



RICHARDSON INDEPENDENT SCHOOL DISTRICT
Every Child, Every Teacher, Every Leader, Every Day

Annual Comprehensive Financial Report

For Fiscal Year Ending June 30, 2025

Richardson, Texas 75081

Annual Comprehensive Financial Report

**Richardson Independent School District
400 S. Greenville Ave.
Richardson, Texas 75081**

For Fiscal Year Ending June 30, 2025

Prepared by
Financial Services



RICHARDSON INDEPENDENT SCHOOL DISTRICT
Every Child, Every Teacher, Every Leader, Every Day

Richardson Independent School District
Annual Comprehensive Financial Report
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CERTIFICATE OF BOARD

Richardson Independent School District
Name of School District

Dallas
County

057-916
County-District Number

We, the undersigned, certify that the attached annual financial report of the above-named school district was reviewed and (check one) X approved ___ disapproved for the year ended June 30, 2025, at a meeting of the board of school trustees of such school district on the 6th day of November 2025.

Debbie Renteria

Signature of Board Secretary
(Signature on file)

Chris Poteet

Signature of Board President
(Signature on file)

CERTIFICATE OF BOARD (Single Audit)

Richardson Independent School District
Name of School District

Dallas
County

057-916
County-District Number

We, the undersigned, certify that the attached Single Audit of the above-named school district was reviewed and (check one) X approved ___ disapproved for the year ended June 30, 2025, at a meeting of the board of school trustees of such school district on the 15th day of January 2026.

Debbie Renteria

Signature of Board Secretary
(Signature on file)

Chris Poteet

Signature of Board President
(Signature on file)

INTRODUCTORY SECTION

RICHARDSON INDEPENDENT SCHOOL DISTRICT

SCHOOL ADMINISTRATION

ELECTED OFFICIALS

| <u>Board of Trustees</u> | <u>Length of Service</u> | <u>Term Expires</u> | <u>Occupation</u> |
|--|--------------------------|---------------------|---|
| Chris Poteet, President At-Large, Place 7 | 4 years | 2027 | Civil Engineer Freese and Nichols |
| Rachel McGowan, Vice President Single-Member District 5 | 3 years | 2028 | Business Development |
| Debbie Renteria, Secretary Single-Member District 3 | 5 years | 2026 | Education Consultant |
| Megan Timme Single-Member District 1 | 4 years | 2027 | Director of Supervision and Leadership Development, Region 10 Education Service Center |
| Vanessa Pacheco Single-Member District 2 | 3 years | 2028 | Chief Operations Officer Carrollton Injury Law |
| Regina Harris Single-Member District 4 | 6 years | 2028 | Program Director |
| Eric Eager At-Large, Place 6 | 5 years | 2026 | Co-Founder and CEO 4impactdata |

APPOINTED AND FINANCIAL OFFICIALS

| | <u>Position</u> | <u>Length of Service</u> |
|-------------------|--|--------------------------|
| Tabitha Branum | Superintendent | 4 years |
| David Pate | Assistant Superintendent, Finance and Support Services | 9 years |
| Allison Davenport | Executive Director, Financial Services | 1 year |
| Dorcas Mejia | Director, Tax Services | 4 years |

RICHARDSON ISD ORGANIZATIONAL CHART 2024-2025

EVERY CHILD. EVERY TEACHER. EVERY LEADER. EVERY DAY.



Tabitha Branum

SUPERINTENDENT

Emily Doherty

SUPERINTENDENT'S
OFFICE/
ADMINISTRATIVE
MANAGER

Viri Gutierrez

BOARD RELATIONS/
ADMINISTRATIVE
MANAGER

CABINET:



Mike Jasso
CHIEF OF STAFF



Dr. Kristin Leeper
ASSISTANT SUPERINTENDENT
OF TEACHING AND LEARNING



Dr. Matthew Gibbins
ASSISTANT SUPERINTENDENT
OF ADMINISTRATIVE SERVICES



Dr. Christopher Goodson
ASSISTANT SUPERINTENDENT
OF HUMAN RESOURCES



Henry Hall
ASSISTANT SUPERINTENDENT
OF TECHNOLOGY



Sandra Hayes
ASSISTANT SUPERINTENDENT
OF DISTRICT OPERATIONS



Dr. Melissa Heller
ASSISTANT SUPERINTENDENT
OF STRATEGY AND
ENGAGEMENT



David Pate
ASSISTANT SUPERINTENDENT
OF FINANCE AND SUPPORT
SERVICES



Leticia McGowan
GENERAL COUNSEL

RICHARDSON INDEPENDENT SCHOOL DISTRICT

CONSULTANTS AND ADVISORS

INDEPENDENT AUDITORS

Weaver and Tidwell LLP
2300 N. Field Street, Suite 1000
Dallas, Texas 75201

BOND ATTORNEYS

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Dallas, Texas 75202

FINANCIAL ADVISORS

Hilltop Securities
1201 Elm Street, Suite 3500
Dallas, Texas 75270

OFFICIAL DEPOSITORY

Wells Fargo Bank, N.A.
1445 Ross Ave.
Dallas, TX 75202

TAX COLLECTION COUNSEL

Perdue, Brandon, Fielder, Collins & Mott, LLP
500 East Border St., Ste. 640
Arlington, Texas 76010

OUTSIDE COUNSEL

Thompson & Horton LLP
500 N. Akard St., Ste. 3150
Dallas, Texas 75201

Brackett & Ellis, P.C.
100 Main Street
Fort Worth, Texas 76102

Walsh, Gallegos, Trevino, Russo & Kyle, P.C.
105 Decker Ct., Ste. 700
Irving, Texas 75062

Geary, Porter & Donovan, P.C.
16475 Dallas Parkway
Addison, Texas 75001



November 20, 2025

To the Board of Trustees and Citizens of the Richardson Independent School District:

The Annual Comprehensive Financial Report (ACFR) of the Richardson Independent School District (“RISD” or the “District”) for the fiscal year ended June 30, 2025, 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 the RISD. All disclosures necessary to enable the reader to gain an understanding of the District’s financial activities have been included. The District discusses its financial position in greater detail in the Management’s Discussion and Analysis (MD&A) in the Financial Section of this report.

RISD is required to undergo an annual single audit in conformity with the provisions of the Single Audit Act of 1996 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). Information related to this single audit, including the Schedule of Expenditures of Federal Awards, findings and recommendations, and independent auditors’ reports on internal control, compliance, and other matters is included in the Federal Awards Section of this report.

This report includes all funds of the RISD. The District is a public-school system offering a full pre-kindergarten through twelfth grade educational opportunity for all school-age residents within its geographic boundaries. All activities over which the RISD Board of Trustees exercises authority and/or oversight responsibility are included.

GOVERNING BODY

The seven members of the Board of Trustees serve, without compensation, a three-year term of office. On a rotating basis, two or three places are filled during annual elections held the second Saturday in May. Vacancies may be filled by appointment until the next election. Candidates must be qualified voters of the District.

Regular meetings are generally scheduled the first Thursday of the month and are held in the District’s administration building. Special meetings and work sessions are scheduled as needed and announced in compliance with public notice requirements.

The Board has final control over local school matters limited only by the state legislature, by the courts and by the will of the people as expressed in School Board elections. Board decisions are based on a majority vote of the quorum present.

In general, the Board adopts policies, sets direction for curriculum, employs the Superintendent and oversees the operations of the District and its schools. Besides general Board business, Trustees are charged with numerous statutory regulations including appointing the tax assessor/collector, calling trustee and other school elections and canvassing the results, and organizing the Board and electing its officers. The Board is also responsible for setting the tax rate, setting salary schedules, acting as a board of appeals in personnel and student matters, confirming recommendations for textbook adoptions and adopting and amending the annual budget.

Since members of the Board are elected by the public and have the authority to make decisions, significantly influence operations, appoint administrators and managers, and have the primary accountability for fiscal matters, the District is not included in any other governmental “reporting entity” as defined in GASB Statement No. 61, an amendment of GASB Statements No. 14 and No. 39. Furthermore, there are no component units for which the District or the Board are financially accountable.

The Board solicits and evaluates community input and support concerning school policies. The Board meets regularly with a variety of citizen groups to receive input on topics of public interest.

GENERAL INFORMATION

In Richardson ISD, we are committed to students' success, focused on our **North Star Goal**: *for every student to meet or exceed their academic growth goals*. We dream big to provide students with personalized and engaging learning experiences. Big dreams in RISD begin with a rigorous and competitive curriculum that includes one-of-a-kind opportunities and experiences tailored to every student's needs and interests.

Opportunities for Pre-K through 12 students offered in RISD include pre-k, magnet programs, career and technical education (CTE), P-Tech, College and Career Readiness programs, advanced academics, AVID, STEM, award-winning fine arts, championship athletics and an array of student experiences.

We dream big for every student:

- In elementary school, students explore core subjects like language arts, reading, science, math, and social studies, along with unique opportunities in art, music, theater arts, physical education, and computer literacy. In sixth grade, all students take a choral music class, with options to join band and orchestra as well.
- As students move into middle/junior high and high school, their educational journey continues to expand. We offer a wide variety of elective courses, allowing students to explore their passions and prepare for their future. Beyond the core subjects, students can dive into subjects like career and technology education (CTE), advanced sciences, and foreign languages. With over 200 course selections available at our four high schools, there's something for everyone. We also offer real learning spaces through business partnerships with Richardson Methodist Hospital, Credit Union of Texas Smartbranch, Omni Hotel Dallas, Toni and Guy Salons and more.
- We are committed to providing an exceptional education for all students. We provide a continuum of programs for students between the ages of 3 and 21 with disabilities. Our focus is to assist students in their intellectual, developmental, socio/emotional, physical, and communicative growth, empowering them to participate successfully in society.
- Excellence is a long-standing tradition at Richardson ISD. We support our students through honors studies, a gifted and talented program, and comprehensive guidance and counseling services from elementary school through high school. Our students consistently earn recognition in academic and co-curricular competitions at the district, state, and national levels. This commitment to excellence is also reflected in our staff, who are celebrated as outstanding educators and professionals by their peers across Texas and the nation.

The RISD covers more than 38.5 square miles and serves approximately 36,971 students. RISD encompasses most of the City of Richardson, parts of far north and northeast Dallas and two small areas in northwest Garland. Approximately 60 percent of the District lies within the city limits of Dallas. RISD occupies 4.32 percent of Dallas County's approximately 880 square miles.

History of the District

In 1854 the Dallas County Commissioners Court designated District #3, which consisted of many small schools including one in Richardson. In 1896 the District was redefined. It was well known as District #3, but consisted of only about four school systems, the largest of which was Richardson's Wheeler School. In 1900 the Wheeler School moved to a new site. The first Monday after Thanksgiving in 1914, a new red brick building was opened close to the Wheeler School. This facility was enlarged in 1927 and now serves as the RISD Administration Building.

RISD has experienced growth since the early 1950s. In 1952 its only building served 352 students. Today, 54 schools, including 4 high schools (9th through 12th grades), 8 junior high schools (7th through 8th grades), 41 elementary schools (kindergarten through 6th grade), four multipurpose activity centers, one early education elementary school (early education through kindergarten), and one Alternative Learning Center, serve 37,085

students. The average age for all school buildings is 52 years, with ages ranging from 70 years (MST Magnet, originally Richardson Junior High, built in 1952) to 18 years (Thurgood Marshall Elementary built in 2004).

Additionally, RISD educates an economically diverse student population, with 32.6 percent of students qualifying as Emergent Bilingual and 52.6 percent qualifying as economically disadvantaged. In the 2024-2025 school year, the District served an ethnically and culturally diverse enrollment of 36,971 students. The ethnic composition was approximately 38.8 percent Hispanic, 29.8 percent White, 19.6 percent African American, 8.0 percent Asian, and 3.8 percent other ethnicities. The District employed 5,400 total staff for the 2024-2025 school year.

District Programs

The educational philosophy stressed by the District includes a student-centered approach to learning and academic growth through the use of a widely diversified curriculum. An individualized educational program is offered at all grade levels. Beginning in elementary and extending through high school, students study the essential elements of language arts, reading, science, mathematics, social studies, art, music, theater arts, physical education and computer literacy. All sixth graders participate in music class, which has a choral emphasis. In addition, students may elect to participate in band and orchestra in sixth grade.

At the secondary level, a diversified group of elective subjects is added to the required studies, including career and technology education (CTE), art, band, choir, orchestra, advanced sciences and foreign languages. Additional courses meet individual needs at the District's four comprehensive high schools. These courses cover a wide range of electives and include over 200 course selections.

Special education provides an appropriate public education, which includes provisions for specialized instruction and related services, designed to meet the unique needs of the mentally and physically challenged. Utilizing settings on each campus or centrally located facilities, instruction is designed to help the student most effectively develop skills and concepts necessary for independent functioning.

RISD schools have long been committed to excellence in education. Excellence in education is supplemented through honors studies, career education in a variety of fields, guidance and counseling services from grade school through high school, and a gifted and talented program. The District's students continue to win academic and co-curricular honors in district, state and national competitions. The staff members, likewise, are recognized as outstanding educators and professionals by their peers in Texas and throughout the nation.

There are a number of charter schools that serve the same population as RISD. These charter schools receive their charters from the state and are separate and apart from RISD. The District competes with these charter schools for the same students. Similar to the District, these charter schools receive state funding based on their Average Daily Attendance and special population counts. However, unlike RISD, they do not have the ability to levy local property taxes, and therefore are generally more heavily dependent on state revenues for their Maintenance and Operations funding.

ECONOMIC CONDITION AND OUTLOOK

Local Economy

The District is located in the north central portion of Dallas County, with residential property comprising 55.8 percent of the total market assessed valuation. The quality of the educational opportunity through attendance in the District's schools helps keep the real estate market within the District in a relatively strong position. Additionally, the District offers an optional homestead exemption of 10 percent to its qualifying residential homestead properties. This, combined with the mandated \$100,000 homestead exemption reduces the taxable value of a \$200,000 single-family residence to \$80,000.

The District has seen strong property value growth in recent years. The District's certified net taxable property value grew from \$25.5 billion in 2020 to \$33.6 billion in 2025, a 31.7 percent increase over the five-year period. The District's certified taxable value base also continues to be diversified among commercial, residential, and business personal property. In 2025, the District's top ten taxpayers comprised only 7.3 percent of the District's total taxable value and no one taxpayer had a significant impact on the District's property tax income.

In an effort to strengthen, stabilize, and encourage growth in the District's tax base, the Board of Trustees adopted a resolution in March 1999 granting a "Freeport property" tax exemption to businesses with qualifying inventory. Beginning in the 1999-2000 school year, inventories held for fewer than 175 days and destined for

out-of-state shipment were exempt from ad valorem tax. During the first year, the majority of qualifying businesses provided the District with payments in lieu of taxes equalizing the majority of revenue lost through this action.

Financial Planning and Fiscal Policies

RISD has been effective in anticipating, planning, and implementing strategies that permit it to work within the constraints of available revenues but not reduce the overall quality of its educational programs. The District views itself as a strong and resilient entity that is committed to providing the finest educational opportunity possible for its student population.

In an effort to meet current and potential future financial challenges, the District employs financial management efforts through the use of a multi-year financial plan, annual analysis of peer district comparative financial data, the engagement of stakeholder groups (community members, campus staff, and central staff) in the budget process, and regular interaction with the Superintendent's Cabinet and the Board of Trustees throughout the year. The RISD Board of Trustees, along with management, monitors fund balance levels as a percent of projected expenditures. The Board of Trustees annually evaluates and approves non-recurring expenditures when fund balance exceeds certain levels. Should fund balance fall beneath the desired level, cuts are recommended by management, and the Board of Trustees has final approval of where cuts are made.

The Board adopted the 2025-2026 budget on June 5, 2025. The 2025-2026 budget was built on school funding law as it existed prior to the passage of legislation by the 89th Texas Legislature which ended on June 2, 2025. The 2025-2026 budget was prepared based on taxable property value growth of 5 percent. Actual taxable property value decreased 5 percent due primarily to the passage of two bills by the 89th Legislature, SB 4 and SB 23. SB 4 increased the residence homestead exemption from \$100,000 to \$140,000. SB 23 increased the over-65 and disabled homestead exemption from \$10,000 to \$60,000. The adopted budget reflected a deficit of \$28.6 million. This deficit is \$1.4 million less than the 2024-2025 adopted budget. In September 2025 the board adopted the 2025 tax rate of \$1.1052. This rate is unchanged from the 2024 tax rate and reflected the impact of bills passed in the 89th Legislature. HB 2 of the 89th Legislature increased funding for school districts. In September 2025 the Board adopted a budget amendment to reflect the estimated impact of HB2, SB4 and SB23. These bills decreased property tax revenue, increased state funding, reduced recapture, and increased payroll expenditures. The net effect of these amendments decreased the adopted deficit from \$28.6 million to \$26.7 million.

Student enrollment is a major factor in our long-range financial plan. Over the past 5 years, the District's enrollment has decreased by 2.2 percent from 37,787 to 36,971 students. The District's enrollment has not returned to pre-pandemic levels.

INTERNAL CONTROL

The Board and administration of RISD 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.

Budgetary Controls

RISD maintains budgetary controls throughout all of its financial systems. The objective of these budgetary controls is to ensure compliance with legal provisions embodied in the annual appropriated (official) budget as adopted by the Board of Trustees. Activities in the General Fund, Child Nutrition Fund, and Debt Service Fund are included in the official budget. 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 through the District's automated financial computer systems at varying combinations of the account code structure. The system also provides controls limiting accessibility to budgetary account codes. Oversight control of all RISD expenditures is maintained by the Financial Services staff.

RISD 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.

As demonstrated by the statements and schedules included in the Financial Section of this report, RISD continues to meet its responsibility for sound financial management.

INDEPENDENT AUDIT

State law and District policy require an annual audit by independent certified public accountants. The Board of Trustees selected the accounting firm of Weaver and Tidwell, LLP during fiscal year 2025 based on the recommendation of the financial management staff.

In addition to meeting the requirements set forth in state statutes, the audit was designed to meet the requirements of the federal Single Audit Act of 1996 and related Uniform Guidance. The auditors' report on the financial statements is included in the Financial Section of this report. The auditors' reports related specifically to the single audit are included in the Federal Awards Section of this report.

AWARDS

In 1999, the 76th Texas Legislature approved legislation requiring the Commissioner of Education in consultation with the Comptroller of Public Accounts to develop a rating system for school district financial accountability. The 77th Texas Legislature in 2001 subsequently adopted rules for the implementation and administration of the financial accountability rating system known as School FIRST, Financial Integrity Rating System of Texas. The financial accountability rating system benefits the public by having a system in place to ensure that school districts will be held accountable for the quality of their financial management practices and achieve improved performance in the management of their financial resources. RISD has received the highest rating available for 23 consecutive years, since the inception of the rating system in the 2001-2002 school year.

ACKNOWLEDGMENTS

In closing, without the leadership and support of the Board of Trustees and the dedicated service of the entire staff of the Financial Services Department, preparation of this report in a timely manner would not have been possible.

Respectfully,

Tabitha Branum
Tabitha Branum, Superintendent

David Pate
David Pate, Assistant Superintendent
Finance and Support Services

Allison Davenport
Allison Davenport, Executive Director of Finance

FINANCIAL SECTION

Independent Auditor's Report

To the Board of Trustees
Richardson Independent School District
Richardson, 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 Richardson Independent School District (the District), as of and for the year ended June 30, 2025, and the related notes to the financial statements, which collectively comprise the District's basic financial statements as listed in the table of contents.

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

Basis for Opinions

We conducted our audit in accordance with auditing standards generally accepted in the United States of America (GAAS) and the standards applicable to financial audits contained in *Government Auditing Standards*, issued by the Comptroller General of the United States. 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.

Emphasis of Matter

As discussed in Note 6 to the basic financial statements, during the year ended June 30, 2025, the District implemented Governmental Accounting Standards Board (GASB) Statement No. 101, *Compensated Absences*. Our opinions are not modified with respect to this matter.

Responsibilities of Management for the Financial Statements

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for twelve months beyond the financial statement date, including any currently known information that may raise substantial doubt shortly thereafter.

Auditor's Responsibilities for the Audit of the Financial Statements

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinions. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS and *Government Auditing Standards* will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS and *Government Auditing Standards*, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.
- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the District's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the District's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

Required Supplementary Information

Accounting principles generally accepted in the United States of America require that the Management's Discussion and Analysis, budgetary comparison information, pension information, and other post-employment benefit (OPEB) information, as listed in the table of contents, be presented to supplement the basic financial statements. Such information is the responsibility of management and, although not a part of the basic financial statements, is required by the Governmental Accounting Standards Board who considers it to be an essential part of financial reporting for placing the basic financial statements in an appropriate operational, economic, or historical context. We have applied certain limited procedures to the required supplementary information in accordance with auditing standards generally accepted in the United States of America, which consisted of inquiries of management about the methods of preparing the information and comparing the information for consistency with management's responses to our inquiries, the basic financial statements, and other knowledge we obtained during our audit of the basic financial statements. We do not express an opinion or provide any assurance on the information because the limited procedures do not provide us with sufficient evidence to express an opinion or provide any assurance.

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 Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, 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 Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, 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 Nonmajor Fund Financial Statements, Budgetary Comparison Schedule- Debt Service Fund, 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 17, 2025 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.

WEAVER AND TIDWELL, L.L.P

Dallas, Texas
November 17, 2025

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
MANAGEMENT'S DISCUSSION AND ANALYSIS
FOR THE YEAR ENDED JUNE 30, 2025
(UNAUDITED)**

As management of the Richardson Independent School District (the "District"), we offer the readers of these financial statements this narrative overview and analysis of the District's financial performance for the fiscal year ended June 30, 2025. We encourage readers to consider the information presented here in conjunction with additional information furnished in our letter of transmittal, which can be found on pages v-x of this report, as well as the District's financial statements, which follow this section.

