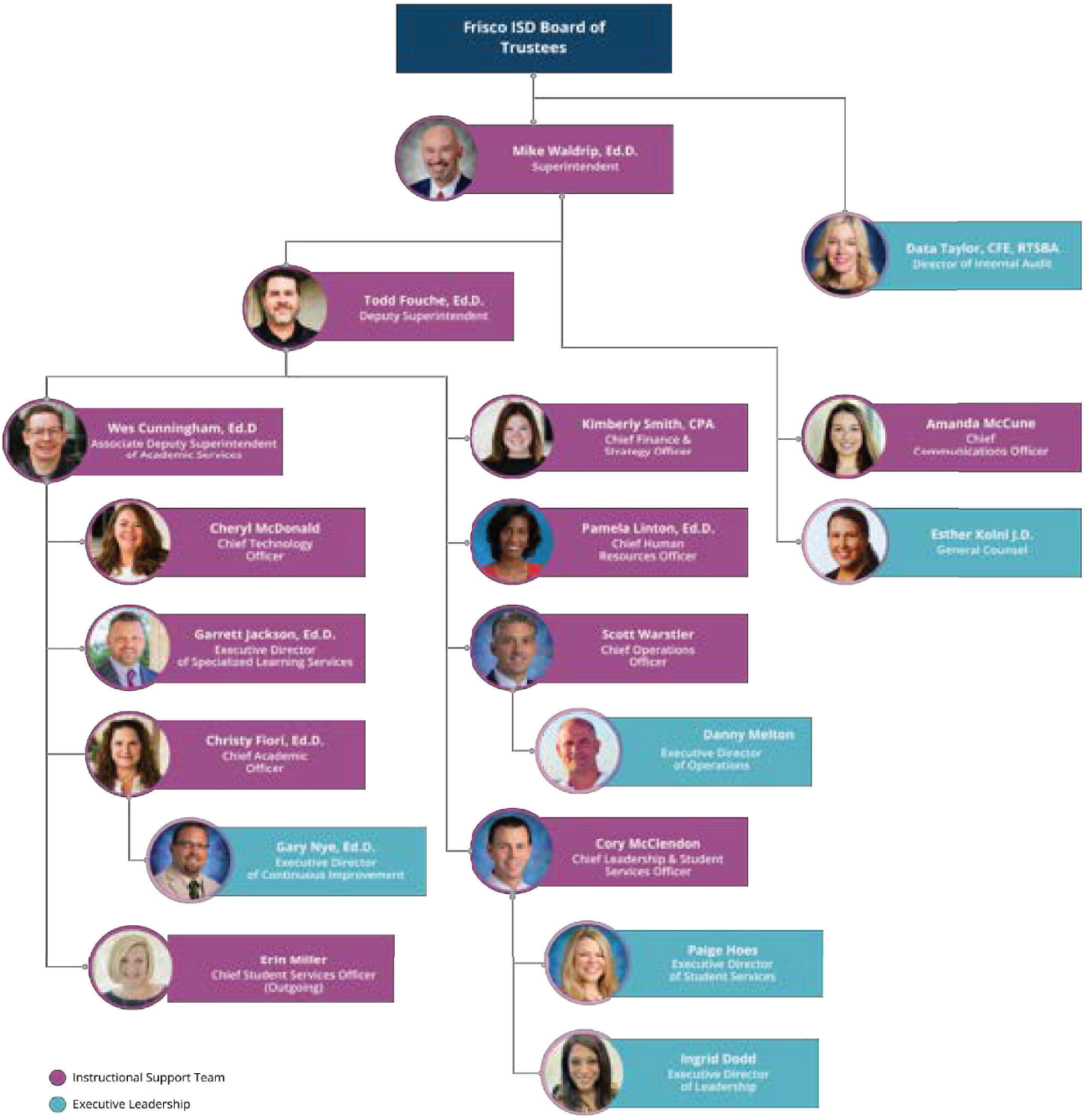
McCall, Parkhurst & Horton, LLP
Bond Counsel

Samco Capital Markets, Inc.
Financial Advisors

First Southwest Asset Management
Investment Advisors

Frisco Independent School District

Administrative Organization



ASSOCIATION OF SCHOOL BUSINESS OFFICIALS INTERNATIONAL

The Certificate of Excellence in Financial Reporting is presented to

Frisco Independent School District

for its Annual Comprehensive Financial Report for the Fiscal Year Ended June 30, 2023.

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

Government Finance Officers Association

Certificate of Achievement for Excellence in Financial Reporting

Presented to

Frisco Independent School District
Texas

For its Annual Comprehensive
Financial Report
For the Fiscal Year Ended

June 30, 2023

Christopher P. Morrill

Executive Director/CEO

FRISCO
INDEPENDENT SCHOOL DISTRICT

Financial Section

Fractured Blossoms · Diya Govarthanan · Lone Star High School

FRISCO
INDEPENDENT SCHOOL DISTRICT

Independent Auditor's Report

To the Board of Trustees of
Frisco Independent School District
Frisco, Texas

Report on the Audit of the Financial Statements

Opinions

We have audited the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frisco Independent School District (the District), as of and for the year ended June 30, 2024, 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 present fairly, in all material respects, the respective financial position of the governmental activities, each major fund, and the aggregate remaining fund information of the District, as of June 30, 2024, and the respective changes in financial position 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. 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

The District's 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.

Weaver and Tidwell, L.L.P.
1800 Hughes Landing Blvd, Suite 400 | The Woodlands, Texas 77380
Main: 713.800.1060

CPAs AND ADVISORS | WEAVER.COM

The Board of Trustees of
Frisco Independent School District

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 the management's discussion and analysis, budgetary comparison information, schedules of the District's proportionate share of the net pension liability and the net OPEB liability, and schedules of District pension and OPEB contributions 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.

The Board of Trustees of
Frisco 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, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards, as required by Title 2 U.S. Code of Federal Regulations, Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance) are presented for purposes of additional analysis and are not a required part of the basic financial statements.

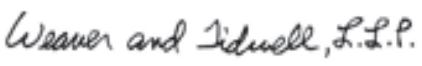
The combining and individual fund statements and schedules, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards are the responsibility of management and were derived from and relate directly to the underlying accounting and other records used to prepare the basic financial statements. Such 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, required Texas Education Agency schedules, and Schedule of Expenditures of Federal Awards are fairly stated, in all material respects, in relation to the basic financial statements as a whole.

Other Information Included in the Annual Comprehensive Financial Report (ACFR)

Management is responsible for the other information included in the ACFR. The other information comprises the introductory section and statistical section but does not include the financial statements and our auditor's report thereon. Our opinions on the 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 financial statements, our responsibility is to read the other information and consider whether a material inconsistency exists between the other information and the financial statements, or the other information otherwise appears to be materially misstated. If, based on the work performed, we conclude that an uncorrected material misstatement of the other information exists, we are required to describe it in our report.

Other Reporting Required by *Government Auditing Standards*

In accordance with *Government Auditing Standards*, we have also issued our report dated November 12, 2024 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 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.



WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
November 12, 2024

FRISCO
INDEPENDENT SCHOOL DISTRICT

Management's Discussion and Analysis (Unaudited)

As management of the Frisco Independent School District ("the District" or "FISD"), we offer the readers of these financial statements this narrative overiew and analysis of the District's financial performance for the fiscal year ended June 30, 2024. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal on pages ii-vii of this report and the District's financial statements, which follow this section.

Financial Highlights

The 2024 fiscal year represents Frisco ISD's first financially "normal" year since the COVID-19 pandemic. All pandemic-related economic stimulus funds were exhausted, and management was able to rely on historical revenue and spending patterns as predictors of year-end outcomes. However, despite a return to "normal," Frisco ISD and most other public school districts across the state of Texas spent the 2023-2024 school year grappling with a challenging economic and political landscape. Record-high inflation rates and the pressure to maintain competitive salaries for staff that keep up with the cost of living have put a strain on our budgets for the past several years. With no relief from the state and no more federal stimulus funds, FISD had to rely on our fund balance to finish out the 2023-2024 fiscal year.

The General Fund ended the year with a $12.9 million deficit and an unassigned fund balance of $225.0 million. While total fund balance in the General Fund decreased by 5.1%, the unassigned portion still represents 30% of the 2024-2025 adopted budget, which is well above the informal target of 25% that the District has historically strived for.

Surpluses in the Debt Service and Capital Projects funds offset the deficit in the General Fund. Combined, the total fund balance for all the District's funds increased by $3.6 million over the prior year. We ended the 2024 fiscal year with a total combined governmental fund balance of $639.0 million.

On a government-wide level, the District's overall net position increased by $38.6 million from 2023 to 2024. Our total net position is $(397.0) million, $(351.4) million of which represents the District's net investment in capital assets. Although Frisco ISD is no longer building new schools, we invested significantly in the build-out of our school district in a relatively short period of time. From 2000 to 2024, we added nearly 60,000 new students, representing a growth rate of 824%, and we built 70 new schools. Since we typically issue 30-year debt, that means 90% of our school buildings in FISD still have some amount of debt associated with them. As our growth slows, our focus will shift towards repayment of debt and maintaining our existing facilities.

Overview of the Financial Staements

This discussion and analysis are intended to serve as an introduction to the District's financial statements, which are comprised of three components: (1) government-wide financial statements, (2) fund financial statements, and (3) notes to the financial statements.

The government-wide financial statements include the Statement of Net Position (Exhibit A-1) and the Statement of Activities (Exhibit B-1). These reports provide information about the activities of the District as a whole, with a long-term view of the District's property, debt obligations, and other financial matters. They reflect the flow of total economic resources in a manner similar to the financial reports of a business enterprise.

Fund financial statements (starting with Exhibit C-1) report the District's operations in more detail than the government-wide statements by providing information about the District's most significant funds. For governmental funds, these statements tell how services were financed in the short term and what resources remain for future spending. They also reflect the flow of current financial resources and supply the basis for tax levies and the appropriations budget. The remaining statements provide financial information about activities for which the District acts solely as a trustee or agent for the benefit of those outside of the District.

Figure A-1 summarizes the significant features of the District's financial statements, including the portion of the District's government they cover and the types of information they contain.

Continued

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

Type of Statement	Government-Wide	Governmental Funds	Fiduciary Funds
Scope	All activities of the District (except fiduciary funds)	The activities of the District that are not proprietary or fiduciary	Activities for which the District is the trustee or custodian for another entity's resources
Required financial statements	Statement of Net Position Statement of Activities	Balance sheet; Statement of Revenues, Expenditures, and Changes in Fund Balances	Statement of Fiduciary Net Position; 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
Type of period-end information reported	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term	Only assets, liabilities, and deferred inflows/outflows expected to be used or due during the year or soon thereafter; no capital or long-term items are included	All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term

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 private-sector business. All of the District's services are reported in the government-wide financial statements, including, but not limited to, instruction, student support services, student transportation, general administration, school leadership, facilities acquisition and construction, food services, and capital and debt financing. Most of these activities are financed by property taxes and state and federal aid.

The Statement of Net Position presents information on all the District's assets, liabilities, and deferred inflows/outflows of resources, with the net of these amounts reported as net position. Net position serves as an indicator of the District's overall financial position.

The Statement of Activities presents how the District's net position changed over the most recent fiscal year. All changes in net position are reported as soon as the underlying event giving rise to 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).

The government-wide financial statements distinguish functions of the District that are principally supported by taxes and intergovernmental revenues (governmental activities) from other functions that are intended to recover all or a significant portion of their costs through user fees and charges (business-type activities). All the activities of the District are considered governmental activities.

The government-wide financial statements can be found on pages 19-20 of this report.

Fund Financial Statements

A fund is a grouping of related accounts used to control resources that have been segregated for specific activities or objectives. The District uses fund accounting to track specific funding sources and spending for particular purposes. Some funds are required by State law and bond covenants, while the Board of Trustees establishes others for various purposes. The fund financial statements provide more detailed information about the District's most significant funds rather than the District as a whole.

All the District's funds can be divided into two categories: governmental and fiduciary.

Continued

Governmental Funds are used to account for the same functions reported as governmental activities in the government-wide financial statements. However, unlike government-wide statements, governmental fund financial statements focus on (1) the flow of cash and other current financial assets and (2) the balance of spendable resources available at the end of the fiscal year. Such information provides a detailed, short-term view of the current financial resources available to finance the District's programs. Because the focus of governmental funds is narrower than that of the government-wide statements, it is helpful to compare the information presented for governmental funds with similar information presented for governmental activities in the government-wide statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. To facilitate the comparison, we provide reconciliations of the fund financial statements to the government-wide financial statements in Exhibits C-1R and C-2R.

The District maintains several governmental funds, three of which—the General Fund, Debt Service Fund, and Capital Projects Fund—are considered major funds and are reported separately on the governmental funds Balance Sheet and Statement of Revenues, Expenditures, and Changes in Fund Balances. The remaining governmental funds are reported together as non-major governmental funds.

Governmental fund financial statements can be found on pages 23 and 25 of this report.

Fiduciary Funds account for resources held for the benefit of parties outside the District. The District acts in a trustee capacity and ensures that the assets reported in these funds are used for their intended purposes. However, these funds are not reported in the government-wide financial statements because their resources are not available to support the District's operations.

The Statement of Fiduciary Net Position and the Statement of Changes in Fiduciary Net Position report all the District's fiduciary activities and can be found on pages 29 and 30 of this report.

Notes to the Financial Statements

The notes to the financial statements provide narrative explanations or additional information essential to fully understanding the data provided in the government-wide and fund financial statements. They can be found on pages 32-58 of this report.

Other Information

The combining statements for non-major funds contain additional information about the District's individual funds. This information may be found in Exhibits G-2 and G-3.

The Federal Awards Section contains data used by monitoring or regulatory agencies to ensure that the District is using funds supplied in compliance with the budgetary appropriations and terms of the grants awarded. This information can be found on pages 140-150 of this report.

Government-Wide Overall Financial Analysis

Net Position

The change in net position over time may serve as a valuable indicator of the District's overall financial health. As of June 30, 2024, the District's liabilities and deferred inflows of resources exceeded its assets and deferred outflows of resources by $397.0 million, which represents an increase in net position of $38.6 million from June 30, 2023.

Over the last decade, Frisco ISD's total net position has decreased by $151.5 million, mainly because of the additional requirement to report our portion of the state's liability for other post-employment benefits (OPEB). If you remove FISD's portion of the state's pension and OPEB liabilities and their related deferred inflows and outflows of resources, FISD's net position has increased by $140.3 million since 2015.

Table A-2 summarizes the District's government-wide Statement of Net Position as of June 30, 2024 compared to June 30, 2023.

Continued

Table A-2. The District's Net Position

	June 30, 2024	June 30, 2023	Increases / (Decreases)
Assets:			
Current and other assets	$753,150,309	$773,594,853	$(20,444,544)
Capital assets, net of accumulated depreciation	1,862,567,302	1,873,529,286	(10,961,984)
Total Assets	2,615,717,611	2,647,124,139	(31,406,528)
Deferred outflows of resources	167,613,514	177,111,862	(9,498,348)
Total Assets and Deferred Outflows	2,783,331,125	2,824,236,001	(40,904,876)
Liabilities:			
Current liabilities	$226,894,195	$239,960,009	$(13,065,814)
Long-term liabilities	2,782,285,401	2,830,266,794	(47,981,393)
Total Liabilities	3,009,179,596	3,070,226,803	(61,047,207)
Deferred inflows of resources	171,143,612	189,627,651	(18,484,039)
Net Position:			
Net investment in capital assets	(351,428,724)	(401,824,214)	50,395,490
Restricted	124,769,076	122,732,568	2,036,508
Unrestricted	(170,332,435)	(156,526,807)	(13,805,628)
Total Net Position	(396,992,083)	(435,618,453)	38,626,370
Total Liabilities, Deferred Inflows and Net Position	$2,783,331,125	$2,824,236,001	$(40,904,876)

The largest portion of the District's net position is its investment in capital assets (e.g., land, buildings, furniture, and equipment), net of any outstanding debt used to acquire those assets. This net investment was $(351.4) million as of June 30, 2024. The District uses capital assets to provide services to students. Consequently, those assets are not available for future spending.

Although the District's investment in capital assets is reported net of related debt, the resources needed to repay that debt must be provided from other sources since we cannot use the capital assets themselves to liquidate liabilities. The District maintains an aggressive debt repayment schedule to ensure payment terms equal or outpace the useful life of the financed assets. However, most of the District's capital assets are less than 30 years old, so total debt still exceeds the total value of the capital assets.

The restricted portion of the District's net position represents resources that are subject to external restrictions on how they may be used. $124.8 million of the District's net position is restricted for federal and state grant programs or for the repayment of debt. The remaining unrestricted net position may be used to meet the District's ongoing obligations.

Revenues and Expenses

Figure A-3 illustrates the District's major sources of revenue for the 2024 fiscal year. General revenues, which include property taxes and state aid, provided 88% of the funding available to cover the District's annual expenses. The remaining 12% came from program revenues, which include operating grants or direct charges for services.

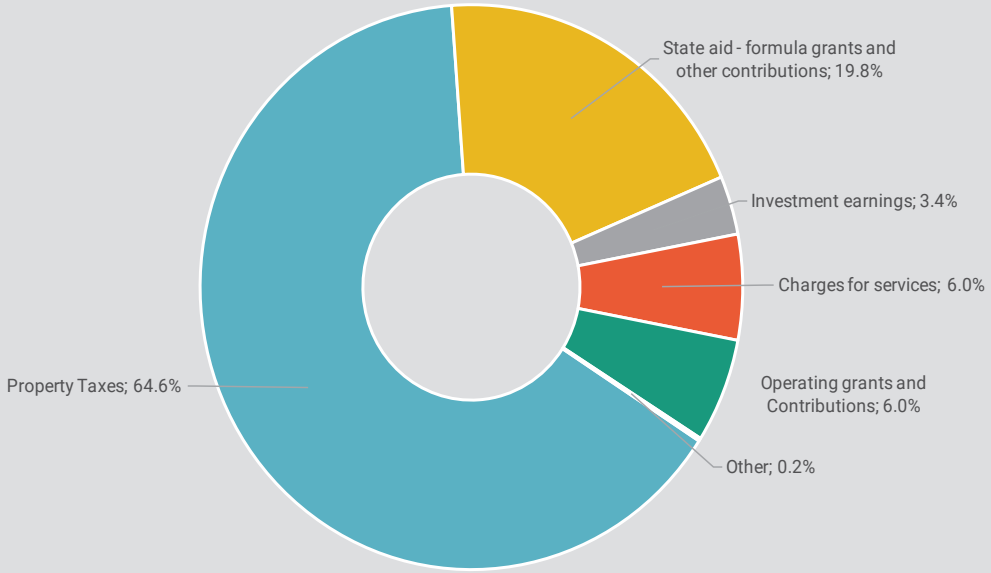
General revenues increased by $53.3 million over the prior year, which is attributable to both an increase in assessed property values and an increase in the state's guaranteed yield on a portion of our maintenance and operations property tax rate.

Program revenues increased by $21.5 million over the prior year because of insurance proceeds received on a hail claim.

See Table A-5 on page 11 for a comparison of revenues and expenditures for fiscal year 2023 and 2024.

Continued

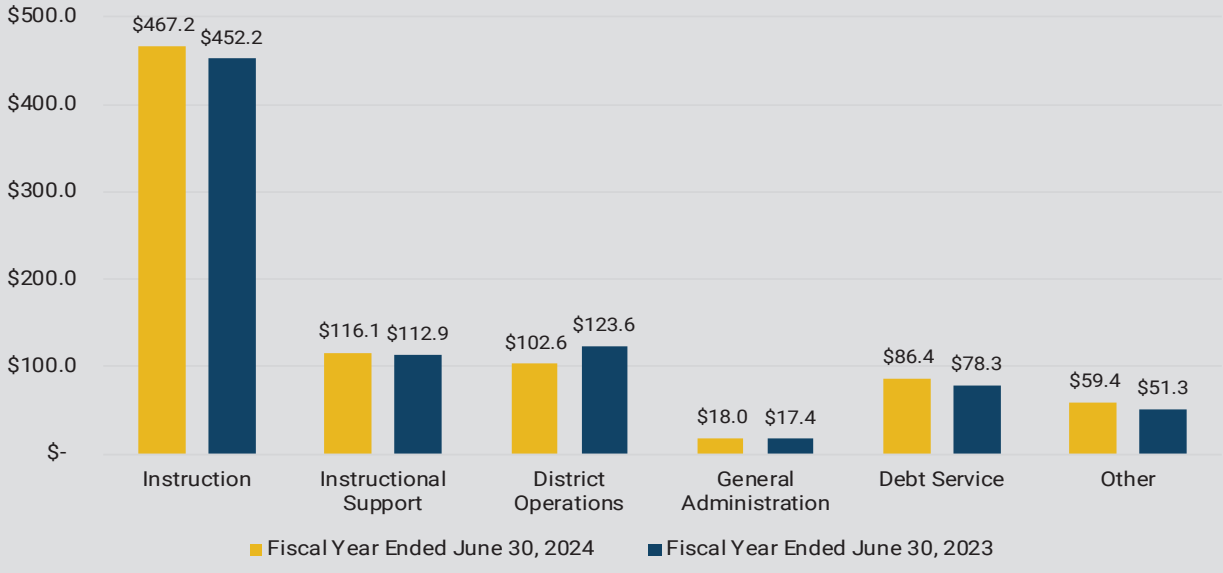
Figure A-3. Sources of Revenue for the Fiscal Year Ended June 30, 2024



Expenses for the 2024 fiscal year increased along with revenues. The total cost of all governmental activities for the fiscal year ended June 30, 2024, was $970.9 million. Approximately $121.1 million of those costs were funded by program revenues directly attributable to specific activities. The remaining costs were funded primarily by property taxes and state revenue, which are considered general revenues and not attributable to particular programs.

The net cost of all major functions increased except for District Operations, which decreased from the prior year due to program revenue received in 2024 from a multi-year insurance claim. Total expenses increased by $35.6 million over the prior year, mostly due to an increase in operational spending. More information on that can The most notable increases in operational spending related to the opening of two new schools (Wortham Intermediate and Wilkinson Middle School), employee raises, the addition of staff to serve our special education programs, and inflationary cost increases in property insurance and utilities.

Figure A-4. Net Cost of the District's Major Functions (in millions of dollars)



Continued

Table A-5 below details the changes in net position over the most recent fiscal year. This information can also be found in the government-wide Statement of Activities (Exhibit B-1).

Figure A-5. Schedule of Changes in the District's Net Position

	Fiscal Year Ended June 30, 2024	Fiscal Year Ended June 30, 2023	Increases / (Decreases)
Revenues:			
Program Revenues:			
Charges for services	$60,895,088	$37,580,785	23,314,303
Operating grants and contributions	60,242,984	62,048,485	(1,805,501)
General Revenues:			
Property taxes	652,118,892	710,713,572	(58,594,680)
State aid- formula grants and other contributions	199,690,095	96,947,149	102,742,946
Investment earnings	33,771,011	25,089,974	8,681,037
Other	2,763,457	2,291,391	472,066
Total Revenues	1,009,481,527	934,671,356	74,810,171
Expenses:			
Instruction	474,322,644	466,735,077	7,587,567
Instructional resources and media services	9,859,218	9,589,976	269,242
Curriculum and instructional staff development	18,082,551	16,845,431	1,237,120
Instructional leadership	11,789,050	11,661,415	127,635
School leadership	45,293,239	46,468,155	(1,174,916)
Guidance, counseling and evaluation services	34,512,591	31,228,811	3,283,780
Social work services	268,477	241,210	27,267
Health services	7,728,847	5,708,170	2,020,677
Student transportation	20,893,892	19,330,258	1,563,634
Food services	30,271,460	28,359,713	1,911,747
Extracurricular activities	34,241,493	30,319,051	3,922,442
General administration	18,481,351	17,697,321	784,030
Facilities maintenance and operations	98,140,433	97,622,662	517,771
Security and monitoring services	7,588,328	7,562,280	26,048
Data processing services	12,761,005	15,139,001	(2,377,996)
Community services	3,577,846	3,191,714	386,132
Debt service - interest on long-term debt	84,866,293	76,533,868	8,332,425
Debt service - bond issuance costs and fees	1,555,049	1,739,661	(184,612)
Contracted instructional services between schools	10,746,030	8,633,222	2,112,808
Payments to juvenile justice alternative education programs	42,401	19,046	23,355
Payments to tax increment fund	41,509,928	36,285,371	5,224,557
Other intergovernmental charges	4,323,031	4,314,075	8,956
Total Expenses	970,855,157	935,225,488	35,629,669
Change in Net Position	38,626,370	(554,132)	39,180,502
Beginning Net Position	(435,618,453)	(435,064,321)	(419,944,533)
Ending Net Position	**$(396,992,083)**	**$(435,618,453)**	**(380,764,031)**

Continued

Fund Level Financial Analysis

The District uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide a more detailed account of specific programs and activities. The focus of the District's governmental funds is to provide information on current inflows, outflows, and balances of spendable resources. This information is helpful in assessing the District's current financing requirements.

Unassigned fund balance may serve as a useful measure of the District's operating reserve since it represents net resources that have not been limited to a particular purpose and are available for discretionary use. On June 30, 2024, the Frisco ISD's total combined fund balances for governmental funds were $639.0 million, which represents an increase of $3.6 million from June 30, 2023. Approximately 35.0%, or $223.4 million, of the total combined fund balances is unassigned and available for spending at the District's discretion. The remainder of the fund balances are either nonspendable, restricted, committed, or assigned for specific purposes:

- Nonspendable balances of 2.2 million are not in spendable form because they relate to prepaid expenditures.
- Restricted balances of $365.4 million are either legally required to remain intact or are restricted for particular purposes by a third party.
- Committed balances of $3.7 million have been committed by the District's Board of Trustees for programs funded by local grants, awards, and contributions.
- Assigned balances of $44.3 million have been earmarked by management for a particular program or purpose.

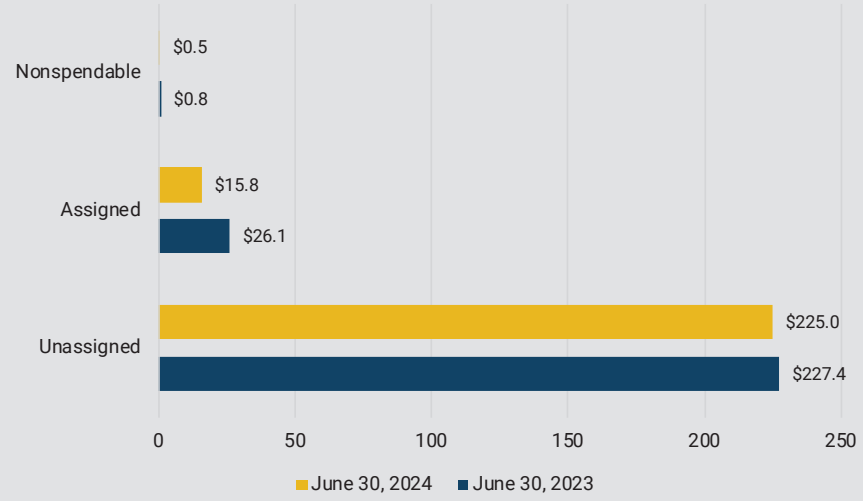
Further details of each type of fund balance can be found within Note 1 on pages 37-38 of this report.

General Fund

The General Fund is the District's main operating fund. Figure A-6 illustrates the purposes of the General Fund's fund balance as of June 30, 2024 compared to June 30, 2023. Liquidity can be measured by comparing unassigned fund balance to total expenditures in the General Fund to determine the portion of annual operating costs that could be funded without cash inflows. Due to the timing of cash receipts from the state and the property tax collection calendar, the District is cash flow negative for the first 4 to 5 months of each fiscal year.

It is common practice among Texas school districts to maintain an unassigned fund balance equal to 25% of expenditures to help accommodate the period of negative cash flow. As our enrollment growth slows in Frisco ISD, so does our ability to generate new revenue. For several years, Frisco ISD aimed to maintain an unassigned fund balance closer to 30%. The extra unassigned fund balance we've built over time serves as our "rainy day fund" to help us taper the effects of slowing enrollment growth and to weather inflationary economic periods without relief from state aid.

Figure A-6. Components of Fund Balance - General Fund (in millions of dollars)



The General Fund's unassigned fund balance on June 30, 2024, represents 30% of the 2024-25 fiscal year's adopted budget.

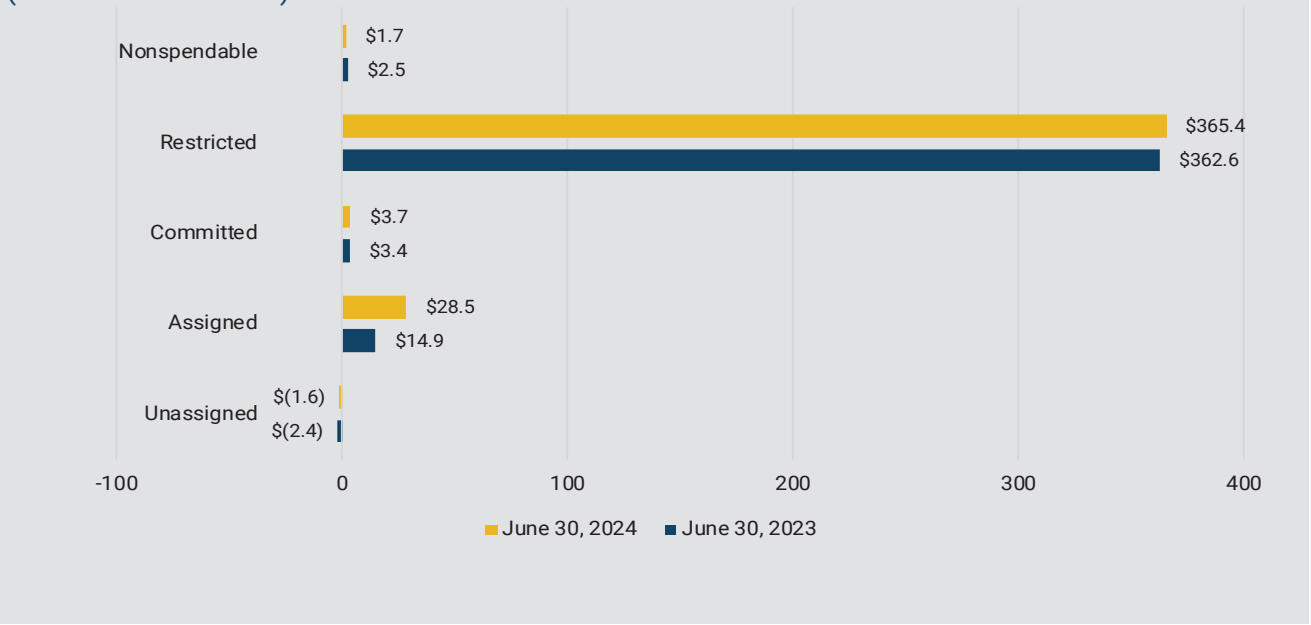
Continued

Total fund balance in the General Fund decreased by $13.0 million during the 2023-24 fiscal year. Enrollment, which drives the majority of our funding, was lower than expected for the 2023-24 school year. Although the state's guaranteed yield on a portion of our tax rate provided more per-student revenue than in the previous year, the total increase in revenue was not enough to cover the increase in expenditures that resulted from opening two new campuses, increasing employee compensation, and paying inflationary cost increases on goods and services. Still, the District's budget owners were able to save approximately $29.6 million in budgeted costs throughout the year. More information on the General Fund's budgetary highlights is available below.

Other Governmental Funds

The components of fund balances in the District's Debt Service, Capital Projects, and Non-Major Governmental Funds as of June 30, 2024, and June 30, 2023, are illustrated below in Figure A-7. Since all of the District's governmental funds except the general fund account for specific programs or activities, none of their fund balances are available for discretionary use. A negative unassigned fund balance will occur when a fund's expenditures exceed its revenues without sufficient fund balance to cover the difference. Negative unassigned fund balances typically occur in grant funds, which operate with a different period of availability than our fiscal year.

Figure A-7. Components of Fund Balance - Other Governmental Funds
(in millions of dollars)



The fund balances of all other governmental funds increased by $16.6 million from June 30, 2023 to June 30, 2024. The majority of the increase occurred in the Capital Projects Fund, which is used to account for capital expenditures financed by bond proceeds and other revenue streams dedicated to capital projects.

Property taxes collected from our Tax Increment Reinvestment Zone (TIRZ) can be used to pay debt service on bonds or direct capital expenditures related to school facilities in Frisco ISD. Historically, the District has used TIRZ funds for debt service. However, this year's debt service tax revenue was sufficient to make all of our required principal and interest payments, so the TIRZ revenue was deposited into the Capital Projects Fund for future capital needs, contributing to the surplus of revenue in that fund.

General Fund Budgetary Highlights

With the expiration of ESSER funds and no additional funding from the state, the FISD Board of Trustees adopted a $24.3 million deficit budget for the 2023-24 fiscal year to provide a cost of living adjustment to staff and cover inflationary cost increases. As previously discussed, the actual deficit at year-end was $13.0 million.

Continued

Revenues were $4.2 million lower than initially projected due to a lower than expected enrollment. The adopted budget was developed based on anticipated enrollment of 67,757 students, and actual enrollment as of our October snapshot was 66,698. The budget was adjusted mid-year to account for the decrease, and year-end revenues were just $135 thousand less than the amended budget.

Expenditures were $14.6 million less than the adopted budget and $29.6 million less than the final amended budget. Budget amendments and adjustments were made over the course of the year to account for encumbrances rolled from the previous year, staff retention incentives, and increases in property/casualty insurance premiums.

In an effort to minimize the use of our "rainy day funds," District budget owners were asked to save as much as possible throughout the year. They were able to save approximately 10% of their non-payroll budgets by reducing purchases of goods and services and reducing travel.

Additionally, the District has not been immune to the nationwide labor shortage. We saved approximately $15 million from turnover and vacant positions over the course of the year. Some of those vacant positions were eliminated in the development of the 2024-25 fiscal year's budget.

Capital and Debt Administration

Capital Assets

The District's investment in capital assets as of June 30, 2024, was $1.9 billion (net of accumulated depreciations). This investment includes land, buildings, building improvements, furniture, equipment, vehicles, and other right-to-use assets. The total investment represents a net decrease of 0.6% from June 30, 2023. As we near the end of our 2018 bond program, our additions to construction in progress and other capital assets are lower than they have been in the past several years. Major additions to capital assets included construction on a Visual and Performing Arts Center, district-wide computer equipment, and replacement of classroom furniture at select campuses. However, during the 2023-24 fiscal year, depreciation expense exceeded additions to capital assets, reducing or overall net investment.

Table A-8. Capital Assets

	As of June 30, 2024	As of June 30, 2023	Increases / (Decreases)
Land	$205,743,093	$205,743,093	
Buildings	1,989,979,782	1,989,301,776	$678,006
Furniture and equipment	112,569,628	90,732,578	21,837,050
Subscription-based IT arrangements (SBITA)	6,882,556	5,272,230	1,610,326
Construction in progress	280,221,548	255,087,822	25,133,726
Total Capital Assets	2,595,396,607	2,546,137,499	49,259,108
Accumulated depreciation/amortization	(732,829,305)	(672,608,213)	(60,221,092)
Net Capital Assets	$1,862,567,302	$1,873,529,286	$(10,961,984)

More detailed information about the District's capital assets can be found in Note 6 on page 44 of this report.

Long-Term Debt

Frisco ISD strives to maintain a favorable debt profile and financing structure while adhering to taxpayers' expectations that we will be a prudent and conservative steward of public funds. Our debt repayment schedule is structured to match assets' useful lives with the liabilities incurred to finance those assets. We also continuously monitor the interest rate environment and restructure or repay debt when we recognize positive savings. Taxable bonds may be issued to refund debt before its call date or when the project being financed relates to a public/private partnership; otherwise, all bonds issued are tax-exempt.

Continued

During the 2023-24 fiscal year, the District maintained strong underlying bond ratings of AA1 from Moody's Investors Service, Inc., and AA+ from S&P Global Ratings. All bonds issued during the year were rated AAA due to the state's Permanent School Fund Guarantee Program. Favorable ratings result in lower costs of issuance for the District.

At the end of the 2023-24 fiscal year, Frisco ISD had $2.5 billion in bonded debt outstanding, all of which is direct tax-supported debt. The remainder of the District's long-term obligations include leases, subscription-based IT arrangements (SBITAs), and the District's portions of the TRS net pension and OPEB liabilities.

The District issued $26.0 million in bonds to finance new and ongoing projects from the 2018 bond program. We also refinanced $153.7 million for a total future interest cost savings of $12.7 million. Total long-term liabilities decreased by 1.3% from June 30, 2023 to June 30, 2024 due to the regular repayment of outstanding bonds.

Table A-9. Long-Term Debt

	As of June 30, 2024	As of June 30, 2023	Increases / (Decreases)
Bonds payable	$2,266,060,253	$2,336,734,996	$(70,674,743)
Accreted interest	86,755,722	84,381,327	2,374,395
Unamortized bond premium	155,592,013	155,978,948	(386,935)
Total Bonded Debt	2,508,407,988	2,577,095,271	(68,687,283)
Leases Payable	1,178,722	1,703,287	(524,565)
Subscription-based IT arrangements payable	1,520,664	2,007,016	(486,352)
District's portion of TRS net pension liability	257,486,646	219,231,149	38,255,497
District's portion of TRS net OPEB liability	99,746,750	107,529,419	(7,782,669)
Arbitrage liability	2,166,987		2,166,987
Total Long-Term Liabilities	$2,870,507,757	$2,907,566,142	$(37,058,385)

Note 7 on pages 45-48 of this report contains more detailed information about the District's long-term debt activity, including incremental payment schedules. Notes 11 and 12 on pages 50-58 contain more information about the District's portion of the state's pension and OPEB liabilities. The amount of general bonded debt outstanding and the total primary government debt per capita are also valuable indicators of the District's debt position. That data is presented in Exhibit S-11 on page 117 of this report.

Economic Factors and Next Year's Budget

The 2024-2025 budget underscores the complex realities of school finance in Texas and the importance of preserving what makes Frisco ISD unique. Inflation and the rising cost of competitive wages have made it increasingly difficult to operate within our means. Unlike for-profit businesses that can raise prices to cover costs, school districts rely on the Texas Legislature to ensure our revenue is sufficient to cover the cost of education. The state's funding formula does not account for inflation or the need to provide cost-of-living adjustments to teachers and other school staff. Instead, lawmakers have an opportunity every two years to update the funding formula to keep up with costs and address the needs of our student population; however, they have not made substantive changes to the formula since 2019.

Despite Texas' historic surplus of funds at the end of the 2023 biennium and continued growth expected over the next two years, conflicting political priorities led to a stalemate in allocating new money to public education during the 88th legislative session. We maintained a glimmer of hope that lawmakers would follow through on their declaration of support for teacher recruitment and retention during one of the four special sessions called by the governor over the summer and throughout the fall. While they were able to pass the largest property tax relief bill in the state's history, relieving homeowners of some of their financial strain, they failed to pass legislation to relieve schools.

Without a funding adjustment to combat inflation, District leaders developed a deficit budget for the third

Continued

year in a row. Our goal was to provide a cost-of-living adjustment for staff and to identify as much savings as possible without compromising student learning or our student opportunity model. The School Board adopted a $752.5 million with a projected deficit of $30.8 million. Steps have already been taken to minimize the deficit for the 2024-25 fiscal year, including a change to the financing plan for our Tax Increment Reinvestment Zone to allow funds to be used for operational facility maintenance.

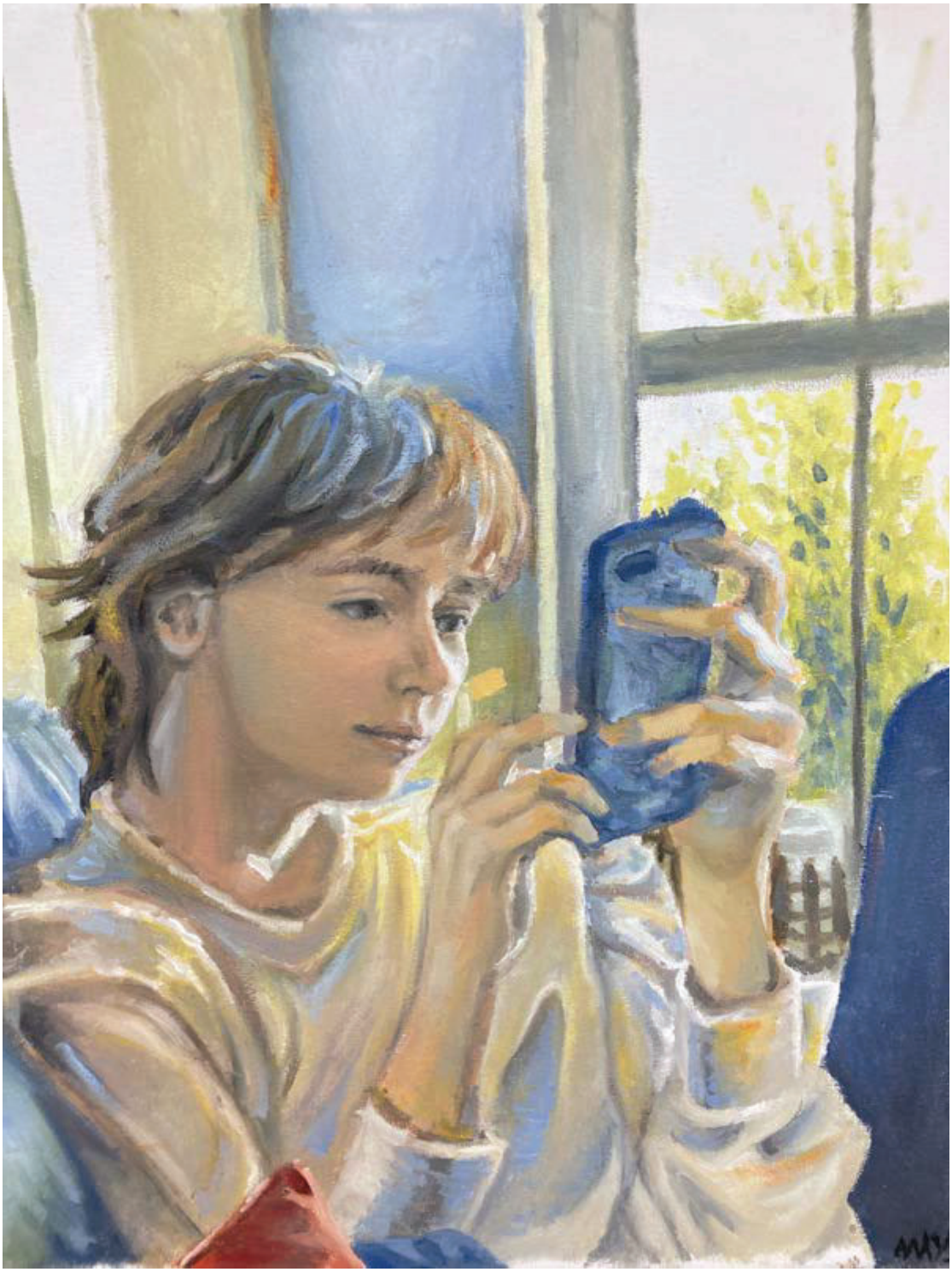
More information about the District's annual budget and economic challenges can be found in the 2024-2025 Budget Book, which is published on the Frisco ISD website at https://www.friscoisd.org/departments/finance/budgets/adopted-budget.

Contacting the District's Financial Management

This financial report is designed to provide our parents, citizens, taxpayers, investors, and creditors with a general overview of the District's finances and to demonstrate its accountability for the money it receives. If you have questions about this report or need additional financial information, visit our financial transparency website at https://www.friscoisd.org/departments/finance/financial-transparency/home or contact the Chief Finance & Strategy Officer at 469.633.6330.

Continued

Basic Financial Statements



Elodie · Josephine Mays · Wakeland High School

Government-Wide Financial Statements

Frisco Independent School District

Statement of Net Position

June 30, 2024

Exhibit

A-1

Data Control Codes		Governmental Activities
	Assets	
1110	Cash and investments	$686,561,600
1220	Property taxes receivable (delinquent)	7,535,232
1230	Allowance for uncollectible taxes	(1,280,989)
1240	Due from other governments	55,902,123
1290	Other receivables, net	2,187,862
1410	Prepaid Expenses	2,244,481
1510	Land	205,743,093
1520	Buildings and improvements, net	1,339,251,663
1530	Furniture and equipment, net	33,112,332
1550	Right to use assets, net	4,238,666
1580	Construction in progress	280,221,548
1000	**Total Assets**	2,615,717,611
	Deferred Outflows of Resources	
1701	Deferred losses on debt refunding transactions	12,659,755
1705	Deferred pension outflows	104,727,380
1710	Deferred OPEB outflows	50,226,379
1700	**Total Deferred Outflows of Resources**	167,613,514
	Liabilities	
2110	Accounts payable	15,292,333
2113	Retainage payable	3,252,796
2140	Accrued interest payable	32,095,907
2150	Payroll deductions and withholdings	5,920,129
2160	Accrued wages payable	78,492,941
2200	Accrued expenses	2,501,468
2300	Unearned revenues	1,116,265
	Noncurrent Liabilities:	
2501	Due within one year	88,222,356
2502	Due in more than one year	2,425,052,005
2540	Net pension liability	257,486,646
2545	Net OPEB liability	99,746,750
2000	**Total Liabilities**	3,009,179,596
	Deferred Inflows of Resources	
2601	Deferred gains on debt refunding transactions	12,837,272
2605	Deferred pension inflows	13,310,763
2610	Deferred OPEB inflows	144,995,577
2600	**Total Deferred Inflows of Resources**	171,143,612
	Net Position	
3200	Net investment in capital assets	(351,428,724)
	Restricted for:	
3820	Federal and state grant programs	13,195,047
3850	Debt service	111,574,029
3900	Unrestricted	(170,332,435)
3000	**Total Net Position**	$(396,992,083)

The notes to the basic financial statements are an integral part of this statement.

Frisco Independent School District

Statement of Activities

For the Year Ended June 30, 2024

Exhibit

B-1

Data Control Codes		1	Program Revenues 3	4	Net (Expense)/ Revenue and Changes in Net Position 6
		Expenses	Charges for Services	Operating Grants and Contributions	Governmental Activities
Governmental Activities:					
11	Instruction	$474,322,644	$1,022,613	$32,099,508	$(441,200,523)
12	Instructional resources and media services	9,859,218		314,554	(9,544,664)
13	Curriculum and instructional staff development	18,082,551		1,659,625	(16,422,926)
21	Instructional leadership	11,789,050		686,783	(11,102,267)
23	School leadership	45,293,239		1,854,997	(43,438,242)
31	Guidance, counseling and evaluation services	34,512,591		6,186,994	(28,325,597)
32	Social work services	268,477		9,712	(258,765)
33	Health services	7,728,847		443,419	(7,285,428)
34	Student transportation	20,893,892		450,470	(20,443,422)
35	Food services	30,271,460	17,158,339	9,091,120	(4,022,001)
36	Extracurricular activities	34,241,493	3,836,983	4,709,732	(25,694,778)
41	General administration	18,481,351		513,554	(17,967,797)
51	Facilities maintenance and operations	98,140,433	38,877,153	913,440	(58,349,840)
52	Security and monitoring services	7,588,328		285,849	(7,302,479)
53	Data processing services	12,761,005		248,715	(12,512,290)
61	Community services	3,577,846		774,512	(2,803,334)
72	Debt service - interest on long-term debt	84,866,293			(84,866,293)
73	Debt service - bond issuance costs and fees	1,555,049			(1,555,049)
91	Contracted instructional services between schools	10,746,030			(10,746,030)
95	Payments to juvenile justice alternative education programs	42,401			(42,401)
97	Payments to tax increment fund	41,509,928			(41,509,928)
99	Other intergovernmental charges	4,323,031			(4,323,031)
TG	**Total Governmental Activities**	$970,855,157	$60,895,088	$60,242,984	(849,717,085)

Data Control Codes	General Revenues	
	Taxes:	
MT	Property taxes, levied for general purposes	460,615,709
DT	Property taxes, levied for debt service	154,504,329
	Other tax-related income - TIRZ	36,998,854
SF	State aid - formula grants	194,052,449
GC	Grants and contributions not restricted to specific programs	5,637,646
IE	Investment earnings	33,771,011
MI	Miscellaneous local and intermediate revenue	2,763,457
TR	**Total General Revenues**	888,343,455
CN	**Change in net position**	38,626,370
NB	**Net position - beginning**	(435,618,453)
NE	**Net position - ending**	$(396,992,083)

The notes to the basic financial statements are an integral part of this statement.

FRISCO
INDEPENDENT SCHOOL DISTRICT

Governmental Funds Financial Statements

Frisco Independent School District

Exhibit C-1

Balance Sheet
Governmental Funds

June 30, 2024

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Non-Major Governmental Funds	98 Total Governmental Funds
	Assets					
1110	Cash and investments	$274,026,757	$139,845,726	$253,264,572	$19,424,545	$686,561,600
1220	Property taxes receivable (delinquent)	5,714,254	1,820,978			7,535,232
1230	Allowance for uncollectible taxes	(971,423)	(309,566)			(1,280,989)
1240	Due from other governments	47,201,796	2,313,624		6,386,703	55,902,123
1260	Due from other funds	6,260,093				6,260,093
1290	Other receivables, net	1,912,376			275,486	2,187,862
1410	Prepaid expenditures	498,851			1,745,630	2,244,481
1000	**Total Assets**	$334,642,704	$143,670,762	$253,264,572	$27,832,364	$759,410,402
	Liabilities					
2110	Accounts payable	4,886,607	826	10,184,078	220,822	15,292,333
2113	Retainage payable			3,252,796		3,252,796
2140	Accrued interest payable		534,683			534,683
2150	Payroll deductions and withholdings	5,920,129				5,920,129
2160	Accrued wages payable	75,178,749			3,314,192	78,492,941
2170	Due to other funds				6,260,093	6,260,093
2200	Accrued expenditures	1,711,000		790,468		2,501,468
2300	Unearned revenue	67,224			1,049,041	1,116,265
2000	**Total Liabilities**	87,763,709	535,509	14,227,342	10,844,148	113,370,708
	Deferred Inflows of Resources					
2601	Unavailable property tax revenue	4,563,107	1,478,755			6,041,862
2602	Unavailable lease revenue	1,010,798				1,010,798
2600	**Total Deferred Inflows of Resources**	5,573,905	1,478,755	-	-	7,052,660
	Fund Balances					
	Nonspendable:					
3430	Prepaid expenditures	498,851			1,745,630	2,244,481
	Restricted for:					
3450	Federal and state grant programs				13,032,995	13,032,995
3470	Capital acquisitions and contractual obligations			210,533,143		210,533,143
3480	Retirement of long-term debt		141,656,498			141,656,498
3490	Local grants, awards and contributions				162,052	162,052
	Committed to:					
3545	Local grants, awards and contributions				3,650,465	3,650,465
	Assigned to:					
3560	Claims and judgments	6,000,000		20,046,044		26,046,044
3570	Capital expenditures			8,458,043		8,458,043
3590	Employee compensation	6,857,573				6,857,573
3590	Future expenditures	2,951,865				2,951,865
3600	Unassigned	224,996,801			(1,602,926)	223,393,875
3000	**Total Fund Balances**	241,305,090	141,656,498	239,037,230	16,988,216	638,987,034
4000	**Total Liabilities, Deferred Inflows of Resources and Fund Balances**	$334,642,704	$143,670,762	$253,264,572	$27,832,364	$759,410,402

The notes to the basic financial statements are an integral part of this statement.

Frisco Independent School District

Reconciliation of the Governmental Funds Balance Sheet to the Statement of Net Position

For the Year Ended June 30, 2024

Exhibit

C-1R

Total Fund Balances - Governmental Funds (Exhibit C-1)	$638,987,034
Amounts reported for governmental activities in the Statement of Net Position (Exhibit A-1) are different because:	
Capital assets used in governmental activities are not financial resources and therefore are not reported in the governmental funds financial statements.	1,862,567,302
Accounting gains and losses resulting from debt refunding transactions are deferred inflows and outflows of resources, respectively, on the government-wide Statement of Net Position and are amortized over the life of the debt but are not reported in the governmental funds financial statements.	
Deferred losses on debt refunding transactions	12,659,755
Deferred gains on debt refunding transactions	(12,837,272)
Long-term liabilities, including bonds payable, are not due and payable in the current period and are therefore not reported as liabilities on the Balance Sheet of the governmental funds financial statements. Long-term liabilities at year-end consist of:	
Bonds payable	(2,266,060,253)
Accrued interest on the bonds	(31,561,224)
Accreted interest on capital appreciation bonds	(86,755,722)
Unamortized bond premiums	(155,592,013)
Lease payable	(1,178,722)
SBITA payable	(1,520,664)
Arbitrage Liability	(2,166,987)
Certain receivables will be earned this year but are not available soon enough to pay for the current period's expenditures and are therefore deferred inflows of resources at the fund level.	7,052,660
The District's proportionate share of the TRS net pension liability and related deferred inflows and outflows of resources are not current in nature and are therefore not reported in the governmental funds financial statements:	
Proportionate share of net pension liability	(257,486,646)
Deferred pension inflows	(13,310,763)
Deferred pension outflows	104,727,380
The District's proportionate share of the TRS Net OPEB liability and related deferred inflows and outflows of resources are not current in nature and are therefore not reported in the governmental funds financial statements:	
Proportionate share of net OPEB liability	(99,746,750)
Deferred OPEB inflows	(144,995,577)
Deferred OPEB outflows	50,226,379
Net Position - Governmental Activities (Exhibit A-1)	$(396,992,083)

The notes to the basic financial statements are an integral part of this statement.

Frisco Independent School District

Exhibit C-2

Statement of Revenues, Expenditures, and Changes in Fund Balances

Governmental Funds

For the Year Ended June 30, 2024

Data Control Codes		10 General Fund	50 Debt Service Fund	60 Capital Projects Fund	Non-Major Governmental Funds	98 Total Governmental Funds
	Revenues					
5700	Local and intermediate sources	$486,501,062	$159,682,543	$47,799,602	$22,997,531	$716,980,738
5800	State program revenues	217,584,580	12,422,655		5,161,691	235,168,926
5900	Federal program revenues	5,637,646			25,259,930	30,897,576
5020	**Total Revenues**	709,723,288	172,105,198	47,799,602	53,419,152	983,047,240
	Expenditures					
	Current:					
0011	Instruction	415,246,435		1,006,263	14,331,679	430,584,377
0012	Instructional resources and media services	7,308,007		3,620	27,304	7,338,931
0013	Curriculum and instructional staff development	17,092,230			974,025	18,066,255
0021	Instructional leadership	11,549,718			224,957	11,774,675
0023	School leadership	40,224,053		1,299	282,618	40,507,970
0031	Guidance, counseling and evaluation services	29,561,064			4,922,805	34,483,869
0032	Social work services	268,270				268,270
0033	Health services	7,644,685			81,794	7,726,479
0034	Student transportation	17,230,753				17,230,753
0035	Food services				28,664,157	28,664,157
0036	Extracurricular activities	24,115,570		459,596	3,858,111	28,433,277
0041	General administration	18,250,470			11,989	18,262,459
0051	Facilities maintenance and operations	59,530,502		20,376,358	412,060	80,318,920
0052	Security and monitoring services	5,879,930			177,796	6,057,726
0053	Data processing services	8,685,461				8,685,461
0061	Community services	2,523,688			803,200	3,326,888
	Debt Service:					
0071	Principal on long-term debt	1,908,536	75,289,744		332,636	77,530,916
0072	Interest on long-term debt	86,543	91,384,230		7,664	91,478,437
0073	Bond issuance costs and fees		1,353,024	202,025		1,555,049
	Capital Outlay:					
0081	Facilities acquisition and construction			74,678,025		74,678,025
	Intergovernmental:					
0091	Contracted instructional services between schools	10,746,030				10,746,030
0095	Payments to juvenile justice alternative education programs	42,401				42,401
0097	Payments to tax increment fund	41,509,928				41,509,928
0099	Other intergovernmental charges	4,323,031				4,323,031
6030	**Total Expenditures**	723,727,305	168,026,998	96,727,186	55,112,795	1,043,594,284
1100	Excess (deficiency) of revenues over (under)expenditures	(14,004,017)	4,078,200	(48,927,584)	(1,693,643)	(60,547,044)
	Other Financing Sources (Uses)					
7901	Refunding bonds issued		133,225,000			133,225,000
7911	Capital related debt issued (regular bonds)			25,040,000		25,040,000
7912	Proceeds from the sale of property	5,066			3,145	8,211
7916	Premium on issuance of bonds		18,516,123	1,162,025		19,678,148
7915	Transfers in				223,207	223,207
7949	Insurance recoveries and other resources	1,230,255		35,419,462		36,649,717
8911	Transfers out	(223,207)				(223,207)
8949	Payment to refunded bond escrow agent		(150,406,719)			(150,406,719)
7080	**Total Other Financing Sources (Uses)**	1,012,114	1,334,404	61,621,487	226,352	64,194,357
1200	**Net change in fund balances**	(12,991,903)	5,412,604	12,693,903	(1,467,291)	3,647,313
0100	**Fund balances - beginning**	254,296,993	136,243,894	226,343,327	18,455,507	635,339,721
3000	**Fund balances - ending**	$241,305,090	$141,656,498	$239,037,230	$16,988,216	$638,987,034

The notes to the basic financial statements are an integral part of this statement.

Frisco Independent School District

Exhibit

Reconciliation of the Statement of Revenues, Expenditures, and Changes in Fund Balances to the Statement of Activities

C-2R

For the Year Ended June 30, 2024

Total Net Change in Fund Balances - Governmental Funds (Exhibit C-2)	$3,647,313
Amounts reported for governmental activities in the Statement of Activities (Exhibit B-1) are different because:	
Governmental funds report capital outlays as expenditures. However, in the Statement of Activities, the costs of those assets are capitalized and allocated over their estimated useful lives as depreciation expense. This is the amount by which depreciation and amortization ($60,516,378) exceeded capital outlays ($49,554,394) in the current period.	(10,961,984)
Revenues in the Statement of Activities that do not provide current financial resources are not reported as revenues in the governmental funds.	2,227,965
Repayment of long-term debt principal ($228,939,743) and payments of accreted interest on capital appreciation bonds ($4,565,256) are expenditures in the governmental funds, but these activities reduce long-term liabilities in the Statement of Activities.	233,504,999
Bond issuances are reported as other resources in the governmental funds but are shown as increases in long-term debt in the Statement of Net Position:	
Bond issuances	(158,265,000)
Premiums on bonds	(19,678,148)
The excess of the reacquisition price of refunded debt over its carrying amount is deferred and amortized in the government-wide financial statements.	(9,185,633)
Certain debt related items that effect the Statement of Net Position but are not reported in the governmental funds:	
Amortization of bond premiums	20,065,083
Amortization of deferred gains and losses on refunding transactions	(638,204)
Accreted interest on capital appreciation bonds	(6,939,651)
Change in lease payable	524,565
Change in SBITA payable	486,352
Change in interest payable	(4,497,987)
Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net pension liabilities effect government-wide pension expense but have no impact on the governmental funds.	
Contributions during the measurement period	3,337,618
Contributions after the measurement date	16,445,299
Proportionate share of collective pension expense	(57,523,746)
Net proportionate share of deferred pension inflows/outflows	8,624,512
Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net OPEB liabilities effect government-wide pension expense but have no impact on the governmental funds.	
Contributions prior to the measurement period	675,846
Contributions after the measurement date	3,207,128
Proportionate share of collective OPEB expense	3,874,159
Net proportionate share of deferred OPEB inflows/outflows	9,695,884
Change in Net Position of Governmental Activities (Exhibit B-1)	$38,626,370

The notes to the basic financial statements are an integral part of this statement.

FRISCO
INDEPENDENT SCHOOL DISTRICT

Fiduciary Fund Financial Statements

Frisco Independent School District

Statement of Fiduciary Net Position

Custodial Funds

June 30, 2024

Exhibit

E-1

Data Control Codes		Custodial Funds
	Assets	
1110	Cash and investments	$1,693,776
	Total Assets	$1,693,776
	Liabilities	
2110	Accounts payable	$26,991
	Total Liabilities	$26,991
	Net Position	
	Restricted for:	
3490	Individuals, organizations, and other governments	$1,666,785
	Total Net Position	$1,666,785

-

The notes to the basic financial statements are an integral part of this statement.

Frisco Independent School District

Statement of Changes in Fiduciary Net Position

Custodial Funds

For the Year Ended June 30, 2024

Exhibit

E-2

	Custodial Funds
Additions	
Donations	$246,472
Miscellaneous additions:	
Student Fees	1,454,802
Fundraisers	176,509
Other	574,799
Total miscellaneous additions	2,206,110
Total Additions	2,452,582
Deductions	
Professional and contracted services:	
Royalties	5,698
Contracted maintenance and repairs	12,713
Miscellaneous contracted services	481,914
Total professional and contracted servicess	500,325
Supplies and materials:	
Reading materials	167
Testing materials	1,145
Uniforms	253
Print shop charges	6,162
Furniture and equipment under $5,000	30,888
Technology under $5,000	1,836
Supplies	658,628
Total supplies and materials	699,079
Other operating costs:	
Student travel	419,113
Travel	7,729
Dues	157,030
Graduation expenses	41,909
Donations	226,192
Miscellaneous operating costs	316,864
Sales tax	6,788
Total other operating costs	1,175,625
Total Deductions	2,375,029
Net increase in fiduciary net position	77,553
Net position - beginning	1,589,232
Net position - ending	$1,666,785

The notes to the basic financial statements are an integral part of this statement.

Notes to the Basic Financial Statements

Note 1.

Summary of Significant Accounting Policies

Frisco Independent School District (the District) is a public educational agency operating under the applicable laws and regulations of the State of Texas. It is governed by a seven-member Board of Trustees (the Board) elected by registered voters of the District. The District prepares its basic financial statements in conformity with accounting principles generally accepted in the United States of America promulgated by the Governmental Accounting Standards Board (GASB), and it complies with the requirements of the appropriate version of the Texas Education Agency's Financial Accountability System Resource Guide (the Resource Guide) and the requirements of contracts and grants of agencies from which it receives funds.

Reporting Entity

The Board is elected by the public and has the authority to make decisions, appoint administrators and managers, and significantly influence operations. It also has the primary accountability for fiscal matters. Therefore, the District is a financial reporting entity as defined by GASB in its Statement No. 14, "The Financial Reporting Entity," as amended by Statements No. 39, "Determining Whether Certain Organizations are Component Units," and No. 61, "The Financial Reporting Entity: Omnibus – an Amendment of GASB Statements No. 14 and No. 34." There are no component units within the reporting entity.

Government-Wide and Fund Financial Statements

The Statement of Net Position and the Statement of Activities report information on all non-fiduciary activities of the District. Taxes and intergovernmental revenues normally support governmental activities. The effect of interfund activity has been removed from these statements.

The Statement of Activities demonstrates the degree to which program revenues offset the direct expenses of a given function. Program revenues include (1) charges for services or privileges provided, (2) operating grants and contributions, and (3) capital grants and contributions. Program revenues included in the Statement of Activities reduce the cost of the function to be financed from general activities. Taxes and other items not identifiable as program revenues are reported instead as general revenues.

The District reports all direct expenses by function in the Statement of Activities. Direct expenses are those clearly identifiable with a function. Depreciation expense is specifically identified by function and is included in each function's program expenses.

Separate financial statements are provided for governmental funds and fiduciary funds. The fiduciary funds are excluded from the government-wide financial statements. Major individual governmental funds are reported as separate columns in the fund financial statements.

Measurement Focus, Basis of Accounting and Financial Statement Presentation

Government-Wide Financial Statements are reported using 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 revenues as soon as all eligibility requirements imposed by the grantor have been met.

Governmental Fund Financial Statements are reported using the current financial resources measurement focus and the modified accrual basis of accounting. With this measurement focus, only current assets, current

Continued

liabilities, deferred inflows of resources, deferred outflows 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). Revenues are recognized in the accounting period in which they become both measurable and available. Expenditures are recorded when a liability is incurred, if measurable, except for outstanding principal and interest on long-term debt, which is recognized when due. 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. Revenues are considered available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. The District considers all revenues available if they are collectible within 60 days of year-end.

Revenues from local sources consist primarily of property taxes, which are susceptible to accrual and considered available if collected within 60 days of the end of the fiscal year. Under GASB Statement No. 33, "Accounting and Financial Reporting for Non-exchange Transactions," property taxes are imposed non-exchange revenues. Assets from imposed non-exchange transactions are recorded when the entity has an enforceable, legal claim to the asset or when the entity receives the resources, whichever comes first. The enforceable legal claim date for property taxes is the assessment date. Therefore, the District recognized taxes receivable and a deferred inflow of resources for taxes assessed as of October 1, 2023, which were unavailable as of June 30, 2024.

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 at the earnings date.

The special revenue funds, except for the Child Nutrition Fund, include programs financed on a project grant basis. These projects have grant periods that range from less than twelve months to more than two years. Grant funds are considered earned to the extent expenditures are made under the provisions of the grant. When grant funds are received before they are earned, they are recorded as unearned revenue until earnings criteria are met.

Fiduciary Fund Financial Statements are accounted for on a flow of economic resources measurement focus using the accrual basis of accounting.

Funds

The District reports its financial activities using fund accounting. The activities of the District are organized based on funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect the results of their activities. Fund accounting segregates funds according to their intended purposes to assist management in demonstrating compliance with finance-related legal and contractual provisions.

Governmental Funds are those through which most governmental functions of the District are financed. The acquisition, use, and balances of the District's expendable financial resources and the related liabilities are accounted for through the governmental funds. The following are the District's major governmental funds:

General Fund - The General Fund is the general operating fund of the District and accounts for all revenues and expenditures of the District not encompassed within other funds. All general tax revenues and other receipts that are not allocated by law or contractual agreement to some other fund are accounted for in this fund. General operating expenses that are not paid through other funds are paid from the General Fund.

Debt Service Fund - The Debt Service Fund is used to account for the accumulation of resources for, and the retirement of, long-term debt principal, interest, and related costs.

Continued

Capital Projects Fund - The Capital Projects Fund is used to account for financial resources to be used for the acquisition, renovation, or construction of capital projects.

Other Non-Major Governmental Funds - The Non-Major Governmental Funds consist of special revenue funds that account for resources that are legally restricted or locally committed to expenditures for specified purposes. Most Federal and some State financial assistance is accounted for in special revenue funds.

Custodial Funds are used to account for assets held by the District in a trustee capacity or as a custodian for individuals, organizations, and/or other funds. The Student Activity Fund accounts for the receipt and disbursement of monies from student activity organizations. These organizations exist with the explicit approval of, and are subject to revocation by, the District's Board of Trustees.

Assets, Liabilities and Deferred Inflows/Outflows of Resources

Cash and Cash Equivalents – The District's cash and cash equivalents include cash on hand, demand deposits, money markets, and short-term investments with original maturities of three months or less from the date of acquisition.

Investments – Investments, except for the investment pools, are recorded at fair value. Fair value is determined by the amount at which a financial instrument can be exchanged in a current transaction between willing parties. The investment pools operate in accordance with appropriate state laws and regulations and are reported at amortized cost. District management believes that the District adheres to the requirements of the State of Texas Public Funds Investment Act regarding investment practices, management reports, and the establishment of appropriate policies. Additionally, management believes that the District's investment practices are in accordance with local policies for the current fiscal year.

Interfund Receivables and Payables – Activities between funds that are representative of lending/ borrowing arrangements outstanding at the end of the fiscal year are referred to as "due to/from other funds." All residual balances between governmental activities are eliminated in the government- wide financial statements.

Prepaid Expenditures – Certain payments to vendors reflect costs applicable to future accounting periods and are recorded as prepaid items in the financial statements and expended in a subsequent period using the consumption method. All prepaid expenditures are offset at fiscal year-end by nonspendable fund balance in the fund financial statements.

Leases

Lessee - The District is a lessee for non-cancelable leases of property and equipment. The District recognizes a lease liability, reported with long-term debt, and a right-to-use lease asset (lease asset), reported with other capital assets, in the government-wide financial statements. The District recognizes lease liabilities with an initial, individual value of $5,000 or more.

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

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

The District uses the interest rate charged by the lessor as the discount rate. When the interest rate charged by the lessor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for leases.

The lease term includes the non-cancelable period of the lease.

Lease payments included in the measurement of the lease liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, purchase option price that the District is reasonably certain to exercise, lease incentives receivable from the lessor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

Lessor - The District is a lessor for non-cancelable lease of property. The District recognizes a lease receivable and a deferred inflow of resources in the government-wide and governmental fund financial statements.

At the commencement of a lease, the District initially measures the lease receivable at the present value of payments expected to be received during the lease term. Subsequently, the lease receivable is reduced by the principal portion of lease payments received. The deferred inflow of resources is initially measured as the initial amount of the lease receivable, adjusted for lease payments received at or before the lease commencement date. Subsequently, the deferred inflow of resources is recognized as revenue over the life of the lease term.

Key estimates and judgments related to the leases include how the District determines (1) the discount rate it uses to discount the expected lease receipts to present value, (2) lease term, and (3) lease receipts.
The District uses its estimated incremental borrowing rate as the discount rate for leases. The lease term includes the non-cancelable period of the lease.

Lease payments included in the measurement of the lease receivable are composed of fixed payments from the lessee, variable payments from the lessee that are fixed-in-substance or that depend on an index or a rate, residual value guarantee payments from the lessee that are fixed-in-substance, and any lease incentives that are payable to the lessee.

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

Subscription-Based Information Technology Arrangements (SBITAs) – The District has non-cancelable 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 other capital assets, in the government-wide and proprietary fund financial statements. The District recognizes subscription liabilities with an initial, individual value of $5,000 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 made. The subscription asset is initially measured as 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 judgments related to SBITAs 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

Continued

payments.

- The District uses the interest rate charged by the SBITA vendor as the discount rate. When the interest rate charged by the SBITA vendor is not provided, the District generally uses its estimated incremental borrowing rate as the discount rate for SBITAs.
- The subscription term includes the non-cancelable period of the SBITA.
- Subscription payments included in the measurement of the subscription liability are composed of fixed payments, variable payments fixed in substance or that depend on an index or a rate, termination penalties if the District is reasonably certain to exercise such options, subscription contract incentives receivable from the SBITA vendor, and any other payments that are reasonably certain of being required based on an assessment of all relevant factors.

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

Capital Assets – Capital assets, which include land, buildings, building improvements, vehicles, buses, and equipment, are reported in the governmental activities' column in the government-wide financial statements. Capital assets are defined by the District as assets with an initial individual cost of more than $5,000 and an estimated useful life of more than two years. Such assets are recorded at historical cost or estimated historical cost if purchased or constructed. Donated capital assets are recorded at acquisition value as of the date of donation.

The costs of normal maintenance and repairs that do not add to the value of the asset or materially extend the life of the asset are not capitalized. Major outlays for capital assets and improvements are capitalized as projects are constructed.

Capital assets are depreciated using the straight-line method over the following average estimated useful lives:

Asset Clarifications	Useful Life
Buildings	40 Years
Building improvements	20 Years
Vehicles	10 Years
Buses	7 Years
Office equipment	7 Years

Vacation and Sick Leave – Vacations are to be taken within the same year they are earned, and any unused days at the end of the year are forfeited. Therefore, no liability has been accrued in the accompanying basic financial statements. Employees of the District are entitled to sick leave based on category/class of employment. Sick leave is allowed to be accumulated but does not vest. Therefore, no liability exists for unused sick leave.

Long-term Liabilities – In the government-wide financial statements, long-term debt and other long-term obligations are reported as liabilities in the Statement of Net Position. Bond premiums and discounts are reported as a liability or contra-liability, as appropriate, and amortized over the life of the bonds using the effective interest method. Bonds payable are reported net of applicable bond premiums or discounts. Bond issuance costs are expensed as incurred.

In the fund financial statements, the face amount of debt issued is reported as other financing sources. Premiums received on debt issuances are also reported as other financing sources while discounts on debt issuances and payments to bond refunding escrow agents are reported as other financing uses. Issuance costs, whether or not withheld from the actual debt proceeds received, are reported as debt service expenditures.

Pensions – The District records its proportionate share of the net pension liability of the Teacher Retirement System of Texas (TRS). The fiduciary net position of 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 by TRS when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) – The District also records its proportionate share of the net OPEB liability of the Teacher Retirement System of Texas (TRS) TRS-Care Plan. The fiduciary net position of the 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.

Deferred Outflows/Inflows of Resources – In addition to assets and liabilities, the government- wide Statement of Net Position and governmental fund Balance Sheet report separate sections for deferred outflows and deferred inflows of resources. Deferred outflows of resources represent a consumption of net assets/fund balance that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/ expenditure) until then. Deferred inflows of resources represent the acquisition of net assets/fund balance that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. In addition to deferred gains and losses on debt refunding transactions, which are reported as deferred inflows and outflows of resources, respectively, the District reports certain deferred inflows and outflows related to pensions and other post-employment benefits on the government-wide Statement of Net Position. At the governmental fund level, earned but unavailable tax revenue is reported as a deferred inflow of resources.

Fund Balances and Net Position

Net position on the government-wide Statement of Net Position includes the following:

Net Investment in Capital Assets reports the difference between capital assets, net of accumulated depreciation, and the outstanding balance of debt, excluding unspent bond proceeds that is directly attributable to the acquisition, construction, or improvement of those capital assets.

Restricted for Federal, State, and Local Grant Programs is the component of net position restricted to be spent for specific purposes prescribed by federal and state granting agencies.

Restricted for Debt Service is the component of net position that is restricted for payment of debt service by constraints established by the bond covenants.

Unrestricted Net Position is the residual difference between assets, deferred outflows, liabilities, and deferred inflows that is not invested in capital assets or restricted for specific purposes.

It is the District's policy to spend funds available from restricted sources prior to unrestricted sources.

Fund balances on the governmental funds' Balance Sheet include the following:

Nonspendable Fund Balance is the portion of the gross fund balance that is not expendable because it is either not in spendable form or it is legally or contractually required to be maintained intact.
Restricted Fund Balance includes amounts restricted for a specific purpose by the provider (such as grantors, bondholders, and high levels of government), through constitutional provisions, or by enabling legislation. Debt service resources are to be used for future servicing of the District's bonded debt and are restricted through debt covenants. Capital Projects bond funds are restricted by the bondholders for the specific purpose of capital projects and capital outlays. Federal and State grant resources are restricted pursuant to the mandates of the granting agencies.

Committed Fund Balance is that portion of fund balance that is committed to a specific purpose by the District's Board of Trustees. The Board of Trustees establishes (and modifies or rescinds) fund balance commitments by passage of a resolution. These amounts cannot be used for any other purpose unless the Board removes or

Continued

changes the constraint by exercising the same type of action originally used to commit the funds.

Assigned Fund Balance is that portion of fund balance that is spendable or available for appropriation but has been tentatively earmarked for some specific purpose. On June 20, 2016, the Board delegated through formal action the authority to assign fund balance to the Chief Financial Officer; the Board may also directly assign fund balance for specific purposes. This can be done through adoption and amendment of the budget. As of June 30, 2024, the District has assigned fund balance in the General Fund for the following purposes:

- Claims and judgments – assigned for the coverage of potential legal fees, settlements, and deductibles of certain insurance policies.
- Capital Expenditures – assigned for the expenditure of funds for capital outlay not planned to be paid with bond funds.
- Employee Compensation – assigned for the payment of future employee retention incentives and classroom supplies stipends.
- Future Expenditures – assigned to satisfy outstanding General Fund encumbrances as of the fiscal year end.

Unassigned Fund Balance is the difference between the total fund balance and the total of the nonspendable, restricted, committed, and assigned fund balances and can be utilized for any legal purpose. This portion of the total fund balance in the General Fund is available to finance operating expenditures.