FINANCIAL HIGHLIGHTS

- Assets and deferred outflows of resources of the District exceeded liabilities and deferred inflows of resources at the end of the fiscal year by \$35,729,251 (net position). The unrestricted net position, which represents the amounts available to meet the District's ongoing obligations to citizens and creditors, was a deficit of \$63,302,391. The District is required to recognize liabilities associated with its employees' pension and post-employment benefits. As of June 30, 2025, these liabilities totaled \$258,319,227 million, which contributed to the deficit balance in unrestricted net position.
- The net investment in capital assets portion of net position decreased by \$35,802,763. This decrease represents a 37.6% change in the balance.
- At the close of the fiscal year, governmental funds reported a combined fund balance of \$396,689,357, an increase of \$29,262,670 in comparison with the prior year. This increase was primarily due to the issuance of the 2024 Unlimited Tax School Building Bonds.
- The District ended the year with an unassigned fund balance of \$108,523,219. Unrestricted fund balance (the total of the committed, assigned, and unassigned components of fund balance) for the General Fund was \$165,745,689 or approximately 38.5% of total general fund expenditures.

OVERVIEW OF THE FINANCIAL STATEMENTS

This discussion and analysis is 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 financial statements include two kinds of statements that present different views of the District. The *government-wide financial statements* provide both long-term and short-term information about the District's overall financial status. The remaining *fund financial statements* focus on individual parts of the District, reporting each of its major operations in more detail than the government-wide statements.

Figure A-1 summarizes the major features of the District's financial statements, including the portion of the District's government it covers and the types of information it contains. The remainder of this overview section explains the structure and contents of each of the statements.

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

| <i>Type of Statement</i> | Government-Wide | Governmental Funds | Proprietary Funds | Fiduciary Funds |
|--|--|--|--|--|
| <i>Scope</i> | All activities of the District (except fiduciary funds) and the District’s component units | The activities of the District that are not proprietary or fiduciary | Activities of the District that operate similarly to a private business | Activities for which the District is the trustee or custodian for another entity’s resources |
| <i>Required financial statements</i> | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Activities | <ul style="list-style-type: none"> • Balance Sheet • Statement of Revenues, Expenditures and Changes in Fund Balances | <ul style="list-style-type: none"> • Statement of Net Position • Statement of Revenues, Expenses and Changes in Fund Net Position • Statement of Cash Flows | <ul style="list-style-type: none"> • Statement of Fiduciary Net Position • Statement of Changes in Net Position |
| <i>Accounting basis and measurement focus</i> | Accrual accounting and economic resources focus | Modified accrual accounting and current financial resources focus | Accrual accounting and economic resources focus | Accrual accounting and economic resources focus |
| <i>Type of period-end information reported</i> | 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 included | All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term | All assets, liabilities, and deferred inflows/outflows, both financial and capital, short-term and long-term; the Custodian’s funds do not currently contain capital assets, although they can |
| <i>Type of activities reported</i> | All revenues and expenses during the year, regardless of when cash is received or paid | Revenues for which cash is received during the year or soon thereafter; expenditures when goods or services have been received and payment is due during the year or soon thereafter | All revenues and expenses during the year, regardless of when cash is received or paid | All revenues and expenses during the year, regardless of when cash is received or paid |

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. Property taxes and state and federal aid finance most of these activities.

The *Statement of Net Position* presents information on all of 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 course of 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 and earned but unused vacation leave).

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 of the activities of the District are considered *governmental activities*.

The government-wide financial statements can be found on pages 17-18 of this report.

Fund Financial Statements

A fund is a grouping of related accounts that is used to maintain control over resources that have been segregated for specific activities or objectives. The District uses fund accounting to keep track of specific sources of funding and spending for particular purposes. Some funds are required by State law and by bond covenants while others are established by the Board of Trustees 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 of the District's funds can be divided into three categories: governmental funds, proprietary funds, and fiduciary funds.

Governmental Funds are used to account for essentially the same functions reported as *governmental activities* in the government-wide financial statements. However, unlike the 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 useful to compare the information presented for *governmental funds* with similar information presented for *governmental activities* in the government-wide financial statements. By doing so, readers may better understand the long-term impact of the District's near-term financing decisions. We provide reconciliations of the fund financial statements to the government-wide financial statements in Exhibits C-1R and C-2R to facilitate the comparison between *governmental funds* and *governmental activities*.

The District maintains five governmental funds. Information is presented separately in the governmental fund *Balance Sheet* and in the governmental fund *Statement of Revenues, Expenditures, and Changes in Fund Balances* for the General Fund, the Child Nutrition Fund, the Debt Service Fund, and the Capital Projects Fund, all of which are considered to be major funds. The remaining funds are aggregated into the Non-major governmental funds.

The District adopts annual appropriated budgets for the General Fund, Child Nutrition Fund and Debt Service Fund. Budgetary comparison schedules have been provided to demonstrate compliance with these budgets.

The governmental fund financial statements can be found on pages 19 and 21 of this report.

Proprietary Funds are used to account for operations that are financed similarly to those found in the private sector. These funds provide both long- and short-term financial information. The District maintains one type of proprietary fund, *internal service funds*. These funds are used to accumulate and allocate costs internally among the District's various functions. The District uses internal service funds to report activities that provide services within the District, such as workers' compensation, print shop, and discretionary renovations. Because these services predominately benefit governmental functions, they have been included as *governmental activities* within the government-wide financial statements.

The proprietary fund financial statements can be found on pages 23-25 of this report.

Fiduciary Funds are used to account for resources held for the benefit of parties outside the District. The District acts in a trustee capacity and is responsible for ensuring 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 District maintains one type of fiduciary fund, *custodial funds*. The funds report resources, not in a trust, that are held on-behalf of the District's student clubs.

The fiduciary fund financial statements can be found on pages 26-27 of this report.

Notes to the Financial Statements

The notes to the financial statements provide additional information that is essential to a full understanding of the data provided in the government-wide and fund financial statements. The notes to the financial statements can be found on pages 28-61 of this report.

Other Information

In addition to the financial statements and accompanying notes, this report also presents required supplementary information reporting budget versus actual comparisons for the General Fund and Child Nutrition Fund, and the District's progress in funding its obligations to provide pension and OPEB benefits to its employees. Required supplementary information can be found immediately after the notes to the financial statements on pages 62-74 of this report.

GOVERNMENT-WIDE OVERALL FINANCIAL ANALYSIS

As noted earlier, net position may serve over time as a useful indicator of the District's overall financial position. At June 30, 2025, the District's assets and deferred outflows of resources exceeded liabilities and deferred inflows of resources by \$35.7 million.

Table A-2
The District's Net Position

| | June 30, 2025 | June 30, 2024 | Increase/ (Decrease) |
|---|----------------------|----------------------|---------------------------------|
| Assets | | | |
| Current and Other Assets | \$ 484,091,149 | \$ 472,423,335 | \$ 11,667,814 |
| Capital Assets | 937,674,977 | 954,571,735 | (16,896,758) |
| Total Assets | 1,421,766,126 | 1,426,995,070 | (5,228,944) |
| Total Deferred Outflows of Resources | 84,716,825 | 104,449,836 | (19,733,011) |
| Liabilities | | | |
| Long-Term Liabilities Outstanding | 1,277,671,887 | 1,219,663,904 | 58,007,983 |
| Other Liabilities | 91,661,933 | 107,086,101 | (15,424,168) |
| Total Liabilities | 1,369,333,820 | 1,326,750,005 | 42,583,815 |
| Total Deferred Inflows of Resources | 101,419,880 | 124,236,675 | (22,816,795) |
| Net Position | | | |
| Net Investment in Capital Assets | 59,297,132 | 95,099,895 | (35,802,763) |
| Restricted | 39,734,510 | 32,765,640 | 6,968,870 |
| Unrestricted | (63,302,391) | (47,407,309) | (15,895,082) |
| Total Net Position | \$ 35,729,251 | \$ 80,458,226 | \$ (44,728,975) |

Current and other assets increased in governmental activities by \$11.7 million from the prior year. The District issued the \$121.2 million of the 2024 Unlimited Tax School Building Bonds from the 2021 Bond authorization which increased available current assets. Capital Assets has decreased due to an increase in depreciation from the assets capitalized from the 2021 Bond authorization.

Other liabilities decreased by \$15.4 million from the previous year due to the decrease of spending from federal pandemic grant funding. Liabilities generated by the ESSER fund and Non Major governmental funds decreased by \$17.3 million at June 30, 2025 due to decrease in federal funding.

Long term liabilities, which consist of bonds, leases, compensated absences and post-employment benefit obligations, increased by \$58.0 million due to the issuance of the \$121.2 million of the 2024 Unlimited Tax

School Building Bonds from the 2021 Bond authorization. There is \$25 million remaining to issue from the 2021 Bond authorization.

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 related outstanding debt used to acquire those assets. The District uses these capital assets to provide services to students; consequently, these assets are not available for future spending. Although the District's investment in capital assets is reported net of related debt, it should be noted that the resources needed to repay that debt must be provided from other sources, since the capital assets themselves cannot be used to liquidate liabilities. An additional portion of the District's net position represents resources that are subject to external restrictions on how they may be used.

Governmental Activities

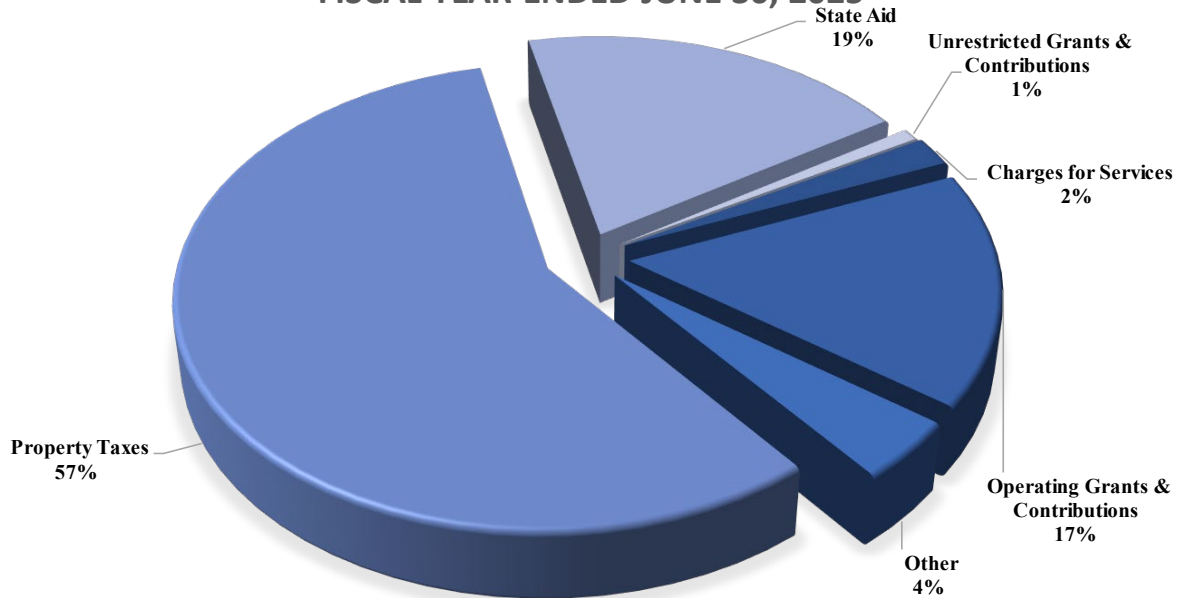
The District's overall net position decreased \$44,728,975 from the prior year for an ending balance of \$35,729,251. The total cost of governmental activities was \$658,382,140, an increase of \$28,015,519 from the previous year. Approximately \$113.3 million of these costs were funded by program revenues and charges for services directly attributable to specific activities. The remaining costs were funded primarily by property taxes and state aid, which are not attributable to specific programs. The following Table A-3 illustrates the changes in net position from June 30, 2024 to June 30, 2025. This information is also found on the government-wide *Statement of Activities* (Exhibit B-1).

Table A-3
Changes In Net Position

| | <u>June 30, 2025</u> | <u>June 30, 2024</u> | <u>Increase/ (Decrease)</u> |
|---|----------------------|----------------------|---------------------------------|
| Revenues | | | |
| Program Revenues: | | | |
| Charges for Services | \$ 12,500,715 | \$ 11,023,203 | \$ 1,477,512 |
| Operating Grants and Contributions | 100,753,485 | 125,402,898 | (24,649,413) |
| General Revenues: | | | |
| Property Taxes | 351,208,470 | 336,411,111 | 14,797,359 |
| State Program Revenues | 118,449,455 | 125,848,656 | (7,399,201) |
| Grants and Contributions Not Restricted to Specific Programs | 5,078,253 | 5,277,957 | (199,704) |
| Interest Income | 22,802,642 | 26,144,474 | (3,341,832) |
| Other | 2,860,145 | 4,462,249 | (1,602,104) |
| Total Revenue | <u>613,653,165</u> | <u>634,570,548</u> | <u>(20,917,383)</u> |
| Expenses | | | |
| Instruction | 359,775,927 | 335,958,171 | 23,817,756 |
| Instructional Resources and Media Services | 6,756,991 | 6,759,163 | (2,172) |
| Curriculum Development and Instructional Staff Development | 17,307,829 | 17,276,384 | 31,445 |
| Instructional Leadership | 8,430,034 | 8,066,445 | 363,589 |
| School Leadership | 27,648,556 | 28,301,661 | (653,105) |
| Guidance, Counseling, and Evaluation Services | 24,858,521 | 23,163,550 | 1,694,971 |
| Social Work Services | 2,027,627 | 2,309,688 | (282,061) |
| Health Services | 6,608,284 | 6,376,777 | 231,507 |
| Student Transportation | 12,843,539 | 12,507,416 | 336,123 |
| Food Services | 18,986,446 | 18,297,573 | 688,873 |
| Extracurricular Activities | 13,936,212 | 12,824,219 | 1,111,993 |
| General Administration | 13,394,344 | 12,713,623 | 680,721 |
| Facilities Maintenance and Operations | 68,179,091 | 78,212,464 | (10,033,373) |
| Security and Monitoring Services | 10,536,262 | 12,913,634 | (2,377,372) |
| Data Processing Services | 10,802,351 | 6,277,972 | 4,524,379 |
| Community Services | 3,869,908 | 3,450,722 | 419,186 |
| Interest on Long-term Debt | 43,140,281 | 35,911,076 | 7,229,205 |
| Contracted Instructional Services between Public Schools | 5,452,555 | 4,086,026 | 1,366,529 |
| Payments to the Fiscal Agent or Member Districts of Shared Services Arrangements | 555,699 | 601,800 | (46,101) |
| Payments to Juvenile Justice Alternative Education Programs | 60,912 | 55,098 | 5,814 |
| Payments to Tax Increment Fund | 1,892,704 | 2,979,123 | (1,086,419) |
| Other Intergovernmental Charges | 1,318,067 | 1,324,036 | (5,969) |
| Total Expenses | <u>658,382,140</u> | <u>630,366,621</u> | <u>28,015,519</u> |
| Increase (Decrease) in Net Position | <u>(44,728,975)</u> | <u>4,203,927</u> | <u>(48,932,902)</u> |
| Net Position - Beginning | <u>80,458,226</u> | <u>76,254,299</u> | <u>4,203,927</u> |
| Net Position - Ending | <u>\$ 35,729,251</u> | <u>\$ 80,458,226</u> | <u>\$ (44,728,975)</u> |

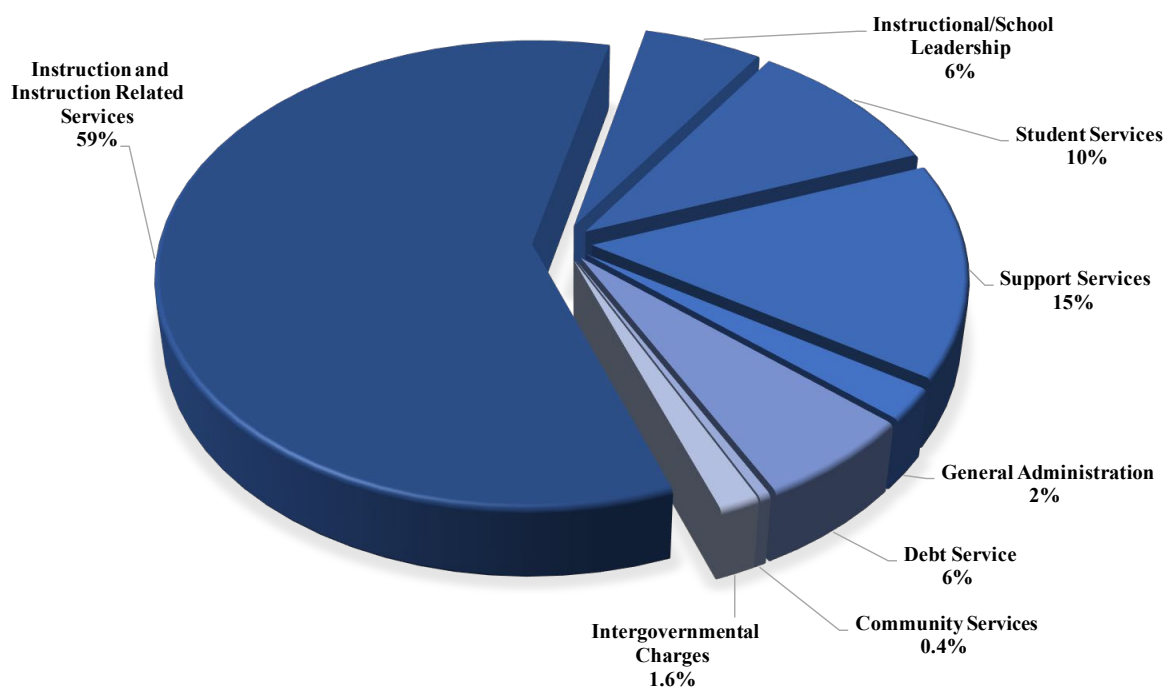
Revenues decreased by \$20.9 million from the prior year due to a decrease in operating grants and contributions and state program revenue. The following Figure A-4 illustrates the District's sources of revenue for the current fiscal year.

**FIGURE A-4
SOURCES OF REVENUE FOR THE
FISCAL YEAR ENDED JUNE 30, 2025**



The total cost of all programs and services totaled \$556.3 million. The following Figure A-5 depicts the net costs of services (total cost less program revenue and intergovernmental aid) for the District aggregated by functional areas. Approximately 59% of the District's governmental activities were dedicated to instructional areas. Direct student services, such as guidance and counseling, nursing, and transportation services, comprised 10% of governmental expenses. The cost to operate facilities, including utilities, security and data processing comprised 15% of net costs.

**FIGURE A-5
NET COST FOR THE FISCAL YEAR ENDED JUNE 30, 2025**



FUND LEVEL FINANCIAL ANALYSIS

As noted earlier, the District uses fund accounting to demonstrate compliance with finance-related legal requirements and to provide a more detailed account of specific District programs and activities.

Governmental Funds

The focus of the District's governmental funds is to provide information on current inflows, outflows and balances of spendable resources. Such information is useful in assessing the District's financing requirements. In particular, unassigned fund balance may serve as a useful measure of the District's net resources available for discretionary use since this is the portion of fund balance that has not yet been limited to a particular purpose.

The General Fund is the chief operating fund of the District. At June 30, 2025, the fund balance in the General Fund was \$166,520,684, a decrease of \$16,993,327 in comparison to the prior year. Of this amount, \$108,523,219 or 65.2%, constitutes the unassigned fund balance, which is available for spending at the District's discretion. The decrease in fund balance can be primarily attributed to the increased compensation approved by the Board of Trustees for the 2025 school year. Property tax revenue increased due to increased taxable value of properties. State revenue decreased as a result of increased property tax collections. Expenditures increased primarily due to raises for staff and increases in the cost of goods and services due to inflation.

It is useful to compare unassigned fund balance to total expenditures for the fund as a measure of liquidity – to determine the portion of annual operating costs that could be funded without cash inflows. For the current fiscal year, the unassigned fund balance represents 25.2% of total General Fund expenditures.

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



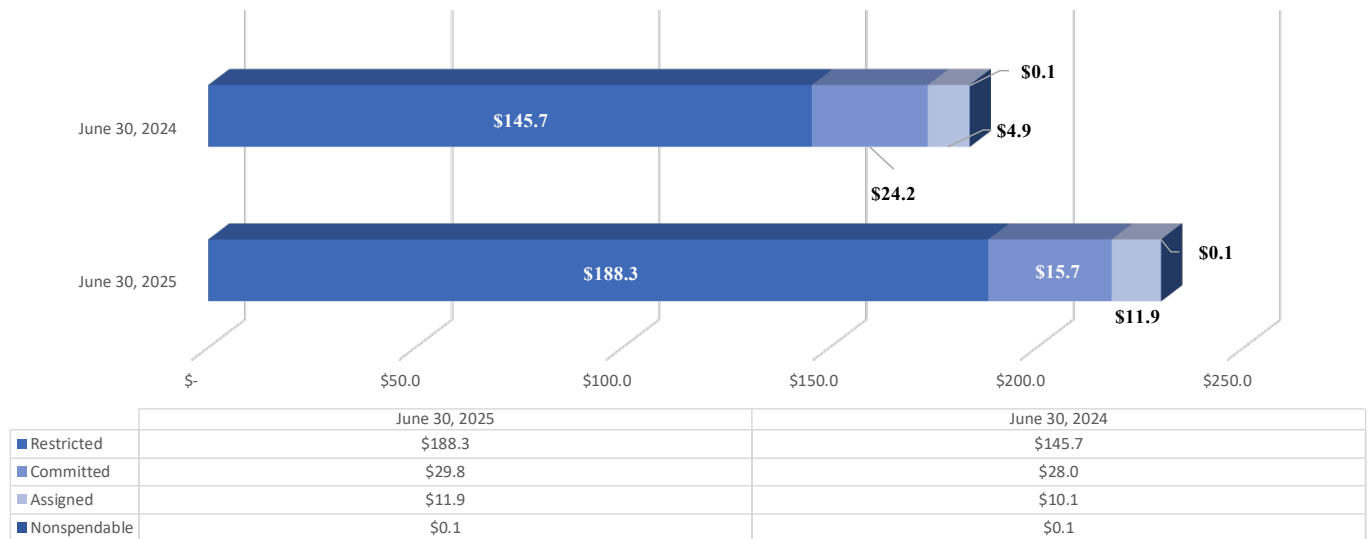
At June 30, 2025, the District's governmental funds reported combined fund balances of \$396,689,357, an increase of \$29.3 million. Approximately 27.4% (\$108,523,219) of the total combined fund balances is unassigned and available for spending at the District's discretion. The remainder of the fund balances is either non-spendable, restricted, committed, or assigned:

- *Non-spendable* means the balance is not in spendable form (e.g. inventories and prepaid items). The total balance of non-spendable funds is \$862,180.
- *Restricted* balances are legally required to be maintained intact or are restricted for particular purposes by a third party (e.g. funds restricted by bond covenants or by federal granting agencies). The total combined restricted balance for governmental funds is \$188,330,859.
- *Committed* balances total \$29,804,591 and are committed to serve a particular purpose by the District's Board of Trustees. This total includes funds committed for the District's local Permanent School Fund which had a balance of \$26,599,576 at June 30, 2025.
- *Assigned* balances are tentatively earmarked by management for a particular program or purpose. Total assigned funds at June 30, 2025 totaled \$69,168,508.