When expenditures are incurred for purposes for which both restricted and unrestricted fund balance is available, the District considers restricted funds to have been spent first. When expenditures are incurred for which committed, assigned, or unassigned fund balances are available, the District considers amounts to have been spent first from committed funds, then assigned funds, and finally unassigned funds, as needed, unless the Board of Trustees has provided otherwise in its commitment or assignment actions.

Data Control Codes

Data control codes refer to the account code structure prescribed by the Texas Education Agency (TEA) in the Resource Guide. TEA requires school districts to display these codes in the financial statements filed with the agency to ensure accuracy in building a statewide database for policy development and funding plans.

Management's Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimations and assumptions that affect the reported amounts of assets, deferred outflows, liabilities, and deferred inflows 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.

Encumbrance Accounting

Under encumbrance accounting, purchase orders, contracts, and other commitments for the expenditure of funds are recorded in the accounting system to assign the portion of the applicable appropriation. This methodology is employed in the governmental fund financial statements. Encumbrances are not liabilities and are therefore not recorded as expenditures until receipt of the goods or services. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are re-appropriated in the next fiscal year. Management has assigned a portion of fund balance for future expenditures equal to outstanding encumbrances in the General Fund at June 30, 2024. None of the individual encumbrances reported are considered significant to the financial statements.

Implementation of New Accounting Standards

GASB Statement No. 100, Accounting Changes and Error Corrections (GASB 100), enhances accounting and financial reporting requirements for accounting changes and error corrections to provide more understandable, reliable, relevant, consistent, and comparable information for making decisions or assessing accountability. This statement 1) defines accounting changes and corrections of errors; 2) prescribes the accounting and financial reporting for each type of accounting change and error corrections; and 3) clarifies required note

disclosures. The requirements of this statement are effective for reporting periods beginning after June 15, 2023, with earlier application encouraged. GASB 100 was implemented in the District's fiscal year 2024 financial statements with no impact on amounts previously reported.

Note 2.

Cash and Investments

The District's funds are required to be deposited under the terms of a depository contract pursuant to the School Depository Act. The depository bank places approved securities for safekeeping and trust with the District's agent bank in an amount sufficient to protect District funds on a day-to-day basis during the contract period. The pledge of approved securities is waived only to the extent of the dollar amount of Federal Deposit Insurance Corporation (FDIC) insurance.

On June 30, 2024, the carrying amount of the District's deposits (cash) and outstanding checks was $ 26,647,338. The combined bank balance was $ 28,818,519. On June 30, 2024, and during the year then ended, the District's combined deposits were fully insured by FDIC insurance or collateralized with securities held by the District's agent in the District's name.

Depository information required to be reported to the Texas Education Agency is as follows:

- Depository: JP Morgan Chase Bank, Frisco, TX
- The date of the highest deposit was July 13, 2024, when combined cash, savings and time deposits amounted to $78,979,722.
- The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was $91,000,973.
- The total amount of FDIC coverage at the time of the largest combined balance was $250,000.

The Public Funds Investment Act (Government Code Chapter 2256) contains specific provisions in the areas of investment practices, management reports and establishment of appropriate policies. Among other things, it requires the District to adopt, implement, and publicize an investment policy, which must address the following areas:

- Safety of principal and liquidity
- Portfolio diversification
- Allowable investments
- Acceptable risk levels
- Expected rates of return
- Maximum allowable stated maturity of portfolio investments
- Maximum average dollar weighted maturity allowed based on the stated maturity date for the portfolio
- Investment staff qualifications and capabilities
- Bid solicitation preferences for certificates of deposit
- Statutes authorize the District to invest in obligations of the U.S. Treasury and U.S. agencies, municipal securities, repurchase agreements and certain other investments. The investments owned at fiscal year-end are held by the District or its agent in the District's name.

All investment pools utilized by the District meet the requirements of the Texas Public Funds Investment Act (PFIA). The fair value of the positions in the pools is the same as the value of the pools. The District invests in the following investment pools:

- The Lone Star Investment Pool is governed by an 11-member board, all of whom are participants in the pool. Mellon Investments Corporation and American Beacon Advisors combined with Parent Company Resolute Investment Managers manage the investment of Lone Star's assets.
- The Texas Range Investment Program offers four portfolios, TexasDAILY, Texas TERM, TexasDAILY Select and TexasTERM Certificates of Deposit Purchase Program, is governed by a 6-member advisory

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board made up of experienced local government officials elected by the pool's investors. PFM Asset Management LLC manages the investments of Texas Range's assets.

In compliance with the PFIA, the District has adopted a deposit and investment policy, which addresses the following risks:

- *Credit risk* is the risk that a security issuer may default on an interest or principal payment. The District controls and monitors this risk by purchasing quality rated instruments that have been evaluated by nationally recognized agencies such as Standard and Poor's (S&P) or Moody's Investors Service.
- *Custodial credit risk* is the risk that, in the event of the failure of a depository financial institution or counterparty (e.g., broker-dealer) to a transaction, a government will not be able to recover its deposits, value of its investments, or collateral securities that are in the possession of an outside party. The PFIA, the District's investment policy, and Government Code Chapter 2257 "Collateral for Public Funds" contain legal or policy requirements that would limit the exposure to custodial credit risk for deposits and investments. The District's funds are deposited and invested under terms of a depository contract with amounts greater than the FDIC insurance coverage protected by approved pledged securities held on behalf of the District. Public funds investment pools created to function as money market mutual funds must mark their portfolios to market daily, and, to the extent reasonably possible, stabilize at a $1 net asset value. The District's policy manages custodial credit risk by requiring securities purchased by a broker- dealer for the District to be held in a Safekeeping account in the District's name. The policy also requires that security transactions be conducted on a delivery-versus-payment basis.
- *Concentration of credit risk* is the risk associated with holding investments that are not pools and full faith credit securities. These risks are controlled by limiting the percentages of these investments in the District's portfolio.
- *Interest rate risk* is the risk that interest rates will rise and an investment in a fixed-income security will decrease in value. Interest rate risk is reduced by diversifying, investing in securities with different durations, and laddering maturity dates. The District manages its exposure to interest rate risk by limiting the weighted average maturity of its investment portfolio to less than two years from the time of purchase. The weighted average maturity for the District's investment in external investment pools is less than 60 days.
- *Foreign currency risk* is the potential for loss due to fluctuations in exchange rates. The District's policy does not allow for any direct foreign investments, and therefore the District is not exposed to foreign currency risk.

The District categorizes its fair value measurements within the fair value hierarchy established by generally accepted accounting principles. GASB Statement No. 72, "Fair Value Measurement and Application," provides a framework for measuring fair value which establishes a three-level fair value hierarchy that describes the inputs used to measure assets and liabilities:

- Level 1 inputs are quoted prices (unadjusted) for identical assets or liabilities in active markets that a government can access at the measurement date.
- Level 2 inputs are inputs – other than quoted prices included within Level 1 – that are observable for an asset or liability, either directly or indirectly.
- Level 3 inputs are unobservable inputs for an asset or liability. Frisco ISD does not have investments valued using Level 3 inputs.

The fair value hierarchy gives the highest priority to Level 1 inputs and the lowest priority to Level 3 inputs. If a price for an identical asset or liability is not observable, a government should measure fair value using another valuation technique that maximizes the use of relevant observable inputs and minimizes the use of unobservable inputs. If the fair value of an asset or liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is based on the lowest priority level input that is significant to the entire measurement.

The District has the following recurring fair value investments as of June 30, 2024:

- Government agency securities are using broker quotes that utilize observable market inputs (Level 2).
- Commercial paper is valued using broker quotes that utilize observable market inputs (Level 2).

	Value at June 30, 2024	Fair Value Measurements Using Significant Other Observable Inputs (Level 2)	Percentage of Total Investments	Weighted Average Maturity (Days)
Cash and Cash Equivalents:				
Bank Deposits	$26,647,338			
Total Cash and Cash Equivalents	26,647,338			
Investment measured at Amortized Costs:				
Lonestar Investment Pool	424,457,494		64%	34
US Treasury Demand Deposits	96,033,961		15%	1
Investments measured at Net Asset Value:				
Texas Range - TexasDAILY	22,449,837		3%	41
Investments by Fair Value Level:				
US Government Agency Securities:				
Federal Home Loan Bank	6,885,865	$6,885,865	1%	113
US Treasury Bills & Notes	63,688,996	63,688,996	10%	14
Commercial Paper	46,398,109	$46,398,109	7%	86
Total Investments	659,914,262	116,972,970		
Total Cash and Investments	$686,561,600	$116,972,970		

Investments measured at amortized cost include the Lone Star and US Treasury Demand Deposits. To meet the criteria to be recorded at amortized cost, investment pools must:

- Transact at a net asset value of $1.00 per share
- Have weighted average maturity of 60 days or less and weighted average life of 120 days or less
- Hold investments that are highly rated by nationally recognized statistical rating organizations
- Have no more than 5% of portfolio with one issuer (excluding US government securities)
- Meet reasonably foreseeable redemptions

The Lone Star investment pool has a redemption notice period of one day and no maximum transaction amounts. The investment pool's authorities may only impose restrictions on redemptions in the event of a general suspension of trading on a major securities market, general banking moratorium, or national or state emergency that affects the pool's liquidity. The Lone Star investment pool has earned Standard & Poor's highest rating (AAA), which meets the standards set by the Public Funds Investment Act.

The Texas Range investment pool is an external investment pool measured at its net asset value. Texas Range's strategy is to seek the preservation of principal, liquidity, and current income through investment in a diversified portfolio of short-term marketable securities. The District has no unfunded commitments related to investment pools. The District participates in two separate Texas Range portfolios – TexasDAILY, which seeks to maintain a stable net asset value of $1.00 per share and may be redeemed daily, and TexasTERM, which seeks to achieve a net asset value of $1.00 per share at a stated maturity date. As of June 30, 2024, the District had no investments in the TexasTERM portfolio. $22,449,837 was invested in the TexasDAILY portfolio. TexasDAILY has received an AAAmmf rating from Fitch Ratings, and the TexasTERM portfolio has received a rating of AAAf from Fitch Ratings, which meets the standards set by the Public Funds Investment Act.

Note 3.

Property Taxes

The District's ad valorem property tax is levied on all real and business personal property located in the District. A lien exists on all property on January 1st of each year. Tax statements are mailed on October 1st each year or as soon thereafter as possible. Taxes are due upon receipt and become delinquent if not paid before

Continued

February 1st of the following calendar year. The taxable value of the roll as of the end of the fiscal year was $62,146,932,956.

The tax rates levied for the fiscal year ended June 30, 2024, to finance General Fund operations and the payment of principal and interest on general obligation long-term debt was $0.7575 and $0.2700 per $100 valuation, respectively, for a total of $1.0275 per $100 valuation.

Current year tax collections for the period ended June 30, 2024, were 99.40% of the levy.

The ad valorem tax rate is allocated annually between the General Fund and the Debt Service Fund. The full amount estimated to be required for general obligation bond retirement is provided by the debt service tax together with interest earned within the Debt Service Fund.

Allowances for uncollectable taxes within the General Fund and Debt Service Fund are based on historical experience. Uncollectable personal property taxes are periodically reviewed and written off, but the District is prohibited from writing off real property taxes without specific statutory authority from the Texas Legislature. As of June 30, 2024, the allowance for uncollectable taxes was approximately 17% of total delinquent property taxes receivable.

Tax Increment Financing

On January 13, 1997, the Board of Trustees approved a resolution to enter an Interlocal Agreement with the City of Frisco, Texas, establishing the Frisco Tax Increment Reinvestment Zone (TIRZ) Number One, in accordance with Chapter 311 of the Texas Tax Code. The purpose of the TIRZ is to promote development using tax increment financing within or adjacent to the 700 acres around Stonebriar Mall.

The District agreed to participate in the TIRZ, beginning with the 1997 tax year, by contributing 100% of the taxes levied and collected against the captured appraised value of real property within the zone. The proposed duration of the TIRZ is 40 years, ending December 31, 2036.

An Educational Facilities Account has been established with TIRZ proceeds to repay cash expenditures for project costs or the principal and interest on bonds or other indebtedness for educational facilities within or adjacent to the zone. As of June 30, 2024, approximately $348.9 million of TIRZ proceeds have been used to finance the construction of FISD educational facilities since the agreement began.

Note 4.

Receivables

The District participates in a variety of federal and state programs from which it receives grants to finance certain activities partially or fully. In addition, the District receives entitlements from the State through the Foundation School Program and Available School Fund.

Receivables due from other governments as of June 30, 2024, for the District's individual major funds and Non-Major Governmental Funds are described in the table below.

	General Fund	Debt Service Fund	Non-Major Governmental Funds	Total
Due from the State Texas	$47,201,796	$2,313,624	$750,033	$50,265,453
Due from the Federal Government			5,634,157	5,634,157
Due from Other Governments		-	2,513	2,513
Total	$47,201,796	$2,313,624	$6,386,703	$55,902,123

Continued

The District has entered into a lease agreement with Dallas Physician Medical Services for Children, Inc. The lease allows the right-to-use of 4,456 square feet of office space used to offer health and wellness, primary care sports medicine, and outpatient rehabilitation services, which is open to all FISD employees. The District receives monthly payments at the interest rate of 3.250%, which is our estimated rate of return. The remaining balance on this lease receivable is reported as "Other receivables, net" in the General Fund, which includes $1,010,798 in deferred inflows as of June 30, 2024.

Description	Interest Rate	Receivable at Commencement	Lease Term (In Years)	Ending Balance
Medical Clinic Office Space	3%	$1,305,614	10.3	$1,045,010
Total Lease Receivable				$1,045,010

Note 5.

Interfund Transactions

Interfund balances at June 30, 2024, consisted of the individual fund receivables and payables detailed in the table below.

	Receivable	Payable
General Fund	$6,260,093	
Non-Major Funds		$6,260,093
Total	$6,260,093	$6,260,093

All interfund balances represent transactions between the General Fund and other funds. Non-major funds owed the General Fund for grant expenditures financed by General Fund cash prior to receiving reimbursements from federal or state agencies. All interfund balances reported at June 30, 2024, were liquidated shortly after year-end.

The table below summarizes the District's internal transfers for the fiscal year ended June 30, 2024.

From	To	Amount	Purpose
General Fund	Non-Major Funds	$7,000	Campus Activity Fund Start Up Funds
General Fund	Non-Major Funds	216,207	Cash Flow Needs
Total		$223,207	

Note 6.

Capital Assets

Changes in capital assets for the fiscal year ended June 30, 2024, include:

	Beginning Balance	Addtions	Retirements	Ending Balance
Governmental Activities:				
Capital assets not being depreciated/amortized:				
Land	$205,743,093			$205,743,093
Construction in progress	255,087,822	$25,133,726		280,221,548
Total capital assets not being depreciated/amortized	460,830,915	25,133,726		485,964,641

Continued

	Beginning Balance	Addtions	Retirements	Ending Balance
Capital assets being depreciated/amortized:				
Building & Improvements	1,989,063,515	680,256	$2,250	1,989,741,521
Building & Improvements - leased right-to-use	238,261			238,261
Furniture & Equipment	88,225,662	22,130,086	293,036	110,062,712
Furniture & Equipment - leased right-to-use	2,506,916			2,506,916
Software-based IT arrangements (SBITA)	5,272,230	1,610,326		6,882,556
Total capital assets being depreciated/amortized	2,085,306,584	24,420,668	295,286	2,109,431,966
Less accumulated depreciation/amortization for:				
Building & Improvements	600,645,570	49,846,538	2,250	650,489,858
Building & Improvements - leased right-to-use	238,261			238,261
Furniture & Equipment	69,202,427	8,040,989	293,036	76,950,380
Furniture & Equipment - leased right-to-use	871,249	529,454		1,400,703
Software-based IT arrangements (SBITA)	1,650,706	2,099,397		3,750,103
Total accumulated depreciation/amortization	672,608,213	60,516,378	295,286	732,829,305
Total capital assets being depreciated/amortized, net	1,412,698,371	(36,095,710)		1,376,602,661
Governmental Activity capital assets, net	$1,873,529,286	$(10,961,984)	-	$1,862,567,302

The current period's depreciation was expensed to individual functions as detailed in the table to the right. Right-to-use assets are leased, and the amortization expense for those leases is also included in the table to the right. Together, depreciation expense and amortization expense account for the increase in the accumulated depreciation/amortization of the District's capital assets.

Construction Commitments

The District was obligated at June 30, 2024, under major contracts, for construction of new facilities and renovations or repair of various existing facilities. The outstanding construction commitments associated with these projects totaled approximately $74.6 million as of June 30, 2024.

Function	Depreciation Expenses	Lease Amortization Expenses	SBITA Amortization Expenses
11	$37,195,138	$480,532	$1,559,740
12	1,988,391	1,906	
13		4,977	
21		5,983	
23	3,785,450	21,496	155,702
31		4,130	
32			
33	7,715	635	
34	2,770,546	370	
35	3,260,401		
36	5,378,687	5,665	
41	1,257,681	3,388	164,468
51	886,826	159	
52	893,655	213	85,641
53	213,588		133,846
61	249,449		
Total	$57,887,527	$529,454	$2,099,397

Continued

Note 7.

Long-Term Debt

A detailed summary of changes in bonds payable and other long-term debt for the fiscal year ended June 30, 2024, is provided below and continues on the following page.

Description	Original Issue Amount	Interest Rate(s)	Maturity	Balance at June 30, 2023	Issued/ Increases	Retired/ Refunded	Balance at June 30, 2024	Amount Due Within One Year
Unlimited Tax School Building Bonds:								
Series 2010	$20,195,000	0.00%	2/15/2027	$5,400,000		$1,350,000	$4,050,000	$1,350,000
Series 2013	$90,845,000	3.000%-5.000%	8/15/2043	2,230,000		2,230,000	-	
Series 2014	$159,795,000	2.000%-5.000%	8/15/2044	136,280,000		68,805,000	67,475,000	4,220,000
Series 2015A	$68,125,000	2.000%-5.000%	8/15/2045	59,590,000		1,640,000	57,950,000	1,725,000
Series 2016B	$75,790,000	2.500%-5.000%	8/15/1946	68,935,000		1,545,000	67,390,000	1,625,000
Series 2018	$49,865,000	3.000%-5.000%	8/15/2048	46,105,000		1,060,000	45,045,000	1,115,000
Series 2021	$83,150,000	2.000%-5.000%	2/15/2051	79,255,000		2,140,000	77,115,000	2,785,000
Series 2022	$42,315,000	2.000%-5.000%	2/15/2052	41,485,000		870,000	40,615,000	915,000
Series 2022	$140,085,000	3.350%-5.000%	2/15/2052	136,040,000		3,705,000	132,335,000	3,355,000
Unlimited Tax School Refunding Bonds								
Series 2011	$62,078,491	2.000%-5.000%	8/15/2030	3,383,491			3,383,491	3,383,491
Series 2016	$104,555,000	3.000%-5.000%	8/15/2037	80,090,000		4,425,000	75,665,000	4,645,000
Series 2020	$183,585,000	0.795%-2.592%	2/15/2041	180,885,000		475,000	180,410,000	1,695,000
Series 2021	$109,310,000	1.461%-4.000%	2/15/2041	92,035,000		1,570,000	90,465,000	1,635,000
Series 2021A	$37,070,000	1.714%-5.000%	2/15/2035	36,440,000		400,000	36,040,000	420,000
Series 2022A	$12,220,000	5.00%	2/15/2033	11,155,000		850,000	10,305,000	910,000
Series 2022B	$44,760,000	5.00%	2/15/2029	36,680,000		5,880,000	30,800,000	6,505,000
Series 2024	$76,250,000	4.000%-5.000%	2/15/2044		76,250,000		76,250,000	2,355,000
Unlimited Tax School Building & Refunding Bonds								
Series 1999	$40,033,092	4.300%-5.750%	8/15/2029	783,092		87,502	695,590	117,342
Series 2002A	$38,018,141	3.000%-5.375%	8/15/2034	8,436,777		478,946	7,957,831	512,012
Series 2012	$85,531,867	2.000%-5.000%	8/15/2041	12,956,867			12,956,867	
Series 2012B	$99,545,000	2.000%-5.000%	8/15/2042	42,315,000			42,315,000	
Series 2013	$68,471,992	2.000%-5.000%	8/15/2043	29,205,000			29,205,000	
Series 2014	$111,455,000	2.000%-4.000%	8/15/2044	91,855,000		91,855,000	-	
Series 2015	$139,525,000	0.420%-5.00%	8/15/2045	107,755,000		3,875,000	103,880,000	4,045,000
Series 2016A	$208,960,000	2.000%-5.000%	8/15/2046	172,680,000		7,730,000	164,950,000	8,140,000
Series 2017	$206,445,000	2.000%-5.000%	8/15/2047	179,975,000		7,295,000	172,680,000	7,655,000
Series 2019	$265,390,000	3.000%-5.000%	8/15/2049	243,460,000		5,985,000	237,475,000	6,295,000
Series 2020	$101,705,000	2.000%-5.000%	8/15/2050	87,785,000		4,845,000	82,940,000	1,150,000
Series 2021	$182,170,000	3.000%-4.000%	2/15/2051	175,115,000		4,005,000	171,110,000	6,800,000
Series 2023	$135,505,000	4.2500%-5.000%	2/15/2053	135,505,000		3,510,000	131,995,000	5,640,000
Series 2024	$82,015,000	4.000%-5.000%	2/15/2054		82,015,000		82,015,000	400,000
CAB Premiums								
Series 1999				9,122,362		739,761	8,382,601	1,098,122
Series 2002A				12,902,065		500,402	12,401,663	562,214
Series 2012				1,161,610			1,161,610	
Series 2020				7,091,966		1,088,132	6,003,834	6,003,834
Series 2021				2,641,766			2,641,766	
Total bonds payable				$2,336,734,996	$158,265,000	$228,939,743	$2,266,060,253	$87,057,015

Continued

	Balance at June 30, 2023	Issued/ Increases	Retired/ Refunded	Balance at June 30, 2024	Amount Due Within One Year
Total bonds payable	$2,336,734,996	$158,265,000	$228,939,743	$2,266,060,253	$87,057,015
Accreted interest on capital appreciation bonds	84,381,327	6,939,651	4,565,256	86,755,722	
Unamortized bond premium	155,978,948	19,678,148	20,065,083	155,592,013	
Total bonded debt	2,577,095,271	184,882,799	253,570,082	2,508,407,988	87,057,015
Lease Payable	1,703,287	-	524,565	1,178,722	567,527
SBITA Payable	2,007,016	1,230,255	1,716,607	1,520,664	597,814
District's portion of net pension liability	219,231,149	57,523,746	19,268,249	257,486,646	
District's portion of net OPEB liabiltiy	107,529,419	7,012,316	14,794,985	99,746,750	
Arbitrage Liability	-	2,166,987	-	2,166,987	
Total long-term debt	$2,907,566,142	$252,816,103	$289,874,488	$2,870,507,757	$88,222,356

Changes in debt-related deferred outflows and inflows of resources for the fiscal year ended June 30, 2024, were:

	Balance at June 30, 2023	Issued / Increase	Retired / Refunded	Balance at June 30, 2024
Deferred loss on refunding transactions	$13,793,724		$1,133,969	$12,659,755
Deferred gain on refunding transactions	$4,147,404	$9,185,633	$495,765	$12,837,272

During the year, the District issued the following bonds:

- $76,250,000 of Unlimited Tax Refunding Bonds, Series 2024 with interest rates of 4.00%-5.00%. Proceeds were delivered on February 15, 2024. Deposits to escrow agents of $88,908,027 were used to purchase direct obligations of the U.S. government which were irrevocably pledged to the payment bond refunded of the $88,860,000 of the District's Unlimited Tax School Building & Refunding Bonds, Series 2014.
    - The District's refunding resulted in an economic gain of $4,187,092 and a book gain of $5,275,551 which will be amortized over the life of the refunded debt. The refunding decreased the District's future debt service requirements by $6,801,258.33.
- $82,015,000 of Unlimited Tax School Building & Refunding Bonds, Series 2024 with interest rates of 4.00%-5.00%. Proceeds were delivered on May 21, 2024 as follows:
    - $62,2547,758 were deposited to escrow agents and was used to purchase direct obligations of the U.S. government which were irrevocably pledged to the payment of the bond refunded. $64,790,000 of the District's Unlimited Tax School Building Bonds, Series 2014.
    - $26,000,000 was deposited to acquire, construct, renovate and equip school buildings.
    - The District's refunding resulted in an economic gain of $3,328,475 and a book gain of $3,910,082 which will be amortized over the life of the refunded debt. The refunding decreased the District's future debt service requirements by $5,859,817.

Capital Appreciation Bonds

A capital appreciation bond (CAB) is a bond bearing no interest that is sold at a significant discount but matures at a stated value. Accreted interest is the obligation associated with periodic increases in the obligation to reflect the bonds at their stated value at maturity. CAB premiums represent premiums received on the issuance of these bonds which must also be paid back at maturity. Current year accreted interest expense recognized in the government-wide financial statements was $6,939,651, and $4,565,256 of outstanding accreted interest was paid off during the year. Total accreted interest on CABs at June 30, 2024, is $86,755,722, and total premiums on CABs are $30,591,474, both of which are reported as long-term liabilities in the government-wide financial statements.

Bond Authorization and Obligations

General obligation bonds of the District are reported as long-term liabilities of the governmental activities. As of June 30, 2024, $141,656,498 was available in the Debt Service Fund to service these bonds. There are several

limitations and restrictions contained in the general obligation bond indenture. Management asserts that the District complies with all significant limitations and restrictions at June 30, 2024.

In May 2014, voters in the District approved $775,000,000 of general obligation bonds. As of June 30, 2024, the District has issued all of the bonds from the 2014 bond program.

In November 2018, voters in the District approved $691,000,000 of general obligation bonds. As of June 30, 2024, $32,000,000 of that bond program remains authorized but unissued.

The following table summarizes the annual debt service requirements of outstanding debt at June 30, 2024, to maturity:

Year ending June 30,	Principal*	Interest	Total
2025	$87,057,015	$91,451,605	$178,508,620
2026	87,078,623	86,131,987	173,210,610
2027	95,545,908	85,298,459	180,844,367
2028	88,583,970	81,489,463	170,073,433
2029	88,328,022	80,137,028	168,465,050
2030-2034	503,489,007	349,299,324	852,788,331
2035-2039	603,532,708	227,359,741	830,892,449
2040-2044	465,480,000	88,351,705	553,831,705
2045-2049	190,145,000	27,031,274	217,176,274
2050-2053	56,820,000	3,862,342	60,682,342
Total	$2,266,060,253	$1,120,412,928	$3,386,473,181

**includes premium on capital appreciation bonds*

Federal Arbitrage

The Tax Reform Act of 1986 instituted certain arbitrage restrictions consisting of complex regulations with respect to issuance of tax-exempt bond proceeds at an interest yield greater than the interest yield paid to bondholders. Generally, all interest paid to bondholders can be retroactively rendered taxable if applicable rebates are not reported and paid to the Internal Revenue Service at least every five years for applicable bond issues. Accordingly, there is the risk that if such calculations are not performed or are not performed correctly, a liability to the District could result. The District periodically engages an arbitrage consultant to perform the calculations in accordance with the Internal Revenue Service's rules and regulations. The District's arbitrage liability as of June 30, 2024 totals $ 2,166,987.

Leases Payable

The District has entered into multiple lease agreements as lessee. The leases allow the right-to-use portable buildings and copier equipment over the term of the lease. The District is required to make monthly payments at its incremental borrowing rate, or the interest rate stated or implied within the leases. The lease rate, term and ending lease liability are as follows:

Governmental Activities	Interest Rate	Lease Term in Years	Ending Balance
Copiers	3%	1 - 3	$1,153,722
Portables	3%	1	25,000
Total governmental activities			$1,178,722

Continued

The future principal and interest lease payments as of fiscal year end are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$567,527	$28,814	$596,341
2026	407,956	13,770	421,726
2027	203,239	181	203,420
Total	$1,178,722	$42,765	$1,221,487

Subscription-Based Information Technology Arrangements (SBITAs)

The District has entered into multiple SBITAs that allow the right-to-use the SBITA vendor's information technology software over the subscription term. The District is required to make annual payments at its incremental borrowing rate or the interest rate stated or implied within the SBITAs. The SBITA rate, term, and ending subscription liability are as follows:

Governmental Activities	Interest Rate	Lease Term in Years	Ending Balance
Software	4%	1-4	$1,520,664
Total governmental activities			$1,520,664

The future SBITA principal and interest payments as of June 30, 2024, are as follows:

Year Ending June 30,	Principal	Interest	Total
2025	$597,814	$54,605	$652,419
2026	405,122	33,272	438,394
2027	251,227	21,792	273,019
2028	266,501	11,217	277,718
Total	$1,520,664	$120,886	$1,641,550

The value of the subscription assets as of the June 30, 2024, net of accumulated amortization, was $3,132,453.

Note 8:

Unearned Revenue

Unearned revenue at June 30, 2024, consisted of the following:

	General Fund	Non-Major Funds	Total
Cell Tower Rentals	$2,284		$2,284
School lunch deposits		$1,048,921	1,048,921
Student fees and charges	64,940		64,940
Federal Drawdowns		120	120
Total	$67,224	$1,049,041	$1,116,265

Continued

Note 9:

Revenues from Local and Intermediate Sources

During fiscal year 2024, revenues from local and intermediate sources consisted of the following:

	General Fund	DebtService Fund	Capital Projects Fund	Non-Major Governmental Funds	Total
Property tax	$454,827,183	$152,769,049			$607,596,232
Penalties, interest and other tax related income	4,088,745	1,080,746	$36,998,854		42,168,345
Food sales				$17,158,339	17,158,339
Investment income	17,039,062	5,832,583	$10,148,100	751,265	33,771,010
Co-Curricular student activities	3,836,984				3,836,984
Facilities rentals	3,457,691				3,457,691
Other miscellaneous revenue	3,251,397	165	652,648	5,087,927	8,992,137
Total	$486,501,062	$159,682,543	$47,799,602	$22,997,531	$716,980,738

Note 10:

Risk Management

The District is exposed to various risks of loss related to torts, theft of, damage to and destruction of assets, errors and omissions, injuries to employees, and natural disasters. During fiscal year 2024, the District purchased commercial insurance to cover general liabilities. There were no significant reductions in coverage in the past fiscal year, and there were no settlements exceeding insurance coverage for each of the past three fiscal years. $5,000,000 of the $6,000,000 fund balance assigned for claims and judgments is intended to cover potential insurance deductibles and related liabilities.

Health Care Coverage

For the year ending June 30, 2024, all employees of the District were offered health care coverage under the TRS ActiveCare insurance plan, which is a statewide health insurance program. The District contributed $350 per month per enrolled employee to the plan, and employees, at their option, authorized payroll withholdings to pay the additional cost of premiums for themselves and dependents.

Workers' Compensation

The District is self-funded for workers' compensation insurance and has an interlocal agreement with Claims Administrative Services, Inc. (CAS) to serve as the District's third party administrator. The District pays service fees to CAS for its claims management services. The District also maintains an excess workers compensation insurance policy with Midwest Employers Casualty Company (MECC) for claims exceeding the specific retention of $350,000. As of June 30, 2024, the District's unpaid claims totaled $1,711,000 which includes claims incurred but not reported. The liability is based on the requirements of GASB Statement No. 10, which requires that a liability for claims be reported if information obtained prior to the issuance of the financial statements indicates that it is probable that a liability has been incurred at the date of the financial statements and the amount of the loss can be reasonably estimated. Because actual claims liabilities depend on such complex factors as inflation, changes in legal doctrines, and damage awards, the process used in computing the claims liability does not necessarily result in an exact amount. Claims liabilities are evaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors.

Continued

Changes in the workers' compensation claims liability for fiscal year 2023 and fiscal year 2024 were:

	2023	2024
Beginning liability	$3,031,000	$1,942,000
Claims and changes in estimates	476,000	916,000
Claim payments	(1,565,000)	(1,147,000)
Ending liability	$1,942,000	$1,711,000

Litigation and Contingencies

The District is the defendant in a small number of lawsuits arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits will not have a materially adverse effect on the accompanying financial statements. $1,000,000 of the $6,000,000 fund balance assigned for claims and judgments is intended to cover potential legal fees and insurance deductibles for this type of litigation.

State and Federal Programs

The District participates in numerous state and federal funding programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies. Therefore, to the extent that the District has not complied with the rules and regulations governing the grants, refunds of any money received may be required and the collectability of any related receivables at June 30, 2024, may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

Note 11.

Pension Plan

Defined Benefit Pension Plan

Plan Description - The District participates in a cost-sharing multiple-employer defined benefit pension plan that has a special funding situation. The plan is administered by the Teacher Retirement System of Texas (TRS) and is established and administered in accordance with the Texas Constitution, Article XVI, Section 67 and Texas Government Code, Title 8, Subtitle C. The pension trust fund is a qualified pension trust under Section 401(a) of the Internal Revenue Code. The Texas Legislature establishes benefits and contribution rates within the guidelines of the Texas Constitution. The pension's Board of Trustees does not have the authority to establish or amend benefit terms.

All employees of public, state-supported educational institutions in Texas who are employed for one-half or more of the standard workload and who are not exempted from membership under Texas Government Code, Title 8, Section 822.002 are covered by the system.

Pension Plan Fiduciary Net Position - Detailed information about the TRS's fiduciary net position is available in a separately issued Annual Comprehensive Financial Report (ACFR) that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/about_archive_acfr.aspx; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

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% (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, where the

Continued

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 in under a previous rule. There are no automatic post-employment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc post-employment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as noted in the plan description above.

Texas Government Code section 821.006 prohibits benefit improvements, if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action.

Contributions - Contribution requirements are established or amended pursuant to Article XVI, 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 plan years 2020 through 2025.

Rates for such plan fiscal years are as follows:

Contribution Rates	2024	2023
Member	8.25%	8.25%
Non-employer contributing entity (State)	8.25%	8.25%
Employers	8.25%	8.25%

The contribution amounts for the District's fiscal year 2024 are as follows:

	2024
FISD Member contribution	$40,629,698
FISD State contribution	$27,509,525
FISD District contribution	$19,700,413

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

As the non-employer contributing entity for public education and junior colleges, the State of Texas contributes to the retirement system an amount equal to the current employer contribution rate times the aggregate annual compensation of all participating members of the pension trust fund during that fiscal year reduced by the amounts described below which are paid by the employers. The District is required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any part or all of an employee's salary is paid by federal funding sources, a privately sponsored source, from non-educational and general, or local funds.

In addition to the employer contributions listed above, there are two additional surcharges an employer is subject to:

- 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.

Continued

- All public schools, charter schools, and regional educational service centers must contribute 1.8% of the member's salary beginning in plan year 2023, gradually increasing to 2% in plan year 2025.

Pension Liabilities, Pension Expense, and Deferred Outflows/Inflows of Resources Related to Pensions - On June 30, 2024, the District reported a liability of $257,486,646 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:

FISD's proportionate share of the collective net pension liability	$257,486,646
State's proportionate share of the net pension liability associated with FISD	334,839,198
Total	$592,325,844

The net pension liability was measured as of August 31, 2023, and the total pension liability used to calculate the net pension liability was determined by an actuarial valuation as August 31, 2022 rolled to August 31, 2023. The District's proportion of the net pension liability was based on the District's contributions to the pension plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

At the measurement date of August 31, 2023, the District's proportion of the collective net pension liability was 0.3748512601%, which was an increase of 0.0055727602% from its proportion measured as of August 31, 2022.

For the year ended June 30, 2024, the District recognized pension expenses of $36,020,630 and contributions paid by the state on-behalf of the District of $25,549,849.

On June 30, 2024, 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
Differences between expected and actual economic experience	$9,174,336	($3,117,882)
Changes in actuarial assumptions	24,353,193	(5,959,782)
Changes in proportion and differences between District contributions and the proportionate share of contributions	17,283,995	(4,233,099)
Difference between projected and actual investment earnings	37,470,557	
District contributions paid to TRS subsequent to the measurement date	16,445,299	
Total	$104,727,380	($13,310,763)

The amount reported as a deferred outflow of resources resulting from District contributions after the measurement date will be recognized as a reduction of the net pension liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized as pension expense as described in the table on the right.

The General Fund is typically used to liquidate pension and OPEB liabilities.

Year ended June 30:	
2025	$17,228,677
2026	10,643,317
2027	34,415,622
2028	11,430,316
2029	1,253,386
Total	$74,971,318

Continued

Actuarial Assumptions - The total pension liability in the August 31, 2022, actuarial valuation was determined using the following actuarial assumptions:

Valuation date	August 31, 2022 rolled forward to August 31, 2023
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 2020	4.131% *Source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index."*
Last year ending August 31 in Projection Period (100 years)	2122
Inflation	2.30%
Salary increases including inflation	2.95% to 8.95% including inflation
Ad hoc post-employment benefit changes	None
Mortality rates	The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioners Mortality Tables, with full generational projection using the ultimate improvement rates from the most recently published projection scale ("U-MP"). The active mortality rates were based on the published PUB (2010) Mortality Tables for Teachers, below median, also with full generational mortality.

The actuarial methods and assumptions are primarily based on a study of actual experience for the four-year period ending August 31, 2021 and adopted in July 2022.

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 pension plan investments of 7.00%. The projection of cash flows used to determine the single discount rate assumed that contributions from active members and those of the contributing 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 9.50% of payroll in plan year 2024, gradually increasing to 9.56% 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.

The long-term expected rate of return on pension plan investments was determined using a building-block method in which best-estimates ranges of expected future real rates of return (expected returns, net of pension plan investment expense and inflation) are developed for each major asset class. These ranges are combined to produce the long-term expected rate of return by weighing 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 TRS's target asset allocation as of August 31, 2023, are summarized below.

Asset Class	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return [3]	Expected Contribution to Long-Term Portfolio Returns
Global equity			
USA	18.0%	4.0%	1.0%
Non-U.S. developed	13.0%	4.5%	0.9%
Emerging markets	9.0%	4.8%	0.7%
Private equity[1]	14.0%	7.0%	1.5%

Continued

Asset Class	Target Allocation[2]	Long-Term Expected Geometric Real Rate of Return [3]	Expected Contribution to Long-Term Portfolio Returns
Stable value			
Government bonds	16.0%	2.5%	0.5%
Absolute return(1)	-	3.6%	-
Stable value hedge funds	5.0%	4.1%	0.2%
Real return			
Real estate	15.0%	4.9%	1.1%
Energy, natural resources and infrastructure	6.0%	4.8%	0.4%
Commodities	-	4.4%	-
Risk parity	8.0%	4.5%	0.4%
Asset allocation leverage			
Cash	2.0%	3.7%	0.0%
Asset allocation leverage	(6.0%)	4.4%	(0.1%)
Inflation expectation			2.3%
Volatility drag[4]			(0.9%)
Expected Return	100.00%		8.0%

[1] Absolute return includes credit sensitive investments.
[2] Target allocations are based on plan year 2023 policy model.
[3] Capital Market Assumptions come from Aon Hewitt (as of 06/30/2023).
[4] The volatility drag results from the conversion between arithmetic and geometric mean returns.

Discount Rate Sensitivity Analysis - The following table presents the District's proportionate share of the TRS net pension liability using the discount rate of 7.00%, as well as what the District's proportionate share of the net pension liability would be if it were calculated using a discount rate that is 1% point lower or 1% higher than the current rate.

	1% Decrease in Discount Rate (6.00%)	Discount Rate (7.00%)	1% Increase in Discount Rate (8.00%)
FISD's proportionate share of the net pension liability	$384,956,795	$257,486,646	$151,495,148

Change of Assumptions Since the Prior Measurement Date – The actuarial assumptions and methods are the same as used in the determination of the prior year's net pension liability.

Change of Benefit Terms Since the Prior Measurement Date – The Texas 2023 Legislature passed legislation that provides a one-time stipend to certain retired teachers. The stipend was paid to retirees beginning in September of 2023. The Legislature appropriated funds to pay this one-time stipend so there will be no impact on the Net Pension Liability of TRS. In addition, the Legislature also provided for a cost-of-living adjustment (COLA) to retirees which was approved during the November 2023 election which was paid January 2024. Therefore, this contingent liability was not reflected as of measurement period ending August 31, 2023.

Note 12.

Other Post-Employment Benefits

Defined Other Post-Employment Benefit Plan

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 Other Post- employment Benefit (OPEB) plan that has a special funding situation. The TRS-Care program was established in 1986 by the Texas Legislature. The plan is administered through a trust by the Teacher Retirement System of Texas (TRS) Board of Trustees in accordance with Texas Insurance Code Chapter 1575. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

OPEB Plan Fiduciary Net Position - Detailed information about the TRS-Care's fiduciary net position is available in the separately issued TRS Annual Comprehensive Financial Report that includes financial statements and required supplementary information. That report may be obtained on the Internet at https://www.trs.texas.gov/Pages/About_archive_acfr.aspx ; by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698; or by calling 512.542.6592.

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

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

	TRS-Care Monthly Premium Rates Plan Year 2023	
	Medicare	**Non-Medicare**
Retiree or surviving spouse	$135	$200
Retiree and spouse	529	689
Retiree or surviving spouse and children	468	408

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 school districts based upon public school district payroll. The TRS Board of Trustees does not have the authority to set or amend contribution rates.

Texas Insurance Code, section 1575.202 establishes the state's contribution rate, which is 1.25% of the employee's salary. Section 1575.203 establishes the active employee's rate, which is 0.65% of pay. Section 1575.204 establishes an employer contribution rate of not less than 0.25% or not more than 0.75% of the salary of each active employee of the public or charter school. The actual employer contribution rate is prescribed by the Legislature in the General Appropriations Act.

Rates for such plan fiscal years are as follows:

Contribution Rates	2024	2023
Member	0.65%	0.65%
Non-employer contributing entity (State)	1.25%	1.25%
Employers	0.75%	0.75%
Federal/private funding remitted by Employers[1]	1.25%	1.25%

[1] Contributions paid from federal funds and private grants are remitted by the Employer (District) and paid at the State Rate

Continued

The contribution amounts for the District's Fiscal year 2024 are as follows:

	2024
FISD Member contribution	$3,889,502
FISD State contribution	$6,035,723
FISD District contribution	$3,863,966

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 a TRS-Care a monthly surcharge of $535 per retiree.

The State of Texas also contributed $6,035,723, $5,788,471, and $5,417,113 in 2024, 2023, and 2022 respectively, for on-behalf payments for Medicare Part D.

TRS-Care received supplemental appropriations from the State of Texas as the Non-Employer Contributing Entity in the amount of $21 million in fiscal year 2023 provided by Rider 14 of the Senate Bill GAA of the 87th Legislature. These amounts were re-appropriated from amounts received by the pension and TRS-Care funds in excess of the state's actual obligation and then transferred to TRS-Care.

OPEB Liabilities, OPEB Expense, and Deferred Outflows/Inflows of Resources Related to OPEBs – On June 30, 2024, FISD reported a liability of $99,746,750 for its proportionate share of the TRS's net OPEB liability. This liability reflects a reduction in 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:

FISD's proportionate share of the collective net OPEB liability	$99,746,750
State's proportionate share of the Net OPEB Liability associated with FISD	120,359,786
Total	$220,106,536

The net OPEB liability was measured as of August 31, 2023 and the total OPEB liability used to calculate the net OPEB liability was determined by an actuarial valuation as August 31, 2022 rolled forward to August 31, 2023. The District's proportion of the net OPEB liability was based on the District's contributions to the OPEB plan relative to the contributions of all employers to the plan for the period September 1, 2022, through August 31, 2023.

At the measurement date August 31, 2023, FISD's proportion of the collective net OPEB liability was 0.4505618201% which was an increase of 0.0014748049% from August 31, 2022.

For the year ended June 30, 2024, the District recognized negative OPEB expense of ($51,722,666) and contributions paid by the state on-behalf of the District of $6,035,723.

On June 30, 2024, the District reported its proportionate share of the TRS's deferred outflows of resources and deferred inflows of resources related to other post-employment benefits from the following sources:

	Deferred Outflows of Resources	Deferred Inflows of Resources
Differences between expected and actual economic experience	$4,512,784	($83,917,996)
Changes in actuarial assumptions	13,614,704	(61,077,581)
Changes in proportion and differences between District contributions and the proportionate share of contributions	28,848,667	
Difference between projected and actual investment earnings	43,096	
District contributions paid to TRS subsequent to the measurement date	3,207,128	
Total	$50,226,379	($144,995,577)

Continued

The amount reported as a deferred outflow of resources resulting from District contributions after the measurement date will be recognized as a reduction of the net OPEB liability in the year ending June 30, 2025. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to other post-employment benefits will be recognized as pension expense as described in the table on the right.

The General Fund is typically used to liquidate pension and OPEB liabilities.

Year ended June 30:	
2025	($21,872,362)
2026	(17,297,423)
2027	(11,103,764)
2028	(14,084,426)
2029	(13,556,789)
Thereafter	(20,061,562)
Total	($97,976,326)

Actuarial Assumptions – The actuarial valuation was performed as of August 31, 2022. Update procedures were used to roll forward the Total OPEB Liability to August 31, 2023.

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 following assumptions used for the valuation of the TRS-Care OPEB liability are identical to the assumptions employed in the August 31, 2022, TRS pension actuarial valuation that was rolled forward to August 31, 2023.

Demographic Assumptions	Economic Assumptions
Rates of mortality	General inflation
Rates of retirement	Wage inflation
Rates of termination	
Rates of disability	

See Note 11 for detail on these assumptions. The demographic assumptions were developed in the experience study performed for TRS for the period ending August 31, 2021.

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 the mortality projection scale MP-2021.

The initial medical trend rates were 7.75% for Medicare retirees and 7.00% for non-Medicare retirees. There was an initial prescription drug trend rate of 7.75% for all retirees. The initial trend rates decrease to an ultimate trend of 4.25% over a period of 12 years.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

Actuarial cost method	Individual Entry Age Normal
Single discount rate	4.13%
Aging Factors	Based on plan specific experience
Election Rates	Normal retirement: 62% Participation prior to age 65 and 25% after age 65. Pre-65 retirees: 30% of pre-65 retirees are assumed to discontinue coverage at 65.
Expenses	Third-party administrative expenses related to the delivery of health care benefits are included in the age-adjusted claim costs
Ad hoc post-employment benefit changes	None

Continued

Notes to the Basic Financial Statements

Discount Rate – A single discount rate of 4.13% was used to measure the total OPEB liability. This was an increase of 0.22% in the discount rate since August 31, 2022 measurement date. The plan is essentially a "pay-as-you-go" plan, and based on the assumption that the contributions are made at the statutorily required rates, the OPEB plan's fiduciary net position was projected to not be able to make all future benefit payments to current plan members and therefore, the single discount rate is equal to the prevailing municipal bond rate. The source for the rate is the Fixed Income Market Data/Yield Curve/Data Municipal Bonds with 20 years to maturity that include only federally tax-exempt municipal bonds as reported in Fidelity Index's "20-Year Municipal GO AA Index" as of August 31, 2023.

Discount Rate Sensitivity Analysis
Discount Rate - The following table presents the District's proportionate share of the TRS-Care net OPEB

	1% Decrease in Discount Rate (3.13%)	Discount Rate (4.13%)	1% Increase in Discount Rate (5.13%)
FISD's proportionate share of the net OPEB liability	$117,480,902	$99,746,750	$85,275,263

Health Cost Trends Rates - The following Table represents the District's proportionate share of net OPEB liability using the assumed health care cost rend rate, as well as what the net OPEB liability should be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

	1% Decrease in Healthcare Trend Rate	Current Single Healthcare Trend Rate	1% Increase in Healthcare Trend Rate
FISD's proportionate share of the net OPEB liability	$82,136,457	$99,746,750	$122,402,453

Changes of Assumptions Since the Prior Measurement Date – The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

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

Changes of Benefit Terms Since the Prior Measurement Date – There were no changes in benefit terms since the prior measurement date.

Medicare Part D

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003, which was 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 year ended June 30, 2024, these on-behalf payments were $2,409,538 and were recorded as equal revenues and expenditures in the General Fund.

Required Supplementary Information
(Unaudited)

Sarigama · Saarika Saiganesh · Independence High School

Frisco Independent School District

Budgetary Comparison Schedule

Governmental Funds

For the Year Ended June 30, 2024

Exhibit F-1

Data Control Codes		Budgeted Amounts Original	Budgeted Amounts Final	Actual Amounts	Variance with Final Budget Over/(Under)
	Revenues				
5700	Local and intermediate sources	$602,319,900	$500,667,600	$486,501,062	$(14,166,538)
5800	State program revenues	104,609,900	201,190,200	217,584,580	16,394,380
5900	Federal program revenues	7,000,000	8,000,000	5,637,646	(2,362,354)
5020	Total Revenues	713,929,800	709,857,800	709,723,288	(134,512)
	Expenditures				
	Current:				
0011	Instruction	425,615,405	419,184,369	415,246,435	(3,937,934)
0012	Instructional resources and media services	7,240,382	7,914,681	7,308,007	(606,674)
0013	Curriculum and instructional staff development	16,353,661	17,238,177	17,092,230	(145,947)
0021	Instructional leadership	12,848,618	13,397,755	11,549,718	(1,848,037)
0023	School leadership	42,069,619	43,532,473	40,224,053	(3,308,420)
0031	Guidance, counseling and evaluation services	27,331,329	30,906,911	29,561,064	(1,345,847)
0032	Social work services	271,726	526,241	268,270	(257,971)
0033	Health services	7,562,765	8,081,800	7,644,685	(437,115)
0034	Student transportation	17,245,594	20,045,249	17,230,753	(2,814,496)
0035	Food services	100,000	-	-	-
0036	Extracurricular activities	23,478,160	25,872,378	24,115,570	(1,756,808)
0041	General administration	17,167,208	20,522,478	18,250,470	(2,272,008)
0051	Facilities maintenance and operations	61,683,797	65,371,468	59,530,502	(5,840,966)
0052	Security and monitoring services	6,203,581	6,980,617	5,879,930	(1,100,687)
0053	Data processing services	9,907,472	9,738,219	8,685,461	(1,052,758)
0061	Community services	2,256,228	2,614,081	2,523,688	(90,393)
	Debt Service:				
0071	Principal on long-term debt		2,007,505	1,908,536	(98,969)
0072	Interest on long-term debt		87,298	86,543	(755)
	Capital Outlay:				
0081	Facilities acquisition and construction				-
0091	Contracted instructional services between schools	11,930,940	11,852,100	10,746,030	(1,106,070)
0095	Payments to juvenile justice alternative education programs	50,000	50,000	42,401	(7,599)
0097	Payments to tax increment fund	44,282,700	41,663,100	41,509,928	(153,172)
0099	Other intergovernmental charges	4,712,000	5,718,407	4,323,031	(1,395,376)
6030	Total Expenditures	738,311,185	753,305,307	723,727,305	(29,578,002)
1100	Excess (deficiency) of revenues over (under) expenditures	(24,381,385)	(43,447,507)	(14,004,017)	29,443,490
	Other Financing Sources (Uses)				
7912	Proceeds from the sale of property			5,066	5,066
7949	Insurance recoveries and other resources			1,230,255	1,230,255
8911	Transfers out			(223,207)	(223,207)
7080	Total Other Financing Sources (Uses)	-	-	1,012,114	1,012,114
1200	**Net change in fund balances**	(24,381,385)	(43,447,507)	(12,991,903)	30,455,604
0100	**Fund balances - beginning**	254,296,993	254,296,993	254,296,993	-
3000	**Fund balances - ending**	$229,915,608	$210,849,486	$241,305,090	$30,455,604

See notes to the Budgetary Comparison Schedule.

Frisco Independent School District

Notes to the Budgetary Comparison Schedule

Annual budgets are adopted for the General Fund, Child Nutrition Special Revenue Fund and the Debt Service Fund on a basis consistent with accounting principles generally accepted in the United States of America. To comply with those principles, each annual budget is presented on the modified accrual basis. The District is required to present the adopted and final amended budgeted revenues and expenditures for each of these funds. The Budgetary Comparison Schedules for the Debt Service Fund and Child Nutrition Fund can be found on Exhibits G-1 and G-4, respectively. The remaining special revenue funds and the Capital Projects Fund adopt project-length budgets which do not correspond to the District's fiscal year.

The following procedures are followed in establishing the budgetary data reflected in the financial statements:

1. Prior to June 20 of the preceding fiscal year, the District prepares a budget for the subsequent fiscal year beginning July 1. The operating budget includes proposed expenditures and the means of financing them.
2. A meeting of the Board of Trustees is then called for the purpose of adopting the proposed budget after ten days public notice of the meeting has been given.
3. Prior to July 1, the budget is legally enacted through passage of a resolution by the Board of Trustees.

Once a budget is approved, it can be amended at the fund and function level only. To do so requires the approval of a majority of the members of the Board of Trustees. Amendments are presented to the Board at its regular meetings. Such amendments are reflected in the official minutes of the Board. During the year, several amendments were necessary.

The Chief Financial Officer controls each budget for revenues and expenditures at the fund, function, and object level. Management is able to transfer amounts within each function. Budgeted amounts are as amended by the Board of Trustees. All budget appropriations lapse at year-end.

Frisco Independent School District

Schedule of the District's Proportionate Share of the Net Pension Liability

Teacher Retirement System of Texas

For the Last Ten Plan Years[1]

	2014	2015	2016	2017
District's proportion of the net pension liability	0.002314258000	0.002881151000	0.002910236766	0.003137632412
District's proportionate share of the net pension liability	$61,817,031	$101,844,853	$109,973,520	$100,324,581
State's Share of the net pension liability associated with the District	121,412,312	163,966,596	179,382,090	155,507,727
Total	$183,229,343	$265,811,449	$289,355,610	$255,832,308
District's covered payroll(2)	$253,369,679	$279,985,062	$304,425,906	$331,387,964
District's proportionate share of the net pension liability as a percentage of its covered payroll	24.40%	36.38%	36.12%	30.27%
Plan fiduciary net position as a percentage of the total pension liability	83.25%	78.43%	78.00%	82.17%

1 The amounts for each fiscal year were determined as of August 31, the pension measurement date. Information for plan years prior to 2014 is not available.

2 Covered payroll includes all TRS-eligible payroll paid by the District during the plan year (September 1 - August 31).

(Continued)

2018	2019	2020	2021	2022	2023
0.003097311248	0.003502637672	0.00324538055	0.00344950625	0.00369278500	0.003748512601
$170,483,528	$182,078,056	$173,815,951	$87,846,717	$219,231,149	$257,486,646
249,283,125	249,283,125	285,365,085	137,753,868	297,091,396	334,839,198
$419,766,653	$431,361,181	$459,181,036	$225,600,585	$516,322,545	$592,325,844
$336,805,214	$376,024,626	$411,742,285	$435,799,597	$458,035,274	$485,307,420
50.62%	48.42%	42.21%	20.16%	47.86%	53.06%
73.74%	75.24%	75.54%	88.79%	75.62%	73.15%

(Concluded)

Frisco Independent School District

Schedule of District Pension Contributions

Teacher Retirement System of Texas

For the Last Ten Fiscal Years

	2015	2016	2017
Contractually required contribution[1]	$8,087,677	$9,123,803	$10,166,019
Contributions in relation to the contractually required contribution	8,087,677	9,123,803	10,166,019
Contribution deficiency (excess)	$-	$-	$-
District's covered payroll[2]	$275,426,852	$300,219,324	$328,408,774
Contributions as a percentage of covered payroll	2.94%	3.04%	3.10%

[1] District contributions in this schedule differ from the amount reported in Note 11 due to the difference between the TRS plan year (September 1 - August 31) and the District's fiscal year (July 1 - June 30).

[2] Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).

(Continued)

2018	2019	2020	2021	2022	2023	2024
$10,573,145	$11,656,212	$13,144,338	$14,530,634	$16,670,142	$18,902,208	$19,700,413
10,573,145	11,656,212	13,144,338	14,530,634	16,670,142	18,902,208	19,700,413
$-	$-	$-	$-	$-	$-	$-
$334,369,517	$369,716,803	$405,810,347	$432,411,883	$452,042,772	$482,213,427	$494,982,756
3.16%	3.15%	3.24%	3.36%	3.69%	3.92%	3.98%

(Concluded)

Frisco Independent School District

Schedule of the District's Proportionate Share of the Net OPEB Liability

Teacher Retirement System of Texas

For the Last Ten Plan Years[1]

	2017	2018	2019
District's proportion of the net OPEB liability	0.003631282831	0.003792675500	0.004123727000
District's proportionate share of the net OPEB liability	$157,910,868	$189,371,760	$195,016,124
State's proportionate share associated with the District	271,372,899	300,003,424	259,132,805
Total	$429,283,767	$489,375,184	$454,148,929
District's covered payroll[2]	$331,387,964	$336,805,214	$376,024,626
District's proportionate share of the net OPEB liability as a percentage of its covered payroll	47.65%	56.23%	51.86%
Plan fiduciary net position as a percentage of the total OPEB liability	0.91%	1.57%	2.66%

[1] The amounts for each fiscal year were determined as of August 31, the OPEB measurement date. Information for plan years prior to 2017 is not available.

[2] Covered payroll includes all TRS-eligible payroll paid by the district during the plan year (September 1 - August 31).

(Continued)

2020	2021	2022	2023
0.004190748000	0.004334529536	0.004490870152	0.004505618201
$159,309,242	$167,202,174	$107,529,419	$99,746,750
214,073,443	224,013,650	$131,168,997	$120,359,786
$373,382,685	$391,215,824	$238,698,416	$220,106,536
$411,742,285	$435,799,597	$458,035,274	$485,307,420
38.69%	38.37%	23.48%	20.55%
4.99%	6.18%	11.52%	14.94%

(Concluded)

Frisco Independent School District

Schedule of District OPEB Contributions

Teacher Retirement System of Texas

For the Last Ten Fiscal Years

	2015	2016	2017
Contractually required contribution[1]	$1,563,710	$1,699,880	$1,856,924
Contributions in relation to the contractually required contribution	1,563,710	1,699,880	1,856,924
Contribution deficiency (excess)	$-	$-	$-
District's covered payroll[2]	$275,426,852	$300,219,324	$328,408,774
Contributions as a percentage of covered payroll	0.57%	0.57%	0.57%

[1] District contributions in this schedule differ from the amount reported in Note 11 due to the difference between the TRS plan year (September 1 - August 31) and the District's fiscal year (July 1 - June 30).

[2] Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).

(Continued)

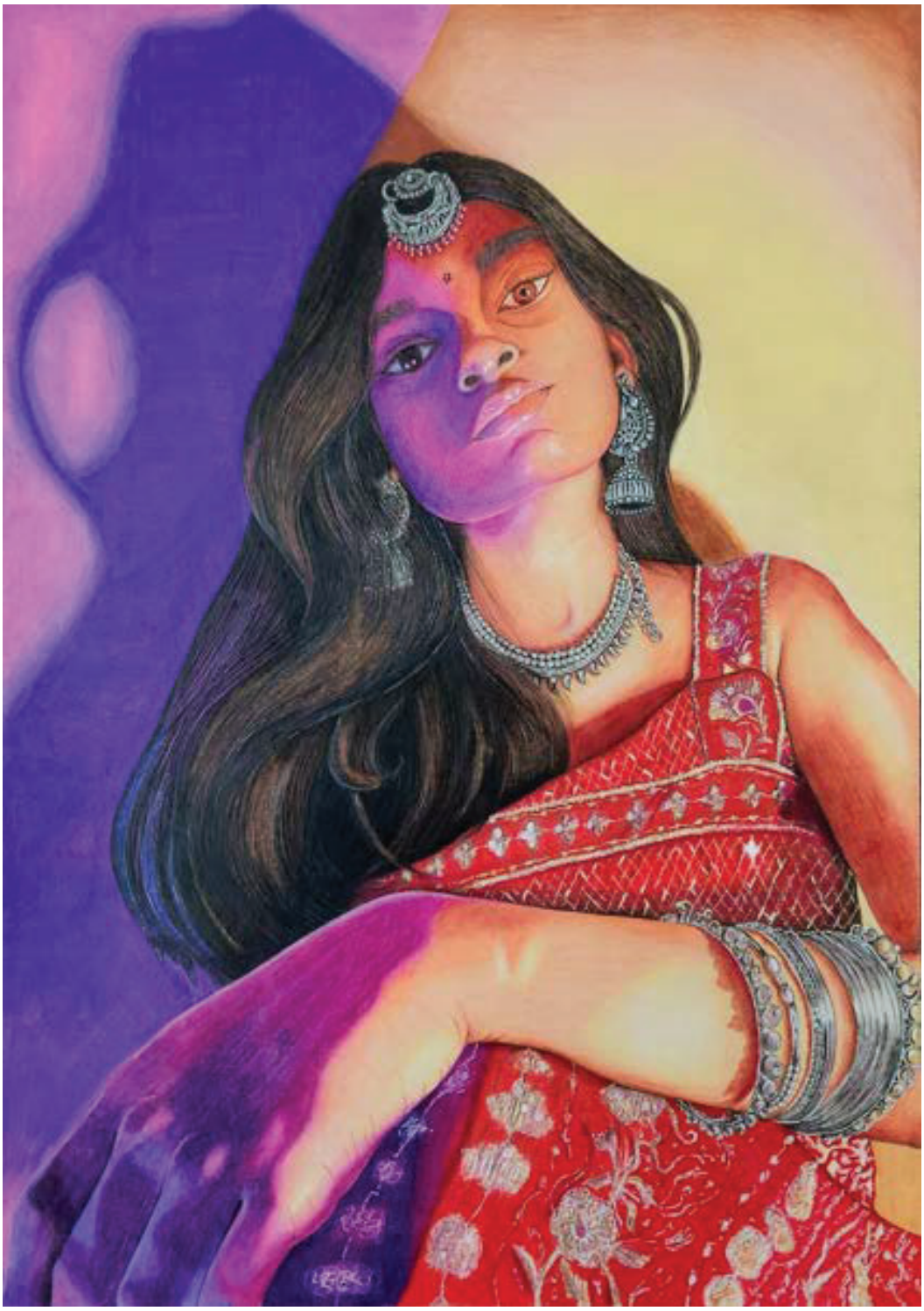
Exhibit

F-5

2018	2019	2020	2021	2022	2023	2024
$2,468,771	$2,775,970	$3,128,440	$3,351,253	$3,623,750	$3,855,824	$3,863,966
2,468,771	2,775,970	3,128,440	3,351,253	3,623,750	3,855,824	3,863,966
$-	$-	$-	$-	$-	$-	$-
$334,369,517	$369,716,803	$405,810,347	$432,411,883	$452,042,772	$482,213,427	$494,982,756
0.74%	0.75%	0.77%	0.78%	0.80%	0.80%	0.78%

(Concluded)

Other Supplementary Information



Ranni In Red ·Arshia Vignesh · Memorial High School

Budgetary Comparison Schedule

Frisco Independent School District

Exhibit

Budgetary Comparison Schedule

Debt Service Fund

G-1

For the Year Ended June 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	$176,341,100	$176,341,100	$159,682,543	$(16,658,557)
5800	State program revenues			12,422,655	12,422,655
5020	Total Revenues	176,341,100	176,341,100	172,105,198	(4,235,902)
	Expendiures				
	Debt Service:				
0071	Principal on long-term debt	75,992,850	75,992,850	75,289,744	(703,106)
0072	Interest on long-term debt	99,598,250	98,995,225	91,384,230	(7,610,995)
0073	Bond issuance costs and fees	750,000	1,353,025	1,353,024	(1)
6030	Total Expenditures	176,341,100	176,341,100	168,026,998	(8,314,102)
1100	Excess (deficiency) of revenues over (under) expenditures	-	-	4,078,200	4,078,200
	Other Financing Sources (Uses)				
7901	Refunding bonds issued			133,225,000	133,225,000
7916	Premium on issuance of bonds			18,516,123	18,516,123
8949	Payment to refunded bond escrow agent			(150,406,719)	(150,406,719)
7080	Total Other Financing Sources (Uses)	-	-	1,334,404	1,334,404
1200	**Net change in fund balances**	-	-	5,412,604	5,412,604
0100	**Fund balances - beginning**	136,243,894	136,243,894	136,243,894	-
3000	**Fund balances - ending**	$136,243,894	$136,243,894	$141,656,498	$5,412,604

Non-Major Governmental Funds

Special Revenue Funds

The District's non-major governmental funds are Special Revenue funds that account for revenues that have been restricted or committed to expenditures for specific purposes other than expendable trusts or for major capital projects. The programs included in these funds are as follows:

ESEA, Title I, Part A Fund is used to account for supplemental funding allocated by the US Department of Education, as passed through the Region X Education Service Center, to acquire additional education resources at schools serving high concentrations of students from low-income homes.

IDEA, Part B Formula Funds are funded by the US Department of Education and passed through the State of Texas and is for the purpose of providing special education and related services to students with disabilities, ages 3-21.

IDEA, Part B Preschool Fund is funded by the US Department of Education and passed through the State of Texas and is for the purpose of providing special education and related services to students with disabilities, ages 3-5.

IDEA, Part B Discretionary Fund is funded by the US Department of Education and passed through the State of Texas and is for the purpose of providing special education and related services to students with disabilities.

Child Nutrition Fund is used to account for school lunch and breakfast programs using federal reimbursement revenues from the US Department of Agriculture, as passed through the State of Texas, for the purpose of charging for and providing meals to students.

Career and Technical Basic Grant Fund is a funded by the US Department of Education and passed through the State of Texas to develop new and/or improve existing career and technical education programs for paid and unpaid employment. The grant is limited to members of special populations at either (1) a limited number of campuses or (2) a limited number of program areas.

ESEA, Title II, Part A Fund is a teacher and principal training and recruiting program funded by the US Department of Education and passed through Region X Education Service Center. Funds are used to provide financial assistance to local education agencies to (1) increase student academic achievement through improving teacher and principal quality and (2) hold local education agencies and schools accountable for improving student academic achievement.

ESEA, Title III, Part A Fund is an English language acquisition program funded by the US Department of Education and passed through Region X Education Service Center. Funds are used to improve the education of limited English proficient students by assisting them with challenging State academic content and helping them meet academic achievement standards.

Medicaid Administrative Claiming Fund is used to account for funds from the US Department of Health and Human Services for reimbursement of eligible administrative costs related to the Medicaid State plan.

Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III is a set of funding and targeted supports available to Local Education Agencies to accelerate student learning in the wake of COVID-19, utilizing both state and federal funds.

Elementary and Secondary School Emergency Relief Fund - ESSER III is funded by the US Department of Education, as passed through the State of Texas, through the CARES Act. These funds are federal stimulus funds intended to support our ability to operate and instruct our students during the COVID-19 pandemic.

Supplemental Elementary and Secondary School Emergency Relief Fund - ESSER-SUPP provides a portion of the discretionary funding allocated to the State of Texas under CRRSA ESSER II and ARP ESSER III to certain school districts to provide additional resources to pay for unreimbursed costs due to the coronavirus pandemic and for intensive educational supports for students.

IDEA, Part B, Formula - ARP is used to account for federal stimulus funds granted under the American Rescue Plan to operate educational programs for children with disabilities.

IDEA, Part B, Preschool - ARP is used to account for federal stimulus funds granted under the American Rescue Plan to operate educational programs for preschool children with disabilities.

Summer School LEP Fund is funded by the US Department of Education and passed through the State of Texas and pays for a required summer school program for limited English proficient students who will be eligible for admission to kindergarten and first grade at the beginning of the next school year.

Visually Impaired SSVI Fund is used to account for State supplemental visual impairment funds. This fund is used to account for, on a project basis, funds received from Region X Education Service Center as part of a shared service arrangement.

Noneducational Community Based Support Fund is used to account, on a project basis, for the provision of noneducational community-based support services to students with disabilities who would remain or have to be placed in residential facilities for educational reasons without the provision of these services.

State Textbook Fund is an instructional materials allotment funded by the State of Texas to purchase textbooks and other instructional materials, including technological software or equipment that contributes to student learning and/or training for educational personnel involved in the use of these materials.

Read to Succeed Fund is a license plate program funded by the State of Texas. The fund is designed to help generate money for public school libraries and strengthen the campus reading program. Funds are generated through the sale of specialty license plates sold to members of the community who support the District.

Campus Activity Funds are funds held at each campus and controlled by the campus principal to fund supplemental operating expenditures for that campus. Revenues are generated by sales and fundraising events held at the campus.

Restricted Donations and Grants are funds used to account for donations or grants given by outside organizations to be spent as directed by the donor or grantor.

Frisco Partners Fund is used to account for grants given by the Frisco Education Foundation to be spent as directed.

Child Development Center Fund is a local fund used to account for day care services provided to District employees' children.

Frisco Independent School District

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2024

Data Control Codes		211 ESEA, Title I, Part A Fund	224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund
	Assets			
1110	Cash and investments		$598	
1240	Due from other governments	$436,765	2,163,008	$34,076
1290	Other receivables			
1410	Prepaid expenditures			
1000	**Total Assets**	$436,765	$2,163,606	$34,076
	Liabilities			
2110	Accounts payable	7,919	3,165	2,514
2160	Accrued wages payable	72,707	895,814	
2170	Due to other funds	356,139	1,264,627	31,562
2300	Unearned revenue			
2000	**Total Liabilities**	436,765	2,163,606	34,076
	Fund Balances			
	Nonspendable:			
3430	Prepaid expenditures			
	Restricted for:			
3450	Federal and state grant programs			
3490	Local grants, awards and contributions			
	Committed to:			
3545	Local grants, awards and contributions			
3600	Unassigned			
3000	**Total Fund Balances**	-	-	-
4000	**Total Liabilities and Fund Balances**	$436,765	$2,163,606	$34,076

(Continued)

Exhibit

G-2

226 IDEA-B Discretionary Fund	240 Child Nutrition Fund	244 Career and Technical Basic Grant Fund	255 ESEA, Title II, Part A Fund	263 ESEA, Title III, Part A Fund
	$15,231,679			$9,872
$660,808	10,008	$78,680	$50,538	494,507
	272,332			
	4,926			
$660,808	$15,518,945	$78,680	$50,538	$504,379
	83,632	23	9,209	72,150
	1,574,865		10,330	232,985
660,808		78,657	30,999	199,244
	1,048,921			
660,808	2,707,418	78,680	50,538	504,379
	4,926			
	12,806,601			
-	12,811,527	-	-	-
$660,808	$15,518,945	$78,680	$50,538	$504,379

(Continued)

Frisco Independent School District

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2024

Data Control Codes		272 Medicaid Administrative Claiming Fund	279 Texas COVID Learning Acceleration Supports - ESSER III	282 Elementary and Secondary School Emergency Relief Fund III - ESSER III
	Assets			
1110	Cash and investments	$199,067		
1240	Due from other governments	27,248	$212,864	$1,416,530
1290	Other receivables			
1410	Prepaid expenditures			
1000	**Total Assets**	$226,315	$212,864	$1,416,530
	Liabilities			
2110	Accounts payable			
2160	Accrued wages payable			385,713
2170	Due to other funds		212,864	1,030,817
2300	Unearned revenue			
2000	**Total Liabilities**	-	212,864	1,416,530
	Fund Balances			
	Nonspendable:			
3430	Prepaid expenditures			
	Restricted for:			
3450	Federal and state grant programs	226,315		
3490	Local grants, awards and contributions			
	Committed to:			
3545	Local grants, awards and contributions			
3600	Unassigned			
3000	**Total Fund Balances**	226,315	-	-
4000	**Total Liabilities and Fund Balances**	$226,315	$212,864	$1,416,530

(Continued)

Exhibit

G-2

(Continued)

283 Supplemental Elementary and Secondary School Emergency Relief Fund - ESSER-SUPP	284 IDEA - Part B, Formula - ARP	285 IDEA - Part B, Preschool - ARP	289 Summer School LEP Fund	385 Visually Impaired SSVI Fund
			$49,125	
$-	$-	$-	$49,125	$-
			187	
			48,938	
-	-	-	49,125	-
-	-	-	-	-
$-	$-	$-	$49,125	$-

Frisco Independent School District

Combining Balance Sheet

Non-Major Governmental Funds

June 30, 2024

Data Control Codes		392 Noneducational Community Based Support	410 State Textbook Fund	429 Read to Succeed Fund
	Assets			
1110	Cash and investments			$34
1240	Due from other governments	$2,513	$670,156	79,877
1290	Other receivables			
1410	Prepaid expenditures		1,602,926	
1000	**Total Assets**	$2,513	$2,273,082	$79,911
	Liabilities			
2110	Accounts payable			3,500
2160	Accrued wages payable	2,513		3,856
2170	Due to other funds		2,272,962	72,476
2300	Unearned revenue		120	
2000	**Total Liabilities**	2,513	2,273,082	79,832
	Fund Balances			
	Nonspendable:			
3430	Prepaid expenditures		1,602,926	
	Restricted for:			
3450	Federal and state grant programs			79
3490	Local grants, awards and contributions			
	Committed to:			
3545	Local grants, awards and contributions			
3600	Unassigned		(1,602,926)	
3000	**Total Fund Balances**	-	-	79
4000	**Total Liabilities and Fund Balances**	$2,513	$2,273,082	$79,911

(Continued)

Exhibit

G-2

(Concluded)

461 Campus Activity Fund	480 Restricted Donations and Grants	497 Frisco Partners Funds	498 Child Development Center Fund	Total Non-Major Governmental Funds
$3,566,035	$162,052	$6,475	$248,733	$19,424,545
				6,386,703
3,154				275,486
137,778				1,745,630
$3,706,967	$162,052	$6,475	$248,733	$27,832,364
31,795		4,676	2,052	220,822
24,279			111,130	3,314,192
				6,260,093
				1,049,041
56,074	-	4,676	113,182	10,844,148
137,778				1,745,630
				-
				13,032,995
	162,052			162,052
				-
3,513,115		1,799	135,551	3,650,465
				(1,602,926)
3,650,893	162,052	1,799	135,551	16,988,216
$3,706,967	$162,052	$6,475	$248,733	$27,832,364

(Concluded)

Frisco Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended June 30, 2024

Data Control Codes		211 ESEA, Title I, Part A Fund	224 IDEA-B Formula Fund	225 IDEA-B Preschool Fund
	Revenues			
5700	Local and intermediate sources			
5800	State program revenues			
5900	Federal program revenues	$1,250,255	$7,805,131	$68,324
5020	**Total Revenues**	1,250,255	7,805,131	68,324
	Expenditures			
	Current:			
0011	Instruction	1,155,667	3,616,615	68,324
0012	Instructional resources and media services			
0013	Curriculum and instructional staff development	67,608	151,482	
0021	Instructional leadership	22,363	41,116	
0023	School leadership	184	101,978	
0031	Guidance, counseling and evaluation services		3,893,940	
0033	Health services			
0034	Student transportation			
0035	Food services			
0036	Extracurricular activities			
0041	General Administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0061	Community services	4,433		
	Debt Service:			
0071	Principal on long-term debt			
0072	Interest on long-term debt			
6030	**Total Expenditures**	1,250,255	7,805,131	68,324
1100	**Excess (deficiency) of revenues over (under) expenditures**	-	-	-
	Other Financing Sources (Uses)			
7912	Proceeds from the sale of property			
7915	Transfers in			
7949	Insurance recoveries and other resources			
8911	Transfers out			
7080	**Total Other Financing Sources (Uses)**	-	-	-
1200	**Net change in fund balances**	-	-	-
0100	**Fund balances - beginning**			
3000	**Fund balances - ending**	$-	$-	$-

(Continued)

Exhibit

G-3

226	240	244	255	263
IDEA-B Discretionary Fund	**Child Nutrition Fund**	**Career and Technical Basic Grant Fund**	**ESEA, Title II, Part A Fund**	**ESEA, Title III, Part A Fund**
	$17,920,140			
	102,493			
$680,915	9,297,274	$391,598	$335,303	$1,206,795
680,915	27,319,907	391,598	335,303	1,206,795
680,915		391,598	24,208	1,206,795
			150,169	
			160,926	
	28,664,157			
	334,953			
			-	
680,915	28,999,110	391,598	335,303	1,206,795
-	(1,679,203)	-	-	-
	3,145			
-	3,145	-	-	-
-	(1,676,058)	-	-	-
	14,487,585			
$-	$12,811,527	$-	$-	$-