Further information on each type of fund balance can be found within Note 1 on pages 35-36 of this report.

The overall increase in fund balance is attributed due to the issuance of the \$121.2 million of the 2024 Unlimited Tax School Building Bonds from the 2021 Bond authorization in the Capital Projects Fund. The change in fund balance in the Capital Projects Fund resulted in the increase in total restricted fund balance illustrated in Figure A-7 below.

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



Changes in the fund balances of other individual governmental funds were as follows:

- The Child Nutrition Fund recognized a decrease in fund balance of \$1,451,498 due to an increase in food and labor costs.
- The Debt Service Fund increased due to higher than expected property tax collections.
- The Non-Major Governmental Funds increased \$1,648,847 during the current fiscal year. This increase is due to District's portion of the Tax Increment Fund (TIF) from the City of Dallas of \$594,604 recorded in the District's Permanent Local School Fund and the interest earnings generated from this fund. The District's Permanent Local School Fund is controlled by the Board of Trustees.

General Fund Budgetary Highlights

Original Budget Compared to Final Budget

During the year, the most significant amendments to the original budget were as follows:

- Appropriations
 - Instruction increased by \$13.7 million to cover payroll costs;
 - Guidance, counseling and evaluation services increased by \$1.3 million to cover special education evaluation services;
 - Maintenance and operations increased by \$6.9 million to cover overtime, rising utility costs, and an increase in property insurance;
 - Student transportation increased by \$3.9 million to cover overtime payroll costs;
 - Extracurricular activities increased by \$1.8 million to cover increased extracurricular activities;
 - Security and monitoring increased by \$1.5 million to cover increased payroll costs associated with the state mandated security officers;
 - Contracted instructional services increased \$1.9 million....

Final Budget Compared to Actual Results

As of June 30, 2025, actual revenue exceeded the final estimated revenues by \$4.2 million, and final appropriations exceeded actual expenditures by \$19.8 million. The most significant variances are summarized below:

- Investment earnings exceeded budget by \$1.5 million due interest rates remaining higher than initial projections indicated.
- Revenue from the indirect cost exceeded budget by \$2.0 million due to additional federal and state grants awards received by the district.
- Expenditures varied due to unfilled positions, attrition and unspent funds within departmental budgets.

Budget amendments and adjustments were made over the course of the year to account for prior year rollovers of encumbered funds and to give flexibility within functional budgets. Additionally, significant amendments were made at the end of the fiscal year in anticipation of liabilities that may be owed but not paid by June 30 and to safeguard against overspending at the fund-function level.

CAPITAL ASSETS AND DEBT ADMINISTRATION

Capital Assets

The District's investment in capital assets as of June 30, 2025 totals \$937,674,977 (net of accumulated depreciation/amortization). This investment in capital assets includes land, equipment, buildings, communications systems, and vehicles and represents a 1.8% decrease in capital assets for the current fiscal year.

Table A-8
District's Capital Assets

| | June 30, 2025 | June 30, 2024 | Increase/ (Decrease) |
|---------------------------------------|-----------------------|-----------------------|---------------------------------|
| Land and Improvements | \$ 69,107,000 | \$ 73,117,827 | (4,010,827) |
| Building and Improvements | 1,438,981,606 | 1,137,400,057 | 301,581,549 |
| Furniture, Equipment and Vehicles | 175,113,884 | 171,233,275 | 3,880,609 |
| Right-to-Use Lease Assets | 5,497,831 | 5,497,831 | - |
| Subscription-Based IT Arrangement | 24,242,953 | 18,185,819 | 6,057,134 |
| Construction in Progress | 36,924,106 | 301,962,781 | (265,038,675) |
| Total | 1,749,867,380 | 1,707,397,590 | 42,469,790 |
| Accumulated Depreciation/Amortization | (812,192,403) | (752,825,855) | (59,366,548) |
| Net Capital Assets | \$ 937,674,977 | \$ 954,571,735 | \$ (16,896,758) |

Major capital assets events during the current fiscal year included the following:

- The addition and renovations at Pearce High School totaling \$133.7 million;
- The construction of the new building at Lake Highlands Middle School totaling \$88.5 million;
- The addition and renovations at Forest Meadow Middle School totaling \$54.9 million;
- The renovations at Brentfield Elementary totaling \$26.4 million;
- The renovations for the Little Rams and Little Wildcats Child Learning Academy at Springridge totaling \$3.7 million;

More detailed information about the District's capital assets can be found in Note 5 on page 42 of this report.

Long-Term Debt

The District's debt-management policies seek to provide the most favorable climate for debt projects while adhering to taxpayers' expectations that the District will be a prudent and conservative steward with the tax dollars that have been entrusted to it. Management's policies include the following points:

- All debt service obligations will be met when due.
- A financial advisor is consulted regularly to review outstanding obligations and ensure the most favorable funding structure for the District.
- Debt will be structured to recognize positive debt savings.
- The District will maintain a goal of generally matching asset lives with the maturities of liabilities incurred, which will also maintain our aggressive debt repayment schedule.
- The District will build capacity for debt in the debt plan and maintain debt capacity for the future.
- The District will cooperate and communicate with bond-rating agencies and work towards obtaining the most favorable municipal bond rating possible.
- All necessary information and material regarding the District's financial statuses will be provided to the appropriate parties.
- The District will continue to develop debt plans with community input.

At the end of the current fiscal year, the District had total bonded debt outstanding of \$931,280,000, all of which is considered to be direct tax supported debt. The remainder of the District's long-term obligations is comprised of actuarially determined workers compensation claims payable, compensated absences, capital financing arrangements and unamortized bond premiums.

Table A-9
District's Outstanding Debt

| | June 30, 2025 | June 30, 2024 | Increase/ (Decrease) |
|--------------------------------------|-------------------------|-----------------------|---------------------------------|
| Unlimited Tax School Building Bonds | \$ 763,100,000 | \$ 746,365,000 | 16,735,000 |
| Unlimited Tax Refunding Bonds | 168,180,000 | 134,650,000 | 33,530,000 |
| Unamortized Bond Premium | 76,921,618 | 78,612,435 | (1,690,817) |
| Compensated Absences | 2,868,035 | 1,198,753 | 1,669,282 |
| Lease Liability | 763,584 | 1,290,580 | (526,996) |
| SBITA Liability | 2,115,226 | 1,107,496 | 1,007,730 |
| Arbitrage Liability | 3,536,719 | - | 3,536,719 |
| Workers' Compensation Claims Payable | 1,867,478 | 1,655,698 | 211,780 |
| Total Long-Term Debt | \$ 1,019,352,660 | \$ 964,879,962 | 54,472,698 |

The District's total outstanding long-term debt increased by 5.6% during the current fiscal year.

The District issued \$121.2 million of the 2024 Unlimited Tax School Building Bonds from the 2021 Bond authorization during this fiscal year. The District recorded an Arbitrage liability as of June 30, 2025 of \$3,536,719. In addition, the District entered into and recognized liabilities for SBITAs for a year balance of \$2,115,226.

Note 7 on pages 43-45 of this report contains more detailed information about the District's long-term debt activity, including incremental payment schedules. The amount of general bonded debt outstanding and the total primary government debt per capita are also useful indicators of the District's debt position. That data is represented in Exhibit S-12 on page 103 of this report.

The District maintained its high underlying credit ratings of AA+ from Standards & Poor's and Aaa from Moody's Investors Service. These ratings result in lower debt issuance costs for the District.

ECONOMIC FACTORS AND NEXT YEAR'S BUDGET

The District's elected and appointed officials considered many factors when setting the budget. The District's main priority is student achievement gains, achieved by focusing on the following Board goals:

- The percent of students who score at the meets level in 3rd grade reading will grow from 49% to 60% by June 2027.
- The percent of students who score at the meets level in 3rd grade math will grow from 43% to 55% by June 2027.
- College, Career, Military Readiness (CCMR) indicator score for all students will increase from 55% to 70% by June 2027.

The 2025-2026 budget, adopted on June 5, 2025, was built to foster the achievement of these goals in a financially sustainable manner.

The General Operating budget was built on a projected student enrollment of 36,541.

The Board adopted the 2025-2026 budget on June 5, 2025. The 2025-2026 budget was built on school funding law as it existed prior to the passage of legislation by the 89th Texas Legislature which ended on June 2, 2025. The 2025-2026 budget was prepared based on taxable property value growth of 5 percent. Actual taxable property value decreased 5 percent due primarily to the passage of two bills by the 89th Legislature, SB 4 and SB 23. SB 4 increased the residence homestead exemption from \$100,000 to \$140,000. SB 23 increased the over-65 and disabled homestead exemption from \$10,000 to \$60,000. The adopted budget reflected a deficit of \$28.6 million. This deficit is \$1.4 million less than the 2024-2025 adopted budget. In September 2025 the board adopted the 2025 tax rate of \$1.1052. This rate is unchanged from the 2024 tax rate and reflected the impact of bills passed in the 89th Legislature. HB 2 of the 89th Legislature increased funding for school districts. In September 2025 the Board adopted a budget amendment to reflect the estimated impact of HB2, SB4 and SB23. These bills decreased property tax revenue, increased state funding, reduced recapture, and increased

payroll expenditures. The net effect of these amendments decreased the adopted deficit from \$28.6 million to \$26.7 million.

In addition, the following factors were considered in developing the 2025-2026 budget:

- In order to remain competitive and encourage employee retention, the District increased the starting salary for new teachers to \$63,000, and restructured salaries for teachers, counselors, librarians, and nurses. Returning employees received the greater of the new salary step or \$2,500 for one to ten years of experience or \$3,000 for 11 years or more of experience. Other employees received a 3% raise. During the implementation of the Teacher Retention Allotment created in HB 2 in the 89th Legislature, the District increased the compensation for classroom teachers to ensure each returning teacher with five or more years of experience received at least a \$5,000 increase in compensation from the prior year;
- School consolidation of Dobie Pre K Center;
- Increases in utility, fuel, and insurance costs resulted in increases in the expenditure budget.

CONTACTING THE DISTRICT'S FINANCIAL MANAGEMENT

This financial report is designed to provide our citizens, taxpayers, customers, investors and creditors with a general overview of the District's finances and to demonstrate the District's accountability for the money it receives. If you have questions about this report or need additional financial information, contact the Assistant Superintendent of Finance and Support Services at 400 South Greenville Avenue, Richardson, Texas 75081, or call (469) 593-0331.

Basic Financial Statements

Government-wide Financial Statements

Richardson Independent School District
Statement of Net Position
June 30, 2025

Exhibit A - 1

| Data Control Codes | | 1 Governmental Activities |
|-----------------------------------|---------------------------------------|--|
| | ASSETS | |
| 1110 | Cash and cash equivalents | \$ 200,623,723 |
| 1120 | Current investments | 218,518,080 |
| 1220 | Delinquent property taxes receivables | 11,877,850 |
| 1230 | Allowance for uncollectible taxes | (1,176,403) |
| 1240 | Due from other governments | 40,812,491 |
| 1250 | Accrued interest | 1,080,381 |
| 1290 | Other receivables (net) | 486,865 |
| 1300 | Inventories | 860,183 |
| 1410 | Prepaid items | 1,997 |
| | Capital assets: | |
| 1510 | Land and improvements, net | 58,477,872 |
| 1520 | Buildings and improvements, net | 800,688,052 |
| 1530 | Furniture and equipment, net | 29,515,381 |
| 1550 | Intangible right to use assets, net | 9,804,575 |
| 1580 | Construction in progress | 36,924,106 |
| 1590 | Communication systems, net | 2,264,991 |
| 1910 | Long-term investments | 11,005,982 |
| 1000 | Total assets | <u>1,421,766,126</u> |
| | DEFERRED OUTFLOWS OF RESOURCES | |
| 1701 | Deferred losses on debt refundings | 1,361,225 |
| 1705 | Deferred pension outflows | 35,253,439 |
| 1710 | Deferred OPEB outflows | 48,102,161 |
| 1700 | Total deferred outflows of resources | <u>84,716,825</u> |
| | LIABILITIES | |
| 2110 | Accounts payable | 17,929,413 |
| 2120 | Other liabilities | 303,571 |
| 2140 | Interest payable | 15,669,671 |
| 2150 | Payroll deductions & withholdings | 1,905,660 |
| 2160 | Accrued wages payable | 46,204,943 |
| 2177 | Due to fiduciary funds | 592,676 |
| 2180 | Due to other governments | 6,001,091 |
| 2300 | Unearned revenue | 684,969 |
| 2400 | Retainage payable | 2,369,939 |
| | Noncurrent liabilities: | |
| 2501 | Due within one year | 66,403,576 |
| 2502 | Due in more than one year | 952,949,084 |
| 2540 | Net pension liability | 159,572,364 |
| 2545 | Net OPEB liability | 98,746,863 |
| 2000 | Total liabilities | <u>1,369,333,820</u> |
| | DEFERRED INFLOWS OF RESOURCES | |
| 2600 | Deferred gain on debt refunding | 4,241,341 |
| 2605 | Deferred pension inflows | 5,301,956 |
| 2610 | Deferred OPEB inflows | 91,876,583 |
| 2600 | Total deferred inflows of resources | <u>101,419,880</u> |
| | NET POSITION | |
| 3200 | Net investment in capital assets | 59,297,132 |
| | Restricted for: | |
| 3820 | Federal and state grants | 684,642 |
| 3850 | Debt service | 31,826,626 |
| 3890 | Child nutrition | 7,223,242 |
| 3900 | Unrestricted | (63,302,391) |
| 3000 | Total net position | <u>\$ 35,729,251</u> |

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

Richardson Independent School District
Statement of Activities
For the year ended June 30, 2025

Exhibit B - 1

| | | Program Revenues | | | Net (Expense) / Revenue and Changes in Net Position |
|--------------------------|--|------------------|-------------------------|--|---|
| | | 1 | 3 | 4 | 6 |
| Data Control Codes | Functions/Programs | Expenses | Charges for Services | Operating Grants and Contributions | Governmental Activities |
| Primary government: | | | | | |
| Governmental activities: | | | | | |
| 11 | Instruction | \$ 359,775,927 | \$ 6,323,990 | \$ 45,788,295 | \$ (307,663,642) |
| 12 | Instructional resources and media services | 6,756,991 | - | 562,676 | (6,194,315) |
| 13 | Curriculum and staff development | 17,307,829 | - | 9,432,089 | (7,875,740) |
| 21 | Instructional leadership | 8,430,034 | - | 1,590,740 | (6,839,294) |
| 23 | School leadership | 27,648,556 | - | 3,221,181 | (24,427,375) |
| 31 | Guidance, counseling, and evaluation services | 24,858,521 | - | 4,394,165 | (20,464,356) |
| 32 | Social work services | 2,027,627 | - | 738,254 | (1,289,373) |
| 33 | Health services | 6,608,284 | - | 617,498 | (5,990,786) |
| 34 | Student transportation | 12,843,539 | - | 804,711 | (12,038,828) |
| 35 | Food service | 18,986,446 | 3,139,677 | 14,259,378 | (1,587,391) |
| 36 | Extracurricular activities | 13,936,212 | 649,331 | 941,278 | (12,345,603) |
| 41 | General administration | 13,394,344 | - | 1,348,490 | (12,045,854) |
| 51 | Plant maintenance and operations | 68,179,091 | 2,387,717 | 2,025,434 | (63,765,940) |
| 52 | Security and monitoring services | 10,536,262 | - | 3,485,577 | (7,050,685) |
| 53 | Data processing services | 10,802,351 | - | 392,350 | (10,410,001) |
| 61 | Community services | 3,869,908 | - | 1,518,237 | (2,351,671) |
| 72 | Interest on long-term debt | 43,140,281 | - | 8,988,956 | (34,151,325) |
| 91 | Contracted instructional services between schools | 5,452,555 | - | - | (5,452,555) |
| 93 | Payments related to shared services arrangements | 555,699 | - | 644,176 | 88,477 |
| 95 | Juvenile justice alternative education programs | 60,912 | - | - | (60,912) |
| 97 | Payments to tax increment fund | 1,892,704 | - | - | (1,892,704) |
| 99 | Other intergovernmental charges | 1,318,067 | - | - | (1,318,067) |
| TG | Total governmental activities | \$ 658,382,140 | \$ 12,500,715 | \$ 100,753,485 | (545,127,940) |
| TP | TP Total primary government | \$ 658,382,140 | \$ 12,500,715 | \$ 100,753,485 | \$ (545,127,940) |

General revenues:

| | | |
|--|--|----------------------|
| Taxes: | | |
| Property taxes, levied for general purposes | | 241,570,346 |
| Property taxes, levied for debt service | | 109,638,124 |
| State aid-formula grants, unrestricted | | 118,449,455 |
| Grants and contributions not restricted to specific programs | | 5,078,253 |
| Investment earnings | | 22,802,642 |
| Miscellaneous | | 2,860,145 |
| Total general revenues | | <u>500,398,965</u> |
| Change in net position | | <u>(44,728,975)</u> |
| Net position—beginning | | <u>80,458,226</u> |
| Net position—ending | | <u>\$ 35,729,251</u> |

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

Governmental Funds Financial Statements

Richardson Independent School District
Balance Sheet
Governmental Funds
June 30, 2025

Exhibit C - 1

| Data Control Codes | | 10 General Fund | 24 Child Nutrition Fund | 50 Debt Service Fund | 60 Capital Projects Fund | Non-major Governmental Funds | 98 Total Governmental Funds |
|--------------------------------------|---|-----------------------|----------------------------------|-------------------------------|-----------------------------------|------------------------------------|--------------------------------------|
| ASSETS | | | | | | | |
| 1110 | Cash and cash equivalents | \$ 119,490,856 | \$ 7,142,917 | \$ 22,466,052 | \$ 44,305,028 | \$ 4,678,214 | \$ 198,083,067 |
| 1120 | Current investments | 54,755,628 | - | 24,891,500 | 123,851,160 | 15,019,792 | 218,518,080 |
| 1220 | Delinquent property taxes receivable | 8,455,745 | - | 3,422,105 | - | - | 11,877,850 |
| 1230 | Allowance for uncollectible taxes | (891,619) | - | (284,784) | - | - | (1,176,403) |
| 1240 | Receivables from other governments | 28,325,886 | 1,401,207 | 90,101 | - | 10,995,297 | 40,812,491 |
| 1250 | Accrued interest | 207,152 | - | - | 569,526 | 303,703 | 1,080,381 |
| 1260 | Due from other funds | 14,830,855 | - | - | - | 4,393,087 | 19,223,942 |
| 1290 | Other receivables | 1,371 | - | - | - | 485,494 | 486,865 |
| 1300 | Inventories | 772,998 | 87,185 | - | - | - | 860,183 |
| 1410 | Prepaid Items | 1,997 | - | - | - | - | 1,997 |
| 1910 | Long-Term Investments | 5,002,719 | - | - | - | 6,003,263 | 11,005,982 |
| 1000 | Total assets | <u>230,953,588</u> | <u>8,631,309</u> | <u>50,584,974</u> | <u>168,725,714</u> | <u>41,878,850</u> | <u>500,774,435</u> |
| | Total assets and deferred outflows of resources | <u>230,953,588</u> | <u>8,631,309</u> | <u>50,584,974</u> | <u>168,725,714</u> | <u>41,878,850</u> | <u>500,774,435</u> |
| LIABILITIES | | | | | | | |
| 2110 | Accounts payable | 4,147,688 | 414,936 | - | 12,668,290 | 654,801 | 17,885,715 |
| 2120 | Other liabilities | 293,254 | 300 | - | 7,931 | 2,086 | 303,571 |
| 2150 | Payroll deductions and withholdings | 1,905,660 | - | - | - | - | 1,905,660 |
| 2160 | Accrued wages payable | 42,759,819 | 448,704 | - | 6,938 | 2,980,705 | 46,196,166 |
| 2170 | Due to other funds | 3,017,386 | 544,127 | 2,533,341 | 6,143,879 | 7,067,056 | 19,305,789 |
| 2177 | Due to fiduciary funds | 592,676 | - | - | - | - | 592,676 |
| 2180 | Payable to other governments | 5,445,755 | - | 555,336 | - | - | 6,001,091 |
| 2300 | Unearned revenue | - | - | - | - | 684,969 | 684,969 |
| 2400 | Retainage payable | - | - | - | 2,369,939 | - | 2,369,939 |
| 2000 | Total liabilities | <u>58,162,238</u> | <u>1,408,067</u> | <u>3,088,677</u> | <u>21,196,977</u> | <u>11,389,617</u> | <u>95,245,576</u> |
| DEFERRED INFLOWS OF RESOURCES | | | | | | | |
| 2600 | Unavailable revenue | 6,270,666 | - | 2,568,836 | - | - | 8,839,502 |
| | Total deferred inflows of resources | <u>6,270,666</u> | <u>-</u> | <u>2,568,836</u> | <u>-</u> | <u>-</u> | <u>8,839,502</u> |
| FUND BALANCES | | | | | | | |
| | Nonspendable: | | | | | | |
| 3410 | Inventories | 772,998 | 87,185 | - | - | - | 860,183 |
| 3430 | Prepaid Items | 1,997 | - | - | - | - | 1,997 |
| | Restricted for: | | | | | | |
| 3450 | Child nutrition program | - | 7,136,057 | - | - | - | 7,136,057 |
| 3450 | Federal and state grants | - | - | - | - | 684,642 | 684,642 |
| 3470 | Capital acquisitions and contractual obligations | - | - | - | 135,582,699 | - | 135,582,699 |
| 3480 | Retirement of long term debt | - | - | 44,927,461 | - | - | 44,927,461 |
| | Committed to: | | | | | | |
| 3545 | Local grants, awards and contributions | - | - | - | - | 29,804,591 | 29,804,591 |
| | Assigned to: | | | | | | |
| 3550 | Construction | 8,000,000 | - | - | 11,946,038 | - | 19,946,038 |
| 3560 | Claims and judgments | 2,000,000 | - | - | - | - | 2,000,000 |
| 3590 | Insurance deductible | 8,000,000 | - | - | - | - | 8,000,000 |
| 3590 | Instructional projects | 2,769,460 | - | - | - | - | 2,769,460 |
| 3590 | Compensated absences | 2,868,035 | - | - | - | - | 2,868,035 |
| 3590 | Equipment acquisition, repair and replacement | 5,000,000 | - | - | - | - | 5,000,000 |
| 3590 | 2025-2026 Budget Deficit | 28,584,975 | - | - | - | - | 28,584,975 |
| 3600 | Unassigned | 108,523,219 | - | - | - | - | 108,523,219 |
| 3000 | Total fund balances | <u>166,520,684</u> | <u>7,223,242</u> | <u>44,927,461</u> | <u>147,528,737</u> | <u>30,489,233</u> | <u>396,689,357</u> |
| 4000 | Total liabilities, deferred inflows of resources and fund balances | <u>\$ 230,953,588</u> | <u>\$ 8,631,309</u> | <u>\$ 50,584,974</u> | <u>\$ 168,725,714</u> | <u>\$ 41,878,850</u> | <u>\$ 500,774,435</u> |