(Continued)

Frisco Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended June 30, 2024

Data Control Codes		272 Medicaid Administrative Claiming Fund	279 Texas COVID Learning Acceleration Supports - ESSER III	282 Elementary and Secondary School Emergency Relief Fund III - ESSER III
	Revenues			
5700	Local and intermediate sources			
5800	State program revenues			
5900	Federal program revenues	$126,785	$650,262	$2,791,258
5020	**Total Revenues**	126,785	650,262	2,791,258
	Expenditures			
	Current:			
0011	Instruction		366,895	1,779,913
0012	Instructional resources and media services			
0013	Curriculum and instructional staff development		283,367	60,897
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services			950,448
0033	Health services	81,771		
0034	Student transportation			
0035	Food services			
0036	Extracurricular activities			
0041	General Administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			
0061	Community services			
	Debt Service:			
0071	Principal on long-term debt			
0072	Interest on long-term debt			
6030	**Total Expenditures**	81,771	650,262	2,791,258
1100	**Excess (deficiency) of revenues over (under) expenditures**	45,014	-	-
	Other Financing Sources (Uses)			
7912	Proceeds from the sale of property			
7915	Transfers in			
7949	Insurance recoveries and other resources			
8911	Transfers out			
7080	**Total Other Financing Sources (Uses)**	-	-	-
1200	**Net change in fund balances**	45,014	-	-
0100	**Fund balances - beginning**	181,301	-	-
3000	**Fund balances - ending**	$226,315	$-	$-

(Continued)

Exhibit

G-3

(Continued)

283 Supplemental Elementary and Secondary School Emergency Relief Fund - ESSER-SUPP	284 IDEA - Part B, Formula - ARP	285 IDEA - Part B, Preschool - ARP	289 Summer School LEP Fund	385 Visually Impaired SSVI Fund
				$16,551
$261,738	$240,410	$20	$153,862	
261,738	240,410	20	153,862	16,551
216,300	29,878	20	87,710	16,551
			66,152	
552				
16,868	154,638			
16,103	55,894			
11,915				
261,738	240,410	20	153,862	16,551
-	-	-	-	-
-	-	-	-	-
-	-	-	-	-
-	-	-	-	
$-	$-	$-	$-	$-

Frisco Independent School District

Combining Statement of Revenues, Expenditures, and Changes in Fund Balances

Non-Major Governmental Funds

For the Year Ended June 30, 2024

Data Control Codes		392 Non-Ed. Community Based Support	410 State Textbook Fund	429 Read to Succeed Fund
	Revenues			
5700	Local and intermediate sources			
5800	State program revenues	$2,513	$3,993,527	$1,046,607
5900	Federal program revenues			
5020	**Total Revenues**	2,513	3,993,527	1,046,607
	Expenditures			
	Current:			
0011	Instruction		3,869,434	665,676
0012	Instructional resources and media services			92
0013	Curriculum and instructional staff development			194,350
0021	Instructional leadership			
0023	School leadership			
0031	Guidance, counseling and evaluation services			
0033	Health services			
0034	Student transportation			
0035	Food services			
0036	Extracurricular activities			
0041	General Administration			
0051	Facilities maintenance and operations			
0052	Security and monitoring services			177,796
0061	Community services	2,513		8,750
	Debt Service:			
0071	Principal on long-term debt		332,636	
0072	Interest on long-term debt		7,664	
6030	**Total Expenditures**	2,513	4,209,734	1,046,664
1100	Excess (deficiency) of revenues over (under) expenditures	-	(216,207)	(57)
	Other Financing Sources (Uses)			
7912	Proceeds from the sale of property			
7915	Transfers in		216,207	-
7949	Insurance recoveries and other resources			
8911	Transfers out	-		
7080	**Total Other Financing Sources (Uses)**	-	216,207	-
1200	**Net change in fund balances**	-	-	(57)
0100	**Fund balances - beginning**	-	-	136
3000	**Fund balances - ending**	$-	$-	$79

(Continued)

Exhibit

G-3

(Concluded)

461 Campus Activity Fund	480 Restricted Donations and Grants	497 Frisco Partners Fund	498 Child Development Center Fund	Total Non-Major Governmental Funds
$4,097,232	$213,871	$58,953	$707,335	$22,997,531
				5,161,691
				25,259,930
4,097,232	213,871	58,953	707,335	53,419,152
	107,127	48,053		14,331,679
	19,965	7,247		27,304
				974,025
				224,957
	8,950			282,618
	4,566	1,854		4,922,805
	23			81,794
				-
				28,664,157
3,791,335	66,776			3,858,111
	74			11,989
	77,107			412,060
				177,796
			787,504	803,200
				-
				332,636
				7,664
3,791,335	284,588	57,154	787,504	55,112,795
305,897	(70,717)	1,799	(80,169)	(1,693,643)
				3,145
7,000				223,207
				-
				-
7,000	-	-	-	226,352
312,897	(70,717)	1,799	(80,169)	(1,467,291)
3,337,996	232,769	-	215,720	18,455,507
$3,650,893	$162,052	$1,799	$135,551	$16,988,216

(Concluded)

Frisco Independent School District

Exhibit

Budgetary Comparison Schedule

Child Nutrition Fund

G-4

For the Year Ended June 30, 2024

Data Control Codes		Budgeted Amounts		Actual Amounts	Variance with Final Budget Over/(Under)
		Original	Final		
	Revenues				
5700	Local and intermediate sources	$17,358,900	$17,358,900	$17,920,140	$561,240
5800	State program revenues	143,000	143,000	102,493	(40,507)
5900	Federal program revenues	9,029,000	9,029,000	9,297,274	268,274
5020	**Total Revenues**	26,530,900	26,530,900	27,319,907	789,007
	Expenditures				
	Current:				
0035	Food services	28,355,340	32,423,622	28,664,157	(3,759,465)
0051	Facilities maintenance and operations	345,025	345,025	334,953	(10,072)
6030	**Total Expenditures**	28,700,365	32,768,647	28,999,110	(3,769,537)
1100	**Excess (deficiency) of revenues over (under) expenditures**	(2,169,465)	(6,237,747)	(1,679,203)	4,558,544
	Other Financing Sources (Uses)				
7912	Proceeds from the sale of property			3,145	3,145
7080	**Total Other Financing Sources (Uses)**			3,145	3,145
1200	**Net change in fund balances**	(2,169,465)	(6,237,747)	(1,676,058)	4,561,689
0100	**Fund balances - beginning**	14,487,585	14,487,585	14,487,585	-
3000	**Fund balances - ending**	$12,318,120	$8,249,838	$12,811,527	$4,561,689

Required TEA Schedules

Frisco Independent School District

Schedule of Delinquent Taxes Receivable

As of June 30, 2024

	1	2	3	10	20
	Tax Rates				
Last Ten Fiscal Years	Maintenance	Debt Service	Assessed/Appraised Value for School Tax Purposes	Beginning Balance	Current Year's Total Levy
Prior to 2016	Various	Various	Various	$(218,681)	
2016	$1.0400	$0.4200	$26,230,139,504	196,868	
2017	$1.0400	$0.4200	$30,621,651,034	204,914	
2018	$1.0400	$0.4200	$35,570,550,343	262,992	
2019	$1.1700	$0.2700	$40,349,486,303	457,667	
2020	$1.0683	$0.2700	$43,491,816,275	705,958	
2021	$1.0402	$0.2700	$46,267,939,261	755,604	
2022	$0.9972	$0.2700	$49,483,508,443	621,495	
2023	$0.9429	$0.2700	$57,110,581,645	4,223,897	
2024	$0.7575	$0.2700	$62,146,932,956		$635,623,375
Totals				$7,210,714	$635,623,375

Portion of total collections paid into Tax Increment Zone Under Chapter 311, Tax Code

Total amount of taxes refunded under section 26.1115(c), Tax Code, who received an exemption as provided by Section 11.42(f), Tax Code

(Continued)

Exhibit

J-1

31	32	40	50	99
Maintenance Collections	**Debt Service Collections**	**Entire Year's Adjustments**	**Ending Balance**	**Taxes Refunded Under Section 26.1115c**
$48,638	$19,465	$(87,387)	$(374,171)	
5,499	2,221		189,148	
10,418	4,207	(1)	190,288	
11,070	4,470	(675)	246,777	
149,771	34,562	(19,028)	254,306	
428,933	108,408	288,173	456,790	
435,633	113,075	794,268	1,001,164	
89,639	24,270	475,498	983,084	
(278,424)	(79,727)	(3,666,631)	915,417	
450,639,337	160,623,912	(20,687,697)	3,672,429	
$451,540,514	$160,854,863	$(22,903,480)	$7,535,232	
$26,787,965				
				$164,068

(Concluded)

Frisco Independent School District

Use of Funds Report
Select State Allotments Programs

For the Year Ended June 30, 2024

Exhibit

J-4

Data Codes		1 Responses
Section A: Compensatory Education Programs		
Districts are required to use at least 55% of state compensatory education state allotment funds on direct program costs.		
Statuary Authority: Texas Education Code, Section 48.104.		
AP1	Did your district expend any state compensatory education program allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its state compensatory education programs?	Yes
AP3	List the total state allotment funds received for state compensatory education programs during the district's fiscal year.	$13,896,124
AP4	List the actual direct program expenditures for state compensatory education programs during the district's fiscal year. (PICs 24,26,28,29,30,34)	$6,734,455
Section B: Bilingual Education Programs		
Districts are required to use at least 55% of bilingual education state allotment funds on direct program costs.		
Statuary Authority: Texas Education Code, Section 481.05.		
AP1	Did your district expend any bilingual education program allotment funds during the district's fiscal year?	Yes
AP2	Does the district have written policies and procedures for its bilingual education programs?	Yes
AP3	List the total state allotment funds received for bilingual education programs during the district's fiscal year.	$4,700,846
AP4	List the actual direct program expenditures for bilingual education programs during the district's fiscal year. (PICs 25,35))	$2,825,797

Statistical Section
(Unaudited)

The World She Saw · Tuhina Das · Liberty High School

This section of the Frisco Independent School District's Annual Comprehensive Financial Report presents information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall health.

Page

Financial Trends 95

These schedules contain trend information to help the reader understand how the District's financial performance and well-being have changed over time.

Revenue Capacity

These schedules contain information to hel pthe reader assess the District's most significant local revenues source, the property tax. 107

Debt Capacity

These schedules present information to help the reader assess the affordability of the District's current levels of outstanding debt and the District's ability to issue additional debt in the future. 115

Demographic Information

These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. 121

Operating Information

These schedules contain service and infrastructure data to help the reader understand how the information in the District's financial report relates to the services the District provides and the activities it performs. 125

Financial Trends

Frisco Independent School District

Net Position by Component

Last Ten Fiscal Years

	2015	2016	2017
Governmental Activities			
Net Investment in capital assets	$(305,309,356)	$(232,937,713)	$(232,777,187)
Restricted for Federal and State grant programs	5,261,965	4,489,444	5,475,019
Restricted for debt services	54,250,586	57,086,768	80,911,177
Unrestricted Net Position	353,464	(86,843,097)	(99,981,333)
Total Net Position	$(245,443,341)	$(258,204,598)	$(246,372,324)

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

S-1

2018	2019	2020	2021	2022	2023	2024
$(346,371,603)	$(363,992,174)	$(373,647,743)	$(379,976,838)	$(391,994,627)	$(401,824,214)	$(351,428,724)
6,591,918	11,690,601	5,300,585	3,649,399	13,111,853	14,894,677	13,195,047
110,066,081	105,581,772	103,312,274	105,339,980	97,297,297	107,837,891	111,574,029
(190,605,648)	(160,936,956)	(154,914,649)	(160,272,957)	(153,478,844)	(156,526,807)	(170,332,435)
$(420,319,252)	$(407,656,757)	$(419,949,533)	$(431,260,416)	$(435,064,321)	$(435,618,453)	$(396,992,083)

(Concluded)

Frisco Independent School District

Expenses, Program Revenues, and Net (Expense)/Revenue

Last Ten Fiscal Years

	2015	2016	2017
Expenses			
Governmental Activities:			
Instruction	$284,653,714	$305,605,412	$325,140,742
Instructional resources and media services	9,187,036	9,796,673	9,325,687
Curriculum and instructional staff development	8,527,459	8,937,996	9,447,290
Instructional leadership	5,075,185	5,474,033	6,192,970
School leadership	28,254,017	30,178,920	32,328,267
Guidance, counseling and evaluation services	14,672,505	16,612,319	17,508,585
Social work services	352,044	361,960	279,911
Health services	4,700,476	5,183,496	5,496,484
Student transportation	11,631,466	12,127,267	12,899,257
Food services	22,671,955	25,943,835	25,477,572
Extracurricular activities	17,804,290	19,434,773	19,440,200
General administration	8,271,754	9,432,967	9,747,588
Facilities maintenance and operations	37,020,121	45,202,540	46,480,755
Security and monitoring services	3,808,630	3,916,348	3,826,564
Data processing services	9,499,233	9,131,244	8,927,287
Community services	1,992,750	1,857,437	1,900,499
Debt service - interest on long-term debt	73,966,028	81,825,335	79,783,468
Debt service - bond issuance costs and fees	2,511,829	3,518,708	2,474,789
Contracted instructional services between schools	1,177,873	217,771	-
Payments to juvenile justice alternative education programs	47,931	37,077	67,814
Payments to tax increment fund	19,317,219	20,698,870	22,583,104
Other intergovernmental charges	2,102,040	2,377,535	2,683,175
Total Governmental Activities Expenses	567,245,555	617,872,516	642,012,008
Program Revenues			
Governmental Activities:			
Charges for Services			
Instruction	396,872	403,481	310,309
Food services	16,242,616	17,585,643	17,491,137
Extracurricular activities	1,605,535	1,798,238	2,423,340
Facilities maintenance and operations	2,554,502	2,864,952	2,818,152
Operating Grants and Contributions	38,071,093	34,845,658	38,224,087
Total Governmental Activities Program Revenues	58,870,618	57,497,972	61,267,025
Net (Expense) Revenue	$(508,374,937)	$(560,374,544)	$(580,744,983)

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

S-2

2018	2019	2020	2021	2022	2023	2024
$227,342,595	$385,220,355	$444,377,695	$431,632,246	$419,333,798	$466,735,077	$474,322,644
6,373,309	8,849,546	8,932,969	8,860,354	9,289,511	9,589,976	9,859,218
6,858,766	11,026,050	14,315,808	15,092,758	16,584,811	16,845,431	18,082,551
4,615,947	8,153,468	11,116,828	11,231,262	10,863,912	11,661,415	11,789,050
23,791,263	37,705,167	43,158,588	41,905,984	42,548,828	46,468,155	45,293,239
11,811,319	22,074,050	25,968,948	26,323,164	26,315,463	31,228,811	34,512,591
119,107	206,324	227,696	282,024	247,009	241,210	268,477
3,702,581	6,590,798	7,215,668	7,524,465	6,620,459	5,708,170	7,728,847
10,690,822	15,649,573	17,135,255	15,562,096	16,530,852	19,330,258	20,893,892
21,130,662	26,438,963	26,200,312	20,696,850	28,760,885	28,359,713	30,271,460
17,052,390	23,276,818	22,890,618	23,846,884	27,370,330	30,319,051	34,241,493
8,358,009	12,707,266	16,605,179	17,512,837	20,066,326	17,697,321	18,481,351
47,446,326	54,392,409	60,027,110	71,801,617	68,331,734	97,622,662	98,140,433
3,293,454	4,399,063	6,577,228	7,552,762	8,659,653	7,562,280	7,588,328
9,372,444	11,961,523	10,906,676	11,445,169	11,038,744	15,139,001	12,761,005
1,452,458	2,072,276	2,231,893	1,998,783	2,399,796	3,191,714	3,577,846
77,551,045	82,228,452	79,729,973	67,188,505	76,450,416	76,533,868	84,866,293
691,035	2,143,297	924,809	4,872,571	1,723,232	1,739,661	1,555,049
-	14,017,478	3,152,395	4,177,231	5,323,841	8,633,222	10,746,030
30,118	35,666	30,681	-	22,494	19,046	42,401
25,397,908	25,169,882	27,151,041	28,283,215	30,052,993	36,285,371	41,509,928
3,040,455	3,492,348	3,798,571	3,852,070	4,036,852	4,314,075	4,323,031
510,122,013	757,810,772	832,675,941	821,642,847	832,571,939	935,225,488	970,855,157
733,927	923,344	797,595	1,747,694	983,417	1,029,217	1,022,613
18,376,266	18,335,195	13,189,756	3,183,576	5,720,338	17,294,829	17,158,339
2,379,643	2,362,725	1,916,707	1,694,173	2,208,306	3,881,766	3,836,983
3,172,769	3,631,143	2,725,910	933,742	2,625,281	15,374,973	38,877,153
(58,806,085)	64,655,694	71,108,796	63,842,316	60,202,232	62,048,485	60,242,984
(34,143,480)	89,908,101	89,738,764	71,401,501	71,739,574	99,629,270	121,138,072
$(544,265,493)	$(667,902,671)	$(742,937,177)	$(750,241,346)	$(760,832,365)	$(835,596,218)	$(849,717,085)

(Concluded)

Frisco Independent School District

General Revenues and Total Changes in Net Position

Last Ten Fiscal Years

	2015	2016	2017
Net (Expense) Revenue	$(508,374,937)	$(560,374,544)	$(580,744,983)
General Revenues			
Governmental Activities:			
Taxes			
Property taxes, levied for general purposes	265,133,759	279,061,789	328,154,575
Property taxes, levied for debt service	93,922,813	105,578,096	124,819,619
Other tax-related income - TIRZ	-	16,498,229	17,388,992
State aid - formula grants	120,405,390	139,758,001	115,510,634
Grants and contributions not restricted to specific programs	-	2,332,383	2,320,903
Investment earnings	166,062	720,988	1,994,950
Extraordinary item - insurance claims	-	-	-
Miscellaneous local and intermediate revenue	3,625,774	3,663,801	2,387,584
Total General Revenue	483,253,798	547,613,287	592,577,257
Change in net position	(25,121,139)	(12,761,257)	11,832,274
Net position - beginning, as adjusted	(220,322,202)	(245,443,341)	(258,204,598)
Net position - ending	$(245,443,341)	$(258,204,598)	$(246,372,324)

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

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2018	2019	2020	2021	2022	2023	2024
$(544,265,493)	$(667,902,671)	$(742,937,177)	$(750,241,346)	$(760,832,365)	$(835,596,218)	$(849,717,085)
375,184,044	471,611,015	466,660,821	478,566,522	490,824,666	507,881,325	460,615,709
142,848,448	104,085,263	112,411,956	118,266,811	126,247,863	175,723,423	154,504,329
20,079,470	19,944,733	21,487,152	22,605,521	24,369,169	27,108,824	36,998,854
98,313,792	64,028,393	97,396,084	104,693,320	103,591,855	86,131,392	194,052,449
2,858,270	6,520,666	4,663,718	5,271,823	6,917,910	10,815,757	5,637,646
5,260,009	9,862,834	8,429,226	420,973	737,996	25,089,974	33,771,011
-	-	17,500,000	7,500,000	-	-	-
2,996,448	4,512,262	2,100,444	1,600,493	4,339,001	2,291,391	2,763,457
647,540,481	680,565,166	730,649,401	738,925,463	757,028,460	835,042,086	888,343,455
103,274,988	12,662,495	(12,287,776)	(11,315,883)	(3,803,905)	(554,132)	38,626,370
(523,594,240)	(420,319,252)	(407,656,757)	(419,944,533)	(431,260,416)	(435,064,321)	(435,618,453)
$(420,319,252)	$(407,656,757)	$(419,944,533)	$(431,260,416)	$(435,064,321)	$(435,618,453)	$(396,992,083)

(Concluded)

Frisco Independent School District

Fund Balances

Governmental Funds

Last Ten Fiscal Years

	2015	2016	2017
GENERAL FUND			
Nonspendable	$410,917	$702,073	$905,361
Assigned		11,058,554	3,750,957
Unreserved /Unassigned	92,068,189	111,732,514	128,605,979
Total General Fund	92,479,106	123,493,141	133,262,297
All OTHER GOVERNMENTAL FUNDS			
Nonspendable	45,631	64,406	65,712
Restricted	226,127,518	204,022,445	175,399,955
Committed	2,088,957	2,225,283	2,469,521
Assigned			5,889,126
Unreserved/Unassigned			
Total All Other Governmental Funds	228,262,106	206,312,134	183,824,314
Total Governmental Funds	$320,741,212	$329,805,275	$317,086,611

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

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2018	2019	2020	2021	2022	2023	2024
$171,510	$315,816	$200,193	$737,454	$292,324	$792,400	$498,851
3,665,783	37,077,190	36,077,190	45,994,395	35,139,749	26,135,573	15,809,438
158,970,627	169,214,689	198,853,860	202,789,572	213,615,624	227,369,020	224,996,801
162,807,920	206,607,695	235,131,243	249,521,421	249,047,697	254,296,993	241,305,090
53,232	59,389	94,680	3,429	320,701	2,511,957	1,745,630
205,123,183	319,200,288	266,330,856	386,273,468	416,177,381	362,562,998	365,384,688
2,516,879	2,691,345	2,755,728	2,706,009	3,035,873	3,411,460	3,650,465
6,803,546	13,017,077	25,967,844	20,904,222	19,998,599	14,918,900	28,504,087
		(9,265)	(1,161)	(231,416)	(2,362,587)	(1,602,926)
214,496,840	334,968,099	295,139,843	409,885,967	439,301,138	381,042,728	397,681,944
$377,304,760	$541,575,794	$530,271,086	$659,407,388	$688,348,835	$635,339,721	$638,987,034

(Concluded)

Frisco Independent School District

Changes in Fund Balance

Governmental Funds

Last Ten Fiscal Years

	2015	2016	2017
Revenues			
Local and intermediate sources	$381,193,995	$432,689,498	$499,188,264
State program revenues	133,975,235	161,187,530	139,189,304
Federal program revenues	12,432,495	13,641,401	14,684,530
Total Revenues	527,601,725	607,518,429	653,062,098
Expenditures			
Current:			
Instruction	234,760,839	259,362,734	288,828,129
Instructional resources and media services	5,578,571	5,903,740	6,586,387
Curriculum and instructional staff development	8,307,911	8,808,991	9,040,748
Instructional leadership	4,893,191	5,399,089	6,099,992
School leadership	23,588,233	26,215,585	28,479,181
Guidance, counseling and evaluation services	14,112,899	16,381,866	17,262,743
Social work services	343,027	356,988	275,677
Health services	4,566,068	5,079,075	5,408,782
Student transportation	9,558,458	10,435,043	11,284,361
Food services	19,973,220	23,090,610	23,401,047
Extracurricular activities	13,161,741	14,863,418	15,354,435
General administration	6,470,414	7,823,941	8,223,475
Facilities maintenance and operations	30,974,767	33,256,966	34,121,457
Security and monitoring services	3,091,852	3,279,043	3,568,407
Data processing services	6,206,388	6,138,332	5,982,344
Community services	1,633,826	1,582,736	1,624,382
Debt Service:			
Principal on long-term debt	28,407,368	33,165,766	40,208,068
Interest on long-term debt	70,090,988	79,264,169	82,689,419
Bond issuance costs and fees	2,511,829	3,518,708	2,474,790
Capital Outlay:			
Facilities acquisition and construction	231,716,698	213,578,123	166,980,903
Intergovernmental:			
Contracted instructional services between schools	1,177,873	217,771	-
Payments to fiscal agent/member districts of SSA	-	-	-
Payments to juvenile justice alternative education programs	47,931	37,077	67,814
Payments tax increment fund	19,317,219	20,698,870	22,583,104
Other intergovernmental charges	2,102,040	2,377,535	2,683,175
Total Expenditures	742,593,351	780,836,176	783,228,820
Excess (deficiency) of revenues over (under) expenditures	(214,991,626)	(173,317,747)	(130,166,722)
Other Financing Sources (Uses)			
Capital related debt issued (regular and refunding bonds)	299,320,000	381,640,000	282,235,000
Premium on issuance of bonds	19,187,662	38,051,415	32,747,133
Sale of real and personal property	6,916,575	3,884,912	-
Right-to-use leases	-	-	-
Transfers in	7,774,470	7,119,500	6,051,998
Insurance recoveries and other resources	-	-	-
Transfers out	(7,774,470)	(7,119,500)	(6,051,998)
Payment to refunded bond escrow agent	(50,990,000)	(241,194,517)	(197,534,075)
Total Other Financing Sources (Uses)	274,434,237	182,381,810	117,448,058
Net change in fund balances	59,442,611	9,064,063	(12,718,664)
Fund balances - beginning, as adjusted	261,298,601	320,741,212	329,805,275
Fund balances - ending	$320,741,212	$329,805,275	$317,086,611
Debt service as a percentage of non-capital expenditures	18.35%	18.35%	19.64%

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

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2018	2019	2020	2021	2022	2023	2024
$573,074,722	$637,277,478	$631,957,895	$630,171,643	$659,811,376	$764,930,739	$716,980,738
123,769,796	94,347,646	131,288,669	139,945,509	138,361,804	125,350,618	235,168,926
16,954,826	24,786,725	21,495,039	29,429,144	68,792,643	54,529,270	30,897,576
713,799,344	756,411,849	784,741,603	799,546,296	866,965,823	944,810,627	983,047,240
297,585,386	325,454,888	365,856,240	378,513,995	401,990,934	424,475,181	430,584,377
5,953,569	6,152,141	6,330,263	6,563,275	6,794,831	7,161,375	7,338,931
9,439,319	10,506,123	13,224,409	14,765,386	17,796,971	17,409,666	18,066,255
7,157,033	7,682,331	10,141,919	10,938,751	11,905,292	12,157,889	11,774,675
30,234,448	32,036,475	35,137,900	35,833,696	38,118,362	39,846,401	40,507,970
18,196,373	20,788,270	23,739,846	25,662,226	28,764,252	32,354,299	34,483,869
192,909	193,601	207,193	274,222	271,925	253,802	268,270
5,603,653	6,208,788	6,674,429	7,350,802	7,065,985	7,465,713	7,726,479
11,852,424	13,318,672	14,072,406	12,616,229	14,716,693	17,813,310	17,230,753
22,890,630	23,179,124	23,337,085	17,734,958	26,784,351	25,851,977	28,664,157
16,207,142	17,841,039	18,536,705	19,789,755	22,636,724	24,357,665	28,433,277
9,498,014	10,994,089	14,290,225	15,992,552	20,177,727	17,523,247	18,262,459
36,606,690	39,209,444	48,138,179	57,487,691	52,500,923	70,160,524	80,318,920
3,527,117	3,833,841	4,807,226	5,858,589	5,110,094	5,555,705	6,057,726
10,321,078	9,112,233	7,597,709	9,781,231	8,638,992	8,728,571	8,685,461
1,588,321	1,738,209	1,863,633	1,712,894	2,279,336	2,992,461	3,326,888
58,941,144	49,984,001	53,331,260	63,679,472	75,178,157	89,585,839	77,530,916
77,339,248	83,323,903	79,716,249	81,723,285	82,497,244	85,700,446	91,478,437
691,035	2,143,297	924,810	4,872,571	1,723,232	1,739,661	1,555,049
51,958,032	37,922,746	127,456,227	171,623,163	166,102,646	166,105,116	74,678,025
-	14,017,478	3,152,395	4,177,231	5,323,841	8,633,222	10,746,030
-	-	-	-	-		-
30,118	35,666	30,681	-	22,494	19,046	42,401
25,397,908	25,169,882	27,151,041	28,283,215	30,052,993	36,285,371	41,509,928
3,040,455	3,492,348	3,798,571	3,852,070	4,036,852	4,314,075	4,323,031
704,252,046	744,338,589	889,516,601	979,087,259	1,030,490,851	1,106,490,562	1,043,594,284
9,547,298	12,073,260	(104,774,998)	(179,540,963)	(163,525,028)	(161,679,935)	(60,547,044)
49,865,000	265,390,000	101,705,000	595,285,000	182,400,000	192,485,000	158,265,000
805,851	30,280,211	8,771,130	67,453,385	7,310,872	18,924,098	19,678,148
-	75,538	62,790	20,489	10,426	68,386	8,211
-	-	-	-	2,745,177	-	-
7,285,940	10,033,495	5,136,835	4,565,703	6,106,786	316	223,207
-	-	17,500,000	7,516,266	-	13,112,253	36,649,717
(7,285,940)	(10,033,495)	(5,136,835)	(4,565,703)	(6,106,786)	(316)	(223,207)
-	(143,547,975)	(34,568,630)	(361,597,875)		(115,918,916)	(150,406,719)
50,670,851	152,197,774	93,470,290	308,677,265	192,466,475	108,670,821	64,194,357
60,218,149	164,271,034	(11,304,708)	129,136,302	28,941,447	(53,009,114)	3,647,313
317,086,611	377,304,760	541,575,794	530,271,086	659,407,388	688,348,835	635,339,721
$377,304,760	$541,575,794	$530,271,086	$659,407,388	$688,348,835	$635,339,721	$638,987,034
20.16%	18.26%	15.20%	15.07%	17.30%	17.49%	17.00%

(Concluded)

FRISCO
INDEPENDENT SCHOOL DISTRICT

Revenue Capacity

Frisco Independent School District

Assessed Value and Actual Value of Taxable Property

Last Ten Fiscal Years

	Actual Value					
Fiscal Year	**Single Family Property**	**Multi-Family Property**	**Vacant Lots Tracts**	**Acreage (Land Only)**	**Farm and Ranch Improvements**	**Commercial & Industrial (Real)**
2015	15,793,610,094	1,704,527,510	397,306,356	1,564,168,999	371,885,899	4,178,276,253
2016	18,531,227,482	1,953,611,983	432,451,349	1,691,512,254	519,090,462	4,778,991,671
2017	21,617,912,704	2,308,485,474	548,452,795	1,677,217,322	683,537,417	5,613,500,147
2018	24,266,454,955	2,863,423,379	574,861,150	1,636,247,637	651,465,813	7,029,248,675
2019	26,446,203,218	3,475,935,845	592,806,009	1,544,597,794	534,068,422	8,646,055,811
2020	27,700,222,652	4,312,749,169	716,778,295	1,555,046,008	386,943,453	9,323,706,887
2021	28,858,661,067	5,143,741,573	818,924,974	1,377,349,895	363,530,881	10,126,029,542
2022	31,700,467,837	5,545,805,013	1,019,017,715	1,360,286,585	88,891,677	10,479,963,916
2023	42,941,811,664	6,515,780,179	1,011,689,455	1,300,765,880	133,248,305	11,552,730,897
2024	51,253,792,017	7,661,225,123	1,273,030,915	1,351,690,749	147,758,288	12,788,966,701

Source: Texas Comptroller of Public Accounts - School District Summary Worksheet

(Continued)

Exhibit

S-6

Actual Value						
Utilities	**Commercial & Industrial (Personal)**	**Other**	**Total Assessed Value**	**Less: Exemptions**	**Total Taxable Value**	**Total District Rate**
151,707,976	888,658,217	361,313,589	25,411,454,893	2,405,683,365	23,005,771,528	$1.4600
163,717,344	940,465,225	398,329,187	29,409,396,957	3,179,257,453	26,230,139,504	$1.4600
174,364,345	983,165,673	527,152,241	34,133,788,118	3,512,137,084	30,621,651,034	$1.4600
219,739,241	1,092,637,491	639,966,905	38,974,045,246	3,403,494,903	35,570,550,343	$1.4600
257,452,561	1,274,799,591	736,850,877	43,508,770,128	3,159,283,825	40,349,486,303	$1.4400
302,354,814	1,537,918,110	839,940,492	46,675,659,880	3,183,843,605	43,491,816,275	$1.3383
320,762,579	1,509,492,044	727,493,890	49,245,986,445	2,978,047,184	46,267,939,261	$1.3102
346,669,753	1,470,220,405	561,558,313	52,572,881,214	3,089,372,771	49,483,508,443	$1.2672
385,871,268	1,602,292,907	544,953,181	65,989,143,736	8,878,562,091	57,110,581,645	$1.2129
394,039,037	1,733,740,341	508,013,657	77,112,256,828	14,965,323,872	62,146,932,956	$1.0275

(Concluded)

Frisco Independent School District

Direct and Overlapping Tax Rates

Last Ten Fiscal Years

	Frisco ISD Direct Rate			Overlapping Rates		
Tax Year	Maintenance & Operations Rate	Interest & Sinking Rate	Total Direct Rate	City o Frisco	Collin County	Collin County Community College (CCCC)
2014	$1.04000	$0.42000	$1.46000	$0.46200	$0.23800	$0.08630
2015	$1.04000	$0.42000	$1.46000	$0.46200	$0.23800	$0.08360
2016	$1.04000	$0.42000	$1.46000	$0.45000	$0.20840	$0.08120
2017	$1.04000	$0.42000	$1.46000	$0.44660	$0.19260	$0.07980
2018	$1.17000	$0.27000	$1.44000	$0.44660	$0.18080	$0.08120
2019	$1.06830	$0.27000	$1.33830	$0.44660	$0.17500	$0.08120
2020	$1.04020	$0.27000	$1.31020	$0.44660	$0.17250	$0.08120
2021	$0.99720	$0.27000	$1.26720	$0.44660	$0.16809	$0.08122
2022	$0.94290	$0.27000	$1.21290	$0.44660	$0.15244	$0.08122
2023	$0.75750	$0.27000	$1.02750	$0.43221	$0.14934	$0.08122

Source: Texas Comptroller of Public Accounts - Tax Rates and Levies

(Continued)

Exhibit

S-7

Overlapping Rates

City of McKinney	City of Plano	Denton County	Town of Little Elm	City of Hackberry	Denton County FWSD
$0.61000	$0.48860	$0.28290	$0.66500	$0.46270	$1.00000
$0.58550	$0.48860	$0.28500	$0.66500	$0.46270	$1.00000
$0.58300	$0.47860	$0.24840	$0.66170	$0.33820	$1.00000
$0.57300	$0.46860	$0.23780	$0.65770	$0.23430	$1.00000
$0.52520	$0.46030	$0.22560	$0.64990	$0.25270	$1.00000
$0.51560	$0.44820	$0.22530	$0.64990	$0.24030	$1.00000
$0.50860	$0.44820	$0.22500	$0.64970	$0.25120	$1.00000
$0.49766	$0.44650	$0.23309	$0.64395	$0.24356	$1.00000
$0.45749	$0.41760	$0.21754	$0.62990	$0.22361	NA
$0.42751	$0.41760	$0.18949	$0.58990	$0.19130	Various

(Concluded)

Frisco Independent School District

Principal Property Tax Payers

Current Year and Nine Years Ago

Exhibit

S-8

		2024	
Taxpayer	**Business Type**	**Taxable Value**	**Percentage of Total Taxable Value**
JP Morgan Chase Bank NA	Banking & Finance	$758,487,600	1.22%
Liberty Mutual Plano LLC	Banking & Finance	390,006,849	0.63%
Toyota Motor North America Inc.	Automotive	265,206,953	0.43%
Capital One National Association	Banking & Finance	235,215,970	0.38%
Blue Star HQ Inc.	Real Estate Development	225,596,462	0.36%
5765 Bozeman (TX) Owner LP	Real Estate Development	214,210,789	0.34%
BRE Retail Residual Owner 1 LLC	Real Estate Development	173,747,715	0.28%
PPF Amli Parkwood Boulevard LLC	Real Estate Development	166,964,776	0.27%
Blue Star Land Phase III LLC	Real Estate Development	159,371,836	0.26%
Bell Fund VII Frisco Market Center LLC	Real Estate Development	151,000,000	0.24%
		$2,739,808,950	4.41%

		2015	
Taxpayer	**Business Type**	**Taxable Value**	**Percentage of Total Taxable Value**
Capital One National Association	Banking & Finance	$142,606,357	0.62%
BPR Shopping Center	Shopping Center	121,741,860	0.53%
Tollway/121 Partners LTD	Real Estate Development	96,780,525	0.42%
Tenet Frisco LTD	Medical Clinic	73,416,555	0.32%
BV-RV LLC	Commercial	68,928,539	0.30%
Hall Office Portfolio DB LLC	Real Estate Development	68,500,000	0.30%
Capital One National Association	Banking & Finance	58,176,841	0.25%
Specified Properties LLP	Real Estate Development	56,750,000	0.25%
Sabra Texas Holdings LP	Investments	52,101,369	0.23%
Granite Park LLC	Real Estate Development	51,500,000	0.22%
		$790,502,046	3.44%

Source: Municipal Advisory Council of Texas

Frisco Independent School District

Property Tax Levies and Collections

Last Ten Fiscal Years

Exhibit

S-9

Fiscal Year	Taxes Levied for the Fiscal Year[1]	Collected within the Fiscal Year of the Levy		Collections in Subsequent Years	Current Year Adjusted Levy[2]	Total Collections to Date	
		Amount	Percentage of Levy			Amount[3]	Percentage of Levy
2015	333,326,629	330,473,983	99.14%	9,178,788	339,702,732	339,652,771	99.99%
2016	376,824,814	374,597,170	99.41%	6,579,180	381,365,498	381,176,350	99.95%
2017	440,260,516	437,197,385	99.30%	4,846,399	442,234,072	442,043,784	99.96%
2018	510,093,437	508,013,897	99.59%	2,004,650	510,265,324	510,018,547	99.95%
2019	570,724,935	566,895,872	99.33%	2,860,469	570,010,647	569,756,341	99.96%
2020	575,910,091	572,307,980	99.37%	2,061,477	574,826,247	574,369,457	99.92%
2021	596,301,000	591,967,622	99.27%	1,177,576	594,146,362	593,145,198	99.83%
2022	616,847,966	613,821,167	99.51%	826,526	615,630,777	614,647,693	99.84%
2023	679,340,472	675,116,574	99.38%	(358,151)	675,673,840	674,758,423	99.86%
2024	614,935,678	611,263,249	99.40%	-	614,935,678	611,263,249	99.40%

[1] Includes adjustments during the year of the levy.

[2] Includes all adjustments to the levy made in subsequent years.

[3] Includes penalties and interest.

Sources: Frisco ISD Annual Financial Reports and Collin County Tax Office

FRISCO
INDEPENDENT SCHOOL DISTRICT

Debt Capacity

Frisco Independent School District

Estimated Overlapping Debt Statement

June 30, 2024

Exhibit

S-10

Taxing Body	Amount	Percentage Overlapping	Amount Overlapping
Collin County	$857,085,000	20.17%	$172,874,045
Collin County CCD	480,350,000	20.17%	96,886,595
Denton County	723,690,000	10.98%	79,461,162
Frisco West WC&ID	35,081,000	99.35%	34,852,974
City of Frisco	965,780,000	88.63%	855,970,814
Town of Little Elm	99,615,000	28.47%	28,360,391
City of McKinney	416,440,000	18.35%	76,416,740
City of Plano	645,290,000	13.87%	89,501,723
City of The Colony	112,560,000	0.07%	78,792
Subtotal, overlapping debt			1,434,403,235
District gross bonded debt			2,235,468,779
Total direct and overlapping debt			$3,669,872,014
Ratio of net direct and overlapping debt to net taxable valuation			5.91%
Per capita direct and overlapping debt			$12,292

Source: Municipal Advisory Council of Texas

The method of determining the percentage overlapping was not disclosed to the District.

Frisco Independent School District

Exhibit

Ratios of Debt to Taxable Assessed Value and Net Debt per Capita

Last Ten Fiscal Years

S-11

Fiscal Year	Debt Outstanding At Year-End				Resources Restricted for Payment of Principal	Ratio of Debt to Taxable Assessed Value[1]	Taxable Assessed Value per Capita[2]	Debt per Capita[2]	Ratio of Debt to Personal Income[2]
	Bonded Debt	Leases	SBITAs	Total Debt					
2015	1,911,006,819			1,911,006,819	54,250,586	8.31%	112,487	$9,344	21%
2016	2,066,361,628			2,066,361,628	57,086,768	7.88%	120,116	9,462	22%
2017	2,147,871,338			2,147,871,338	80,911,177	7.01%	133,555	9,368	19%
2018	2,137,073,341			2,137,073,341	110,066,081	6.01%	138,905	8,345	18%
2019	2,236,379,576			2,236,379,576	105,581,772	5.54%	151,194	8,380	17%
2020	2,252,532,141			2,252,532,141	103,312,274	5.18%	154,695	8,012	17%
2021	2,479,321,275			2,479,321,275	105,339,980	5.36%	167,187	8,959	18%
2022	2,584,125,567	2,250,842		2,586,376,409	97,297,297	5.23%	169,665	8,868	17%
2023	2,577,095,271	1,703,287	2,007,016	2,580,805,574	107,837,891	4.52%	188,928	8,538	14%
2024	2,508,407,988	1,178,722	1,520,664	2,511,107,374	111,574,029	4.40%	208,153	8,411	13%

[1] Taxable assessed value is disclosed in Exhibit S-6, *Assessed Value and Actual Value of Taxable Property*

[2] Population and personal income are disclosed in Exhibit S-13, *Demographic and Economic Statistics*

Sources:

Frisco ISD Annual Financial Reports

US Census Bureau - Information obtained from the US Census Bureau is for the calendar year ending during the fiscal year (e.g., calendar year 2023 for the 2023-24 fiscal year.

Frisco Independent School District

Legal Debt Margin Information

Last Ten Fiscal Years

	2015	2016	2017
Debt Limit	$2,300,577,153	$2,623,013,950	$3,062,165,103
Total net debt applicable to limit	1,721,846,816	1,830,193,568	2,040,369,266
Legal debt Margin	$578,730,337	$792,820,382	$1,021,795,837
Total net debt applicable to the limit as a percentage of the debt limit	74.84%	69.77%	66.63%

[1] Bonded Debt Limitation: Total principal amount of tax fund indebtedness cannot exceed 10% of assessed valuation of taxable property in the District according to the approved ad valorem tax roll at the time of the issuance of bonds.

[2] Amount represents fund balance restricted for the retirement of long-term debt. See Exhibit C-1. This amount differs from government-wide net position restricted for debt service by amounts payable for accrued or accreted interest.

Source: Frisco ISD Annual Financial Reports

(Continued)

Exhibit

S-12

		Legal Debt Margin Calculation for the Fiscal Year 2024:
Taxable Assessed value		$62,146,932,956
Debt limit (10% of assessed value)[1]		6,214,693,296
Total bonded debt	$2,235,468,779	
Less reserve for retirement of debt[2]	141,656,498	
Debt applicable to limit		2,093,812,281
Legal debt margin		$4,120,881,015

2018	**2019**	**2020**	**2021**	**2022**	**2023**	**2024**
$3,557,055,034	$4,034,948,630	$4,349,181,628	$4,626,793,926	$4,948,350,844	$5,711,058,165	$6,214,693,296
1,999,830,262	2,104,376,669	2,116,909,224	2,346,939,275	2,456,793,308	2,440,851,377	2,093,812,281
$1,557,224,772	$1,930,571,961	$2,232,272,404	$2,279,854,651	$2,491,557,536	$3,270,206,788	$4,120,881,015
56.22%	52.15%	48.67%	50.72%	49.65%	42.74%	33.69%

(Concluded)

FRISCO
INDEPENDENT SCHOOL DISTRICT

Demographic Information

Frisco Independent School District

Demographic and Economic Statistics

Last Ten Fiscal Years

Exhibit

S-13

Fiscal Year	Estimated Population	Personal Income	Per Capita Personal Income	Unemployment Rate
2015	204,520	9,054,918,480	44,274	4.10%
2016	218,374	9,476,339,730	43,395	3.60%
2017	229,282	11,170,848,322	48,721	3.80%
2018	256,078	11,858,716,102	46,309	2.30%
2019	266,872	13,039,099,048	48,859	3.30%
2020	281,146	13,284,991,938	47,253	3.00%
2021	276,743	13,981,886,589	50,523	3.70%
2022	291,654	15,595,322,688	53,472	5.60%
2023	302,288	18,120,049,584	59,943	2.30%
2024	298,563	18,707,061,891	62,657	4.10%

Source:

US Census Bureau - Information obtained from the US Census Bureau is for the calendar year ending during the fiscal year (e.g., calendar year 2023 for the 2023-24 fiscal year.

Frisco Independent School District

Principal Employers

Current Year and Nine Years Ago

Exhibit

S-14

	2024		
Employer	**Approximate Number of Employees**	**Percentage of Total Estimated Employees**	**Rank**
Frisco Independent School District	9,340	9.11%	1
T-Mobile	1,500	1.46%	2
City of Frisco	1,102	1.07%	3
Mario Sinacola & Sons Excavating	603	0.59%	4
CCCD Preston Ridge Campus	550	0.54%	5
Amerisource Bergen Specialty Group	500	0.49%	6
CLA USA, Inc.	450	0.44%	7
IKEA Frisco	400	0.39%	8
Tenet of Texas RBO	300	0.29%	9
Market Street	300	0.29%	10
	15,045		

	2015		
Employer	**Approximate Number of Employees**	**Percentage of Total Estimated Employees**	**Rank**
Frisco Independent School District	6,100	10.67%	1
T-Mobile	1,500	2.62%	2
City of Frisco	1,102	1.93%	3
Mario Sinacola & Sons Excavating	603	1.06%	4
CCCDE Preston Ridge Campus	550	0.96%	5
Amerisource Bergens Specialty Group	500	0.87%	6
CLA USA, Inc.	450	0.79%	7
IKEA Frisco	400	0.70%	8
Tenet Texas RBO	300	0.52%	9
Market Street	300	0.52%	10
	11,805		

Source: Municipal Advisory Council of Texas

FRISCO
INDEPENDENT SCHOOL DISTRICT

Operating Information

Frisco Independent School District

Exhibit

Full-Time Equivalent Employees by Identifiable Activities

Fiscal Year Ended June 30, 2024

S-15

	FTE Count	Average Base Pay
Teaching Staff		
Pre-Kindergarten	16.2	$65,731
Kindergarten	196.0	65,161
Elementary (Grades 1-6)	1,273.1	65,106
Middle School (Grades 6-8)	938.2	65,469
High School (Grades 9-12)	1,547.8	66,550
All Grade Levels	593.3	61,149
Total Teaching Staff	4,564.7	65,161
Support Staff		
Athletics - other than Athletic Director	12.4	106,377
Audiologist	1.0	81,521
Business Service Professional	17.0	90,048
Communications Professional	10.0	83,944
Custodial - serving in professional/management role	2.0	103,025
Educational Diagnostician	85.9	73,221
Family and Community Liaison	7.9	76,879
Food Service Professional	16.0	75,311
Instruction Materials Coordinator	38.4	93,470
Internal Auditor	2.0	107,119
LEA/Comp Info Tech Professional	36.0	90,113
Legal Services	2.0	103,652
Librarian	73.1	70,596
LSSP/Psychologist	42.4	72,402
Maintenance - serving in professional/management role	2.0	117,500
Music Therapist	3.9	60,990
Occupational Therapist	19.7	69,783
Orientation/Mobility Specialist (COMS)	4.9	64,733
Other Camp Exempt Professional Auxiliary	72.2	68,702
Other LEA Exempt Professional Auxiliary	100.9	84,863
Physical Therapist	5.9	78,452
Psychological Associate	2.0	31,980
Research/Evalutation Professional	1.0	77,658
School Counselor	153.9	77,971
School Nurse	77.7	64,125
Security	1.0	144,564
Speech Therapist/Speech Language Pathologist	94.1	68,421
Teacher Facilitator	60.2	69,113
Transportation	3.0	94,403
Truant Officer/Visiting Teacher	3.0	72,557
Total Support Staff	951.8	75,757
Administrative Staff		
Assistant Principal	149.0	84,426
Asst/Assoc/Deputy Superintendent	11.0	189,751
Athletic Director	4.0	127,159
Director of Personnel/Human Resources	5.0	131,800
District Instructional Program Director or Executive Director	26.0	132,831
Instructional Coach	104.0	68,312
Principal	76.8	107,910
Superintendent/CAO/CEO/President	1.0	349,200
Total Administrative Staff	376.8	92,965
Total Professional Staff	5,893.2	68,650
Paraprofessional Staff/Auxiliary		
Paraprofessional Staff	664.1	27,890
Auxiliary	1,505.1	33,471
Total Paraprofessional Staff/Auxiliary	2,169.2	31,762
Total Staff	8,062.5	$58,725

Source: Public Education Information Management System (TEA)

Frisco Independent School District

Exhibit

Expenditures, Enrollment, and Per-Pupil Costs

Last Ten Fiscal Years

S-16

Fiscal Year	Operating Expenditures[1]	Enrollment	Cost per Pupil	Student to Teacher Ratio	Percentage of Students Receiving Free or Reduced-price Meals
2015	$353,341,296	49,644	$7,118	15.1	12.16%
2016	387,843,616	53,301	7,276	15.1	10.58%
2017	431,116,219	55,923	7,709	14.7	10.49%
2018	443,167,551	58,450	7,582	15.3	10.90%
2019	496,856,462	60,182	8,256	14.8	12.53%
2020	539,466,885	62,705	8,603	14.7	12.94%
2021	568,535,328	63,493	8,954	14.5	12.94%
2022	598,519,510	65,825	9,093	14.9	12.81%
2023	630,526,778	66,916	9,423	14.8	14.23%
2024	667,105,915	66,698	10,002	14.6	14.51%

[1] Excludes intergovernmental charges.

Source: Frisco ISD Financial Statements

Frisco Independent School District

School Building Information

High Schools (Grades 9-12)

Last Ten Fiscal Years

			2015	2016	2017
Frisco High					
	Site: 45.10 acres	Square Feet	352,978	357,510	357,510
	Opened: 1995	Enrollment	2,136	1,813	1,674
Centennial High					
	Site: 76.48 acres	Square Feet	379,897	370,350	370,350
	Opened: 2000	Enrollment	2,064	2,038	2,042
Wakeland High					
	Site: 71.39 acres	Square Feet	345,646	354,413	354,413
	Opened: 2006	Enrollment	2,220	2,067	2,133
Liberty High					
	Site: 63.33 acres	Square Feet	348,496	346,994	346,994
	Opened: 2007	Enrollment	2,039	2,083	2,063
Heritage High					
	Site: 46.81 acres	Square Feet	356,738	357,001	357,001
	Opened: 2009	Enrollment	1,844	1,940	2,077
Lone Star High					
	Site: 56.32 acres	Square Feet	345,445	352,564	352,564
	Opened: 2010	Enrollment	1,365	1,722	1,951
Independence High					
	Site: 63.43 acres	Square Feet	345,969	382,158	382,158
	Opened: 2014	Enrollment	1,161	1,715	1,825
Reedy High					
	Site: 56 acres	Square Feet	NA	390,207	390,207
	Opened: 2015	Enrollment	NA	915	1,335
Lebanon Trail High					
	Site: 69.3 acres	Square Feet	NA	NA	368,260
	Opened: 2016	Enrollment	NA	NA	452
Memorial High					
	Site: 100.1 acres	Square Feet	NA	NA	NA
	Opened: 2018	Enrollment	NA	NA	NA
Emerson High					
	Site: 64.34 acres	Square Feet	NA	NA	NA
	Opened: 2021	Enrollment	NA	NA	NA
Panther Creek High					
	Site: 62.343 acres	Square Feet	NA	NA	NA
	Opened: 2023	Enrollment	NA	NA	NA

Source: Frisco ISD real property inventory and demographic records

(Continued)

Exhibit

S-17

2018	2019	2020	2021	2022	2023	2024
357,510	357,510	357,510	357,510	357,510	357,510	357,510
1,525	1,567	1,765	1,836	1,942	2,081	1,999
370,350	370,350	370,350	370,350	370,350	370,350	370,350
2,022	1,986	1,994	2,092	2,069	2,082	2,035
354,413	354,413	354,413	354,413	354,413	354,413	354,413
2,195	2,064	2,050	2,099	2,095	2,147	2,158
346,994	346,994	346,994	346,994	346,994	346,994	346,994
1,983	1,968	1,901	2,002	1,936	1,846	1,730
357,001	357,001	357,001	357,001	357,001	357,001	357,001
2,188	1,994	2,013	2,102	2,055	2,127	2,117
352,564	352,564	352,564	352,564	352,564	352,564	352,564
2,131	2,090	2,091	2,147	2,254	2,036	1,953
382,158	382,158	382,158	382,158	382,158	382,158	382,158
1,958	2,071	2,143	2,278	1,817	1,665	1,670
390,207	390,207	390,207	390,207	390,207	390,207	390,207
1,819	1,883	1,943	2,100	2,299	2,275	2,191
368,260	368,260	368,260	368,260	368,260	368,260	368,260
946	1,413	1,872	1,886	2,019	2,136	2,110
NA	387,898	387,898	387,898	387,898	387,898	387,898
NA	1,136	1,653	1,821	1,975	1,565	1,464
NA	NA	NA	NA	380,000	380,000	380,000
NA	NA	NA	NA	828	1,321	1763
NA	NA	NA	NA	NA	389,694	389,694
NA	NA	NA	NA	NA	753	1166

(Concluded)

Frisco Independent School District

School Building Information

Middle Schools (Grades 6-8)

Last Ten Fiscal Years

			2015	2016	2017
Staley					
	Site: 74.87 acres	Square Feet	128,330	128,330	128,330
	Opened: 1987	Enrollment	715	722	673
Clark					
	Site: 36.69 acres	Square Feet	147,926	147,926	147,926
	Opened: 2000	Enrollment	853	845	822
Pioneer					
	Site: 39.99 acres	Square Feet	135,803	135,803	135,803
	Opened: 2000	Enrollment	1,080	729	813
Wester					
	Site: 20.35 acres	Square Feet	135,803	135,803	135,803
	Opened: 2002	Enrollment	878	894	964
Griffin					
	Site: 31.43 acres	Square Feet	138,428	138,428	138,428
	Opened: 2004	Enrollment	815	851	901
Roach					
	Site: 20.21 acres	Square Feet	138,428	138,428	138,428
	Opened: 2005	Enrollment	963	1,109	777
Fowler					
	Site: 20.47 acres	Square Feet	138,650	138,651	138,651
	Opened: 2006	Enrollment	1,001	1,058	1,086
Scoggins					
	Site: 21.47 acres	Square Feet	142,108	142,108	142,108
	Opened: 2008	Enrollment	790	932	991
Stafford					
	Site: 21.40 acres	Square Feet	142,108	142,108	142,108
	Opened: 2008	Enrollment	1,146	735	818
Cobb					
	Site: 21.65 acres	Square Feet	143,160	143,160	143,160
	Opened: 2010	Enrollment	909	951	950
Maus					
	Site: 25.00 acres	Square Feet	143,160	143,160	143,160
	Opened: 2010	Enrollment	891	985	966
Hunt					
	Site: 32.44 acres	Square Feet	143,160	143,160	143,160
	Opened: 2010	Enrollment	785	795	828
Vandeventer					
	Site: 20 acres	Square Feet	143,160	143,160	143,160
	Opened: 2012	Enrollment	1,034	1,122	1,066
Pearson					
	Site: 25 acres	Square Feet	NA	143,160	143,160
	Opened: 2015	Enrollment	NA	592	689
Trent					
	Site: 25.378 acres	Square Feet	NA	143,160	143,160
	Opened: 2015	Enrollment	NA	653	788
Nelson					
	Site: 17.781 acres	Square Feet	NA	NA	145,000
	Opened: 2016	Enrollment	NA	NA	638
Lawler					
	Site: 34.34 acres	Square Feet	NA	NA	NA
	Opened: 2018	Enrollment	NA	NA	NA
Wilkinson					
	Site: 19.19 acres	Square Feet	NA	NA	NA
	Opened: 2024	Enrollment	NA	NA	NA

Source: Frisco ISD real property inventory and demographic records

(Continued)

Exhibit

S-18

2018	2019	2020	2021	2022	2023	2024
128,330 662	128,330 648	128,330 666	128,330 585	128,330 580	128,330 591	128,330 600
147,926 791	147,926 805	147,926 776	147,926 856	147,926 887	147,926 876	147,926 873
135,803 877	135,803 945	135,803 976	135,803 1,035	135,803 1,091	135,803 1,076	135,803 1,071
135,803 1,010	135,803 807	135,803 830	135,803 791	135,803 799	135,803 843	135,803 894
138,428 867	138,428 844	138,428 831	138,428 809	138,428 786	138,428 830	138,428 748
138,428 855	138,428 925	138,428 968	138,428 952	138,428 929	138,428 928	138,428 961
138,651 1,141	138,651 1,044	138,651 1,056	138,651 1,002	138,651 963	138,651 1,034	138,651 978
142,108 1,001	142,108 912	142,108 964	142,108 1,035	142,108 1,109	142,108 946	142,108 769
142,108 871	142,108 897	142,108 932	142,108 970	142,108 952	142,108 927	142,108 938
143,160 949	143,160 916	143,160 929	143,160 887	143,160 895	143,160 905	143,160 853
143,160 987	143,160 972	143,160 964	143,160 914	143,160 922	143,160 939	143,160 907
143,160 811	143,160 837	143,160 867	143,160 898	143,160 881	143,160 839	143,160 830
143,160 1,084	143,160 854	143,160 926	143,160 896	143,160 919	143,160 982	143,160 895
143,160 770	143,160 868	143,160 982	143,160 1,001	143,160 1,021	143,160 997	143,160 1,025
143,160 887	143,160 920	143,160 957	143,160 1,061	143,160 1,130	143,160 1,115	143,160 688
145,000 767	145,000 788	145,000 934	145,000 1,016	145,000 1,126	145,000 1,130	145,000 1,131
NA NA	155,000 709	155,000 821	155,000 923	155,000 953	155,000 1,026	155,000 921
NA NA	NA NA	NA NA	NA NA	NA NA	NA NA	159,347 588

(Concluded)

Frisco Independent School District

School Building Information

Intermediate Schools (Grades 5-6)

Last Ten Fiscal Years

			2015	2016	2017
Wortham					
Site:	11.37 acres	Square Feet	NA	NA	NA
Opened:	2024	Enrollment	NA	NA	NA

Source: Frisco ISD real property inventory and demographic records

(Continued)

Exhibit

S-19

2018	2019	2020	2021	2022	2023	2024
NA	NA	NA	NA	NA	NA	142,660
NA	NA	NA	NA	NA	NA	838

(Concluded)

Frisco Independent School District

School Building Information

Elementary Schools (Grades Pre-K-5)

Last Ten Fiscal Years

			2015	2016	2017
Rogers					
	Site: 9.81acres	Square Feet	64,586	64,586	64,586
	Opened: 1987	Enrollment	565	542	533
Curtsinger					
	Site: 15.22 acres	Square Feet	76,762	76,762	76,762
	Opened: 1995	Enrollment	624	703	813
Smith					
	Site: Shared	Square Feet	73,922	73,922	73,922
	Opened: 1997	Enrollment	603	599	585
Anderson					
	Site: 7.99 acres	Square Feet	74,010	74,010	74,010
	Opened: 1999	Enrollment	684	704	676
Christie					
	Site: 8.83 acres	Square Feet	74,010	74,010	74,010
	Opened: 1999	Enrollment	685	660	609
Shawnee Trail					
	Site: 9.51 acres	Square Feet	74,977	74,977	74,977
	Opened: 2000	Enrollment	584	587	551
Borchardt					
	Site: 8.31 acres	Square Feet	71,806	71,806	71,806
	Opened: 2001	Enrollment	727	739	705
Bright					
	Site: 10.36 acres	Square Feet	74,591	74,591	74,591
	Opened: 2001	Enrollment	551	508	437
Fisher					
	Site: 10.00 acres	Square Feet	73,327	73,327	73,327
	Opened: 2001	Enrollment	663	668	631
Sparks					
	Site: 8.00 acres	Square Feet	72,399	72,399	72,399
	Opened: 2002	Enrollment	715	712	732
Spears					
	Site: 9.76 acres	Square Feet	71,755	71,755	71,755
	Opened: 2002	Enrollment	764	752	722
Gunstream					
	Site: 8.67 acres	Square Feet	71,755	71,755	71,755
	Opened: 2002	Enrollment	698	710	699
Riddle					
	Site: 9.38 acres	Square Feet	73,572	73,572	73,572
	Opened: 2003	Enrollment	753	760	730
Boals					
	Site: 8.08 acres	Square Feet	75,736	75,736	75,736
	Opened: 2003	Enrollment	704	746	762
Isbell					
	Site: 12.00 acres	Square Feet	75,904	75,904	75,904
	Opened: 2004	Enrollment	687	634	588
Pink					
	Site: Shared	Square Feet	75,326	75,326	75,326
	Opened: 2005	Enrollment	584	552	515
Ashley					
	Site: 9.15 acres	Square Feet	75,904	75,904	75,904
	Opened: 2005	Enrollment	848	566	638

(Continued)

Exhibit

S-20

2018	2019	2020	2021	2022	2023	2024
64,586	64,586	64,586	64,586	64,586	64,586	64,586
518	503	526	561	577	535	525
76,762	76,762	76,762	76,762	76,762	76,762	76,762
757	519	572	563	582	614	652
73,922	73,922	73,922	73,922	73,922	73,922	73,922
630	606	652	615	603	613	676
74,010	74,010	74,010	74,010	74,010	74,010	74,010
646	704	712	713	736	773	791
74,010	74,010	74,010	74,010	74,010	74,010	74,010
534	491	425	354	417	593	671
74,977	74,977	74,977	74,977	74,977	74,977	74,977
596	512	471	500	498	575	532
71,806	71,806	71,806	71,806	71,806	71,806	71,806
754	764	742	745	727	684	706
74,591	74,591	74,591	74,591	74,591	74,591	74,591
383	533	522	491	473	449	468
73,327	73,327	73,327	73,327	73,327	73,327	73,327
584	559	559	532	538	665	675
72,399	72,399	72,399	72,399	72,399	72,399	72,399
725	755	751	683	714	598	568
71,755	71,755	71,755	71,755	71,755	71,755	71,755
734	650	761	729	787	740	687
71,755	71,755	71,755	71,755	71,755	71,755	71,755
651	628	647	558	587	614	690
73,572	73,572	73,572	73,572	73,572	73,572	73,572
772	769	736	691	754	813	726
75,736	75,736	75,736	75,736	75,736	75,736	75,736
689	642	639	622	660	692	681
75,904	75,904	75,904	75,904	75,904	75,904	75,904
704	679	639	648	815	688	596
75,326	75,326	75,326	75,326	75,326	75,326	75,326
481	541	556	611	653	671	603
75,904	75,904	75,904	75,904	75,904	75,904	75,904
658	650	617	588	653	611	596

(Continued)

Frisco Independent School District

School Building Information

Elementary Schools (Grades Pre-K-5)

Last Ten Fiscal Years

			2015	2016	2017
Bledsoe					
	Site: 8.00 acres	Square Feet	75,326	75,326	75,326
	Opened: 2005	Enrollment	697	745	739
Taylor					
	Site: 10.70 acres	Square Feet	75,904	75,904	75,904
	Opened: 2006	Enrollment	666	633	704
Corbell					
	Site: 9.00 acres	Square Feet	75,904	75,904	75,904
	Opened: 2006	Enrollment	714	712	707
Ogle					
	Site: 10.00 acres	Square Feet	75,904	75,904	75,904
	Opened: 2006	Enrollment	650	655	651
Sem					
	Site: 10.00 acres	Square Feet	75,904	75,904	75,904
	Opened: 2006	Enrollment	624	706	775
Carroll					
	Site: 12.03 acres	Square Feet	75,902	75,902	75,902
	Opened: 2007	Enrollment	508	469	448
Mooneyham					
	Site: 10.55 acres	Square Feet	75,902	75,902	75,902
	Opened: 2007	Enrollment	791	768	804
Robertson					
	Site: 7.69 acres	Square Feet	75,902	75,902	75,902
	Opened: 2007	Enrollment	757	842	714
Elliott					
	Site: 9.12 acres	Square Feet	75,902	75,902	75,902
	Opened: 2008	Enrollment	536	528	564
Tadlock					
	Site: 8.18 acres	Square Feet	77,184	77,184	77,184
	Opened: 2008	Enrollment	703	713	678
Allen					
	Site: 9.78 acres	Square Feet	83,960	83,960	83,960
	Opened: 2009	Enrollment	614	591	624
Purefoy					
	Site: 8.75 acres	Square Feet	79,844	79,844	79,844
	Opened: 2010	Enrollment	682	647	595
Sonntag					
	Site: 9.38 acres	Square Feet	77,184	77,184	77,184
	Opened: 2010	Enrollment	688	675	626
Comstock					
	Site: 15.09 acres	Square Feet	79,844	79,844	79,844
	Opened: 2012	Enrollment	626	712	752
Nichols					
	Site: 10.95 acres	Square Feet	83,332	83,332	83,332
	Opened: 2012	Enrollment	672	736	449
Phillips					
	Site: 12.52 acres	Square Feet	79,844	79,844	79,844
	Opened: 2012	Enrollment	749	751	631
Newman					
	Site: 9.43 acres	Square Feet	82,530	82,530	82,530
	Opened: 2014	Enrollment	617	830	738

(Continued)

Exhibit

S-20

(Continued)

2018	2019	2020	2021	2022	2023	2024
75,326	75,326	75,326	75,326	75,326	75,326	75,326
683	693	679	759	753	708	740
75,904	75,904	75,904	75,904	75,904	75,904	75,904
706	708	715	725	767	797	757
75,904	75,904	75,904	75,904	75,904	75,904	75,904
722	719	667	652	703	572	542
75,904	75,904	75,904	75,904	75,904	75,904	75,904
685	666	713	719	725	716	544
75,904	75,904	75,904	75,904	75,904	75,904	75,904
828	654	634	591	725	664	632
75,902	75,902	75,902	75,902	75,902	75,902	75,902
528	516	585	616	617	508	554
75,902	75,902	75,902	75,902	75,902	75,902	75,902
826	669	621	626	661	630	594
75,902	75,902	75,902	75,902	75,902	75,902	75,902
741	725	743	676	679	712	653
75,902	75,902	75,902	75,902	75,902	75,902	75,902
605	609	638	609	649	528	449
77,184	77,184	77,184	77,184	77,184	77,184	77,184
636	677	648	602	565	557	516
83,960	83,960	83,960	83,960	83,960	83,960	83,960
630	569	613	653	810	808	709
79,844	79,844	79,844	79,844	79,844	79,844	79,844
585	521	523	550	548	649	642
77,184	77,184	77,184	77,184	77,184	77,184	77,184
591	546	541	562	521	545	516
79,844	79,844	79,844	79,844	79,844	79,844	79,844
732	702	715	689	670	754	699
83,332	83,332	83,332	83,332	83,332	83,332	83,332
551	726	814	743	725	714	689
79,844	79,844	79,844	79,844	79,844	79,844	79,844
673	653	670	676	697	694	649
82,530	82,530	82,530	82,530	82,530	82,530	82,530
813	684	721	788	835	622	661

(Continued)

Frisco Independent School District

School Building Information

Elementary Schools (Grades Pre-K-5)

Last Ten Fiscal Years

			2015	2016	2017
Scott					
	Site: 8.56 acres	Square Feet	82,530	82,530	82,530
	Opened: 2014	Enrollment	622	630	678
McSpedden					
	Site: 17.99 acres	Square Feet	81,118	81,118	81,118
	Opened: 2014	Enrollment	516	633	653
Hosp					
	Site: 9.05 acres	Square Feet	81,118	81,118	81,118
	Opened: 2014	Enrollment	459	646	676
Norris					
	Site: 9.254 acres	Square Feet	NA	79,844	79,844
	Opened: 2015	Enrollment	NA	567	683
Miller					
	Site: 9.549 acres	Square Feet	NA	NA	79,844
	Opened: 2016	Enrollment	NA	NA	517
Vaughn					
	Site: 9.675 acres	Square Feet	NA	NA	79,844
	Opened: 2016	Enrollment	NA	NA	508
Talley					
	Site: 14.64 acres	Square Feet	NA	NA	NA
	Opened: 2018	Enrollment	NA	NA	NA
Liscano					
	Site: 14.61 acres	Square Feet	NA	NA	NA
	Opened: 2018	Enrollment	NA	NA	NA
Minett					
	Site: 12.045 acres	Square Feet	NA	NA	NA
	Opened: 2022	Enrollment	NA	NA	NA

Source: Frisco ISD real property inventory and demographic records

(Continued)

Exhibit

S-20

(Concluded)

2018	2019	2020	2021	2022	2023	2024
82,530	82,530	82,530	82,530	82,530	82,530	82,530
728	681	674	651	671	667	609
81,118	81,118	81,118	81,118	81,118	81,118	81,118
714	593	582	782	717	778	747
81,118	81,118	81,118	81,118	81,118	81,118	81,118
743	701	677	670	674	725	693
79,844	79,844	79,844	79,844	79,844	79,844	79,844
817	411	521	739	702	728	644
79,844	79,844	79,844	79,844	79,844	79,844	79,844
631	687	739	742	807	602	602
79,844	79,844	79,844	79,844	79,844	79,844	79,844
572	598	697	651	700	729	667
NA	84,128	84,128	84,128	84,128	84,128	84,128
NA	521	567	586	631	725	693
NA	84,128	84,128	84,128	84,128	84,128	84,128
NA	753	821	713	681	703	701
NA	NA	NA	NA	NA	83,472	83,472
NA	NA	NA	NA	NA	465	518

(Concluded)

Federal Awards Section

Invisible Ties · Annie Yang · Reedy High School

Independent Auditor's Report on Internal Control over Financial Reporting and on Compliance and Other Matters Based on an Audit of Financial Statements Performed in Accordance with *Government Auditing Standards*

To the Board of Trustees of
Frisco Independent School District
Frisco, Texas

We have audited, in accordance with auditing standards generally accepted in the United States of America and the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States, the financial statements of the governmental activities, each major fund, and the aggregate remaining fund information of Frisco Independent School District (the District) as of and for the year ended June 30, 2024, and the related notes to the financial statements, which collectively comprise the District's basic financial statements, and have issued our report thereon dated November 12, 2024.

Report on Internal Control over Financial Reporting

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

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

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

Report on Compliance and Other Matters

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

Weaver and Tidwell, L.L.P.
1800 Hughes Landing Blvd, Suite 400 | The Woodlands, Texas 77380
Main: 713.800.1060

CPAs AND ADVISORS | WEAVER.COM

The Board of Trustees of
Frisco Independent School District

Purpose of this Report

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

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
November 12, 2024

Independent Auditor's Report on Compliance for Each Major Federal Program and Report on Internal Control over Compliance Required by the Uniform Guidance

To the Board of Trustees
Frisco Independent School District
Frisco, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Frisco Independent School District's (the District) compliance with the types of compliance requirements identified as subject to audit in the OMB *Compliance Supplement* that could have a direct and material effect on each of the District's major federal programs for the year ended June 30, 2024. The District's major federal programs are identified in the summary of auditor's results section of the accompanying schedule of findings and questioned costs.

In our opinion, the District complied, in all material respects, with the compliance requirements referred to above that could have a direct and material effect on each of its major federal programs for the year ended June 30, 2024.

Basis for Opinion on Each Major Federal Program

We conducted our audit of compliance in accordance with auditing standards generally accepted in the United States of America (GAAS); the standards applicable to financial audits contained in *Government Auditing Standards* issued by the Comptroller General of the United States (*Government Auditing Standards*); and the audit requirements of Title 2 U.S. *Code of Federal Regulations* Part 200, *Uniform Administrative Requirements, Cost Principles, and Audit Requirements for Federal Awards* (Uniform Guidance). Our responsibilities under those standards and the Uniform Guidance are further described in the Auditor's Responsibilities for the Audit of Compliance section of our report.

We are required to be independent of the District and to meet our other ethical responsibilities, in accordance with 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 opinion on compliance for each major federal program. Our audit does not provide a legal determination of the District's compliance with the compliance requirements referred to above.

Responsibilities of Management for Compliance

Management is responsible for compliance with the requirements referred to above and for the design, implementation, and maintenance of effective internal control over compliance with the requirements of laws, statutes, regulations, rules and provisions of contracts or grant agreements applicable to the District's federal programs.

Weaver and Tidwell, L.L.P.
1800 Hughes Landing Blvd, Suite 400 | The Woodlands, Texas 77380
Main: 713.800.1060

CPAs AND ADVISORS | WEAVER.COM

The Board of Trustees of
Frisco Independent School District

Auditor's Responsibilities for the Audit of Compliance

Our objectives are to obtain reasonable assurance about whether material noncompliance with the compliance requirements referred to above occurred, whether due to fraud or error, and express an opinion on the District's compliance based on our audit. 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, *Government Auditing Standards*, and the Uniform Guidance will always detect material noncompliance when it exists. The risk of not detecting material noncompliance resulting from fraud is higher than for that resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Noncompliance with the compliance requirements referred to above is considered material, if there is a substantial likelihood that, individually or in the aggregate, it would influence the judgment made by a reasonable user of the report on compliance about the District's compliance with the requirements of each major federal program as a whole.

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

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material noncompliance, 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 District's compliance with the compliance requirements referred to above and performing such other procedures as we considered necessary in the circumstances.
- Obtain an understanding of the District's internal control over compliance relevant to the audit in order to design audit procedures that are appropriate in the circumstances and to test and report on internal control over compliance in accordance with the Uniform Guidance, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control over compliance. Accordingly, no such opinion is expressed.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit and any significant deficiencies and material weaknesses in internal control over compliance that we identified during the audit.

Report on Internal Control Over Compliance

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

The Board of Trustees of
Frisco Independent School District

Our consideration of internal control over compliance was for the limited purpose described in the Auditor's Responsibilities for the Audit of Compliance section above and was not designed to identify all deficiencies in internal control over compliance that might be material weaknesses or significant deficiencies in internal control over compliance. Given these limitations, during our audit we did not identify any deficiencies in internal control over compliance that we consider to be material weaknesses, as defined above. However, material weaknesses or significant deficiencies in internal control over compliance may exist that were not identified.

Our audit was not designed for the purpose of expressing an opinion on the effectiveness of internal control over compliance. Accordingly, no such opinion is expressed.

The purpose of this report on internal control over compliance is solely to describe the scope of our testing of internal control over compliance and the results of that testing based on the requirements of the Uniform Guidance. Accordingly, this report is not suitable for any other purpose.

Weaver and Tidwell, L.L.P.

WEAVER AND TIDWELL, L.L.P.