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

Richardson Independent School District
Reconciliation of the Governmental Funds Balance Sheet
to the Statement of Net Position
June 30, 2025

Exhibit C - 1R

| | |
|--|------------------------|
| Total fund balances - governmental funds (Exhibit C-1) | 396,689,357 |
| 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 funds. | 937,674,977 |
| Certain receivables will be earned this year, but are not available soon enough to pay for the current period's expenditures, and therefore are deferred inflows of resources at the fund level. | 8,839,502 |
| Long-term liabilities, including bonds payable, are not due and payable in the current period and therefore are not reported as liabilities in the funds. Long-term liabilities at year-end consist of: | |
| Bonds payable | (931,280,000) |
| Accrued interest on the bonds | (15,669,671) |
| Compensated absences | (2,868,035) |
| Lease Liability | (763,584) |
| SBITA Liability | (2,115,226) |
| Arbitrage rebate payable | (3,536,719) |
| Unamortized bond premium | (76,921,618) |
| Accounting losses resulting from debt refunding transactions are deferred outflows of resources at the government-wide level and amortized over the life of the debt. | 1,361,225 |
| Accounting gains resulting from debt refunding transactions are deferred inflows of resources at the government-wide level and amortized over the life of the debt. | (4,241,341) |
| Internal service funds are used by management to charge the costs of certain activities, such as workers' compensation. The assets and liabilities of the internal service funds (Exhibit D-1) are included in governmental activities in the Statement of Net Position. | 702,550 |
| The District's portion of the TRS net pension liability and related deferred inflows and deferred outflows are not current in nature and therefore not reported in the funds. | (129,620,881) |
| The District's portion of the TRS OPEB liability and related deferred inflows and deferred outflows are not current in nature and therefore not reported in the funds. | (142,521,285) |
| Total net position - governmental activities (Exhibit A-1) | <hr/> 35,729,251 <hr/> |

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

Richardson Independent School District
Statement of Revenues, Expenditures, and Changes in Fund Balances
Governmental Funds
For the year ended June 30, 2025

Exhibit C - 2

| Data Control Codes | 10 | 24 | 50 | 60 | | 98 |
|--|-----------------------|----------------------|----------------------|-----------------------|------------------------------|--------------------------|
| | General Fund | Child Nutrition Fund | Debt Service Fund | Capital Projects Fund | Non-major Governmental Funds | Total Governmental Funds |
| REVENUES | | | | | | |
| 5700 Local and intermediate sources | \$ 262,189,445 | 3,606,410 | \$ 113,413,243 | \$ 9,807,991 | \$ 4,835,231 | \$ 393,852,320 |
| 5800 State program revenues | 143,272,130 | 78,507 | 8,988,956 | - | 8,857,419 | 161,197,012 |
| 5900 Federal program revenues | 8,817,843 | 14,180,871 | - | - | 29,844,194 | 52,842,908 |
| 5020 Total revenues | <u>414,279,418</u> | <u>17,865,788</u> | <u>122,402,199</u> | <u>9,807,991</u> | <u>43,536,844</u> | <u>607,892,240</u> |
| EXPENDITURES | | | | | | |
| Current: | | | | | | |
| 0011 Instruction | 260,297,803 | - | - | 25,037,694 | 23,742,083 | 309,077,580 |
| 0012 Instructional resources and media services | 5,477,875 | - | - | 863,392 | 147,577 | 6,488,844 |
| 0013 Curriculum and staff development | 8,660,225 | - | - | 1,322,603 | 7,640,995 | 17,623,823 |
| 0021 Instructional leadership | 7,322,296 | - | - | - | 923,228 | 8,245,524 |
| 0023 School leadership | 25,685,281 | - | - | - | 1,323,784 | 27,009,065 |
| 0031 Guidance, counseling, and evaluation services | 21,707,268 | - | - | 308,565 | 2,556,425 | 24,572,258 |
| 0032 Social work services | 1,391,967 | - | - | - | 587,881 | 1,979,848 |
| 0033 Health services | 6,093,276 | - | - | 77,805 | 170,755 | 6,341,836 |
| 0034 Student transportation | 10,568,374 | - | - | 1,071,973 | 7,358 | 11,647,705 |
| 0035 Food service | 542,385 | 19,024,497 | - | - | - | 19,566,882 |
| 0036 Extracurricular activities | 8,200,728 | - | - | 1,737,753 | 570,699 | 10,509,180 |
| 0041 General administration | 10,711,031 | - | - | 607,501 | 152,978 | 11,471,510 |
| 0051 Plant maintenance and operations | 41,936,255 | 307,387 | - | 21,746,515 | 94,212 | 64,084,369 |
| 0052 Security and monitoring services | 6,818,439 | - | - | 464,649 | 3,138,484 | 10,421,572 |
| 0053 Data processing services | 4,728,112 | - | - | 5,172,284 | 65,846 | 9,966,242 |
| 0061 Community services | 2,680,719 | - | - | - | 1,113,593 | 3,794,312 |
| Debt service: | | | | | | |
| 0071 Principal on long-term debt | 180,738 | - | 68,735,000 | 5,632,595 | - | 74,548,333 |
| 0072 Interest on long-term debt | 10,673 | - | 42,107,696 | 22,430 | - | 42,140,799 |
| 0073 Bond issuance costs and fees | - | - | 433,137 | 917,717 | - | 1,350,854 |
| Capital outlay: | | | | | | |
| 0081 Facilities acquisition and construction | - | - | - | 51,722,642 | 570,804 | 52,293,446 |
| Intergovernmental charges: | | | | | | |
| 0091 Contracted instructional services | | | | | | |
| between schools | 5,452,555 | - | - | - | - | 5,452,555 |
| 0093 Payments related to shared services arrangements | 474,404 | - | - | - | 81,295 | 555,699 |
| 0095 Juvenile justice alternative education programs | 60,912 | - | - | - | - | 60,912 |
| 0097 Payments to tax increment fund | - | - | 1,892,704 | - | - | 1,892,704 |
| 0099 Other intergovernmental charges | 1,318,067 | - | - | - | - | 1,318,067 |
| 6030 Total expenditures | <u>430,319,383</u> | <u>19,331,884</u> | <u>113,168,537</u> | <u>116,706,118</u> | <u>42,887,997</u> | <u>722,413,919</u> |
| 1100 Excess (deficiency) of revenues over expenditures | <u>(16,039,965)</u> | <u>(1,466,096)</u> | <u>9,233,662</u> | <u>(106,898,127)</u> | <u>648,847</u> | <u>(114,521,679)</u> |
| OTHER FINANCING SOURCES (USES) | | | | | | |
| 7901 Refunding bonds issued | - | - | 45,900,000 | - | - | 45,900,000 |
| 7911 Capital-related debt issued (regular bonds) | - | - | - | 121,210,000 | - | 121,210,000 |
| 7912 Sale of real or personal property | 74,965 | 14,598 | - | 11,084,108 | - | 11,173,671 |
| 7915 Transfers in | - | - | - | - | 1,000,000 | 1,000,000 |
| 7916 Premium on issuance of bonds | - | - | 3,133,584 | 4,946,738 | - | 8,080,322 |
| 7949 Subscription-based information technology arrangements (SBITAs) | 226,513 | - | - | 6,067,554 | - | 6,294,067 |
| 8911 Transfers out | (1,254,840) | - | - | - | - | (1,254,840) |
| 8949 Payment to bond refunding escrow agent | - | - | (48,618,871) | - | - | (48,618,871) |
| 7080 Total other financing sources and (uses) | <u>(953,362)</u> | <u>14,598</u> | <u>414,713</u> | <u>143,308,400</u> | <u>1,000,000</u> | <u>143,784,349</u> |
| 1200 Net change in fund balances | <u>(16,993,327)</u> | <u>(1,451,498)</u> | <u>9,648,375</u> | <u>36,410,273</u> | <u>1,648,847</u> | <u>29,262,670</u> |
| 0100 Fund balances--beginning | <u>183,514,011</u> | <u>8,674,740</u> | <u>35,279,086</u> | <u>111,118,464</u> | <u>28,840,386</u> | <u>367,426,687</u> |
| 3000 Fund balances--ending | <u>\$ 166,520,684</u> | <u>\$ 7,223,242</u> | <u>\$ 44,927,461</u> | <u>\$ 147,528,737</u> | <u>\$ 30,489,233</u> | <u>\$ 396,689,357</u> |

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

Richardson Independent School District
Reconciliation of the Statement of Revenues, Expenditures,
and Changes in Fund Balances of Governmental Funds to the Statement of Activities
For the year ended June 30, 2025

Exhibit C - 2R

| | |
|--|---|
| Net change in fund balances—total governmental funds (Exhibit C-2) | 29,262,670 |
| Amounts reported for governmental activities in the statement of activities are different because: | |
| Governmental funds report capital outlays as expenditures. However, in the statement of activities the cost of those assets is allocated over their estimated useful lives as depreciation expense. This is the amount by which capital outlays (\$49,950,195) exceeded depreciation (\$61,022,172) in the current period. | (11,071,977) |
| In the statement of activities, only the loss on the asset disposals are reported, whereas in the governmental funds, the proceeds from the sale increase financial resources. Thus, the change in net position differs from the change in fund balances by the cost of the assets disposed. | (5,824,781) |
| Revenues in the statement of activities that do not provide current financial resources are not reported as revenues in the funds. | (787,362) |
| Repayment of long-term debt principal on bond, leases and SBITAs are expenditures in the governmental funds, but these activities reduce long-term liabilities in the statement of net position. | 122,658,333 |
| Bond issuances and SBITAs are shown as other resources in the governmental funds but are shown as increases in long-term debt in the statement of net position. | (181,484,389) |
| Some expenses reported in the statement of activities do not require the use of current financial resources and therefore are not reported as expenditures in governmental funds. | |
| Amortization of bond premiums | 9,771,139 |
| Change in interest payable | (927,968) |
| Change in compensated absences | (1,669,282) |
| Arbitrage rebate | (3,536,719) |
| The excess of the reacquisition price of refunded debt over its carrying amount is reported as a net deferred gain. | (4,284,276) |
| Amortization of deferred gain on refunding | 42,935 |
| Amortization of deferred loss on refunding | (204,868) |
| Internal service funds are used by management to charge the costs of certain activities, such as workman's compensation, to individual funds. The net revenue (expense) of the internal service funds (Exhibit D-2) is reported with governmental activities. | (663,260) |
| Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS net pension liability affect government-wide pension expense but have no impact at the governmental fund level. | (8,699,562) |
| Amortization and other changes in deferred outflows and deferred inflows related to the District's portion of the TRS OPEB liability affect government-wide pension expense but have no impact at the governmental fund level. | 12,690,392 |
| Change in net position of governmental activities (Exhibit B-1) | <div style="border-top: 1px solid black; border-bottom: 3px double black;">(44,728,975)</div> |

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

Proprietary Funds Financial Statements

Richardson Independent School District
Statement of Fund Net Position
Proprietary Funds
June 30, 2025

Exhibit D - 1

| Data Control Codes | | Governmental Activities Internal Service Funds (See H-4) |
|-----------------------------------|------------------------------|---|
| | ASSETS | |
| | Current assets: | |
| 1110 | Cash and investments | \$ 2,540,656 |
| 1260 | Due from other funds | 83,589 |
| | Total current assets | <u>2,624,245</u> |
| | Total assets | <u>2,624,245</u> |
| | LIABILITIES | |
| | Current liabilities: | |
| 2110 | Accounts payable | 43,698 |
| 2160 | Accrued wages payable | 8,777 |
| 2170 | Due to other funds | 1,742 |
| 2210 | Claims and judgments | <u>1,024,488</u> |
| | Total current liabilities | <u>1,078,705</u> |
| | Noncurrent liabilities: | |
| 2210 | Claims and judgments | <u>842,990</u> |
| | Total noncurrent liabilities | <u>842,990</u> |
| | Total liabilities | <u>1,921,695</u> |
| | NET POSITION | |
| 3900 | Unrestricted | <u>702,550</u> |
| | Total net position | <u><u>\$ 702,550</u></u> |

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

Richardson Independent School District
Statement of Revenues, Expenses, and Changes in Fund Net Position
Proprietary Funds
For the year ended June 30, 2025

Exhibit D - 2

| Data Control Codes | | Governmental Activities Internal Service Funds (See H-5) |
|-----------------------------------|---------------------------------|---|
| | Operating revenues: | |
| 5754 | Charges for services | \$ 1,984,910 |
| | Total operating revenues | <u>1,984,910</u> |
| | Operating expenses: | |
| 6100 | Personnel services | 747,965 |
| 6200 | Contractual services | 336,965 |
| 6300 | Supplies | 269,386 |
| 6429 | Insurance claims and expenses | 1,649,909 |
| 6400 | Other operating expenses | 8,846 |
| | Total operating expenses | <u>3,013,071</u> |
| | Operating loss | <u>(1,028,161)</u> |
| | Nonoperating revenues: | |
| 5742 | Interest and investment revenue | 110,061 |
| | Total non-operating revenue | <u>110,061</u> |
| | Loss before transfers | <u>(918,100)</u> |
| | Transfers: | |
| 7915 | Transfers in | 254,840 |
| | Total transfers | <u>254,840</u> |
| | Change in net position | (663,260) |
| | Total net position—beginning | 1,365,810 |
| 3900 | Total net position—ending | <u><u>\$ 702,550</u></u> |

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

Richardson Independent School District
Statement of Cash Flows
Proprietary Funds
For the year ended June 30, 2025

Exhibit D - 3

| | Governmental Activities Internal Service Funds (See H-6) |
|---|---|
| CASH FLOWS FROM OPERATING ACTIVITIES | |
| Cash receipts from other funds | 2,616,110 |
| Cash Payments to suppliers | (596,524) |
| Cash Payments to employees | (749,927) |
| Internal activity - disbursements to other funds | 1,742 |
| Cash payment for Insurance Claims | (1,438,129) |
| Net cash used by operating activities | <u>(166,728)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | |
| Transfers in from other funds | 254,840 |
| Net cash provided by noncapital financing activities | <u>254,840</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | |
| Interest | 110,061 |
| Net cash provided by investing activities | <u>110,061</u> |
| Net increase in cash and investments | 198,173 |
| Cash - beginning of the year | <u>2,342,483</u> |
| Cash - end of the year | <u><u>\$ 2,540,656</u></u> |
| Reconciliation of operating loss to net cash used by operating activities: | |
| Operating loss | \$ (1,028,161) |
| Change in assets and liabilities: | |
| Due from (to) other funds | 632,942 |
| Accounts payable | 18,673 |
| Claims payable | 211,780 |
| Payroll deductions and withholdings payable | (1,962) |
| Net cash used by operating activities | <u><u>\$ (166,728)</u></u> |

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

Fiduciary Fund Financial Statements

Richardson Independent School District
Statement of Fiduciary Net Position
June 30, 2025

Exhibit E - 1

| | <u>Custodial Funds</u> |
|-----------------------------------|-----------------------------------|
| ASSETS | |
| Due from Other Government | <u>\$ 592,676</u> |
| Total assets | <u><u>\$ 592,676</u></u> |
| LIABILITIES | |
| Accounts payable | <u>\$ 33,705</u> |
| Total liabilities | <u><u>\$ 33,705</u></u> |
| NET POSITION | |
| Restricted for student activities | <u>\$ 558,971</u> |
| Total net position | <u><u>\$ 558,971</u></u> |

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

Richardson Independent School District
Statement of Changes in Net Position
Fiduciary Funds
For the year ended June 30, 2025

Exhibit E- 2

| | <u>Custodial Funds</u> |
|--------------------------------------|-------------------------------|
| Contributions | |
| Gifts and contributions | \$ 42,950 |
| Revenues from student activities | 641,798 |
| Revenues from fundraising activities | 175,816 |
| Total contributions | <u>860,564</u> |
| Deductions | |
| Contractual services | 170,620 |
| Payments for student activities | 629,232 |
| Total deductions | <u>799,852</u> |
| Change in net position | 60,712 |
| Total net position—beginning | 498,259 |
| Total net position—ending | <u><u>\$ 558,971</u></u> |

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

Notes to the Financial Statements

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

1. SUMMARY OF SIGNIFICANT ACCOUNTING POLICIES

Reporting Entity - The Richardson Independent School District (the “District”) Board of Trustees (the “Board”), a seven-member group all of whom are elected officials, has governance responsibilities and control over all activities related to public elementary and secondary education in the City of Richardson and portions of the cities of Dallas and Garland. The Board is not included in any other governmental “reporting entity” as defined in Section 2100 of the Codification of Governmental Accounting and Financial Reporting Standards issued by the Government Accounting Standards Board (GASB). The District implemented GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*, and it was determined that there are no component units that would have a material effect on the District’s financial statements.

The District receives funding from local, state and federal government sources and must comply with the requirements of these funding entities. The accounting policies of the District conform to accounting principles generally accepted in the United States of America, as applicable to governmental units.

Government-Wide and Fund Financial Statements - The *Statement of Net Position* and the *Statement of Activities* report information on all of the nonfiduciary activities of the District. Taxes and intergovernmental revenues normally support governmental activities. The effect of interfund activity has been removed from these statements as internal services provided and used are eliminated in the process of consolidation.

The *Statement of Activities* demonstrates the degree to which the direct expenses of a given function are offset by program revenues. 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 the program expenses of each function.

Separate financial statements are provided for governmental funds, proprietary 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 and Proprietary Funds - The government-wide financial statements and proprietary fund 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.

Fund Financial Statements - Governmental fund financial statements are reported using the *current financial resources measurement focus* and the *modified accrual basis of accounting*. Revenues are recognized as soon as they are both measurable and available. Expenditures are generally recorded when a liability is incurred, as under accrual accounting. However, debt service expenditures are recognized in the current fiscal year for debt service principal and interest payments due within 30 days of the subsequent fiscal year. Revenues are considered to be available when they are collectible within the current period or soon enough thereafter to pay liabilities of the current period. Property taxes and interest associated with the current fiscal year are susceptible to accrual and are considered to be available if collected within 60 days of the fiscal year end.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

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, 2024, which were not available as of June 30, 2025.

Investment earnings are recorded as earned since they are both measurable and available at the earnings date. All other revenue items, with the exception of grants, are considered measurable and available only when the District receives cash.

Grant Fund Accounting – The special revenue funds include programs that are financed on a project grant basis. These projects have grant periods that range from less than twelve months to in excess of two years. Grant funds are considered to be earned to the extent expenditures are made under the provisions of the grant. When grant funds are received in advance of being earned, they are recorded as unearned revenue until earnings criteria are met.

FUNDS

The District reports its financial activities through the use of “fund accounting”. The activities of the District are organized on the basis of funds. The operations of each fund are accounted for within a separate set of self-balancing accounts to reflect results of activities. Fund accounting segregates funds according to their intended purposes to assist management in demonstrating compliance with finance-related legal and contractual provisions. As required by the Texas Education Agency, the following funds are included in the financial statements.

Governmental Funds

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.

Child Nutrition Fund – The Child Nutrition Fund is a special revenue fund used to account for the proceeds received from and costs associated with food service operations. Funds are legally restricted for use within the Child Nutrition Program.

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.

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

Other Governmental Funds are used to account for funds received from other governmental agencies or local sources that are legally restricted or locally committed to expenditures for specified purposes. These funds also account for receipts and expenditures of resources transferred from the General Fund to finance specified activities. Activities included within these non-major special revenue funds are as follows:

Federal Grants – Used to account for grants whose primary sources are funds from the federal government, either received directly from the funding agency or passed through the State.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

State Grants – Used to account for grants whose primary sources are funds from the Texas Education Agency and other State agencies.

Local Funds – Used to account for all other grants and the District’s local Permanent School Fund, a sub-fund of the Local Funds. The primary funding sources are local governments and other non-government entities. The local Permanent School Fund’s primary sources are transfers from the General Fund, the closing of other funds, and awards earned by the District.

Proprietary Funds

Proprietary funds are funds used to account for operations that are financed in a manner similar to those found in the private sector, where the determination of net income is appropriate for sound financial administration.

Proprietary funds distinguish operating revenues and expenses from non-operating items. Operating revenues and expenses generally result from providing services and producing and delivering goods in connection with a proprietary fund’s principal ongoing operations. The principal operating revenues of the District’s internal service funds are charges to other funds for services. Operating expenses for internal service funds include the cost of providing the service as well as administrative expenses. All revenues and expenses not meeting this definition are reported as non-operating revenues and expenses.

Internal Service Funds – Internal service funds are used to account for operations related to risk financing activities and for financing goods or services of one organizational unit of the District for another. The District has internal service funds for Workers’ Compensation, Print Shop, and Discretionary Renovations.

Fiduciary Funds

All fiduciary funds, including custodial funds, use the accrual, rather than the modified accrual, basis of accounting.

Custodial Fund – A custodial fund is 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. Receivables may exist in this account when cash transactions flow through a shared bank account that creates a “Due from Other Government” for in-transit items. This accounting reflects the District’s custodial relationship with the student activity organizations.

ASSETS, LIABILITIES AND DEFERRED INFLOWS/OUTFLOWS

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 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. District management believes that the District adheres to the requirements of the State of Texas Public Funds Investment Act regarding investment practice, management reports and establishment of appropriate policies. Additionally, management believes that the investment practices of the District are in accordance with local policies for the current fiscal year.

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 statements. All property taxes receivable and the allowance for uncollectible taxes are reported in the government-wide statements.

Inventories – Inventories include plant maintenance and operating supplies, instructional supplies, and food commodities. Inventories of supplies are carried on the balance sheet at weighted average cost and are subsequently charged to expenditures when consumed or requisitioned. Although food commodities are received

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

at no cost, the market values are supplied by the Texas Department of Agriculture and are recorded as inventory on the date received.

Revenues related to the receipt of food commodities are recorded when title passes to the District, which is when the commodity is used. The balance of commodities inventory received but not consumed is recorded as unearned revenue in the Child Nutrition Fund. All inventories are offset at year-end by nonspendable fund balance in the fund financial statements.

Encumbrances – Under encumbrance accounting, purchase orders, contracts and other commitments for the expenditure of funds are recorded in the accounting system in order 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 material or service. For budgetary purposes, appropriations lapse at fiscal year-end, and outstanding encumbrances at year-end are re-appropriated in the next fiscal year. None of the individual encumbrances reported are considered significant to the financial statements.

Compensated Absences - The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – state leave, local leave and vacation. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements.

State Personal Leave

The District is required under Texas Education Code 22.003 to provide eligible employees with a minimum of five days of personal leave per year (state leave) with no limit on accumulation and no restrictions on transfer between Districts. State leave benefits are not eligible for payment upon separation from employment.

Local Leave

The District's policy provides eligible employees with five days of local leave with no limit on accumulation. Local leave days may be accumulated and carried over from year to year during RISD employment. Local leave days are not transferable. Part-time employees who regularly are scheduled to work less than 75% (typically 30 hours) of the regular workweek do not accrue local leave days. Accrued local leave is not eligible for payment upon separation from employment.

Vacation

The District's policy permits employees to accumulate earned but unused vacation benefits to a maximum of 24 days. Vacation benefits are eligible for payment upon retirement or termination of employment. Such payment will be based upon the employee's base rate of pay at the time the last vacation day was earned.

A liability for the estimated value of leave benefits that will be paid upon separation of service or used by employees as time off is included in the liability for compensated absences.

Capital Assets – Capital assets are defined by the District as assets with an initial, individual cost that equals or exceeds \$5,000 and an estimated useful life more than one year. As the District constructs or acquires capital assets each period, including infrastructure assets, they are capitalized and reported at historical cost (except for intangible right-to-use lease assets). The reported value excludes normal maintenance and repairs, which are amounts spent in relation to capital assets that do not increase the asset's capacity or efficiency or increase its estimated useful life. Donated capital assets are recorded at acquisition value at the date of donation. Acquisition

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

value is the price that would be paid to acquire an asset with equivalent service potential on the date of the donation. Intangible assets follow the same capitalization policies as tangible capital assets and are reported with tangible assets in the appropriate capital asset class.

Land and construction in progress are not depreciated. Other tangible and intangible capital assets of the primary government are depreciated/amortized using the straight-line method over the following estimated useful lives:

| <u>Asset Classification</u> | <u>Useful Life</u> |
|------------------------------------|--------------------|
| Land Improvements | 10 - 20 years |
| Building and Building Improvements | 15 - 30 years |
| Furniture and Other Equipment | 5 - 20 years |
| Right-to-use Lease Asset | 1 - 20 years |
| Right-to-use SBITA Asset | 1 - 5 years |

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*. Effective for bonds issued after September 1, 2002, 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 premium or discount. 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.

Leases

Lessee – The District is lessee for non-cancellable leases building space, furniture and equipment. The District recognizes a lease liability and an intangible right-to-use lease asset (lease asset) 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 lease asset is amortized on a straight-line basis over 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-cancellable period of the lease. Lease payments included in the measurement of the lease liability are composed of fixed payments and purchase option price that the District is reasonably certain to exercise.

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

Lease assets are reported with other capital assets and lease liabilities are reported with long-term debt on the statement of net position.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

Lessor – The District is a lessor for non-cancellable leases agreements. 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 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-cancellable period of the lease. Lease receipts included in the measurement of the lease receivable is composed of fixed payments from the lessee.

The District monitors changes in circumstances that would require a remeasurement of its lease 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 (SBITA) – The District has noncancellable contracts with SBITA vendors for the right to use information technology (IT) software, alone or in combination with tangible capital assets (the underlying IT assets). The District recognizes a subscription liability, reported with long-term debt, and a right-to-use subscription asset (an intangible asset), reported with 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 an 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 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 noncancellable 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

Pensions – The fiduciary net position of the Teacher Retirement System of Texas (TRS) has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net pension liability, deferred outflows of resources and deferred inflows of resources related to pensions, pension expense, and information about assets, liabilities and additions to/deductions from TRS's fiduciary net position. Benefit payments (including refunds of employee contributions) are recognized when due and payable in accordance with the benefit terms. Investments are reported at fair value.

Other Post-Employment Benefits (OPEB) - The fiduciary net position of the Teacher Retirement System of Texas (TRS) TRS Care Plan has been determined using the flow of economic resources measurement focus and full accrual basis of accounting. This includes for purposes of measuring the net OPEB liability, deferred outflows of resources and deferred inflows of resources related to other post-employment benefits, OPEB expense, and information about assets, liabilities and additions to/deductions from TRS Care's fiduciary net position. Benefit payments are recognized when due and payable in accordance with the benefit terms. There are no investments as this is a pay-as you-go plan and all cash is held in a cash account.

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 that applies to a future period(s) and so will not be recognized as an outflow of resources (expense/expenditure) until then. The District has three items that qualify for reporting in this category. It is the deferred charge on refunding reported in the government-wide statement of net position, and deferred amounts related to pension and OPEB. The deferred charge on refunding resulted from the difference between the carrying value of refunded debt and its reacquisition price. This amount is deferred and amortized over the shorter of the life of the refunded or refunding debt. The deferred amounts related to pension and OPEB relate differences between estimated and actual investment earnings, changes in actuarial assumptions, and other pension and OPEB related changes.

Deferred inflows of resources represent an acquisition of net assets that applies to a future period(s) and so will not be recognized as an inflow of resources (revenue) until that time. Unavailable revenue is reported only in the governmental funds balance sheet. The governmental funds report unavailable revenues from two sources: property taxes and leases. These amounts are deferred and recognized as an inflow of resources in the period that the amounts become available. In the government-wide financial statements the District reports amounts related to leases and deferred amounts related to pension and OPEB.

Deferred Outflows of Resources for Pension – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results 1) changes in actuarial assumptions; 2) differences between expected and actual actuarial experiences, and 3) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to pensions resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the next fiscal year. The remaining pension related deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Deferred Outflows of Resources for Post-employment Benefits – Reported in the government-wide financial statement of net position, this deferred outflow results from pension plan contributions made after the measurement date of the net pension liability and the results of 1) differences between projected and actual earnings on pension plan investments and 2) changes in the District's proportional share of pension liabilities. The deferred outflows of resources related to post-employment benefits resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net post-employment benefit liability in the next fiscal year. The deferred outflows resulting from differences between projected and actual earnings on OPEB plan investments will be amortized over a closed five year period. The remaining deferred outflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

Deferred Inflows of Resources for Pension – reported in the government-wide financial statement of net position, these deferred inflows result primarily from 1) differences between projected and actual earnings on pension plan investments, 2) changes in actuarial assumptions, 3) differences between expected and actual actuarial experiences, and 4) changes in the District's proportional share of pension liabilities. The deferred inflows resulting from differences between projected and actual earnings on pension plan investments will be amortized over a closed five year period. The remaining pension related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with pensions through the pension plan.

Deferred Inflows of Resources for Post-employment Benefits – Reported in the government wide financial statement of net position, these deferred inflows result primarily from 1) changes in actuarial assumptions and 2) differences between expected and actual actuarial experiences. These post-employment related deferred inflows will be amortized over the expected remaining service lives of all employees (active and inactive employees) that are provided with post-employment benefits through the post-employment benefit plan.

Data Control Codes - Data control codes refer to the account code structure prescribed by the Texas Education Agency, *Financial Accountability System Resource Guide*.

FUND BALANCES AND NET POSITION

Government-wide Financial Statements – Net position on the *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, which are directly attributable to the acquisition, construction or improvement of those capital assets.

Restricted for Federal and State Grants 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.

Restricted for Child Nutrition is the component of net position restricted by the Department of Agriculture for use in the Child Nutrition Program.

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

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

Governmental Fund Financial Statements – Fund balances on the *Balance Sheet* include the following:

Nonspendable Fund Balance is the portion of the 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. The District has classified inventory and prepaid expenditures as being nonspendable as these items are not expected to be converted to cash.

Restricted Fund Balance includes amounts restricted for a specific purpose by the provider (such as a 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. Child Nutrition and other Federal and State grant resources are restricted pursuant to the mandates of the granting agency.

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

passage of a resolution. These amounts cannot be used for any other purpose unless the Board removes or changes the constraint by exercising the same type of action originally used to commit the funds. The Board of Trustees has committed resources as of June 30, 2025, for local grants and awards to be spent for campus activities. Additionally, fund balance associated with the District's Local Permanent School Fund has been committed to remain intact, with interest earnings used as an additional revenue source for the General Fund.

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. Board policy CA (Local) delegates authority to assign fund balance to the Superintendent or Chief Financial Officer; although the Board may also directly assign fund balance for specific purposes. As of June 30, 2025, the District has assigned fund balance in the General Fund for the following purposes:

- Construction – assigned to renovation projects.
- Claims and judgments – assigned to cover potential claims and judgements.
- Insurance Deductibles – assigned to the coverage of the deductibles of certain insurance policies.
- Instructional Projects – assigned to cover instructional programs selected by the board and administration.
- Compensated Absences - assigned to salary related payments for accrued and unused vacation days for qualifying employees.
- Equipment acquisition, repair and replacement – assigned to accommodate unforeseeable catastrophic events.
- 2025-2026 Budget – assigned to offset the deficit budget adopted for the 2025-2026 fiscal year.

Unassigned Fund Balance is the difference between the total fund balance and the total of the non-spendable, 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.

The following table classifies the fund balances for all major governmental funds by purpose. Committed fund balances are divided between federal, state and local sources, including the District's Permanent School Fund (a sub-fund of the non-major Local Funds), based on the granting authority or local guidelines.

RICHARDSON INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****AS OF JUNE 30, 2025**

| | Nonspendable | Restricted | Committed | Assigned | Unassigned |
|---|---------------------|-----------------------|----------------------|----------------------|-----------------------|
| 2025-2026 Budget Deficit | \$ - | \$ - | \$ - | \$ 28,584,975 | \$ - |
| Capital Acquisitions and Construction | - | 135,582,699 | - | 19,946,038 | - |
| Child Nutrition Program | - | 7,136,057 | - | - | - |
| Claims and Judgments | - | - | - | 2,000,000 | - |
| Inventories | 860,183 | - | - | - | - |
| Insurance Deductible | - | - | - | 8,000,000 | - |
| Instructional Projects | - | - | - | 2,769,460 | - |
| Other Purposes: | | | | | |
| Compensated Absences | - | - | - | 2,868,035 | - |
| Equipment Acquisition, Repair and Replacement | - | - | - | 5,000,000 | - |
| Prepaid Items | 1,997 | - | - | - | - |
| Retirement of Long-Term Debt | - | 44,927,461 | - | - | - |
| State Grants | - | 684,642 | - | - | - |
| Local Grants | | | | | |
| Local Grants and Awards | - | - | 3,205,015 | - | - |
| Local Permanent School Fund | - | - | 26,599,576 | - | - |
| All Other Purposes | - | - | - | - | 108,523,219 |
| Total Fund Balance | \$ 862,180 | \$ 188,330,859 | \$ 29,804,591 | \$ 69,168,508 | \$ 108,523,219 |

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.

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.

2. CASH AND INVESTMENTS

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

Under Texas state law, a bank serving as the school depository must have a bond or, in lieu thereof, deposited or pledged securities with the District or an independent third-party agent, in an amount equal to the highest daily balance of all deposits the District may have during the term of the depository contract, less any applicable FDIC insurance.

At June 30, 2025, the carrying amount of the District's deposits (cash) and outstanding checks was (\$3,338,645). The combined bank balance was \$250,000. In addition, the District had petty cash and escrow balances held

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

at difference locations amounting to \$166,452. During 2024-2025, the District's combined deposits were fully insured by federal depository insurance or collateralized with securities pledged to the District and held in the District's name by the District's agent.

In addition, the following is disclosed regarding coverage of combined balances on the date of highest deposit:

1. Depository: Wells Fargo Bank NA
2. The date of the highest deposit was April 17, 2025, when combined cash, savings and time deposits amounted to \$23,433,175.
3. The amount of bond and pledged collateral as of the date of the highest combined balance on deposit was \$26,139,558.
4. The total amount of FDIC coverage at the time of the largest combined balance was \$250,000.

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. The fair value of the positions in the pools is the same as the value of the pools. There are no limitations or restrictions on withdrawals (i.e. notice periods or maximum transaction amounts). The District invests the following investment pools:

TexPool is a public funds investment pool administered by the State Comptroller of Texas. The portfolio of *TexPool* is managed by Federated Investors, Inc., and the assets are held in a separate custodial account at the State Street Bank in the name of *TexPool*.

The Lone Star Investment Pool is governed by an 11 member board, all of whom are participants in the pool. American Beacon Advisors and BNY Mellon Cash Investment Strategies manage the investment of *Lone Star's* assets.

TexSTAR is co-administered by J.P. Morgan Asset Management, Inc. and Hilltop Securities, Inc.

The District complies with GASB Statement No. 40, *Deposit and Investment Risk Disclosures*, which addresses common deposit and investment risks related to credit risk, custodial credit risk, concentration of credit risk, interest rate risk and foreign currency risk. Investment risks are addressed in the Public Funds Investment Act (PFIA), a legal document reviewed regularly by the District's authorized investment officers. Methodologies to mitigate and control these risks are included as part of the District's local investment policy.

- *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 agencies such as Standard and Poor's (S&P) or Moody's Investors Service. The District's policy manages credit risk by authorizing only the safest types of investments backed by the federal or state government or their obligations and/or with ratings from nationally recognized rating firms of at least A or its equivalent.
- *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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

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. Investments held by the District as of June 30, 2025, are listed in the following table.
- *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 and is disclosed by listing all securities held as of June 30, 2025, with their date of maturity and weighted average maturities. The District's policy manages interest rate risk by placing limits on the maximum maturities of each type of investment as well as using a laddered and liability-matching portfolio structure.
- *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 following table reflects the District's investments at June 30, 2025:

| CUSIP/Account | Description | Buy Date | Maturity Date | Par Value | Fair Value | Rating | % Portfolio | WAM (in days) |
|--|----------------------|-----------|---------------|-----------------------|-----------------------|--------|----------------|---------------|
| Money Market Funds | | | | | | | | |
| Allspring Government Fur | Sweep | - | N/A | 3,000,048 | 3,000,048 | AAAmmf | 0.69% | 1 |
| Money Market Total | | | | 3,000,048 | 3,000,048 | | 0.69% | 1 |
| Local Government Investment Pools | | | | | | | | |
| Lone Star IP | LGIP | - | N/A | 29,121,483 | 29,121,483 | AAAm | 6.70% | 2 |
| TexPool | LGIP | - | N/A | 131,595,167 | 131,595,167 | AAAm | 30.27% | 12 |
| TexSTAR | LGIP | - | N/A | 40,079,218 | 40,079,218 | AAAm | 9.22% | 2 |
| LGIP Total | | | | 200,795,868 | 200,795,868 | | 46.18% | 16 |
| Agency | | | | | | | | |
| 3133EP4K8 | FFCB | 04/29/25 | 03/05/26 | 15,000,000 | 15,059,377 | AA+ | 3.45% | 9 |
| 3133ERPC9 | FFCB | 09/04/24 | 08/12/26 | 10,000,000 | 10,000,000 | AA+ | 2.30% | 9 |
| 3130B3A29 | FHLB | 10/17/24 | 10/09/26 | 11,000,000 | 11,005,982 | AA+ | 2.53% | 12 |
| Agency Total | | | | 36,000,000 | 36,065,359 | | 8.28% | 30 |
| U.S. Government | | | | | | | | |
| 91282CEY3 | T-Note | 07/18/24 | 7/15/25 | 25,000,000 | 24,982,318 | AA+ | 5.75% | 1 |
| 912797PG6 | T-Bill | 02/05/25 | 7/31/25 | 25,000,000 | 24,913,177 | A-1+ | 5.75% | 2 |
| 912797PX9 | T-Bill | 03/31/25 | 9/18/25 | 25,000,000 | 24,775,838 | A-1+ | 5.75% | 5 |
| 91282CAM3 | T-Note | 02/05/25 | 9/30/25 | 20,000,000 | 19,802,866 | AA+ | 4.60% | 4 |
| 91282CFP1 | T-Note | 07/18/24 | 10/15/25 | 25,000,000 | 24,964,258 | A-1+ | 5.75% | 6 |
| 912797QG5 | T-Bill | 04/28/25 | 10/23/25 | 15,000,000 | 14,807,102 | A-1+ | 3.45% | 4 |
| U.S. Government Total | | | | 135,000,000 | 134,245,559 | | 31.05% | 14 |
| Commercial Paper | | | | | | | | |
| 78009AV43 | Royal Bank of Canada | 12/4/2024 | 8/4/25 | 10,000,000 | 9,958,728 | A-1+ | 2.30% | 1 |
| 91510KV61 | UT System | 2/11/2025 | 8/6/25 | 25,000,000 | 24,891,500 | A-1+ | 5.75% | 2 |
| 78009BB68 | Royal Bank of Canada | 5/12/2025 | 2/6/26 | 25,000,000 | 24,362,916 | A-1+ | 5.75% | 13 |
| Commercial Paper Total | | | | 60,000,000 | 59,213,144 | | 13.80% | 13 |
| Grand Total | | | | \$ 434,795,916 | \$ 433,319,978 | | 100.00% | 74 |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2025

Fair Value Measurements

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 that are 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.

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 a liability is measured using inputs from more than one level of the fair value hierarchy, the measurement is considered to be based on the lowest priority level input that is significant to the entire measurement.

| Investments by Fair Value Level: | Fair Value Measurements Using | | | |
|----------------------------------|-------------------------------|---|---|---|
| | Balance as of June 30, 2025 | Quoted Process in Active Markets for Identical Assets (Level 1) | Significant Other Observable Inputs (Level 2) | Significant Unobservable Inputs (Level 3) |
| Money Market Funds | \$ 3,000,048 | \$ 3,000,048 | \$ - | \$ - |
| Agency | 36,065,359 | - | 36,065,359 | |
| U.S. Government | 134,245,559 | - | 134,245,559 | |
| Commercial Paper | 59,213,144 | - | 59,213,144 | |
| Total: | <u>\$ 232,524,110</u> | <u>\$ 3,000,048</u> | <u>\$ 229,524,062</u> | <u>\$ -</u> |

The District’s investments in State Investment Pools (statewide 2a7-like external investment pools) are not required to be measured at fair value but are measured at amortized cost.

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 February 1st of the following calendar year. The net assessed value of the roll as of the end of the fiscal year was \$32,339,098,309.

The tax rates levied for the fiscal year ended June 30, 2025 to finance General Fund operations and the payment of principal and interest on general obligation long-term debt were \$0.7552 and \$0.35 per \$100 valuation, respectively, for a total of \$1.1052 per \$100 valuation.

Current year tax collections for the period ended June 30, 2025, were 98.4% of the levy.

The ad valorem tax rate is allocated each year 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

TAX INCREMENT FINANCING

On September 11, 2006, the Board of Trustees approved a resolution to enter into an Interlocal Agreement with the City of Dallas, Texas and established Tax Increment Financing (TIF) Reinvestment Zone Number Fourteen, Skillman Corridor TIF District, in accordance with the Tax Increment Financing Act, as amended, under Chapter 311 of the Texas Tax Code. The purpose of the TIF is to promote development and redevelopment of the Skillman Corridor area through the use of tax increment financing.

RISD agreed to participate in the TIF, beginning with the tax year 2008-2009, by contributing a portion of debt service levy associated with any taxable value increase in the TIF zone as established in the 2005 base year up to a total contribution of \$10,000,000 (net present value) and total dollar contribution of \$16,577,358. The proposed duration of the Skillman Corridor TIF Zone is 30 years, ending December 31, 2035. As of June 30, 2025, the District had met the contribution requirements.