The Woodlands, Texas
November 12, 2024

Frisco Independent School District

Exhibit

Schedule of Expenditures of Federal Awards

K-1

Fiscal Year Ended June 30, 2024

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass Through Organization	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
U.S. DEPARTMENT OF EDUCATION				
Impact Aid - P.L. 81874	Direct Program	84.041		$32,253
IDEA B - Part B, Formula	Texas Education Agency	84.027A	22660001-043905-6600	234,645
IDEA B - Part B, Formula	Texas Education Agency	84.027A	23660001-043905-6600	872,308
IDEA B - Part B, Formula	Texas Education Agency	84.027A	24660001-043905-6600	6,698,177
IDEA B - Part B, Discretionary	Texas Education Agency	84.027A	66002312	600,825
IDEA B - Part B, High Cost Risk	Texas Education Agency	84.027A	66002106	80,090
COVID-19 - IDEA-B Formula ARP	Texas Education Agency	84.027A	22535001-043905-5350	240,410
Total Assistance Listing Number 84.027A				8,726,455
IDEA B - Part B - Preschool	Texas Education Agency	84.173A	22661001-043905-6610	25
IDEA B - Part B - Preschool	Texas Education Agency	84.173A	23661001-043905-6610	31,012
IDEA B - Part B - Preschool	Texas Education Agency	84.173A	24661001-043905-6610	37,287
Total Assistance Listing Number 84.173A				68,324
COVID-19 - IDEA B - Preschool ARP	Texas Education Agency	84.173X	22536001-043905-5360	19
Total Assistance Listing Number 84.173X				19
Total Special Education Cluster (IDEA)				8,794,798
Title I, Part A - Improving Basic Programs	Texas Education Agency	84.010A	22610101-043905	7,259
Title I, Part A - Improving Basic Programs	Texas Education Agency	84.010A	23610101-043905	326,110
Title I, Part A - Improving Basic Programs	Texas Education Agency	84.010A	24610101-043905	916,887
Total Assistance Listing Number 84.010A				1,250,256
Title II, Part A - Supporting Effective Instruction	Texas Education Agency	84.367A	22694501-043905	25,600
Title II, Part A - Supporting Effective Instruction	Texas Education Agency	84.367A	23694501-043905	103,083
Title II, Part A - Supporting Effective Instruction	Texas Education Agency	84.367A	24694501-043905	206,620
Total Assistance Listing Number 84.367A				335,303
Title IV, Part A - Subprt 1 - Student Support and Academic Enrichment	Texas Education Agency	84.424A	23680101-043905	27,627
Title IV, Part A - Subprt 1 - Student Support and Academic Enrichment	Texas Education Agency	84.424A	24680101-043905	74,802
Total Assistance Listing Number 84.424A				102,429
Title III - Part A - English Language Acquisition	Texas Education Agency	84.365A	23671001-043905	190,083
Title III - Part A - English Language Acquisition	Texas Education Agency	84.365A	24671001-043905	693,610
Title III - Part A - Immigrant	Texas Education Agency	84.365A	24671003-043905	323,103
Total Assistance Listing Number 84.365A				1,206,796
COVID-19 - TX COVID Learning Acceleration Supports (TCLAS) - ESSER III	Texas Education Agency	84.425U	21528042-043905	736,929
COVID-19 - ESSER III	Texas Education Agency	84.425U	21528001-043905	3,163,277
COVID-19 - ESSER-SUPP	Texas Education Agency	84.425U	21528043-043905	261,738
Total Assistance Listing Number 84.425U				4,161,944

(Continued)

Frisco Independent School District

Exhibit

Schedule of Expenditures of Federal Awards

Fiscal Year Ended June 30, 2024

K-1

(Conclucded)

Federal Grantor/ Pass-Through Grantor/ Program or Cluster Title	Pass Through Organization	Federal Assistance Listing Number	Pass-Through Entity Identifying Number	Federal Expenditures
Perkins V: Strengthening CTE for The 21st Century	Texas Education Agency	84.048A	24420006-043905	391,598
Total Assistance Listing Number 84.048A				391,598
LEP Summer School	Texas Education Agency	84.369A	69552102	51,432
Total Assistance Listing Number 84.369A				51,432
TOTAL U.S. DEPARTMENT OF EDUCATION				**16,326,809**
U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				
Medicaid Administrative Claiming	Direct Program	93.778		126,785
TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES				**126,785**
U.S DEPARTMENT OF AGRICULTURE				
National School Lunch Program - Non-cash Assistance (Commodities)	Texas Dept. of Human Services	10.555		1,481,526
National School Breakfast Program	Texas Dept. of Agriculture	10.553		1,062,755
National School Lunch Program	Texas Dept. of Agriculture	10.555		6,200,771
Federal Revenue Distributed by State	Texas Dept. of Agriculture	10.555		471,383
Total Child Nutrition Cluster				9,216,435
COVID-19 Commodity Storage and Delivery	Texas Dept. of Agriculture	10.560		80,839
Total Assistance Listing Number 10.560				80,839
TOTAL U.S. DEPARTMENT OF AGRICULTURE				**9,297,274**
TOTAL EXPENDITURES OF FEDERAL AWARDS				**$25,750,868**

See notes to the Schedule of Expenditures of Federal Awards.

(Concluded)

Frisco Independent School District

Notes to the Schedule of Expenditures of Federal Awards

For the Year Ended June 30, 2024

1. The District utilizes the fund types specified in the Texas Education Agency Financial Accountability System Resource Guide.

   Special Revenue Funds are used to account for resources restricted to specific purposes by a grantor. Federal and state awards generally are accounted for in a special revenue fund. Generally, unused balances are returned to the grantor at the close of specified project periods.

2. The accounting and financial reporting treatment applied to a fund is determined by its measurement focus. The governmental fund types are accounted for using a current financial resources measurement focus. All federal grant funds were accounted for in a special revenue fund, which is a governmental fund type. With this measurement focus, only current assets, current liabilities, and fund balance are included on the balance sheet. Operating statements of these funds present increases and decreases in net current assets.

   The modified accrual basis of accounting is used for the governmental fund types. This basis of accounting recognizes revenues in the accounting period in which they become susceptible to accrual, i.e. both measurable and available, and expenditures in the accounting period in which the fund liability is incurred, if measurable.

   Federal grant funds are considered to be earned to the extent of expenditures made under the provisions of the grant, and, accordingly, when such funds are received, they are recorded as unearned revenues until earned.

3. The period of availability for federal grant funds for the purpose of liquidation of outstanding obligations made on or before the ending date of the federal project period extended 30 days beyond the federal project period end date, in accordance with Section H: Period of Availability of Federal Funds, Part 3 OMB Compliance Supplement.

4. The District received like kind goods under the National School Lunch Program (CFDA 10.555), which are reported on the SEFA as a non-cash award. The monetary value of those goods was $1,481,526 for the year ended June 30, 2024.

5. School Health and Related Services reimbursements of $5,146,708 were recorded as federal program revenue in the General Fund, but are not considered federal awards for the purposes of the Schedule of Expenditures of Federal Awards.

6. The District participates in numerous state and federal grant programs, which are governed by various rules and regulations of the grantor agencies. Costs charged to the respective grant programs are subject to audit and adjustments by the grantor agencies; therefore, to the extent that the District has not complied with rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2024 may be impaired. In the opinion of the District, there are no significant contingent liabilities relating to compliance with the rules and regulations governing the respective grants; therefore, no provision has been recorded in the accompanying financial statements for such contingencies.

7. The District did not elect to use the de minimus indirect cost rate as allowed by the Uniform Guidance, Section 414, for the fiscal year ended June 30, 2024.

Frisco Independent School District

Schedule of Findings and Questioned Costs

For the Year Ended June 30, 2024

Section 1. Summary of the Auditor's Results

Financial Statements

An unmodified opinion was issued on the financial statements.

Internal control over financial reporting:

Material weakness(es) identified?	_____Yes	__X__No
Significant deficiency(ies) identified that are not considered a material weakness?	_____Yes	__X__None reported
Noncompliance material to financial statements noted.	_____Yes	__X__No

Major Federal Programs

Internal control over major federal programs:

Material weakness(es) identified?	_____Yes	__X__No
Significant deficiency(ies) identified that are not considered a material weakness?	_____Yes	__X__None reported

An unmodified opinion was issued on compliance for major federal programs.

Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a)?	_____ Yes	__X__No

Identification of major federal programs:

Child Nutrition Cluster – 10.553 and 10.555
Special Education Cluster (IDEA) – 84.027A and 84.173A
Title I, Part A – Improving Basic Programs– 84.010A
Title III, Part A – English Language Acquisition – 84.365A

The dollar threshold used to distinguish between Type A and Type B programs.	$772,526	
Auditee qualified as a low-risk auditee.	__X__Yes	_____No

(Continued)

Frisco Independent School District

Schedule of Findings and Questioned Costs (Continued)

For the Year Ended June 30, 2024

Section 2. Findings Relating to the Financial Statements which are Required to be Reported in Accordance with Generally Accepted *Government Auditing Standards*.

None

Section 3. Findings and Questioned Costs for Federal Awards

None

Section 4. Summary of Prior Year Audit Findings

None

Our mission is to know every student by name and need.

FRISCO
INDEPENDENT SCHOOL DISTRICT

5515 Ohio Drive · Frisco, Texas 75035 · www.friscoisd.org

APPENDIX E

THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM

THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM

This disclosure statement provides information relating to the program (the "Guarantee Program") administered by the Texas Education Agency (the "TEA") with respect to the Texas Permanent School Fund guarantee of tax-supported bonds issued by Texas school districts and the guarantee of revenue bonds issued by or for the benefit of Texas charter districts. The Guarantee Program was authorized by an amendment to the Texas Constitution in 1983 and is governed by Subchapter C of Chapter 45 of the Texas Education Code, as amended (the "Act"). While the Guarantee Program applies to bonds issued by or for both school districts and charter districts, as described below, the Act and the program rules for the two types of districts have some distinctions. For convenience of description and reference, those aspects of the Guarantee Program that are applicable to school district bonds and to charter district bonds are referred to herein as the "School District Bond Guarantee Program" and the "Charter District Bond Guarantee Program," respectively.

Some of the information contained in this Section may include projections or other forward- looking statements regarding future events or the future financial performance of the Texas Permanent School Fund (the "PSF" or the "Fund"). Actual results may differ materially from those contained in any such projections or forward-looking statements.

During the 87th Regular Session of the Texas Legislature (the "87th Regular Session"), which concluded on May 31, 2021, Senate Bill 1232 ("SB 1232") was enacted and became effective on September 1, 2021. SB 1232 provided for a variety of changes to the operations and management of the Fund, including the creation of the Permanent School Fund Corporation (the "PSF Corporation"), and the delegation of responsibility to manage the portion of the Fund previously under the management supervision of the State Board of Education (the "SBOE") to the PSF Corporation. SB 1232 also required changes with respect to the management of certain investments previously made at the discretion of the Texas School Land Board (the "SLB"), including limiting the types of investments that may be made by the SLB and mandating the transfer of cash and certain other investment properties from the SLB to the PSF Corporation.

The regular session of the 88th Texas Legislature (the "Legislature") was held from January 10, 2023, to May 29, 2023. As of the date of this disclosure, there have been four special sessions held, with the fourth special session ending December 5, 2023. The Texas Governor may call one or more additional special sessions. During this time, the Legislature may enact laws that materially change current law as it relates to the Guarantee Program, the TEA, the SBOE, the Act, the PSF Corporation, and Texas school finance generally. No representation is made regarding any actions the Legislature has taken or may take, but the TEA, SBOE, and PSF Corporation monitor and analyze legislation for any developments applicable thereto.

History and Purpose

The PSF supports the State's public school system in two major ways: distributions to the constitutionally established Available School Fund (the "ASF"), as described below, and the guarantee of school district and charter district issued bonds through the Guarantee Program. The PSF was created in 1845 and received its first significant funding with a $2,000,000 appropriation by the Legislature in 1854 expressly for the benefit of the public schools of Texas, with the sole purpose of assisting in the funding of public education for present and future generations. The Constitution of 1876 described that the PSF would be "permanent," and stipulated that certain lands and all proceeds from the sale of these lands should also constitute the PSF. Additional acts later gave more public domain land and rights to the PSF. In 1953, the U.S. Congress passed the Submerged Lands Act that relinquished to coastal states all rights of the U.S. navigable waters within state boundaries. If the State, by law, had set a larger boundary prior to or at the time of admission to the Union, or if the boundary had been approved by Congress, then the larger boundary applied. After three years of litigation (1957-1960), the U.S. Supreme Court on May 31, 1960, affirmed Texas' historic three marine leagues (10.35 miles) seaward boundary. Texas proved its submerged lands property rights to three leagues into the Gulf of Mexico by citing historic laws and treaties dating back to 1836. All lands lying within that limit belong to the PSF. The proceeds from the sale and the mineral-related rental of these lands, including bonuses, delay rentals and royalty payments, become the corpus of the Fund. Prior to the approval by the voters of the State of an amendment to the constitutional provision under which the Fund was established and administered, which occurred on September 13, 2003 (the "Total Return Constitutional Amendment"), and which is further described below, only the income produced by the PSF could be used to complement taxes in financing public education, which primarily consisted of income from securities, capital gains from securities transactions, and royalties from the sale of oil and natural gas. The Total Return Constitutional Amendment provides that interest and dividends produced by Fund investments will be additional revenue to the PSF.

On November 8, 1983, the voters of the State approved a constitutional amendment that provides for the guarantee by the PSF of bonds issued by school districts. On approval by the State Commissioner of Education (the "Education Commissioner"), bonds properly issued by a school district are fully guaranteed by the PSF. See "The School District Bond Guarantee Program."

In 2011, legislation was enacted that established the Charter District Bond Guarantee Program as a new component of the Guarantee Program. That legislation authorized the use of the PSF to guarantee revenue bonds issued by or for the benefit of certain open-enrollment charter schools that are designated as "charter districts" by the Education Commissioner. On approval by the Education Commissioner, bonds properly issued by a charter district participating in the Guarantee Program are fully guaranteed by the PSF. The Charter District Bond Guarantee Program became effective on March 3, 2014. See "The Charter District Bond Guarantee Program."

State law also permits charter schools to be chartered and operated by school districts and other political subdivisions, but bond financing of facilities for school district-operated charter schools is subject to the School District Bond Guarantee Program, not the Charter District Bond Guarantee Program.

While the School District Bond Guarantee Program and the Charter District Bond Guarantee Program relate to different types of bonds issued for different types of Texas public schools, and have different program regulations and requirements, a bond guaranteed under either part of the Guarantee Program has the same effect with respect to the guarantee obligation of the Fund thereto, and all guaranteed bonds are aggregated for purposes of determining the capacity of the Guarantee Program (see "Capacity Limits for the Guarantee Program"). The Charter District Bond Guarantee Program as enacted by State law has not been

reviewed by any court, nor has the Texas Attorney General (the "Attorney General") been requested to issue an opinion, with respect to its constitutional validity.

Audited financial information for the PSF is provided annually through the PSF Corporation's Annual Comprehensive Financial Report (the "Annual Report"), which is filed with the Municipal Securities Rulemaking Board ("MSRB"). Due to the establishment of the PSF Corporation, the most recent financial statements include several restatements related thereto. The SLB's land and real assets investment operations, which are part of the PSF as described below, are also included in the annual financial report of the Texas General Land Office (the "GLO") that is included in the annual comprehensive report of the State of Texas. The Annual Report includes the Message of the Chief Executive Officer of the PSF Corporation (the "Message") and the Management's Discussion and Analysis ("MD&A"). The Annual Report for the year ended August 31, 2023, as filed with the MSRB in accordance with the PSF undertaking and agreement made in accordance with Rule 15c2-12 ("Rule 15c2-12") of the United States Securities and Exchange Commission (the "SEC"), as described below, is hereby incorporated by reference into this disclosure. Information included herein for the year ended August 31, 2023, is derived from the audited financial statements of the PSF, which are included in the Annual Report as it is filed and posted. Reference is made to the Annual Report for the complete Message and MD&A for the year ended August 31, 2023, and for a description of the financial results of the PSF for the year ended August 31, 2023, the most recent year for which audited financial information regarding the Fund is available. The 2023 Annual Report speaks only as of its date and the TEA has not obligated itself to update the 2023 Annual Report or any other Annual Report. The PSF Corporation posts (i) each Annual Report, which includes statistical data regarding the Fund as of the close of each fiscal year, (ii) the most recent disclosure for the Guarantee Program, (iii) the PSF Corporation's Investment Policy Statement (the "IPS"), and (iv) monthly updates with respect to the capacity of the Guarantee Program (collectively, the "Web Site Materials") on the PSF Corporation's web site at https://texaspsf.org/bond-guarantee-program/ and with the MSRB at www.emma.msrb.org. Such monthly updates regarding the Guarantee Program are also incorporated herein and made a part hereof for all purposes. In addition to the Web Site Materials, the Fund is required to make quarterly filings with the SEC under Section 13(f) of the Securities Exchange Act of 1934. Such filings, which consist of a list of the Fund's holdings of securities specified in Section 13(f), including exchange-traded (*e.g.*, NYSE) or NASDAQ-quoted stocks, equity options and warrants, shares of closed-end investment companies and certain convertible debt securities, are available from the SEC at www.sec.gov/edgar. A list of the Fund's equity and fixed income holdings as of August 31 of each year is posted to the PSF Corporation's web site and filed with the MSRB. Such list excludes holdings in the Fund's securities lending program. Such list, as filed, is incorporated herein and made a part hereof for all purposes.

Management and Administration of the Fund

The Texas Constitution and applicable statutes delegate to the SBOE and the PSF Corporation the authority and responsibility for investment of the PSF's financial assets. The SBOE consists of 15 members who are elected by territorial districts in the State to four-year terms of office. The PSF Corporation is a special-purpose governmental corporation and instrumentality of the State entitled to sovereign immunity, and is governed by a nine-member board of directors (the "PSFC Board"), which consists of five members of the SBOE, the Land Commissioner, and three appointed members who have substantial background and expertise in investments and asset management, with one member being appointed by the Land Commissioner and the other two appointed by the Governor with confirmation by the Senate.

The PSF's non-financial real assets, including land, mineral and royalty interests, and individual real estate holdings, are held by the GLO and managed by the SLB. The SLB is required to send PSF mineral and royalty revenues to the PSF Corporation for investment, less amounts specified by appropriation to be retained by the SLB.

The Texas Constitution provides that the Fund shall be managed though the exercise of the judgment and care under the circumstances then prevailing which persons of ordinary prudence, discretion, and intelligence exercise in the management of their own affairs, not in regard to speculation, but in regard to the permanent disposition of their funds, considering the probable income therefrom as well as the probable safety of their capital (the "Prudent Person Standard"). In accordance with the Texas Constitution, the SBOE views the PSF as a perpetual endowment, and the Fund is managed as an endowment fund with a long-term investment horizon. For a detailed description of the PSFC Board's investment objectives, as well as a description of the PSFC's roles and responsibilities in managing and administering the fund, see the IPS (available on the PSF Corporation's website).

As described below, the Total Return Constitutional Amendment restricts the annual pay-out from the Fund to both (i) 6% of the average of the market value of the Fund, excluding real property, on the last day of each of the sixteen State fiscal quarters preceding the Regular Session of the Legislature that begins before that State fiscal biennium, and (ii) the total-return on all investment assets of the Fund over a rolling ten-year period.

By law, the Education Commissioner is appointed by the Governor, with Senate confirmation, and assists the SBOE, but the Education Commissioner can neither be hired nor dismissed by the SBOE. The PSF Corporation has also engaged outside counsel to advise it as to its duties with respect to the Fund, including specific actions regarding the investment of the PSF to ensure compliance with fiduciary standards, and to provide transactional advice in connection with the investment of Fund assets in non-traditional investments. TEA's General Counsel provides legal advice to the SBOE but will not provide legal advice directly to the PSF Corporation.

The Total Return Constitutional Amendment shifted administrative costs of the Fund from the ASF to the PSF, providing that expenses of managing the PSF are to be paid "by appropriation" from the PSF. In January 2005, the Attorney General issued a legal opinion, Op. Tex. Att'y Gen. No. GA-0293 (2005), stating that the Total Return Constitutional Amendment does not require the SBOE to pay from such appropriated PSF funds the indirect management costs deducted from the assets of a mutual fund or other investment company in which PSF funds have been invested.

The Act requires that the Education Commissioner prepare, and the SBOE approve, an annual status report on the Guarantee Program (which is included in the Annual Report). The State Auditor audits the financial statements of the PSF, which are separate from other financial statements of the State. Additionally, not less than once each year, the PSFC Board must submit an audit

report to the Legislative Budget Board ("LBB") regarding the operations of the PSF Corporation. The PSF Corporation may contract with a certified public accountant or the State Auditor to conduct an independent audit of the operations of the PSF Corporation, but such authorization does not affect the State Auditor's authority to conduct an audit of the PSF Corporation in accordance with State laws.

With respect to the 2024-2025 State biennium, and for subsequent biennia, the PSF Corporation is required to submit a legislative appropriations request ("LAR") to the LBB and the Office of the Governor that details a request for appropriation of funds to enable the PSF Corporation to carry out its responsibilities for the investment management of the Fund. The requested funding, budget structure, and riders are sufficient to fully support all operations of the PSF Corporation in state fiscal years 2024 and 2025. As described therein, the LAR is designed to provide the PSF Corporation with the ability to operate as a stand-alone state entity in the State budget while retaining the flexibility to fulfill its fiduciary duty and provide oversight and transparency to the Legislature and Governor.

The Total Return Constitutional Amendment

The Total Return Constitutional Amendment requires that PSF distributions to the ASF be determined using a "total-return-based" that provides that the total amount distributed from the Fund to the ASF: (1) in each year of a State fiscal biennium must be an amount that is not more than 6% of the average of the market value of the Fund, excluding real property (the "Distribution Rate"), on the last day of each of the sixteen State fiscal quarters preceding the Regular Session of the Legislature that begins before that State fiscal biennium, in accordance with the rate adopted by: (a) a vote of two-thirds of the total membership of the SBOE, taken before the Regular Session of the Legislature convenes or (b) the Legislature by general law or appropriation, if the SBOE does not adopt a rate as provided by clause (a); and (2) over the ten-year period consisting of the current State fiscal year and the nine preceding State fiscal years may not exceed the total return on all investment assets of the Fund over the same ten-year period (the "Ten Year Total Return"). In April 2009, the Attorney General issued a legal opinion, Op. Tex. Att'y Gen. No. GA-0707 (2009) ("GA-0707"), with regard to certain matters pertaining to the Distribution Rate and the determination of the Ten Year Total Return. In GA-0707 the Attorney General opined, among other advice, that (i) the Ten Year Total Return should be calculated on an annual basis, (ii) a contingency plan adopted by the SBOE, to permit monthly transfers equal in aggregate to the annual Distribution Rate to be halted and subsequently made up if such transfers temporarily exceed the Ten Year Total Return, is not prohibited by State law, provided that such contingency plan applies only within a fiscal year time basis, not on a biennium basis, and (iii) the amount distributed from the Fund in a fiscal year may not exceed 6% of the average of the market value of the Fund or the Ten Year Total Return. In accordance with GA-0707, in the event that the Ten Year Total Return is exceeded during a fiscal year, transfers to the ASF will be halted. However, if the Ten Year Total Return subsequently increases during that biennium, transfers may be resumed, if the SBOE has provided for that contingency, and made in full during the remaining period of the biennium, subject to the limit of 6% in any one fiscal year. Any shortfall in the transfer that results from such events from one biennium may not be paid over to the ASF in a subsequent biennium as the SBOE would make a separate payout determination for that subsequent biennium.

In determining the Distribution Rate, the SBOE has adopted the goal of maximizing the amount distributed from the Fund in a manner designed to preserve "intergenerational equity." The definition of intergenerational equity that the SBOE has generally followed is the maintenance of purchasing power to ensure that endowment spending keeps pace with inflation, with the ultimate goal being to ensure that current and future generations are given equal levels of purchasing power in real terms. In making this determination, the SBOE takes into account various considerations, and relies upon PSF Corporation and TEA staff and external investment consultants, which undertake analysis for long-term projection periods that includes certain assumptions. Among the assumptions used in the analysis are a projected rate of growth of student enrollment State-wide, the projected contributions and expenses of the Fund, projected returns in the capital markets and a projected inflation rate.

The Texas Constitution also provides authority to the GLO or another entity (described in statute as the SLB or the PSF Corporation) that has responsibility for the management of revenues derived from land or other properties of the PSF to determine whether to transfer an amount each year to the ASF from the revenue derived during the current year from such land or properties. The Texas Constitution limits the maximum transfer to the ASF to $600 million in each year from the revenue derived during that year from the PSF from the GLO, the SBOE or another entity to the extent such entity has the responsibility for the management of revenues derived from such land or other properties. Any amount transferred to the ASF pursuant to this constitutional provision is excluded from the 6% Distribution Rate limitation applicable to SBOE transfers.

The following table shows amounts distributed to the ASF from the portions of the Fund administered by the SBOE (the "PSF(SBOE)"), the PSF Corporation (the "PSF(CORP)"), and the SLB (the "PSF(SLB)").

Annual Distributions to the Available School Fund[1]

Fiscal Year Ending	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023[2]
PSF(CORP) Distribution	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ -	$ 2,076
PSF(SBOE) Distribution	839	839	1,056	1,056	1,236	1,236	1,102	1,102	1,731	-
PSF(SLB) Distribution	0	0	0	0	0	300	600	600[3]	415	115
Per Student Distribution	175	173	215	212	247	306	347	341	432	440

[1] In millions of dollars. Source: Annual Report for year ended August 31, 2023.

[2] Reflects the first fiscal year in which distributions were made by the PSF Corporation.

[3] In September 2020, the SBOE approved a special, one-time transfer of $300 million from the portion of the PSF managed by the SBOE to the portion of the PSF managed by the SLB, which amount is to be transferred to the ASF by the SLB in fiscal year

2021. In approving the special transfer, the SBOE determined that the transfer was in the best interest of the PSF due to the historic nature of the public health and economic circumstances resulting from the COVID-19 pandemic and its impact on the school children of Texas.

In November 2022, the SBOE approved a $3.1 billion distribution to the ASF for State fiscal biennium 2024-2025. In making its determination of the 2024-2025 Distribution Rate, the SBOE took into account the announced planned distribution to the ASF by the SLB of $1.2 billion for the biennium.

Efforts to achieve the intergenerational equity objective, as described above, result in changes in the Distribution Rate for each biennial period. The following table sets forth the Distribution Rates announced by the SBOE in the fall of each even-numbered year to be applicable for the following biennium.

State Fiscal Biennium	2008-09	2010-11	2012-13	2014-15	2016-17	2018-19	2020-21	2022-23	2024-25
SBOE Distribution Rate[1]	3.5%	2.5%	4.2%	3.3%	3.5%	3.7%	2.974%	4.18%	3.32%[2]

[1] Includes only distributions made to the ASF by the SBOE; see the immediately preceding table for amounts of direct SLB distributions to the ASF. In addition, the SLB approved transfers of $600 million per year directly to the ASF for fiscal biennium 2024-25.

[2] The distribution rate approved by the SBOE for fiscal biennium 2024-25 was based on a number of assumptions, including a mid- to long-term expected return rate for the Fund of 6.35% and a rate of inflation measured by the consumer price index of 2.70% according to the policy adopted by the SBOE in June 2022.

PSF Corporation Strategic Asset Allocation

The PSFC Board sets the asset allocation policy for the Fund, including determining the available asset classes for investment and approving target percentages and ranges for allocation to each asset class, with the goal of delivering a long-term risk adjusted return through all economic and market environments. Effective January 1, 2023, the IPS includes a combined asset allocation for all Fund assets (consisting of assets transferred for management to the PSF Corporation from the SBOE and the SLB). The IPS provides that the Fund's investment objectives are as follows:

- Generate distributions for the benefit of public schools in Texas;
- Maintain the purchasing power of the Fund, after spending and inflation, in order to maintain intergenerational equity with respect to distributions from the Fund;
- Provide a maximum level of return consistent with prudent risk levels, while maintaining sufficient liquidity needed to support Fund obligations; and
- Maintain a AAA credit rating, as assigned by a nationally recognized securities rating organization.

The table below sets forth the current asset allocation of the Fund that was adopted February 2024 (which is subject to change from time to time):

Asset Class	Strategic Asset Allocation	Range	
		Min	Max
Cash	2.0%	0.0%	7.0%
Core Bonds	10.0%	5.0%	15.0%
High Yield	2.0%	0.0%	7.0%
Bank Loans	4.0%	0.0%	9.0%
Treasury Inflation Protected Securities	2.0%	0.0%	7.0%
Large Cap Equity	14.0%	9.0%	19.0%
Small/Mid-Cap Equity	6.0%	1.0%	11.0%
Non-US Developed Equity	7.0%	2.0%	12.0%
Absolute Return	3.0%	0.0%	8.0%
Real Estate	12.0%	7.0%	17.0%
Private Equity	20.0%	10.0%	30.0%
Private Credit	8.0%	3.0%	13.0%
Natural Resources	5.0%	0.0%	10.0%
Infrastructure	5.0%	0.0%	10.0%

The table below sets forth the comparative investments of the PSF for the fiscal years ending August 31, 2022 and 2023, as set forth in the Annual Report for the 2023 fiscal year. As of January 1, 2023, the assets of the PSF(SBOE) and the PSF (SLB) were generally combined (referred to herein as the PSF(CORP)) for investment management and accounting purposes.

Comparative Investment Schedule – PSF(CORP)

Fair Value (in millions) August 31, 2023 and 2022

ASSET CLASS	August 31, 2023	August 31, 2022	Amount of Increase (Decrease)	Percent Change
EQUITY				
Domestic Small Cap	$ 2,975.1	$ 2,858.4	$ 116.7	4.1%
Domestic Large Cap	7,896.5	6,402.1	1,494.4	23.3%
Total Domestic Equity	10,871.6	9,260.5	1,611.1	17.4%
International Equity	7,945.5	7,197.9	747.6	10.4%
TOTAL EQUITY	18,817.1	16,458.4	2,358.7	14.3%
FIXED INCOME				
Domestic Fixed Income	5,563.7	5,867.5	(303.8)	-5.2%
U.S. Treasuries	937.5	1,140.2	(202.7)	-17.8%
High Yield Bonds	1,231.6	1,142.5	89.1	7.8%
Emerging Market Debt	869.7	1,190.9	(321.2)	-27.0%
TOTAL FIXED INCOME	8,602.5	9,341.1	(738.6)	-7.9%
ALTERNATIVE INVESTMENTS				
Absolute Return	3,175.8	2,932.3	243.5	8.3%
Real Estate	6,525.2	6,286.9	238.3	3.8%
Private Equity	8,400.7	7,933.1	467.6	5.9%
Emerging Manager Program	134.5	29.9	104.6	349.8%
Real Return	1,663.7	1,620.3	43.4	2.7%
Real Assets	4,712.1	4,341.3	370.8	8.5%
TOT ALT INVESTMENTS	24,612.0	23,143.8	1,468.2	6.3%
UNALLOCATED CASH	348.2	231.7	116.5	50.3%
TOTAL PSF(CORP) INVESTMENTS	$ 52,379.8	$ 49,175.0	$ 3,204.8	6.5%

Source: Annual Report for year ended August 31, 2023.

The table below sets forth the investments of the PSF(SLB) for the year ended August 31, 2023.

Investment Schedule - PSF(SLB)[1]

Fair Value (in millions) August 31, 2023

	As of 8-31-23	
Investment Type Investments in Real Assets		
Sovereign Lands	$ 276.14	
Discretionary Internal Investments	264.32	
Other Lands	167.97	
Minerals [(2), (3)]	5,435.62	[(6)]
Total Investments[(4)]	6,144.05	
Cash in State Treasury [(5)]	508.38	
Total Investments & Cash in State Treasury	$ 6,652.44	

[1]Unaudited figures from Table 5 in the FY 2023 Unaudited Annual Financial Report of the Texas General Land Office and Veterans Land Board.

[2] Historical Cost of investments at August 31, 2023 was: Sovereign Lands $838,776.71; Discretionary Internal Investments $129,728,504.04; Other Lands $38,241,863.70; and Minerals $13,437,063.73.

[3] Includes an estimated 1,000,000.00 acres in freshwater rivers.

[4] Includes an estimated 1,747,600.00 in excess acreage.

[5] Cash in State Treasury is managed by the Treasury Operations Division of the Comptroller of Public Accounts of the State of Texas.

[6] Future Net Revenues discounted at 10% and then adjusted for risk factors. A mineral reserve report is prepared annually by external third-party petroleum engineers.

The asset allocation of the Fund's financial assets portfolio is subject to change by the PSF Corporation from time to time based upon a number of factors, including recommendations to the PSF Corporation made by internal investment staff and external consultants. Fund performance may also be affected by factors other than asset allocation, including, without limitation, the general performance of the securities markets and other capital markets in the United States and abroad, which may be affected by different levels of economic activity; decisions of political officeholders; significant adverse weather events; development of hostilities in and among nations; cybersecurity threats and events; changes in international trade policies or practices; application of the Prudent Person Standard, which may eliminate certain investment opportunities for the Fund; management fees paid to external managers and embedded management fees for some fund investments; and PSF operational limitations impacted by Texas law or legislative appropriation. The Guarantee Program could also be impacted by changes in State or federal law or regulations or the implementation of new accounting standards.

The School District Bond Guarantee Program

The School District Bond Guarantee Program requires an application be made by a school district to the Education Commissioner for a guarantee of its bonds. If the conditions for the School District Bond Guarantee Program are satisfied, the guarantee becomes effective upon approval of the bonds by the Attorney General and remains in effect until the guaranteed bonds are paid or defeased, by a refunding or otherwise.

In the event of default, holders of guaranteed school district bonds will receive all payments due from the corpus of the PSF. Following a determination that a school district will be or is unable to pay maturing or matured principal or interest on any guaranteed bond, the Act requires the school district to notify the Education Commissioner not later than the fifth day before the stated maturity date of such bond or interest payment. Immediately following receipt of such notice, the Education Commissioner must cause to be transferred from the appropriate account in the PSF to the Paying Agent/Registrar an amount necessary to pay the maturing or matured principal and interest. Upon receipt of funds for payment of such principal or interest, the Paying Agent/Registrar must pay the amount due and forward the canceled bond or evidence of payment of the interest to the State Comptroller of Public Accounts (the "Comptroller"). The Education Commissioner will instruct the Comptroller to withhold the amount paid, plus interest, from the first State money payable to the school district. The amount withheld pursuant to this funding "intercept" feature will be deposited to the credit of the PSF. The Comptroller must hold such canceled bond or evidence of payment of the interest on behalf of the PSF. Following full reimbursement of such payment by the school district to the PSF with interest, the Comptroller will cancel the bond or evidence of payment of the interest and forward it to the school district. The Act permits the Education Commissioner to order a school district to set a tax rate sufficient to reimburse the PSF for any payments made with respect to guaranteed bonds, and also sufficient to pay future payments on guaranteed bonds, and provides certain enforcement mechanisms to the Education Commissioner, including the appointment of a board of managers or annexation of a defaulting school district to another school district.

If a school district fails to pay principal or interest on a bond as it is stated to mature, other amounts not due and payable are not accelerated and do not become due and payable by virtue of the district's default. The School District Bond Guarantee Program does not apply to the payment of principal and interest upon redemption of bonds, except upon mandatory sinking fund redemption, and does not apply to the obligation, if any, of a school district to pay a redemption premium on its guaranteed bonds. The guarantee applies to all matured interest on guaranteed school district bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond order provision requiring an interest rate change. The guarantee does not extend to any obligation of a school district under any agreement with a third party relating to guaranteed bonds that is defined or described in State law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.

In the event that two or more payments are made from the PSF on behalf of a district, the Education Commissioner shall request the Attorney General to institute legal action to compel the district and its officers, agents and employees to comply with the duties required of them by law in respect to the payment of guaranteed bonds.

Generally, the regulations that govern the School District Bond Guarantee Program (the "SDBGP Rules") limit guarantees to certain types of notes and bonds, including, with respect to refunding bonds issued by school districts, a requirement that the bonds produce debt service savings. The SDBGP Rules include certain accreditation criteria for districts applying for a guarantee of their bonds, and limit guarantees to districts that have less than the amount of annual debt service per average daily attendance that represents the 90th percentile of annual debt service per average daily attendance for all school districts, but such limitation will not apply to school districts that have enrollment growth of at least 25% over the previous five school years. As noted, above, in connection with the Regulatory Recodification, the SDBGP Rules are now codified in the Texas Administrative Code at 19 TAC section 33.6 and are available at https://tea.texas.gov/finance-and- grants/state-funding/facilities-funding-and-standards/bond-guarantee-program.

The Charter District Bond Guarantee Program

The Charter District Bond Guarantee Program became effective March 3, 2014. The SBOE published final regulations in the Texas Register that provide for the administration of the Charter District Bond Guarantee Program (the "CDBGP Rules"). As noted,

above, in connection with the Regulatory Recodification, the CDBGP Rules are now codified at 19 TAC section 33.7 and are available at https://tea.texas.gov/finance-and-grants/state-funding/facilities-funding-and- standards/bond-guarantee-program.

The Charter District Bond Guarantee Program has been authorized through the enactment of amendments to the Act, which provide that a charter holder may make application to the Education Commissioner for designation as a "charter district" and for a guarantee by the PSF under the Act of bonds issued on behalf of a charter district by a non-profit corporation. If the conditions for the Charter District Bond Guarantee Program are satisfied, the guarantee becomes effective upon approval of the bonds by the Attorney General and remains in effect until the guaranteed bonds are paid or defeased, by a refunding or otherwise.

Pursuant to the CDBGP Rules, the Education Commissioner annually determines the ratio of charter district students to total public school students, for the 2024 fiscal year, the ratio is 7.69%. At February 26, 2024, there were 186 active open-enrollment charter schools in the State and there were 1,128 charter school campuses authorized under such charters, though as of such date, 212 of such campuses are not currently serving students for various reasons; therefore, there are 916 charter school campuses actively serving students in Texas. Section 12.101, Texas Education Code, limits the number of charters that the Education Commissioner may grant to a total number of 305 charters. While legislation limits the number of charters that may be granted, it does not limit the number of campuses that may operate under a particular charter. For information regarding the capacity of the Guarantee Program, see "Capacity Limits for the Guarantee Program." The Act provides that the Education Commissioner may not approve the guarantee of refunding or refinanced bonds under the Charter District Bond Guarantee Program in a total amount that exceeds one-half of the total amount available for the guarantee of charter district bonds under the Charter District Bond Guarantee Program.

In accordance with the Act, the Education Commissioner may not approve charter district bonds for guarantee if such guarantees will result in lower bond ratings for public school district bonds that are guaranteed under the School District Bond Guarantee Program. To be eligible for a guarantee, the Act provides that a charter district's bonds must be approved by the Attorney General, have an unenhanced investment grade rating from a nationally recognized investment rating firm, and satisfy a limited investigation conducted by the TEA.

The Charter District Bond Guarantee Program does not apply to the payment of principal and interest upon redemption of bonds, except upon mandatory sinking fund redemption, and does not apply to the obligation, if any, of a charter district to pay a redemption premium on its guaranteed bonds. The guarantee applies to all matured interest on guaranteed charter district bonds, whether the bonds were issued with a fixed or variable interest rate and whether the interest rate changes as a result of an interest reset provision or other bond resolution provision requiring an interest rate change. The guarantee does not extend to any obligation of a charter district under any agreement with a third party relating to guaranteed bonds that is defined or described in State law as a "bond enhancement agreement" or a "credit agreement," unless the right to payment of such third party is directly as a result of such third party being a bondholder.