RISD may reduce or withdraw its contribution of tax increment if it determines that participation in the TIF decreases the aggregate amount of state and local funds available to or received by RISD in any school year. Tax increment funds of \$5,000,000 have been budgeted for RISD educational facilities. Other provisions have been made for relocation assistance programs for families with children in RISD schools affected by the zone.

Taxes collected and paid to the TIF in 2025 were \$1,892,704.

4. DUE FROM OTHER GOVERNMENTS

The District participates in a variety of federal and state programs from which it receives grants to partially or fully finance certain activities. In addition, the District receives entitlements from the State through the School Foundation and Per Capita Programs. All federal grants included below in Federal & State Special Revenue Funds are passed through the TEA and are reported on the financial statements as Due from Other Governments.

Balances at June 30, 2025 consisted of the following Due from Other Governments:

| | General Fund | Child Nutrition Fund | Debt Service Fund | Non-major Governmental Funds | Total |
|------------------|----------------------|-----------------------------|--------------------------|-------------------------------------|----------------------|
| Due from State | \$ 28,315,456 | \$ 1,401,207 | \$ 90,101 | \$ 5,260,715 | \$ 35,067,479 |
| Due from Federal | 10,430 | - | - | 5,601,489 | 5,611,919 |
| Due from Local | - | - | - | 133,093 | 133,093 |
| | <u>\$ 28,325,886</u> | <u>\$ 1,401,207</u> | <u>\$ 90,101</u> | <u>\$ 10,995,297</u> | <u>\$ 40,812,491</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

5. CAPITAL ASSETS

Capital assets activity for the year ended June 30, 2025, was as follows:

| | Beginning of Year, June 30, 2024 | Additions | Deletions | End of Year, June 30, 2025 |
|--|-------------------------------------|----------------|----------------|-------------------------------|
| Governmental Activities | | | | |
| Capital assets, not being depreciated/amortized | | | | |
| Land | \$ 53,228,685 | \$ - | \$ 5,667,333 | \$ 47,561,352 |
| Construction-in-progress | 301,962,781 | 28,487,519 | 293,526,194 | 36,924,106 |
| Total capital assets, not being depreciated/amortized | 355,191,466 | 28,487,519 | 299,193,527 | 84,485,458 |
| Capital assets, being depreciated | | | | |
| Land improvements | 19,889,142 | 1,656,506 | - | 21,545,648 |
| Buildings | 1,137,400,057 | 307,920,568 | 6,339,019 | 1,438,981,606 |
| Furniture, equipment, and vehicles | 146,167,877 | 4,594,306 | 713,697 | 150,048,486 |
| Right-to-use lease assets | 5,497,831 | - | - | 5,497,831 |
| Subscription-based IT arrangements | 18,185,819 | 6,484,823 | 427,689 | 24,242,953 |
| Infrastructure | 25,065,398 | - | - | 25,065,398 |
| Total capital assets, being depreciated/amortized | 1,352,206,124 | 320,656,203 | 7,480,405 | 1,665,381,922 |
| Less accumulated depreciation/amortization for: | | | | |
| Land improvements | (9,556,317) | (1,072,811) | - | (10,629,128) |
| Buildings | (591,958,933) | (46,985,702) | (651,081) | (638,293,554) |
| Furniture, equipment, and vehicles | (114,976,953) | (6,239,919) | (683,777) | (120,533,095) |
| Right-to-use lease assets | (3,579,026) | (612,118) | - | (4,191,144) |
| Subscription-based IT arrangements | (10,116,723) | (5,949,118) | (320,766) | (15,745,075) |
| Infrastructure | (22,637,903) | (162,504) | - | (22,800,407) |
| Total accumulated depreciation/amortization | (752,825,855) | (61,022,172) | (1,655,624) | (812,192,403) |
| Total capital assets, being depreciated/amortized, net | 599,380,269 | 259,634,031 | 5,824,781 | 853,189,519 |
| Total governmental activities capital assets | \$ 954,571,735 | \$ 288,121,550 | \$ 305,018,308 | \$ 937,674,977 |

Depreciation/amortization expense for the year ended June 30, 2025 was charged to the functions of the governmental activities of the primary government as follows:

| Function | Expensed |
|--|----------------------|
| 11 Instruction | \$ 47,337,853 |
| 12 Instructional Resources and Media | 134,988 |
| 13 Curriculum and Staff Development | 720,999 |
| 21 Instructional Leadership | 3,200 |
| 23 School Leadership | 3,264 |
| 31 Guidance, Counseling, and Evaluation Services | 269,303 |
| 32 Social Work Services | 9,596 |
| 33 Health Services | 121,067 |
| 34 Student Transportation | 1,823,401 |
| 35 Food Services | 459,083 |
| 36 Extracurricular Activities | 3,331,320 |
| 41 General Administration | 1,717,056 |
| 51 Maintenance and Operations | 3,589,581 |
| 52 Security and Monitoring Services | 339,113 |
| 53 Data Processing Services | 1,159,847 |
| 61 Community Services | 2,501 |
| | <u>\$ 61,022,172</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

6. LIABILITY FOR COMPENSATED ABSENCES

The District recognizes a liability for compensated absences for leave time that (1) has been earned for services previously rendered by employees, (2) accumulates and is allowed to be carried over to subsequent years, and (3) is more likely than not to be used as time off or settled (for example paid in cash to the employee or payment to an employee benefit account) during or upon separation from employment. Based on the criteria listed, the following types of leave qualify for liability recognition for compensated absences – state leave, local leave and vacation. The liability for compensated absences is reported as incurred in the government-wide financial statements. A liability for compensated absences is recorded in the governmental funds only if the liability has matured because of employee resignations or retirements. The amount for accumulated compensated absences as of June 30, 2025 is \$2,868,035. The amount eligible to be taken within the following year is \$2,215,201.

7. LONG-TERM DEBT

A summary of changes in long-term debt for the fiscal year ended June 30, 2025, is as follows:

| Description | Sale Date | Original Issue Amount | Interest Rate(s) | Final Maturity | Balance at June 30, 2024, | Issued/ Increases | Retired/ Refunded | Balance at June 30, 2025 | Amounts Due Within One Year |
|---|-----------|-----------------------|------------------|----------------|---------------------------|-----------------------|-----------------------|--------------------------|-----------------------------|
| Unlimited Tax School Building Bonds: | | | | | | | | | |
| Series 2015 | 2015 | 16,340,000 | 1.00%-5.00% | 2040 | \$ 6,120,000 | \$ - | \$ 3,980,000 | \$ 2,140,000 | \$ - |
| Series 2016 | 2016 | 76,625,000 | 2.00%-5.00% | 2041 | 45,760,000 | - | 45,760,000 | - | - |
| Series 2017 | 2017 | 198,735,000 | 3.00%-5.00% | 2042 | 152,460,000 | - | 4,150,000 | 148,310,000 | 4,775,000 |
| Series 2019 | 2019 | 116,960,000 | 4.00%-5.00% | 2044 | 70,610,000 | - | 2,405,000 | 68,205,000 | 4,510,000 |
| Series 2021 | 2021 | 176,215,000 | 3.00%-5.00% | 2046 | 123,340,000 | - | 3,600,000 | 119,740,000 | 4,950,000 |
| Series 2022 | 2022 | 192,025,000 | 3.875%-5.00% | 2047 | 161,650,000 | - | 3,425,000 | 158,225,000 | 2,270,000 |
| Series 2022A | 2022 | 193,930,000 | 4.75%-5.00% | 2048 | 186,425,000 | - | 8,310,000 | 178,115,000 | - |
| Series 2024 | 2024 | 121,210,000 | 4.00%-5.00% | 2049 | - | 121,210,000 | 32,845,000 | 88,365,000 | 12,250,000 |
| Total general obligation bonds | | | | | 746,365,000 | 121,210,000 | 104,475,000 | 763,100,000 | 28,755,000 |
| Unlimited Tax Refunding Bond: | | | | | | | | | |
| Series 2014B Ref | 2014 | 19,230,000 | 1.00%-5.00% | 2031 | 2,675,000 | - | 1,305,000 | 1,370,000 | 1,370,000 |
| Series 2015B Ref | 2015 | 25,225,000 | 2.00%-5.00% | 2032 | 17,525,000 | - | 1,785,000 | 15,740,000 | 1,870,000 |
| Series 2015C Ref | 2015 | 38,660,000 | 2.00%-5.00% | 2025 | 2,865,000 | - | 2,865,000 | - | - |
| Series 2016 Ref | 2016 | 11,905,000 | 2.00%-4.00% | 2033 | 6,795,000 | - | 895,000 | 5,900,000 | 670,000 |
| Series 2017 Ref | 2017 | 85,105,000 | 2.00%-5.00% | 2037 | 70,025,000 | - | 4,885,000 | 65,140,000 | 6,405,000 |
| Series 2020 Ref | 2020 | 33,799,970 | 2.47%-4.00% | 2039 | 32,985,000 | - | 175,000 | 32,810,000 | 185,000 |
| Series 2020A Ref | 2020 | 36,675,000 | 1.769%-3.00% | 2034 | 1,780,000 | - | - | 1,780,000 | - |
| Series 2024 Ref | 2024 | 45,900,000 | 4.50%-5.00% | 2041 | - | 45,900,000 | 460,000 | 45,440,000 | 22,105,000 |
| Total unlimited tax refunding bonds | | | | | 134,650,000 | 45,900,000 | 12,370,000 | 168,180,000 | 32,605,000 |
| Total bonds payable | | | | | 881,015,000 | 167,110,000 | 116,845,000 | 931,280,000 | 61,360,000 |
| Unamortized Bond Premium | | | | | 78,612,435 | 8,080,322 | 9,771,139 | 76,921,618 | - |
| Accrued compensated absences* | | | | | 1,198,753 | 1,669,282 | - | 2,868,035 | 2,215,201 |
| Lease liability | | | | | 1,290,580 | - | 526,996 | 763,584 | 532,445 |
| SBITA liability | | | | | 1,107,496 | 6,294,067 | 5,286,337 | 2,115,226 | 1,271,442 |
| Arbitrage liability | | | | | - | 3,536,719 | - | 3,536,719 | - |
| Self-insurance claims payable | | | | | 1,655,698 | 1,649,909 | 1,438,129 | 1,867,478 | 1,024,488 |
| Total | | | | | \$ 964,879,962 | \$ 188,340,299 | \$ 133,867,601 | \$ 1,019,352,660 | \$ 66,403,576 |

*Compensated absences are reported as a net change for the year as allowed under the provisions of GASB 101, paragraph 30.

As of June 30, 2025, \$25 million in debt was authorized but not issued from the May 2021 voter authorization.

RICHARDSON INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****AS OF JUNE 30, 2025**

Changes in debt-related deferred outflows of resources for the fiscal year ended June 30, 2025 were:

| | Balance at June 30, 2024 | Increases | Retired/ Refunded | Balance at June 30, 2025 |
|-----------------------------|-------------------------------------|------------------|------------------------------|-------------------------------------|
| Deferred loss on refundings | \$ 1,566,093 | \$ - | \$ 204,868 | \$ 1,361,225 |

Changes in debt-related deferred inflows of resources for the fiscal year ended June 30, 2025 were:

| | Balance at June 30, 2024 | Increases | Retired/ Refunded | Balance at June 30, 2025 |
|-----------------------------|-------------------------------------|------------------|------------------------------|-------------------------------------|
| Deferred gain on refundings | \$ - | \$ 4,284,276 | \$ 42,935 | \$ 4,241,341 |

During July 2024 the District issued \$121,210,000 of Unlimited Tax School Building Bonds, Series 2024 with an interest rate of 4.0% to 5.0%. The District received a net premium of \$4,946,738 on the issuance of the Series 2024 bonds. The premium is being amortized over the life of the bonds. The total proceeds, less the issuance costs and underwriter's discount of \$166,972 and \$510,916, respectively, were used for school building construction and renovation. The issuance costs were expensed. Principal and interest payments are due each February 15 and August 15, beginning in February 15, 2025 and ending February 15, 2049. This debt is subject to federal arbitrage regulations and is serviced by the Debt Service Fund

During November 2024 the District issued \$45,900,000 of Unlimited Tax Refunding Bonds, Series 2024. All of the proceeds were used to refund \$3,700,000 of Unlimited Tax School Building Bonds, Series 2015 and \$44,410,000 of Unlimited Tax School Building Bonds, Series 2016. The reacquisition price was less than the net carrying amount of the old debt resulting in a gain on refunding of \$4,284,276. This gain is presented separately and not netted with previous losses on refunding. It is carried as a deferred inflow of resources and amortized over the remaining life of the refunded debt. The issuance cost of \$238,500 was expensed. The premium received of \$3,133,584 is being amortized over the life of the refunded debt. Series 2024 bears interest between 4.5% to 5.0% and matures in 2041.

The following is a summary of bond principal maturities and interest requirements.

| Year Ending June 30 | General Obligation Bonds | | |
|--------------------------------|-------------------------------------|-----------------------|---------------------------------|
| | Principal | Interest | Principal & Interest |
| 2026 | \$ 61,360,000 | \$ 41,785,784 | \$ 103,145,784 |
| 2027 | 26,645,000 | 38,771,434 | 65,416,434 |
| 2028 | 28,800,000 | 37,448,384 | 66,248,384 |
| 2029 | 30,960,000 | 36,037,284 | 66,997,284 |
| 2030 | 32,940,000 | 34,519,234 | 67,459,234 |
| 2031-2035 | 199,350,000 | 147,785,269 | 347,135,269 |
| 2036-2040 | 241,520,000 | 99,457,780 | 340,977,780 |
| 2041-2045 | 211,085,000 | 47,742,894 | 258,827,894 |
| 2046-2049 | 98,620,000 | 8,515,413 | 107,135,413 |
| Total | \$ 931,280,000 | \$ 492,063,476 | \$ 1,423,343,476 |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

General obligation bonds of the District are reported as long-term liabilities of the governmental activities. At June 30, 2025, \$44,927,461 was available in the Debt Service Fund to service these bonds.

There are a number of limitations and restrictions contained in the general obligation bond indenture. Management asserts that the District is in compliance with all significant limitations and restrictions at June 30, 2025.

The accrued compensated absences and the self-insurance claims payable are reported as long-term liabilities of the governmental activities and are accounted for in the General Fund and Workers' Compensation Internal Service Fund, respectively.

The District is not subject to a debt limit. Texas Education Code Chapter 45, Subchapter A governs the issuance of bonds by the independent school districts in the State of Texas. Key points regarding limitations on the issuance of bonds are:

- The bonds must mature serially or otherwise not more than 40 years from their date; and
- Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general that with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

Arbitrage

In accordance with the provisions of Section 148(f) of the Internal Service Code of 1986, as amended, bonds must satisfy certain arbitrage rebate requirements. Positive arbitrage is the excess of (1) the amount earned on investments purchased with bond proceeds over (2) the amount that such investments would have earned had such investments been invested at a rate equal to the yield on the bond issue. In order to comply with the arbitrage rebate requirements, positive arbitrage must be paid to the U.S. Treasury at the end of each five year anniversary date of the bond issue. The District has estimated it has an arbitrage liability of \$3,536,719 as of June 30, 2025. This amount is considered a long-term liability, and as such, is reported only on the government-wide financial statements.

8. LEASES

LEASE PAYABLE

On August 1, 2021, the District entered into a 60-month lease for the use of Canon Copiers. An initial lease liability was recorded in the amount of \$2,434,337. As of 06/30/2025, the value of the lease liability is \$490,834. The District is required to make annual fixed payments of \$494,867. The lease has an interest rate of 0.8216%. The value of the right to use the asset as of 06/30/2025 is \$2,434,337 with accumulated amortization of \$1,906,897.

On September 1, 2021, the District entered into a 119-month lease for the use of 1500 International Parkway. An initial lease liability was recorded in the amount of \$427,415. As of 6/30/2025, the value of the lease liability is \$272,750. The District is required to make annual payments of \$14 per square foot with 2% annual increase. The payment for the year was \$45,411. The lease has an interest rate of 1.3900%. The value of the right to use asset as of 6/30/2025 is \$427,415 with accumulated amortization of \$163,842. The District has one extension option for 60 months.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

The future principal and interest lease payments as of June 30, 2025, were as follows:

| June 30, | Copiers | | | Office Space | | | Total | | |
|-----------------|-------------------|-----------------|-------------------|---------------------|------------------|-------------------|-------------------|------------------|-------------------|
| | Principal | Interest | Payments | Principal | Interest | Payments | Principal | Interest | Payments |
| 2026 | \$ 490,834 | \$ 4,033 | \$ 494,867 | \$ 41,611 | \$ 3,791 | \$ 45,402 | \$ 532,445 | \$ 7,824 | \$ 540,269 |
| 2027 | | | | 43,097 | 3,213 | 46,310 | 43,097 | 3,213 | 46,310 |
| 2028 | | | | 44,622 | 2,614 | 47,236 | 44,622 | 2,614 | 47,236 |
| 2029 | | | | 46,187 | 1,993 | 48,180 | 46,187 | 1,993 | 48,180 |
| 2030 | | | | 47,793 | 1,351 | 49,144 | 47,793 | 1,351 | 49,144 |
| 2031 | | | | 49,440 | 687 | 50,127 | 49,440 | 687 | 50,127 |
| | <u>\$ 490,834</u> | <u>\$ 4,033</u> | <u>\$ 494,867</u> | <u>\$ 272,750</u> | <u>\$ 13,649</u> | <u>\$ 286,399</u> | <u>\$ 763,584</u> | <u>\$ 17,682</u> | <u>\$ 781,266</u> |

9. SUBSCRIPTION-BASED INFORMATION TECHNOLOGY ARRANGEMENTS (SBITA)

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 monthly, quarterly, or 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:

| | Interest Rate(s) | Liability at | SBITA Term | Ending Balance |
|--------------|-------------------------|---------------------|-------------------|-----------------------|
| | | Commencement | in Years | |
| SBITA | 0.285 - 3.7120% | \$ 1,122,015 | 1 - 3 | \$ 2,115,226 |

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

| June 30, | SBITA | | |
|-----------------|---------------------|------------------|---------------------|
| | Principal | Interest | Payments |
| 2026 | 1,271,442 | 45,879 | 1,317,321 |
| 2027 | 735,388 | 24,080 | 759,468 |
| 2028 | 108,396 | 2,732 | 111,128 |
| Total | <u>\$ 2,115,226</u> | <u>\$ 72,691</u> | <u>\$ 2,187,917</u> |

10. UNEARNED REVENUE

Unearned revenue at June 30, 2025, consisted of the following:

| | Non-major | Total |
|----------------|---------------------|-------------------|
| | Governmental | |
| | Funds | |
| Federal grants | \$ 683,313 | \$ 683,313 |
| Local grants | 1,071 | 1,071 |
| State grants | 585 | 585 |
| Total | <u>\$ 684,969</u> | <u>\$ 684,969</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

11. INTERFUND BALANCES AND TRANSFERS

Interfund Balances - Interfund balances at June 30, 2025, consisted of the following individual fund receivables and payables:

| | <u>Receivables</u> | <u>Payables</u> |
|-------------------------------|-----------------------------|-----------------------------|
| Major Funds: | | |
| General Fund | \$ 14,830,855 | \$ 3,610,062 |
| Child Nutrition Fund | - | 544,127 |
| Debt Service Fund | - | 2,533,341 |
| Capital Projects Fund | - | 6,143,879 |
| Non-major Governmental Funds | 4,393,087 | 7,067,056 |
| Internal Service Funds | 83,589 | 1,742 |
| Custodial Funds | 592,676 | |
| Total | <u>\$ 19,900,207</u> | <u>\$ 19,900,207</u> |

All interfund balances represent transactions between the General Fund and other funds. These interfund balances occur when (1) General Fund cash is used to finance expenditures that take place in another fund or (2) available funds are stored in the General Fund's investment pool (i.e. student activity fund). Balances between funds are liquidated at least monthly with the exception of the grant funds in which balances are liquidated once cash is received from the granting agencies. All interfund balances reported at June 30, 2025, were liquidated shortly after year-end.

The following is a summary of the District's internal transfers for the fiscal year ended June 30, 2025:

| <u>Transfers Out</u> | <u>Transfers In</u> | <u>Amount</u> |
|----------------------|------------------------------|---------------------|
| General Fund | Non-major Governmental Funds | 1,000,000 |
| General Fund | Internal Service Fund | 254,840 |
| | | <u>\$ 1,254,840</u> |

The transfer from the General Fund to Non-Major Governmental Funds in the amount of \$1,000,000 was to finance the Instructional Enhancement Fund, a sub-fund of the Non-Major Local Funds. The \$254,840 transfer from the General Fund to the Internal Service Fund was to fund excess expenses for the Print Shop.

12. RISK MANAGEMENT

The District is exposed to various risks of loss related to theft of, damage to and destruction of assets; errors and omissions; injuries to employees; and natural disasters. The District purchases 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.

Employees of the District were covered by TRS Active Care for medical care. TRS Active Care is a statewide health coverage program for public education employees established by the 77th Texas Legislature. The District contributed approximately \$315 per month per participant to the plan, and employees, at their option, authorized payroll withholdings to pay employee contributions and additional premiums for dependents.

Self-Funded Plan

Beginning September 1, 1986, the District established a self-insurance plan for workers' compensation benefits. Claims exceeding \$500,000 for any one accident or occurrence are covered through an insurance carrier. The

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2025

District utilizes an internal service fund to account for activity related to workers’ compensation self-insurance on a cost-reimbursement basis to all departments of the District.

The costs associated with the self-funded workers’ compensation plan are reported as interfund transactions to the extent of amounts actuarially determined. Contributions are paid from all governmental and proprietary funds to the workers’ compensation insurance fund from which all claims and administrative expenses are paid. The accrued liabilities of the workers’ compensation self-insurance plan of \$1,867,478 include incurred but not reported claims. 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 reevaluated periodically to take into consideration recently settled claims, the frequency of claims, and other economic and social factors. An actuary evaluated the District’s workers’ compensation liability for incurred losses. These losses will be settled by fixed or reasonably determinable payments over a long period of time.

Changes in the workers’ compensation claims liability in fiscal year 2025 and fiscal year 2024 were:

| | Beginning of Fiscal Year Liability | Current Year Claims and Changes in Estimates | Claim Payments | End of Period Balance |
|----------------------------|---|---|---------------------------|--------------------------------------|
| 2025 Workers' Compensation | \$ 1,655,698 | \$ 1,649,909 | \$ (1,438,129) | \$ 1,867,478 |
| 2024 Workers' Compensation | \$ 1,545,775 | \$ 1,507,124 | \$ (1,397,201) | \$ 1,655,698 |

13. DEFINED BENEFIT PENSION PLAN

Plan Description

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

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

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 by writing to TRS at 1000 Red River Street, Austin, TX, 78701-2698, on the Internet at <https://www.trs.texas.gov/learning-resources/publications>; by writing to TRS at attention Finance Division, PO BOX 149676, Austin, TX, 78714-0185, or by calling 1-800-223-8778.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

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 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 postemployment benefit changes, including automatic cost of living adjustments (COLAs). Ad hoc postemployment benefit changes, including ad hoc COLAs can be granted by the Texas Legislature as previously noted in the Plan Description above. Accordingly, the 2023 Texas Legislature passed Senate Bill (SB) 10 and House Joint Resolution (HJR) 2 to provide eligible retirees with a one-time stipend and an ad hoc cost-of-living-adjustment (COLA).

One-Time Stipends

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

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

Cost-of-Living Adjustment

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

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

Texas Government Code section 821.006 prohibits benefit improvements if, as a result of the particular action, the time required to amortize TRS' unfunded actuarial liabilities would be increased to a period that exceeds 31 years, or, if the amortization period already exceeds 31 years, the period would be increased by such action. Actuarial implications of the funding provided in this manner are determined by the System's actuary.

Contributions

Contribution requirements are established or amended pursuant to Article 16, section 67 of the Texas Constitution which requires the Texas legislature to establish a member contribution rate of not less than 6% of the member's annual compensation and a state contribution rate of not less than 6% and not more than 10% of the aggregate annual compensation paid to members of the system during the fiscal year.

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

Rates for such plan fiscal years are as follows:

| | Contribution Rates | |
|--|---------------------------|-------------|
| | 2025 | 2024 |
| Member | 8.25% | 8.25% |
| Non-employer contributing entity (State) | 8.25% | 8.25% |
| Employers (District) | 8.25% | 8.25% |

The contribution amounts for the District's fiscal year 2025 are as follows:

| | Fiscal Year 2025 | |
|---|-------------------------|------------|
| | Contributions | |
| Employer (District) | \$ | 15,091,487 |
| Employee (Member) | | 28,464,256 |
| Non-Employee Contributing Entity (NECE) | | 17,468,754 |

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. Employers (public school, junior college, other entities, or the State of Texas as the employer for senior universities and medical schools) are required to pay the employer contribution rate in the following instances:

- On the portion of the member's salary that exceeds the statutory minimum for members entitled to the statutory minimum under Section 21.402 of the Texas Education Code.
- During a new member's first 90 days of employment.
- When any 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.
- When the employing district is a public junior college or junior college district, the employer shall contribute to the retirement system an amount equal to 50% of the state contribution rate for certain instructional or administrative employees; and 100% of the state contribution rate for all other employees.

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

- Public education employer contribution - all public schools, charter schools and regional education service centers must contribute 1.9% of the member's salary beginning in fiscal year 2024, which increased to 2.0% in fiscal year 2025.
- When employing a retiree of the Teacher Retirement System, the employer shall pay both the member contribution and the state contribution as an employment after retirement surcharge.

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

At June 30, 2025, the District reported a liability of \$159,572,364 for its proportionate share of the TRS's net pension liability. This liability reflects a reduction for State pension support provided to the District. The amount

RICHARDSON INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****AS OF JUNE 30, 2025**

recognized by the District as its proportionate share of the net pension liability, the related State support, and the total portion of the net pension liability that was associated with the District were as follows:

| | |
|---|-----------------------|
| District's proportionate share of the collective net pension liability | \$ 159,572,364 |
| State's proportionate share of the net pension liability associated with the District | <u>189,351,808</u> |
| | <u>\$ 348,924,172</u> |

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

At the measurement date of August 31, 2024, the District's proportion of the collective net pension liability was 0.26123% which was a decrease of 0.00222% from its proportion measured as of August 31, 2023.

For the year ended June 30, 2025, the District recognized pension expense of \$31,330,268 and revenue of \$22,630,706 for support provided by the State.

On June 30, 2025, the District reported 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 experience | \$ 8,795,411 | \$ 1,245,863 |
| Changes of assumption | 8,239,063 | 1,104,577 |
| Net difference between projected and actual earnings on pension plan investments | 969,984 | - |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 4,686,890 | 2,951,516 |
| District contributions subsequent to the measurement date | <u>12,562,091</u> | <u>-</u> |
| Totals | <u>\$ 35,253,439</u> | <u>\$ 5,301,956</u> |

The district recognized \$12,562,091 as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net pension liability in the year ended June 30, 2026. Other amounts reported as deferred outflows of resources and deferred inflows of resources related to pensions will be recognized in pension expense as follows:

| Year Ended June 30, | |
|------------------------|----------------------|
| 2026 | \$ 1,172,240 |
| 2027 | 17,961,194 |
| 2028 | 2,306,079 |
| 2029 | (4,455,111) |
| 2030 | <u>404,990</u> |
| | <u>\$ 17,389,392</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

Actuarial Methods and Assumptions

The actuarial valuation of the total pension liability was determined using the following actuarial assumptions:

| Component | Result |
|--|---|
| Actuarial Cost Method | Individual Entry Age Normal |
| Asset Valuation Method | Fair Value |
| Single Discount Rate | 7.00% |
| Long-term Expected Rate | 7.00% |
| Municipal Bond Rate as of August 2024 | 3.87% - |
| Last year ending August 31 in Projection Period (100 years) | 2123 |
| Inflation | 2.30% |
| Salary Increases | 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 used in the determination of the total pension liability are the same assumptions used in the actuarial valuation as of August 31, 2023.

Discount Rate and Long-Term Expected Rate of Return

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 in the 2019 session. It is assumed that future employer and state contributions will be 9.54 percent of payroll in fiscal year 2025 and thereafter. This includes all employer and state contributions for active and rehired retirees.

Based on these assumptions, the pension plan's fiduciary net position was projected to be available to make all projected 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

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, 2024 are summarized below:

| Asset Class | Target Allocation² | Long-Term Expected Geometric Real Rate of Return³ | Expected Contribution to Long-Term Portfolio Returns |
|--|--------------------------------------|---|---|
| Global Equity | | | |
| USA | 18.0% | 4.4% | 1.0% |
| Non-U.S. Developed | 13.0% | 4.2% | 0.8% |
| Emerging Markets | 9.0% | 5.2% | 0.7% |
| Private Equity ¹ | 14.0% | 6.7% | 1.2% |
| Stable Value | | | |
| Government Bonds | 16.0% | 1.9% | 0.4% |
| Absolute Return ¹ | 0.0% | 4.0% | 0.0% |
| Stable Value Hedge Funds | 5.0% | 3.0% | 0.2% |
| Real Return | | | |
| Real Estate | 15.0% | 6.6% | 1.2% |
| Energy, Natural Resources & Infrastructure | 6.0% | 5.6% | 0.4% |
| Commodities | 0.0% | 2.5% | 0.0% |
| Risk Parity | 8.0% | 4.0% | 0.4% |
| Leverage | | | |
| Cash | 2.0% | 1.0% | 0.0% |
| Asset Allocation Leverage | -6.0% | 1.3% | -0.1% |
| Inflation Expectation | | | 2.4% |
| Volatility Drag ⁴ | | | -0.7% |
| Expected Return | <u>100.0%</u> | | <u>7.9%</u> |

¹ Absolute return includes credit sensitive investments.

² Target allocations are based on the fiscal year 2024 policy model.

³ Capital Market Assumptions come from 2024 SAA Study CMA Survey (as of 12/31/2023).

⁴ The volatility drag results from the conversion between arithmetic and geometric mean returns.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2025**

Discount Rate Sensitivity Analysis

The following table presents the District’s proportionate share of the TRS net pension liability calculated 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 was calculated using a discount rate that is 1% lower or 1% higher than the current rate:

| | 1% Decrease | Current Discount Rate | 1% Increase |
|---|----------------|--------------------------|---------------|
| | (6.00%) | (7.00%) | (8.00%) |
| District's proportional share of the net pension liability | \$ 254,877,499 | \$ 159,572,364 | \$ 80,605,284 |

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.

14. DEFINED OTHER POST-EMPLOYMENT BENEFIT PLANS

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. TRS-Care was established in 1986 by the Texas Legislature. The TRS Board of Trustees administers the TRS-Care program and the related fund in accordance with Texas Insurance Code Chapter 1575. The Board of Trustees is granted the authority to establish basic and optional group insurance coverage for participants as well as to amend benefit terms as needed under Chapter 1575.052. The Board may adopt rules, plans, procedures, and orders reasonably necessary to administer the program, including minimum benefits and financing standards.

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/learning-resources/publications>; by writing to TRS at P.O. Box 149676, Austin, TX, 78714-0185; or by calling (800) 223-8778.

Benefits Provided

TRS-Care provides 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 cost of living adjustments (COLAs).

RICHARDSON INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****AS OF JUNE 30, 2025**

The premium rates for retirees are reflected in the following table.

| TRS-Care Monthly Premium Rates | | |
|--|----------|--------------|
| | Medicare | Non-Medicare |
| Retiree or Surviving Spouse | \$ 135 | \$ 200 |
| Retiree and Spouse | 529 | 689 |
| Retiree or Surviving Spouse and Children | 468 | 408 |
| Retiree and Family | 1,020 | 999 |

Contributions

Contribution rates for the TRS-Care plan are established in state statute by the Texas Legislature, and there is no continuing obligation to provide benefits beyond each fiscal year. The TRS-Care plan is currently funded on a pay-as-you-go basis and is subject to change based on available funding. Funding for TRS-Care is provided by retiree premium contributions and contributions from the state, active employees, and participating employers are based upon active employee compensation. 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 employer. 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 | |
|--|---------------------------|-------|
| | 2025 | 2024 |
| Active Employee | 0.65% | 0.65% |
| Non-employer contributing entity (State) | 1.25% | 1.25% |
| Employers (District) | 0.75% | 0.75% |
| Federal/private funding | 1.25% | 1.25% |

The contribution amounts for the District's fiscal year 2025 are as follows:

| | Fiscal Year 2025 | |
|---|-------------------------|-----------|
| | Contributions | |
| District contributions | \$ | 2,986,592 |
| Member contributions | | 2,242,638 |
| Non-Employee Contributing Entity (NECE) | | |
| On-behalf contribuitions (State) | | 3,702,893 |

In addition to the employer contributions listed above, there is an additional surcharge all TRS employers are subject to (regardless of whether or not they participate in the TRS Care OPEB program). When hiring a TRS retiree, employers are required to pay TRS-Care a monthly surcharge of \$535 per retiree.

The State of Texas also contributed \$2,240,804, \$1,800,660, and \$1,741,855 in 2025, 2024, and 2023, respectively, for on-behalf payments for Medicare Part D.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

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

At June 30, 2025, the District reported a liability of \$98,746,863 for its proportionate share of the TRS's Net OPEB Liability. This liability reflects a reduction for State OPEB support provided to the District. The amount recognized by the District as its proportionate share of the net OPEB liability, the related State support, and the total portion of the net OPEB liability that was associated with the District were as follows:

| | |
|--|-----------------------|
| District's proportionate share of the collective net OPEB liability | \$ 98,746,863 |
| State's proportionate share of the net OPEB liability associated with the District | 123,728,480 |
| | <u>\$ 222,475,343</u> |

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

At the measurement date of August 31, 2024, the District's proportion of the collective net OPEB liability was 0.32534% which was a decrease of 0.00809% from its proportion measured as of August 31, 2023.

For the fiscal year ended June 30, 2024, the District recognized net OPEB expense of (\$28,772,812) due to recognition of deferred inflows in excess of deferred outflows and current year expense. OPEB revenue of (\$16,082,419) was recognized for support provided by the State.

At June 30, 2025, 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 experience | \$ 18,926,458 | \$ 49,280,038 |
| Changes of assumption | 12,638,432 | 32,219,959 |
| Net difference between projected and actual earnings on pension plan investments | - | 276,523 |
| Changes in proportion and differences between District contributions and proportionate share of contributions | 14,053,653 | 10,100,063 |
| District contributions subsequent to the measurement date | 2,483,618 | - |
| Totals | <u>\$ 48,102,161</u> | <u>\$ 91,876,583</u> |

The District recognized \$2,483,618 as deferred outflows of resources resulting from District contributions subsequent to the measurement date will be recognized as a reduction of the net OPEB liability in the year ended June 30, 2026.

RICHARDSON INDEPENDENT SCHOOL DISTRICT**NOTES TO FINANCIAL STATEMENTS****AS OF JUNE 30, 2025**

Other amounts reported as deferred outflows of resources and deferred inflows of resources related to OPEB will be recognized in OPEB expense as follows:

| Year Ended June 30 | |
|-----------------------|------------------------|
| 2026 | \$ (12,254,428) |
| 2027 | (7,782,083) |
| 2028 | (10,283,348) |
| 2029 | (9,023,268) |
| 2030 | (4,995,867) |
| Thereafter | (1,919,046) |
| | <u>\$ (46,258,040)</u> |

Actuarial Methods and Assumptions

The actuarial valuation was performed as of August 31, 2023. Update procedures were used to roll forward the total OPEB liability to August 31, 2024.

The actuarial valuation of the OPEB plan offered through TRS-Care is similar to the actuarial valuation performed for the pension plan, except that the OPEB valuation is more complex. The demographic assumptions were updated based on the experience study performed for TRS for the period ending August 31, 2021. The following assumptions and other inputs used for members of TRS-Care are based on an established pattern of practice and are identical to the assumptions used in the August 31, 2023 TRS pension actuarial valuation that was rolled forward to August 31, 2024:

| <u>Demographic Assumptions</u> | <u>Economic Assumptions</u> |
|--------------------------------|-----------------------------|
| Rates of mortality | General inflation |
| Rates of retirement | Wage inflation |
| Rates of termination | Rates of disability |

The active mortality rates were based on PUB(2010), Amount-Weighted, Below-Median Income, Teacher male and female tables (with a two-year set forward for males). The post-retirement mortality rates for healthy lives were based on the 2021 TRS of Texas Healthy Pensioner Mortality Tables. The rates were projected on a fully generational basis using the ultimate improvement rates from mortality projection scale MP-2021.

The following methods and additional assumptions were used in the TRS-Care OPEB valuation:

| <u>Component</u> | <u>Result</u> |
|--|---|
| Actuarial Cost Method | Individual Entry Age Normal |
| Single Discount Rate | 3.87% as of August 31, 2024 |
| Aging Factors | Based on plan specific experience |
| Election Rates | Normal Retirement: 62% participation rate prior to age 65 and 25% participation rate after age 65. |
| | Pre-65 retirees: 30% are assumed to discontinue coverage at age 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 |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2025**

Discount Rate

A single discount rate of 3.87 percent was used to measure the total OPEB liability. This was a decrease of 0.26 percent in the discount rate since the previous year. Because the investments are held in cash and there is no intentional objective to advance fund the benefits, the Single Discount Rate is equal to the prevailing municipal bond rate. The source of the municipal bond rate is the Bond Buyer’s “20-Bond GO Index” as of August 31, 2024, using the Fixed Income Municipal bonds with 20 years to maturity that include only federally tax-exempt municipal bonds.

Discount Rate Sensitivity Analysis

The following table presents the District’s proportionate share of the TRS-Care net OPEB liability, as well as what the District’s proportionate share of the net OPEB liability would be if it were calculated using a discount rate that was 1% less than and 1% greater than the discount rate that was used (3.87%) in measuring the net OPEB liability.

| | 1% Decrease | Current | 1% Increase |
|---|--------------------|----------------------|--------------------|
| | (2.87%) | Discount Rate | (3.87%) |
| | | (3.87%) | (4.87%) |
| District's proportional share of the net OPEB liability | \$ 117,315,887 | \$ 98,746,863 | \$ 83,742,812 |

Healthcare Cost Trend Rates

The following table presents the District’s proportionate share of net OPEB liability using the assumed healthcare cost trend rate, as well as what the net OPEB liability would be if it were calculated using a trend rate that is 1% lower or 1% higher than the assumed health-care cost trend rate:

| | Healthcare Cost Trend Rate | | |
|---|-----------------------------------|---------------------|--------------------|
| | 1% Decrease | Current Rate | 1% Increase |
| District's proportional share of the net OPEB liability | \$ 80,414,659 | \$ 98,746,863 | \$ 122,635,551 |

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

Change of Benefit Terms Since the Prior Measurement Date

There were no changes in benefit terms since the prior measurement date.

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

15. COMMITMENTS AND CONTINGENCIES

Litigation

The District is occasionally the defendant in a small number of lawsuits and administrative claims arising principally in the normal course of operations. In the opinion of the administration, the outcome of these lawsuits and claims will not materially affect the accompanying combined financial statements. A total of \$2,000,000 of fund balance has been assigned to cover deductibles of certain insurance policies for claims, and for uninsured judgements, and/or administrative orders.

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 receivable at June 30, 2025, 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 combined financial statements for such contingencies.

Construction

The District was obligated at June 30, 2025, under major contracts, for construction, renovations and repair of various existing facilities. The outstanding construction contracts associated with these projects totaled approximately \$18 million as of June 30, 2025.

| <u>Projects</u> | <u>Contract Remaining</u> |
|------------------------------|-------------------------------|
| Building Renovations-BFE | 121,280 |
| Building Renovations-FMJH | 42,629 |
| Building Renovations-HPPM | 2,993,213 |
| Building Renovations-LHJH | 1,060,546 |
| Building Renovations-LRWC | 1,066,450 |
| Building Renovations-MOH | 197,357 |
| Building Renovations-NRE | 3,161,233 |
| Building Renovations-PHS | 1,039,675 |
| Building Renovations-STU | 4,061,305 |
| CTE Cosmo/Vet Reno | 941,755 |
| Fire Alarm Projects | 683,834 |
| HVAC Projects | 1,296,267 |
| Other Miscellaneous Projects | 704,202 |
| Playground Projects | 614,634 |
| Total | <u>\$ 17,984,380</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

**NOTES TO FINANCIAL STATEMENTS
AS OF JUNE 30, 2025**

16. RELATED ORGANIZATION

The RISD Excellence in Education Foundation, Inc. (the Foundation) was established to develop community relationships and to provide supplemental funds for programs in the District. Its mission is to “promote enrichment, innovation, and excellence in education.” The Foundation is a “related organization” of the District, as defined by GASB Statement No. 14, *The Financial Reporting Entity*. The Foundation is not reported as a component unit because it is not fiscally dependent on the District, and the funds held by the organization are not significant to the District’s financial statements, as defined by GASB Statement No. 39, *Determining Whether Certain Organizations Are Component Units – an amendment of GASB Statement No. 14*, and GASB Statement No. 61, *The Financial Reporting Entity: Omnibus – an amendment of GASB Statements No. 14 and No. 34*.

17. SHARED SERVICES ARRANGEMENT

Regional Day School Program for the Deaf

The District participates in the Plano Regional Day School Program for the Deaf, a shared services arrangement (SSA) which provides deaf education services to sixteen member districts. The member districts also include Allen, Blue Ridge, Celina, Community, Coppell, Farmersville, Frisco, Lovejoy, McKinney, Plano, Princeton, Prosper, and Wylie ISDs.

The District made payments totaling \$474,404 to the Plano ISD (the fiscal agent) for services provided during the year. The District accounts for the payments to the fiscal agent in Function 93 – Payments to Fiscal Agent of Shared Service Arrangements. Payments are determined based on predetermined criteria established in the shared service arrangement agreement. The fiscal agent is responsible for all financial activities of the SSA.

Autism Grant Program

The District is the fiscal agent for the Autism Grant Program shared service agreement (SSA). In addition to the District, other member districts include Community ISD. The District, acting as the fiscal agent, receives monies from the granting agency and administers the program. The District is also responsible for employment of personnel, budgeting, accounting and reporting.

According to the SSA agreement, the fiscal agent upon receipt of proper documentation will reimburse costs incurred by the member districts. Member districts must not exceed the amounts authorized without prior written approval of the fiscal agent.

Expenditures reimbursed to the member districts as of June 30, 2025 are summarized below:

| <u>Member Districts</u> | <u>Reimbursement</u> |
|-------------------------|----------------------|
| Community ISD | \$ 1,491 |
| Richardson ISD | 79,804 |
| | <u>\$ 81,295</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT

NOTES TO FINANCIAL STATEMENTS

AS OF JUNE 30, 2025

18. NEW ACCOUNTING PRONOUNCEMENTS

GASB Statement No. 103, Financial Reporting Model Improvements (GASB 103), improves key components of the financial reporting model to enhance its effectiveness in providing information that is essential for decision making and assessing a government's accountability. This statement also addresses certain application issues. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 103 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

GASB Statement No. 104, Disclosure of Certain Capital Assets (GASB 104), establishes requirements for certain types of capital assets to be disclosed separately in the capital assets note disclosures. It also establishes requirements for capital assets held for sale, including additional disclosures for those capital assets. The requirements of this statement are effective for reporting periods beginning after June 15, 2025, with earlier application encouraged. GASB 104 will be implemented in the District's fiscal year 2026 financial statements and the impact has not yet been determined.

19. SUBSEQUENT EVENTS

In July 2025 the District issued \$24,680,000 of Unlimited Tax School Building Bonds, Series 2025.