In the event of default, holders of guaranteed charter district bonds will receive all payments due from the corpus of the PSF. Following a determination that a charter district will be or is unable to pay maturing or matured principal or interest on any guaranteed bond, the Act requires a charter district to notify the Education Commissioner not later than the fifth day before the stated maturity date of such bond or interest payment and provides that immediately following receipt of notice that a charter district will be or is unable to pay maturing or matured principal or interest on a guaranteed bond, the Education Commissioner is required to instruct the Comptroller to transfer from the Charter District Reserve Fund to the district's paying agent an amount necessary to pay the maturing or matured principal or interest. If money in the Charter District Reserve Fund is insufficient to pay the amount due on a bond for which a notice of default has been received, the Education Commissioner is required to instruct the Comptroller to transfer from the PSF to the district's paying agent the amount necessary to pay the balance of the unpaid maturing or matured principal or interest. If a total of two or more payments are made under the Charter District Bond Guarantee Program on charter district bonds and the Education Commissioner determines that the charter district is acting in bad faith under the program, the Education Commissioner may request the Attorney General to institute appropriate legal action to compel the charter district and its officers, agents, and employees to comply with the duties required of them by law in regard to the guaranteed bonds. As is the case with the School District Bond Guarantee Program, the Act provides a funding "intercept" feature that obligates the Education Commissioner to instruct the Comptroller to withhold the amount paid with respect to the Charter District Bond Guarantee Program, plus interest, from the first State money payable to a charter district that fails to make a guaranteed payment on its bonds. The amount withheld will be deposited, first, to the credit of the PSF, and then to restore any amount drawn from the Charter District Reserve Fund as a result of the non-payment.

The CDBGP Rules provide that the PSF may be used to guarantee bonds issued for the acquisition, construction, repair, or renovation of an educational facility for an open-enrollment charter holder and equipping real property of an open-enrollment charter school and/or to refinance promissory notes executed by an open-enrollment charter school, each in an amount in excess of $500,000 the proceeds of which loans were used for a purpose described above (so-called new money bonds) or for refinancing bonds previously issued for the charter school that were approved by the Attorney General (so-called refunding bonds). Refunding bonds may not be guaranteed under the Charter District Bond Guarantee Program if they do not result in a present value savings to the charter holder.

The CDBGP Rules provide that an open-enrollment charter holder applying for charter district designation and a guarantee of its bonds under the Charter District Bond Guarantee Program satisfy various provisions of the regulations, including the following: It must (i) have operated at least one open-enrollment charter school with enrolled students in the State for at least three years; (ii) agree that the bonded indebtedness for which the guarantee is sought will be undertaken as an obligation of all entities under common control of the open-enrollment charter holder, and that all such entities will be liable for the obligation if the open-enrollment charter holder defaults on the bonded indebtedness, provided, however, that an entity that does not operate a charter school in Texas is subject to this provision only to the extent it has received state funds from the open- enrollment charter holder; (iii) have had completed for the past three years an audit for each such year that included unqualified or unmodified audit opinions; and (iv) have received an investment grade credit rating within the last year. Upon receipt of an application for guarantee under the Charter District Bond Guarantee Program, the Education Commissioner is required to conduct an investigation into the financial status of the applicant charter district and of the accreditation status of all open-enrollment charter schools operated under

the charter, within the scope set forth in the CDBGP Rules. Such financial investigation must establish that an applying charter district has a historical debt service coverage ratio, based on annual debt service, of at least 1.1 for the most recently completed fiscal year, and a projected debt service coverage ratio, based on projected revenues and expenses and maximum annual debt service, of at least 1.2. The failure of an open- enrollment charter holder to comply with the Act or the applicable regulations, including by making any material misrepresentations in the charter holder's application for charter district designation or guarantee under the Charter District Bond Guarantee Program, constitutes a material violation of the open-enrollment charter holder's charter.

From time to time, TEA has limited new guarantees under the Charter District Bond Guarantee Program to conform to capacity limits specified by the Act. The Charter District Bond Guarantee Program Capacity (the "CDBGP Capacity") is made available from the capacity of the Guarantee Program but is not reserved exclusively for the Charter District Bond Guarantee Program. See "Capacity Limits for the Guarantee Program." Other factors that could increase the CDBGP Capacity include Fund investment performance, future increases in the Guarantee Program multiplier, changes in State law that govern the calculation of the CDBGP Capacity, as described below, changes in State or federal law or regulations related to the Guarantee Program limit, growth in the relative percentage of students enrolled in open-enrollment charter schools to the total State scholastic census, legislative and administrative changes in funding for charter districts, changes in level of school district or charter district participation in the Guarantee Program, or a combination of such circumstances.

Capacity Limits for the Guarantee Program

The capacity of the Fund to guarantee bonds under the Guarantee Program is limited to the lesser of that imposed by State law (the "State Capacity Limit") and that imposed by regulations and a notice issued by the IRS (the "IRS Limit", with the limit in effect at any given time being the "Capacity Limit"). From 2005 through 2009, the Guarantee Program twice reached capacity under the IRS Limit, and in each instance the Guarantee Program was closed to new bond guarantee applications until relief was obtained from the IRS. The most recent closure of the Guarantee Program commenced in March 2009 and the Guarantee Program reopened in February 2010 after the IRS updated regulations relating to the PSF and similar funds.

Prior to 2007, various legislation was enacted modifying the calculation of the State Capacity limit; however, in 2007, Senate Bill 389 ("SB 389") was enacted, providing for increases in the capacity of the Guarantee Program, and specifically providing that the SBOE may by rule increase the capacity of the Guarantee Program from two and one-half times the cost value of the PSF to an amount not to exceed five times the cost value of the PSF, provided that the increased limit does not violate federal law and regulations and does not prevent bonds guaranteed by the Guarantee Program from receiving the highest available credit rating, as determined by the SBOE. SB 389 further provided that the SBOE shall at least annually consider whether to change the capacity of the Guarantee Program. Additionally, on May 21, 2010, the SBOE modified the SDBGP Rules, and increased the State Capacity Limit to an amount equal to three times the cost value of the PSF.

Such modified regulations, including the revised capacity rule, became effective on July 1, 2010. The SDBGP Rules provide that the Education Commissioner will estimate the available capacity of the PSF each month and may increase or reduce the State Capacity Limit multiplier to prudently manage fund capacity and maintain the AAA credit rating of the Guarantee Program but also provide that any changes to the multiplier made by the Education Commissioner are to be ratified or rejected by the SBOE at the next meeting following the change. See "Valuation of the PSF and Guaranteed Bonds" below.

Since September 2015, the SBOE has periodically voted to change the capacity multiplier as shown in the following table.

Changes in SBOE-determined multiplier for State Capacity Limit

Date	Multiplier
Prior to May 2010	2.50
May 2010	3.00
September 2015	3.25
February 2017	3.50
September 2017	3.75
February 2018 (current)	3.50

Since December 16, 2009, the IRS Limit was a static limit set at 500% of the total cost value of the assets held by the PSF as of December 16, 2009; however, on May 10, 2023, the IRS released Notice 2023-39 (the "IRS Notice"), stating that the IRS would issue regulations amending the existing regulations to amend the calculation of the IRS limit to 500% of the total cost value of assets held by the PSF as of the date of sale of new bonds, effective as of May 10, 2023.

The IRS Notice changed the IRS Limit from a static limit to a dynamic limit for the Guarantee Program based upon the cost value of Fund assets, multiplied by five. As of December 31, 2023 the cost value of the Guarantee Program was $44,034,322,531 (unaudited), thereby producing an IRS Limit of $220,171,612,655 in principal amount of guaranteed bonds outstanding.

As of December 31, 2023, the estimated State Capacity Limit is $154,120,128,859, which is lower than the IRS Limit, making the State Capacity Limit the current Capacity Limit for the Fund.

Since July 1991, when the SBOE amended the Guarantee Program Rules to broaden the range of bonds that are eligible for guarantee under the Guarantee Program to encompass most Texas school district bonds, the principal amount of bonds guaranteed under the Guarantee Program has increased sharply. In addition, in recent years a number of factors have caused an increase in the amount of bonds issued by school districts in the State. See the table "Permanent School Fund Guaranteed Bonds" below. Effective March 1, 2023, the Act provides that the SBOE may establish a percentage of the Capacity Limit to be reserved from use in guaranteeing bonds (the "Capacity Reserve"). The SDBGP Rules provide for a maximum Capacity Reserve

for the overall Guarantee Program of 5% and provide that the amount of the Capacity Reserve may be increased or decreased by a majority vote of the SBOE based on changes in the cost value, asset allocation, and risk in the portfolio, or may be increased or decreased by the Education Commissioner as necessary to prudently manage fund capacity and preserve the AAA credit rating of the Guarantee Program (subject to ratification or rejection by the SBOE at the next meeting for which an item can be posted). The CDBGP Rules provide for an additional reserve of CDBGP Capacity determined by calculating an equal percentage as established by the SBOE for the Capacity Reserve, applied to the CDBGP Capacity. Effective March 1, 2023, the Capacity Reserve is 0.25%. The Capacity Reserve is noted in the monthly updates with respect to the capacity of the Guarantee Program on the PSF Corporation's web site at https://texaspsf.org/monthly-disclosures/, which are also filed with the MSRB.

Based upon historical performance of the Fund, the legal restrictions relating to the amount of bonds that may be guaranteed has generally resulted in a lower ratio of guaranteed bonds to available assets as compared to many other types of credit enhancements that may be available for Texas school district bonds and charter district bonds. However, the ratio of Fund assets to guaranteed bonds and the growth of the Fund in general could be adversely affected by a number of factors, including Fund investment performance, investment objectives of the Fund, an increase in bond issues by school districts in the State or legal restrictions on the Fund, changes in State laws that implement funding decisions for school districts and charter districts, which could adversely affect the credit quality of those districts, the implementation of the Charter District Bond Guarantee Program, or significant changes in distributions to the ASF. The issuance of the IRS Notice and the Final IRS Regulations resulted in a substantial increase in the amount of bonds guaranteed under the Guarantee Program.

No representation is made as to how the capacity will remain available, and the capacity of the Guarantee Program is subject to change due to a number of factors, including changes in bond issuance volume throughout the State and some bonds receiving guarantee approvals may not close. If the amount of guaranteed bonds approaches the State Capacity Limit, the SBOE or Education Commissioner may increase the State Capacity Limit multiplier as discussed above.

2017 Legislative Changes to the Charter District Bond Guarantee Program

The CDBGP Capacity is established by the Act. During the 85th Texas Legislature, which concluded on May 29, 2017, Senate Bill 1480 ("SB 1480") was enacted. SB 1480 amended the Act to modify how the CDBGP Capacity is established effective as of September 1, 2017, and made other substantive changes to the Charter District Bond Guarantee Program. Prior to the enactment of SB 1480, the CDBGP Capacity was calculated as the Capacity Limit less the amount of outstanding bond guarantees under the Guarantee Program multiplied by the percentage of charter district scholastic population relative to the total public school scholastic population. SB 1480 amended the CDBGP Capacity calculation so that the Capacity Limit is multiplied by the percentage of charter district scholastic population relative to the total public school scholastic population prior to the subtraction of the outstanding bond guarantees, thereby increasing the CDBGP Capacity.

The percentage of the charter district scholastic population to the overall public school scholastic population has grown from 3.53% in September 2012 to 7.69% in February 2024. TEA is unable to predict how the ratio of charter district students to the total State scholastic population will change over time.

In addition to modifying the manner of determining the CDBGP Capacity, SB 1480 provided that the Education Commissioner's investigation of a charter district application for guarantee may include an evaluation of whether the charter district bond security documents provide a security interest in real property pledged as collateral for the bond and the repayment obligation under the proposed guarantee. The Education Commissioner may decline to approve the application if the Education Commissioner determines that sufficient security is not provided. The Act and the CDBGP Rules also require the Education Commissioner to make an investigation of the accreditation status and financial status for a charter district applying for a bond guarantee.

Since the initial authorization of the Charter District Bond Guarantee Program, the Act has established a bond guarantee reserve fund in the State treasury (the "Charter District Reserve Fund"). Formerly, the Act provided that each charter district that has a bond guaranteed must annually remit to the Education Commissioner, for deposit in the Charter District Reserve Fund, an amount equal to 10% of the savings to the charter district that is a result of the lower interest rate on its bonds due to the guarantee by the PSF. SB 1480 modified the Act insofar as it pertains to the Charter District Reserve Fund. Effective September 1, 2017, the Act provides that a charter district that has a bond guaranteed must remit to the Education Commissioner, for deposit in the Charter District Reserve Fund, an amount equal to 20% of the savings to the charter district that is a result of the lower interest rate on the bond due to the guarantee by the PSF. The amount due shall be paid on receipt by the charter district of the bond proceeds. However, the deposit requirement will not apply if the balance of the Charter District Reserve Fund is at least equal to 3.00% of the total amount of outstanding guaranteed bonds issued by charter districts. At January 31, 2024, the Charter District Reserve Fund contained $97,636,048, which represented approximately 2.32% of the guaranteed charter district bonds. The Reserve Fund is held and invested as a non-commingled fund under the administration of the PSF Corporation staff.

Charter District Risk Factors

Open-enrollment charter schools in the State may not charge tuition and, unlike school districts, charter districts have no taxing power. Funding for charter district operations is largely from amounts appropriated by the Legislature. Additionally, the amount of State payments a charter district receives is based on a variety of factors, including the enrollment at the schools operated by a charter district, and may be affected by the State's economic performance and other budgetary considerations and various political considerations.

Other than credit support for charter district bonds that is provided to qualifying charter districts by the Charter District Bond Guarantee Program, State funding for charter district facilities construction is limited to a program established by the Legislature in 2017, which provides $60 million per year for eligible charter districts with an acceptable performance rating for a variety of funding purposes, including for lease or purchase payments for instructional facilities. Since State funding for charter facilities is limited, charter schools generally issue revenue bonds to fund facility construction and acquisition, or fund facilities from cash flows of the school. Some charter districts have issued non-guaranteed debt in addition to debt guaranteed under the Charter District Bond Guarantee Program, and such non-guaranteed debt is likely to be secured by a deed of trust covering all or part of the

charter district's facilities. In March 2017, the TEA began requiring charter districts to provide the TEA with a lien against charter district property as a condition to receiving a guarantee under the Charter District Bond Guarantee Program. However, charter district bonds issued and guaranteed under the Charter District Bond Guarantee Program prior to the implementation of the new requirement did not have the benefit of a security interest in real property, although other existing debts of such charter districts that are not guaranteed under the Charter District Bond Guarantee Program may be secured by real property that could be foreclosed on in the event of a bond default.

As a general rule, the operation of a charter school involves fewer State requirements and regulations for charter holders as compared to other public schools, but the maintenance of a State- granted charter is dependent upon on-going compliance with State law and regulations, which are monitored by TEA. TEA has a broad range of enforcement and remedial actions that it can take as corrective measures, and such actions may include the loss of the State charter, the appointment of a new board of directors to govern a charter district, the assignment of operations to another charter operator, or, as a last resort, the dissolution of an open-enrollment charter school. Charter holders are governed by a private board of directors, as compared to the elected boards of trustees that govern school districts.

As described above, the Act includes a funding "intercept" function that applies to both the School District Bond Guarantee Program and the Charter District Bond Guarantee Program. However, school districts are viewed as the "educator of last resort" for students residing in the geographical territory of the district, which makes it unlikely that State funding for those school districts would be discontinued, although the TEA can require the dissolution and merger into another school district if necessary to ensure sound education and financial management of a school district. That is not the case with a charter district, however, and open-enrollment charter schools in the State have been dissolved by TEA from time to time. If a charter district that has bonds outstanding that are guaranteed by the Charter District Bond Guarantee Program should be dissolved, debt service on guaranteed bonds of the district would continue to be paid to bondholders in accordance with the Charter District Bond Guarantee Program, but there would be no funding available for reimbursement of the PSF by the Comptroller for such payments. As described under "The Charter District Bond Guarantee Program," the Act established the Charter District Reserve Fund, to serve as a reimbursement resource for the PSF.

Infectious Disease Outbreak

Since the onset of the COVID-19 pandemic in March 2020, TEA and TEA investment management for the PSF have continued to operate and function pursuant to the TEA continuity of operations plan developed as mandated in accordance with Texas Labor Code Section 412.054. That plan was designed to ensure performance of the Agency's essential missions and functions under such threats and conditions in the event of, among other emergencies, a pandemic event.

Circumstances regarding the COVID-19 pandemic continue to evolve; for additional information on these events in the State, reference is made to the website of the Governor, https://gov.texas.gov/, and, with respect to public school events, the website of TEA, https://tea.texas.gov/texas-schools/safe-and-healthy-schools/coronavirus-covid-19-support-and- guidance.

TEA cannot predict whether any school or charter district may experience short- or longer-term cash flow emergencies as a direct or indirect effect of COVID-19 that would require a payment from the PSF to be made to a paying agent for a guaranteed bond. However, through the end of January 2024, no school district or charter district had failed to perform with respect to making required payments on their guaranteed bonds. Information regarding the respective financial operations of the issuer of bonds guaranteed, or to be guaranteed, by the PSF is provided by such issuers in their respective bond offering documents and the TEA takes no responsibility for the respective information, as it is provided by the respective issuers.

Ratings of Bonds Guaranteed Under the Guarantee Program

Moody's Investors Service, Inc., S&P Global Ratings, and Fitch Ratings, Inc. rate bonds guaranteed by the PSF "Aaa," "AAA" and "AAA," respectively. Not all districts apply for multiple ratings on their bonds, however. See the applicable rating section within the offering document to which this is attached for information regarding a district's underlying rating and the enhanced rating applied to a given series of bonds.

Valuation of the PSF and Guaranteed Bonds

Permanent School Fund Valuations

Fiscal Year Ended 8/31	Book Value[1]	Market Value[1]
2019	$35,288,344,219	$46,464,447,981
2020	36,642,000,738	46,764,059,745
2021	38,699,895,545	55,582,252,097
2022	42,511,350,050	56,754,515,757
2023[2]	43,915,792,841	59,020,536,667

[1] SLB managed assets are included in the market value and book value of the Fund. In determining the market value of the PSF from time to time during a fiscal year, the current, unaudited values for PSF investment portfolios and cash held by the SLB are used. With respect to SLB managed assets shown in the table above, market values of land and mineral interests, internally managed real estate, investments in externally managed real estate funds and cash are based upon information reported to the

PSF Corporation by the SLB. The SLB reports that information to the PSF Corporation on a quarterly basis. The valuation of such assets at any point in time is dependent upon a variety of factors, including economic conditions in the State and nation in general, and the values of these assets, and, in particular, the valuation of mineral holdings administered by the SLB, can be volatile and subject to material changes from period to period.

(2) At August 31, 2023, mineral assets, sovereign and other lands and discretionary internal investments, and cash managed by the SLB had book values of approximately $13.4 million, $168.8 million, and $708.4 million, respectively, and market values of approximately $5,435.6 million, $678.4 million, and $508.4 million, respectively.

Permanent School Fund Guaranteed Bonds

At 8/31	Principal Amount(1)
2019	$84,397,900,203
2020	90,336,680,245
2021	95,259,161,922
2022	103,239,495,929
2023	115,730,826,682(2)

(1) Represents original principal amount; does not reflect any subsequent accretions in value for compound interest bonds (zero coupon securities). The amount shown excludes bonds that have been refunded and released from the Guarantee Program. The TEA does not maintain records of the accreted value of capital appreciation bonds that are guaranteed under the Guarantee Program.

(2) At August 31, 2023 (the most recent date for which such data is available), the TEA expected that the principal and interest to be paid by school districts and charter districts over the remaining life of the bonds guaranteed by the Guarantee Program was $178,520,723,868, of which $62,789,897,186 represents interest to be paid. As shown in the table above, at August 31, 2023, there were $115,730,826,682 in principal amount of bonds guaranteed under the Guarantee Program. Using the State Capacity Limit of $154,120,128,859 (the State Capacity Limit is currently the Capacity Limit), net of the Capacity Reserve, as of December 31, 2023, 7.36% of the Guarantee Program's capacity was available to the Charter District Bond Guarantee Program. As of December 31, 2023, the amount of outstanding bond guarantees represented 76.36% of the Capacity Limit (which is currently the State Capacity Limit). December 31, 2023 values are based on unaudited data, which is subject to adjustment.

Permanent School Fund Guaranteed Bonds by Category(1)

	School District Bonds		Charter District Bonds		Totals	
Fiscal Year Ended 8/31	No. of Issues	Principal Amount ($)	No. of Issues	Principal Amount ($)	No. of Issues	Principal Amount ($)
2019	3,297	82,537,755,203	49	1,860,145,000	3,346	84,397,900,203
2020	3,296	87,800,478,245	64	2,536,202,000	3,360	90,336,680,245
2021	3,346	91,951,175,922	83	3,307,986,000	3,429	95,259,161,922
2022	3,348	99,528,099,929	94	3,711,396,000	3,442	103,239,495,929
2023(2)	3,339	111,647,914,682	102	4,082,912,000	3,441	115,730,826,682

(1) Represents original principal amount; does not reflect any subsequent accretions in value for compound interest bonds (zero coupon securities). The amount shown excludes bonds that have been refunded and released from the Guarantee Program.

(2) At December 31, 2023 (based on unaudited data, which is subject to adjustment), there were $117,374,697,034 in principal amount of bonds guaranteed under the Guarantee Program, representing 3,369 school district issues, aggregating $113,174,765,034 in principal amount and 105 charter district issues, aggregating $4,199,932,000 in principal amount. At December 31, 2023 the projected guarantee capacity available was $26,935,589,587(based on unaudited data, which is subject to adjustment).

Discussion and Analysis Pertaining to Fiscal Year Ended August 31, 2023

The following discussion is derived from the Annual Report for the year ended August 31, 2023, including the Message from the Chief Executive Officer of the Fund, the Management's Discussion and Analysis, and other schedules contained therein. Reference is made to the Annual Report, as filed with the MSRB, for the complete Message and MD&A. Investment assets managed by the PSFC Board are referred to throughout this MD&A as the PSF(CORP). The Fund's non-financial real assets are managed by the SLB and these assets are referred to throughout as the PSF(SLB) assets.

At the end of fiscal year 2023, the PSF(CORP) net position was $52.3 billion. During the year, the PSF(CORP) continued implementing the long-term strategic asset allocation, diversifying the investment mix to strengthen the Fund. The asset allocation is projected to increase returns over the long run while reducing risk and portfolio return volatility. The PSF(CORP) is invested in

global markets and liquid assets experience volatility commensurate with the related indices. The PSF(CORP) is broadly diversified and benefits from the cost structure of its investment program. Changes continue to be researched, crafted, and implemented to make the cost structure more effective and efficient. The PSF(CORP) annual rates of return for the one-year, five-year, and ten- year periods ending August 31, 2023, net of fees, were 6.14%, 6.19%, and 6.78%, respectively (total return takes into consideration the change in the market value of the Fund during the year as well as the interest and dividend income generated by the Fund's investments). See "Comparative Investment Schedule - PSF(CORP)" for the PSF(CORP) holdings as of August 31, 2023.

Beginning January 1, 2023, Texas PSF transitioned into the PSF Corporation combining all PSF financial investment assets under the singular management of the PSF Corporation. The new structure of the PSF Corporation updated the strategic asset allocation among public equities, fixed income, and alternative assets, as discussed herein. Alternative assets now include absolute return, private equity, real estate, natural resources, infrastructure, and real return (TIPS and commodities). The inauguration of the PSF Corporation as a discretely presented component unit of the State of Texas for fiscal year 2023 required a change in the basis of accounting to full accrual. For a description of the full accrual basis of accounting and more information about performance, including comparisons to established benchmarks for certain periods, please see the 2023 Annual Report which is included by reference herein.

PSF Returns Fiscal Year Ended 8-31-2023[1]

Portfolio	Return	Benchmark Return[2]
Total PSF(CORP) Portfolio	6.14	4.38
Domestic Large Cap Equities	16.09	15.94
Domestic Small/Mid Cap Equities	9.31	9.14
International Equities	12.38	11.89
Emerging Market Equity	2.48	1.25
Fixed Income	(1.30)	(1.19)
U.S. Treasuries	(9.21)	(9.69)
Absolute Return	7.59	3.58
Real Estate	(1.96)	(3.13)
Private Equity	4.55	0.20
Real Return	(5.51)	(5.88)
Emerging Market Debt	12.68	11.34
High Yield	7.80	7.19
Emerging Manager Program	33.35	0.97
Natural Resources	5.70	3.67
Infrastructure	14.22	3.67

[1] Time weighted rates of return adjusted for cash flows for the PSF(CORP) investment assets. Does not include SLB managed real estate or real assets. Returns are net of fees. Source: Annual Report for year ended August 31, 2023.
[2] Benchmarks are as set forth in the Annual Report for year ended August 31, 2023.

The SLB is responsible for the investment of money in the Real Estate Special Fund Account (RESFA) of the PSF (also referred to herein as the PSF(SLB)). Pursuant to applicable law, money in the PSF(SLB) may be invested in land, interest in real estate, mineral and royalty interest, and real property holdings. For more information regarding the investments of the PSF(SLB), please see the 2023 Unaudited Annual Financial Report of the Texas General Land Office and Veterans Land Board.

The Fund directly supports the public school system in the State by distributing a predetermined percentage of its asset value to the ASF. In fiscal year 2023, $2.1 billion was distributed to the ASF, $345 million of which was distributed by the PSF(CORP) on behalf of the SLB.

Other Events and Disclosures

State ethics laws govern the ethics and disclosure requirements for financial advisors and other service providers who advise certain State governmental entities, including the PSF. The SBOE code of ethics provides ethical standards for SBOE members, the Education Commissioner, TEA staff, and persons who provide services to the SBOE relating to the Fund. The PSF Corporation developed its own ethics policy that provides basic ethical principles, guidelines, and standards of conduct relating to the management and investment of the Fund in accordance with the requirements of §43.058 of the Texas Education Code, as amended. The SBOE code of ethics is codified in the Texas Administrative Code at 19 TAC sections 33.4 et seq. and is available on the TEA web site at https://tea.texas.gov/sites/default/files/ch033a.pdf. The PSF Corporation's ethics policy is posted to the PSF Corporation's website at texaspsf.org.

In addition, the SLB and GLO have established processes and controls over the administration of real estate transactions and are subject to provisions of the Texas Natural Resources Code and internal procedures in administering real estate transactions for Fund assets it manages.

As of August 31, 2023, certain lawsuits were pending against the State and/or the GLO, which challenge the Fund's title to certain real property and/or past or future mineral income from that property, and other litigation arising in the normal course of the investment activities of the PSF. Reference is made to the Annual Report, when filed, for a description of such lawsuits that are pending, which may represent contingent liabilities of the Fund.

PSF Continuing Disclosure Undertaking

The Regulatory Recodification included the codification of the TEA's undertaking pursuant to Rule 15c2-12 (the "TEA Undertaking") pertaining to the PSF and the Guarantee Program. As of March 1, 2023, the TEA Undertaking is codified at 19 TAC 33.8, which relates to the Guarantee Program and is available at available at https://tea.texas.gov/sites/default/files/ch033a.pdf.

Through the codification of the TEA Undertaking and its commitment to guarantee bonds, the TEA has made the following agreement for the benefit of the issuers, holders, and beneficial owners of guaranteed bonds. The TEA (or its successor with respect to the management of the Guarantee Program) is required to observe the agreement for so long as it remains an "obligated person," within the meaning of Rule 15c2-12, with respect to guaranteed bonds. Nothing in the TEA Undertaking obligates the TEA to make any filings or disclosures with respect to guaranteed bonds, as the obligations of the TEA under the TEA Undertaking pertain solely to the Guarantee Program. The issuer or an "obligated person" of the guaranteed bonds has assumed the applicable obligation under Rule 15c2-12 to make all disclosures and filings relating directly to guaranteed bonds, and the TEA takes no responsibility with respect to such undertakings. Under the TEA Undertaking, the TEA is obligated to provide annually certain updated financial information and operating data, and timely notice of specified material events, to the MSRB.

The MSRB has established the Electronic Municipal Market Access ("EMMA") system, and the TEA is required to file its continuing disclosure information using the EMMA system. Investors may access continuing disclosure information filed with the MSRB at www.emma.msrb.org, and the continuing disclosure filings of the TEA with respect to the PSF can be found at https://emma.msrb.org/IssueView/Details/ER355077 or by searching for "Texas Permanent School Fund Bond Guarantee Program" on EMMA.

Annual Reports

The PSF Corporation, on behalf of the TEA, and the TEA will annually provide certain updated financial information and operating data to the MSRB. The information to be updated includes all quantitative financial information and operating data with respect to the Guarantee Program and the PSF of the general type included in this offering document under the heading "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM." The information also includes the Annual Report. The PSF Corporation will update and provide this information within six months after the end of each fiscal year.

The TEA and the PSF Corporation may provide updated information in full text or may incorporate by reference certain other publicly-available documents, as permitted by Rule 15c2-12. The updated information includes audited financial statements of, or relating to, the State or the PSF, when and if such audits are commissioned and available. In the event audits are not available by the filing deadline, unaudited financial statements will be provided by such deadline, and audited financial statements will be provided when available. Financial statements of the State will be prepared in accordance with generally accepted accounting principles as applied to state governments, as such principles may be changed from time to time, or such other accounting principles as the State Auditor is required to employ from time to time pursuant to State law or regulation. The financial statements of the Fund are required to be prepared to conform to U.S. Generally Accepted Accounting Principles as established by the Governmental Accounting Standards Board.

The Fund is composed of two primary segments: the financial assets (PSF(CORP)) managed by PSF Corporation, and the non-financial assets (PSF(SLB)) managed by the SLB. Each of these segments is reported separately und different bases of accounting.

The PSF Corporation classified as a proprietary endowment fund and reported by the State of Texas as a discretely presented component unit and accounted for on an economic resources measurement focus and the full accrual basis of accounting. Measurement focus refers to the definition of the resource flows measured. Under the full accrual basis of accounting, all revenues reported are recognized in the period they are earned or when the PSF Corporation has a right to receive them. Expenses are recognized in the period they are incurred, and the subsequent amortization of any deferred outflows. Additionally, costs related to capital assets are capitalized and subsequently depreciated over the useful life of the assets. Both current and long-term assets and liabilities are presented in the statement of net position.

The SLB manages the Fund's non-financial assets (PSF(SLB)), is classified as a governmental permanent fund and accounted for using the current financial resources measurement focus and the modified accrual basis of accounting. Under the modified accrual basis of accounting, amounts are recognized as revenues in the period in which they are available to finance expenditures of the current period and are measurable. Amounts are considered measurable if they can be estimated or otherwise determined. Expenditures are recognized in the period in which the related liability is incurred, if measurable.

The State's current fiscal year end is August 31. Accordingly, the TEA and the PSF Corporation must provide updated information by the last day of February in each year, unless the State changes its fiscal year. If the State changes its fiscal year, the TEA will notify the MSRB of the change.

Event Notices

The TEA and the PSF Corporation will also provide timely notices of certain events to the MSRB. Such notices will be provided not more than ten business days after the occurrence of the event. The TEA or the PSF Corporation will provide notice of any of the following events with respect to the Guarantee Program: (1) principal and interest payment delinquencies; (2) non-payment related

defaults, if such event is material within the meaning of the federal securities laws; (3) unscheduled draws on debt service reserves reflecting financial difficulties; (4) unscheduled draws on credit enhancements reflecting financial difficulties; (5) substitution of credit or liquidity providers, or their failure to perform; (6) adverse tax opinions, the issuance by the IRS of proposed or final determinations of taxability, Notices of Proposed Issue (IRS Form 5701-TEB), or other material notices or determinations with respect to the tax status of the Guarantee Program, or other material events affecting the tax status of the Guarantee Program; (7) modifications to rights of holders of bonds guaranteed by the Guarantee Program, if such event is material within the meaning of the federal securities laws; (8) bond calls, if such event is material within the meaning of the federal securities laws, and tender offers; (9) defeasances; (10) release, substitution, or sale of property securing repayment of bonds guaranteed by the Guarantee Program, if such event is material within the meaning of the federal securities laws; (11) rating changes of the Guarantee Program; (12) bankruptcy, insolvency, receivership, or similar event of the Guarantee Program (which is considered to occur when any of the following occur: the appointment of a receiver, fiscal agent, or similar officer for the Guarantee Program in a proceeding under the United States Bankruptcy Code or in any other proceeding under state or federal law in which a court or governmental authority has assumed jurisdiction over substantially all of the assets or business of the Guarantee Program, or if such jurisdiction has been assumed by leaving the existing governing body and officials or officers in possession but subject to the supervision and orders of a court or governmental authority, or the entry of an order confirming a plan of reorganization, arrangement, or liquidation by a court or governmental authority having supervision or jurisdiction over substantially all of the assets or business of the Guarantee Program); (13) the consummation of a merger, consolidation, or acquisition involving the Guarantee Program or the sale of all or substantially all of its assets, other than in the ordinary course of business, the entry into a definitive agreement to undertake such an action or the termination of a definitive agreement relating to any such actions, other than pursuant to its terms, if such event is material within the meaning of the federal securities laws; (14) the appointment of a successor or additional trustee with respect to the Guarantee Program or the change of name of a trustee, if such event is material within the meaning of the federal securities laws; (15) the incurrence of a financial obligation of the Guarantee Program, if material, or agreement to covenants, events of default, remedies, priority rights, or other similar terms of a financial obligation of the Guarantee Program, any of which affect security holders, if material; and (16) default, event of acceleration, termination event, modification of terms, or other similar events under the terms of a financial obligation of the Guarantee Program, any of which reflect financial difficulties. (Neither the Act nor any other law, regulation or instrument pertaining to the Guarantee Program make any provision with respect to the Guarantee Program for bond calls, debt service reserves, credit enhancement, liquidity enhancement, early redemption, or the appointment of a trustee with respect to the Guarantee Program.) In addition, the TEA or the PSF Corporation will provide timely notice of any failure by the TEA or the PSF Corporation to provide information, data, or financial statements in accordance with its agreement described above under “Annual Reports.”

Availability of Information

The TEA and the PSF Corporation have agreed to provide the foregoing information only to the MSRB and to transmit such information electronically to the MSRB in such format and accompanied by such identifying information as prescribed by the MSRB. The information is available from the MSRB to the public without charge at www.emma.msrb.org.

Limitations and Amendments

The TEA and the PSF Corporation have agreed to update information and to provide notices of material events only as described above. The TEA and the PSF Corporation have not agreed to provide other information that may be relevant or material to a complete presentation of its financial results of operations, condition, or prospects or agreed to update any information that is provided, except as described above. The TEA and the PSF Corporation make no representation or warranty concerning such information or concerning its usefulness to a decision to invest in or sell bonds at any future date. The TEA and the PSF Corporation disclaim any contractual or tort liability for damages resulting in whole or in part from any breach of its continuing disclosure agreement or from any statement made pursuant to its agreement, although holders of Bonds may seek a writ of mandamus to compel the TEA and the PSF Corporation to comply with its agreement.

The continuing disclosure agreement is made only with respect to the PSF and the Guarantee Program. The issuer of guaranteed bonds or an obligated person with respect to guaranteed bonds may make a continuing disclosure undertaking in accordance with Rule 15c2-12 with respect to its obligations arising under Rule 15c2-12 pertaining to financial information and operating data concerning such entity and events notices relating to such guaranteed bonds. A description of such undertaking, if any, is included elsewhere in this offering document.

This continuing disclosure agreement may be amended by the TEA or the PSF Corporation from time to time to adapt to changed circumstances that arise from a change in legal requirements, a change in law, or a change in the identity, nature, status, or type of operations of the TEA or the PSF Corporation, but only if (1) the provisions, as so amended, would have permitted an underwriter to purchase or sell guaranteed bonds in the primary offering of such bonds in compliance with Rule 15c2-12, taking into account any amendments or interpretations of Rule 15c2-12 since such offering as well as such changed circumstances and (2) either (a) the holders of a majority in aggregate principal amount of the outstanding bonds guaranteed by the Guarantee Program consent to such amendment or (b) a person that is unaffiliated with the TEA or the PSF Corporation (such as nationally recognized bond counsel) determines that such amendment will not materially impair the interest of the holders and beneficial owners of the bonds guaranteed by the Guarantee Program. The TEA or the PSF Corporation may also amend or repeal the provisions of its continuing disclosure agreement if the SEC amends or repeals the applicable provision of Rule 15c2-12 or a court of final jurisdiction enters judgment that such provisions of Rule 15c2-12 are invalid, but only if and to the extent that the provisions of this sentence would not prevent an underwriter from lawfully purchasing or selling bonds guaranteed by the Guarantee Program in the primary offering of such bonds.

Compliance with Prior Undertakings

Except as stated below, during the last five years, the TEA and the PSF Corporation have not failed to substantially comply with their previous continuing disclosure agreements in accordance with Rule 15c2-12. On April 28, 2022, TEA became aware that it had not timely filed its 2021 Annual Report with EMMA due to an administrative oversight. TEA took corrective action and filed the

2021 Annual Report with EMMA on April 28, 2022, followed by a notice of late filing made with EMMA on April 29, 2022. TEA notes that the 2021 Annual Report was timely filed on the TEA website by the required filing date and that website posting has been incorporated by reference into TEA's Bond Guarantee Program disclosures that are included in school district and charter district offering documents.

SEC Exemptive Relief

On February 9, 1996, the TEA received a letter from the Chief Counsel of the SEC that pertains to the availability of the "small issuer exemption" set forth in paragraph (d)(2) of Rule 15c2-12. The letter provides that Texas school districts which offer municipal securities that are guaranteed under the Guarantee Program may undertake to comply with the provisions of paragraph (d)(2) of Rule 15c2-12 if their offerings otherwise qualify for such exemption, notwithstanding the guarantee of the school district securities under the Guarantee Program. Among other requirements established by Rule 15c2-12, a school district offering may qualify for the small issuer exemption if, upon issuance of the proposed series of securities, the school district will have no more than $10 million of outstanding municipal securities.

Financial Advisory Services
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