On November 4, 2025 Richardson ISD voters approved three Propositions on the district's \$1.4 billion bond package. The three propositions include funds designed to address projects across the district as prioritized by the Bond Steering Committee:

- Proposition A: Construction and Instructional Materials – approved by 63.88 % of voters. Includes construction and renovations at six Middle Schools, CTE Center and Environmental Center.
- Proposition B: Technology Devices- approved by 64.68 % of voters. Includes planned replacement of devices for students, staff, CTE labs, and library and media centers.
- Proposition C: Stadium Upgrades- approved by 52.83 % of voters. Includes ADA upgrades, lighting, and turf replacement at RISD's two largest stadiums.

Required Supplementary Information

Richardson Independent School District
Budgetary Comparison Schedule
General Fund
For the year ended June 30, 2025

Exhibit G - 1

| Data Control Codes | | Budgeted Amounts | | Actual | Variance with Final Budget Positive/(Negative) |
|--------------------------|---|------------------|----------------|----------------|--|
| | | Original | Final | | |
| | REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ 258,078,642 | \$ 260,881,395 | \$ 262,189,445 | \$ 1,308,050 |
| 5800 | State program revenues | 127,559,288 | 142,741,136 | 143,272,130 | 530,994 |
| 5900 | Federal program revenues | 5,094,018 | 6,496,203 | 8,817,843 | 2,321,640 |
| 5020 | Total revenues | 390,731,948 | 410,118,734 | 414,279,418 | 4,160,684 |
| | EXPENDITURES | | | | |
| | Current: | | | | |
| 0011 | Instruction | 250,851,723 | 264,506,033 | 260,297,803 | 4,208,230 |
| 0012 | Instructional resources and media services | 6,246,002 | 6,217,420 | 5,477,875 | 739,545 |
| 0013 | Curriculum and staff development | 9,918,081 | 9,998,285 | 8,660,225 | 1,338,060 |
| 0021 | Instructional leadership | 7,571,830 | 7,963,610 | 7,322,296 | 641,314 |
| 0023 | School leadership | 27,354,648 | 27,158,700 | 25,685,281 | 1,473,419 |
| 0031 | Guidance, counseling, and evaluation services | 20,620,672 | 21,911,450 | 21,707,268 | 204,182 |
| 0032 | Social work services | 1,515,022 | 1,564,360 | 1,391,967 | 172,393 |
| 0033 | Health services | 6,160,110 | 6,379,780 | 6,093,276 | 286,504 |
| 0034 | Student transportation | 8,691,221 | 12,632,742 | 10,568,374 | 2,064,368 |
| 0035 | Food service | 250,000 | 650,000 | 542,385 | 107,615 |
| 0036 | Extracurricular activities | 6,646,770 | 8,460,665 | 8,200,728 | 259,937 |
| 0041 | General administration | 10,257,643 | 11,131,725 | 10,711,031 | 420,694 |
| 0051 | Plant maintenance and operations | 38,941,690 | 45,801,026 | 41,936,255 | 3,864,771 |
| 0052 | Security and monitoring services | 7,080,445 | 8,584,032 | 6,818,439 | 1,765,593 |
| 0053 | Data processing services | 5,108,281 | 5,575,767 | 4,728,112 | 847,655 |
| 0061 | Community services | 3,301,986 | 3,421,648 | 2,680,719 | 740,929 |
| | Debt service: | | | | |
| 0071 | Principal on long-term debt | 34,513 | 279,924 | 180,738 | 99,186 |
| 0072 | Interest on long-term debt | 540 | 50,540 | 10,673 | 39,867 |
| | Intergovernmental charges: | | | | |
| 0091 | Contracted instructional services between schools | 4,918,676 | 6,000,000 | 5,452,555 | 547,445 |
| 0093 | Payments related to shared services arrangements | 255,704 | 475,704 | 474,404 | 1,300 |
| 0095 | Juvenile justice alternative education programs | 50,000 | 60,000 | 60,912 | (912) |
| 0099 | Other intergovernmental charges | 1,316,566 | 1,318,067 | 1,318,067 | - |
| 6030 | Total expenditures | 417,092,123 | 450,141,478 | 430,319,383 | 19,822,095 |
| 1100 | Excess of revenues over expenditures | (26,360,175) | (40,022,744) | (16,039,965) | 23,982,779 |
| | OTHER FINANCING SOURCES (USES) | | | | |
| 7912 | Sale of real or personal property | 131,470 | 131,470 | 74,965 | (56,505) |
| 7949 | Subscription-based information technology arrangements (SBITAs) | - | - | 226,513 | 226,513 |
| 8911 | Transfers out | (1,000,000) | (2,500,000) | (1,254,840) | 1,245,160 |
| 7080 | Total other financing sources and (uses) | (868,530) | (2,368,530) | (953,362) | 1,415,168 |
| 1200 | Net change in fund balances | (27,228,705) | (42,391,274) | (16,993,327) | 25,397,947 |
| 0100 | Fund balances--beginning | 183,514,011 | 183,514,011 | 183,514,011 | - |
| 3000 | Fund balances--ending | \$ 156,285,306 | \$ 141,122,737 | \$ 166,520,684 | \$ 25,397,947 |

See the notes to the required supplementary information at the end of the Budgetary Comparison Reporting - Required Supplemental Information section.

Richardson Independent School District
Budgetary Comparison Schedule
Child Nutrition Fund
For the year ended June 30, 2025

Exhibit G - 2

| Data Control Codes | | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------|---|------------------|--------------|--------------|-------------------------------|
| | | Original | Final | | Positive/(Negative) |
| | REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ 3,587,100 | \$ 3,587,100 | \$ 3,606,410 | \$ 19,310 |
| 5800 | State program revenues | 88,000 | 88,000 | 78,507 | (9,493) |
| 5900 | Federal program revenues | 14,804,630 | 14,804,630 | 14,180,871 | (623,759) |
| 5020 | Total revenues | 18,479,730 | 18,479,730 | 17,865,788 | (613,942) |
| | EXPENDITURES | | | | |
| | Current: | | | | |
| 0035 | Food service | 24,167,529 | 24,110,529 | 19,024,497 | 5,086,032 |
| 0051 | Plant maintenance and operations | 313,504 | 370,504 | 307,387 | 63,117 |
| 0061 | Community services | 200 | 200 | - | 200 |
| 6030 | Total expenditures | 24,481,233 | 24,481,233 | 19,331,884 | \$ 5,149,349 |
| 1100 | Excess (deficiency) of revenues over expenditures | (6,001,503) | (6,001,503) | (1,466,096) | 4,535,407 |
| | OTHER FINANCING SOURCES | | | | |
| 7912 | Sale of real or personal property | - | - | 14,598 | 14,598 |
| 7080 | Total other financing sources | - | - | 14,598 | 14,598 |
| 1200 | Net change in fund balances | (6,001,503) | (6,001,503) | (1,451,498) | 4,550,005 |
| 0100 | Fund balances--beginning | 8,674,740 | 8,674,740 | 8,674,740 | - |
| 3000 | Fund balances--ending | \$ 2,673,237 | \$ 2,673,237 | \$ 7,223,242 | \$ 4,550,005 |

See the notes to the required supplementary information at the end of the Budgetary Comparison Reporting - Required Supplemental Information section.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION
JUNE 30, 2025

Budgetary Information

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 Budgetary Comparison Schedule for the Debt Service Fund can be found on Exhibit H-1. 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 Director of Budget 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.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET PENSION LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN MEASUREMENT YEARS

| | 2024 | 2023 | 2022 |
|--|----------------|----------------|----------------|
| District's proportion of the net pension liability ¹ | 0.26123% | 0.26346% | 0.26634% |
| District's proportionate share of the net pension liability | \$ 159,572,364 | \$ 180,969,213 | \$ 158,116,832 |
| State's proportionate share of the net pension liability associated with the District | 189,351,808 | 219,147,840 | 204,411,165 |
| Total | \$ 348,924,172 | \$ 400,117,053 | \$ 362,527,997 |
| District's covered payroll ² | 338,356,044 | \$ 324,630,586 | \$ 317,970,886 |
| District's proportionate share of the net pension liability as a percentage of its covered payroll | 47.16% | 55.75% | 49.73% |
| Plan fiduciary net position as a percentage of the total pension liability ³ | 77.51% | 73.15% | 75.62% |
| Plan's net pension liability as a percentage of covered payroll ³ | 102.39% | 122.32% | 112.72% |

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

¹ Net pension liability is presented prospectively in accordance with GASB 68.

² Covered payroll includes all TRS-eligible payroll paid by the district during the plan year

³ Per Teacher's Retirement System of Texas' Annual Comprehensive Financial Report (September 1 - August 31).

Exhibit G-3

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 | 2015 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 0.24810% | 0.24360% | 0.25638% | 0.24998% | 0.23729% | 0.23325% | 0.24403% |
| \$ 63,177,003 | \$ 130,453,450 | \$ 133,275,141 | \$ 137,594,491 | \$ 75,873,354 | \$ 88,142,186 | \$ 86,261,251 |
| 86,598,680 | 198,665,078 | 186,147,028 | 196,078,414 | 117,388,473 | 141,697,938 | 135,250,133 |
| \$ 149,775,683 | \$ 329,118,528 | \$ 319,422,169 | \$ 333,672,905 | \$ 193,261,827 | \$ 229,840,124 | \$ 221,511,384 |
| \$ 302,223,898 | \$ 293,210,674 | \$ 275,303,043 | \$ 259,708,146 | \$ 248,739,714 | \$ 240,629,776 | \$ 231,869,363 |
| 20.90% | 44.49% | 48.41% | 52.98% | 30.50% | 36.63% | 37.20% |
| 88.79% | 75.54% | 75.24% | 73.74% | 82.17% | 78.00% | 78.43% |
| 51.08% | 110.36% | 114.93% | 126.11% | 75.93% | 92.75% | 91.94% |

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

| | 2025 | 2024 | 2023 |
|--|----------------|----------------|----------------|
| Contractually required contribution | \$ 15,091,487 | \$ 14,628,275 | \$ 13,555,761 |
| Contributions in relation to the contractually required contribution | 15,091,487 | 14,628,275 | 13,555,761 |
| Contribution deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll ⁽¹⁾ | \$ 345,021,287 | \$ 334,389,805 | \$ 325,601,356 |
| Contributions as a percentage of covered payroll | 4.37% | 4.37% | 4.16% |

⁽¹⁾ Covered payroll includes all TRS-eligible payroll paid by the district during the fiscal year (July 1 - June 30).

Exhibit G-4

| 2022 | 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| \$ 12,065,099 | \$ 10,193,095 | \$ 9,952,433 | \$ 8,867,892 | \$ 8,317,201 | \$ 7,711,085 | \$ 7,392,322 |
| 12,065,099 | 10,193,095 | 9,952,433 | 8,867,892 | 8,317,201 | 7,711,085 | 7,392,322 |
| <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| \$ 315,569,467 | \$ 298,431,012 | \$ 291,835,068 | \$ 272,585,171 | \$ 257,387,641 | \$ 247,788,010 | \$ 239,347,653 |
| 3.82% | 3.42% | 3.41% | 3.25% | 3.23% | 3.11% | 3.09% |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - PENSIONS PLANS
JUNE 30, 2025

Changes of Benefit Terms

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

Changes of Assumptions

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

RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF THE DISTRICT'S PROPORTIONATE SHARE OF THE NET OPEB LIABILITY
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST EIGHT MEASUREMENT YEARS⁽¹⁾

| | <u>2024</u> |
|--|--------------------|
| District's proportion of the net OPEB liability | 0.32534% |
| District's proportionate share of the net OPEB liability | \$ 98,746,863 |
| State's proportionate share of the net OPEB liability associated with the District | <u>123,728,480</u> |
| Total | \$ 222,475,343 |
| | |
| District's covered payroll (for Measurement Year) | \$ 338,356,044 |
| District's proportionate share of the net OPEB liability as a percentage of it's covered payroll | 29.18% |
| Plan's fiduciary net position as a percentage of the total OPEB liability * | 13.70% |
| Plan's net OPEB liability as a percentage of covered payroll * | 67.98% |

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

Net OPEB liability is calculated using a new methodology and will be presented prospectively in accordance with GASB 75.

* Per Teacher Retirement System of Texas' Annual Comprehensive Financial Report.

Note: Ten years of data should be presented in this schedule but data is unavailable prior to 2017.

Net OPEB liability and related ratios will be presented prospectively as data becomes available.

| 2023 | 2022 | 2021 | 2020 | 2019 | 2018 | 2017 |
|----------------|----------------|----------------|----------------|----------------|----------------|----------------|
| 0.33343% | 0.34616% | 0.32240% | 0.32360% | 0.32547% | 0.31499% | 0.29800% |
| \$ 73,814,729 | \$ 82,884,149 | \$ 124,381,358 | \$ 123,018,119 | \$ 153,917,279 | \$ 157,277,551 | \$ 129,595,350 |
| 89,068,816 | 101,105,640 | 166,643,301 | 165,306,864 | 204,521,636 | 219,114,033 | 191,886,599 |
| \$ 162,883,545 | \$ 183,989,789 | \$ 291,024,659 | \$ 288,324,983 | \$ 358,438,915 | \$ 376,391,584 | \$ 321,481,949 |
| | | | | | | |
| \$ 324,630,586 | \$ 317,970,886 | \$ 302,223,898 | \$ 293,210,647 | \$ 275,303,043 | \$ 259,708,146 | \$ 248,739,714 |
| 22.74% | 26.07% | 41.16% | 41.96% | 55.90% | 60.56% | 52.10% |
| 14.94% | 11.52% | 6.18% | 4.99% | 2.66% | 1.57% | 0.91% |
| 51.86% | 59.10% | 100.13% | 101.46% | 135.21% | 146.64% | 132.55% |

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DISTRICT'S OPEB CONTRIBUTIONS
TEACHERS RETIREMENT SYSTEM OF TEXAS
FOR THE LAST TEN FISCAL YEARS**

| | <u>2025</u> | <u>2024</u> | <u>2023</u> | <u>2022</u> |
|--|------------------|------------------|------------------|------------------|
| Contractually required contributions | \$ 2,903,699 | \$ 2,903,699 | \$ 2,923,327 | \$ 2,757,352 |
| Contributions in relation to the contractual required contributions | <u>2,903,699</u> | <u>2,903,699</u> | <u>2,923,327</u> | <u>2,757,352</u> |
| Contribution Deficiency (excess) | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| District's covered payroll | \$345,021,287 | \$334,389,805 | \$325,601,356 | \$315,569,467 |
| Contributions as a percentage of covered payroll | 0.84% | 0.87% | 0.90% | 0.87% |

Changes Since the Prior Actuarial Valuation

The following were changes to the actuarial assumptions or other inputs that affected measurement of the total OPEB liability since the prior measurement period:

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

Exhibit G-6

| 2021 | 2020 | 2019 | 2018 | 2017 | 2016 |
|---------------|---------------|---------------|---------------|---------------|---------------|
| \$ 2,466,588 | \$ 2,443,715 | \$ 2,291,140 | \$ 2,067,244 | \$ 1,362,833 | \$ 1,508,595 |
| 2,466,588 | 2,443,715 | 2,291,140 | 2,067,244 | 1,362,833 | 1,508,595 |
| \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| \$298,431,012 | \$291,835,068 | \$272,585,171 | \$257,387,641 | \$247,788,010 | \$239,347,653 |
| 0.83% | 0.84% | 0.84% | 0.80% | 0.55% | 0.63% |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NOTES TO THE REQUIRED SUPPLEMENTARY INFORMATION - OPEB
JUNE 30, 2025

Changes of Assumptions

Measurement Year 2018: The discount rate changed from 3.42% as of August 31, 2017 to 3.69% as of August 31, 2018, updated the health care trend rate assumption, and revised demographic and economic assumptions based on the TRS experience study.

Measurement Year 2019: The discount rate changed from 3.69% as of August 31, 2018 to 2.63% as of August 31, 2019, lowered the participation rates and updated the health care trend rate assumption.

Measurement Year 2020: The discount rate changed from 2.63% as of August 31, 2019 to 2.33% as of August 31, 2020, lowered the participation rate assumption for employees who retire after the age of 65, and lowered the ultimate health care trend rate assumption to reflect the repeal of the excise (Cadillac) tax on high-cost employer health plans.

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

Measurement Year 2022: The discount rate changed from 1.95% as of August 31, 2021 to 3.91% as of August 31, 2022. This change decreased the total OPEB liability.

Measurement Year 2023: Changes of Assumptions: The discount rate changed from 3.91% as of August 31, 2022 to 4.13% as of August 31, 2023, revised demographic and economic assumptions based on the TRS experience study.

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

Other Supplementary Information:

Non-major Governmental Funds

Richardson Independent School District
Combining Balance Sheet
Non-major Governmental Funds
June 30, 2025

Exhibit H - 1

| Data Control Codes | | Federal Grants | State Grants | Local Funds | Total Nonmajor Special Revenue Funds (See C-1) |
|---|---|---------------------|---------------------|----------------------|---|
| ASSETS AND DEFERRED OUTFLOWS OF RESOURCES | | | | | |
| Assets: | | | | | |
| 1110 | Cash and cash equivalents | \$ - | \$ - | \$ 4,678,214 | \$ 4,678,214 |
| 1120 | Current investments | - | - | 15,019,792 | 15,019,792 |
| 1240 | Receivable from other governments | 5,734,582 | 5,260,715 | - | 10,995,297 |
| 1250 | Accrued Interest | - | - | 303,703 | 303,703 |
| 1260 | Due from other funds | 174,896 | 492,408 | 3,725,783 | 4,393,087 |
| 1290 | Other receivables | - | - | 485,494 | 485,494 |
| 1910 | Long-Term Investments | - | - | 6,003,263 | 6,003,263 |
| | Total assets | <u>5,909,478</u> | <u>5,753,123</u> | <u>30,216,249</u> | <u>41,878,850</u> |
| | Total assets | <u>\$ 5,909,478</u> | <u>\$ 5,753,123</u> | <u>\$ 30,216,249</u> | <u>\$ 41,878,850</u> |
| LIABILITIES, DEFERRED INFLOWS OF RESOURCES AND FUND BALANCES | | | | | |
| Liabilities: | | | | | |
| 2110 | Accounts payable | \$ 80,812 | \$ 297,383 | \$ 276,606 | \$ 654,801 |
| 2120 | Other liabilities | - | 86 | 2,000 | 2,086 |
| 2160 | Accrued wages payable | 2,755,990 | 142,248 | 82,467 | 2,980,705 |
| 2170 | Due to other funds | 2,389,363 | 4,627,693 | 50,000 | 7,067,056 |
| 2310 | Unearned revenue | 683,313 | 1,071 | 585 | 684,969 |
| | Total liabilities | <u>5,909,478</u> | <u>5,068,481</u> | <u>411,658</u> | <u>11,389,617</u> |
| Deferred inflows of resources: | | | | | |
| Fund balances: | | | | | |
| Restricted for: | | | | | |
| 3450 | Federal and state grants | - | 684,642 | - | 684,642 |
| Committed to: | | | | | |
| 3545 | Local grants, awards and contributions | - | - | 29,804,591 | 29,804,591 |
| | Total fund balances | <u>-</u> | <u>684,642</u> | <u>29,804,591</u> | <u>30,489,233</u> |
| | Total liabilities, deferred inflows of resources and fund balances | <u>\$ 5,909,478</u> | <u>\$ 5,753,123</u> | <u>\$ 30,216,249</u> | <u>\$ 41,878,850</u> |

Richardson Independent School District
Combining Statement of Revenues, Expenditures, and Changes in Fund Balances
Non-major Governmental Funds
For the year ended June 30, 2025

Exhibit H - 2

| Data Control Codes | | Federal Grants | State Grants | Local Funds | Total Nonmajor Special Revenue Funds (See C-2) |
|---------------------------------------|---|---------------------------|-------------------------|------------------------|---|
| REVENUES | | | | | |
| 5700 | Local and intermediate sources | \$ - | \$ 337,897 | \$ 4,497,334 | \$ 4,835,231 |
| 5800 | State program revenues | - | 8,857,419 | - | 8,857,419 |
| 5900 | Federal program revenues | 29,844,194 | - | - | 29,844,194 |
| 5020 | Total revenues | 29,844,194 | 9,195,316 | 4,497,334 | 43,536,844 |
| EXPENDITURES | | | | | |
| Current: | | | | | |
| 0011 | Instruction | 17,080,874 | 4,687,220 | 1,973,989 | 23,742,083 |
| 0012 | Instructional resources and media services | 67,552 | 250 | 79,775 | 147,577 |
| 0013 | Curriculum and staff development | 7,117,619 | 508,218 | 15,158 | 7,640,995 |
| 0021 | Instructional leadership | 787,573 | 131,873 | 3,782 | 923,228 |
| 0023 | School leadership | 807,357 | - | 516,427 | 1,323,784 |
| 0031 | Guidance, counseling, and evaluation services | 2,126,159 | 324,509 | 105,757 | 2,556,425 |
| 0032 | Social work services | 508,500 | - | 79,381 | 587,881 |
| 0033 | Health services | 167,934 | 1,080 | 1,741 | 170,755 |
| 0034 | Student transportation | 7,358 | - | - | 7,358 |
| 0036 | Extracurricular activities | 3,190 | - | 567,509 | 570,699 |
| 0041 | General administration | 45,580 | - | 107,398 | 152,978 |
| 0051 | Plant maintenance and operations | 8,140 | - | 86,072 | 94,212 |
| 0052 | Security and monitoring services | 6,790 | 3,114,672 | 17,022 | 3,138,484 |
| 0053 | Data processing services | - | 65,846 | - | 65,846 |
| 0061 | Community services | 1,109,568 | - | 4,025 | 1,113,593 |
| 0081 | Facilities acquisition and construction | - | 469,875 | 100,929 | 570,804 |
| 0093 | Payments related to shared service arrangements | - | 81,295 | - | 81,295 |
| | Total expenditures | 29,844,194 | 9,384,838 | 3,658,965 | 42,887,997 |
| | Deficiency of revenues over expenditures | - | (189,522) | 838,369 | 648,847 |
| OTHER FINANCING SOURCES (USES) | | | | | |
| 7915 | Transfers in | - | - | 1,000,000 | 1,000,000 |
| | Total other financing sources (uses) | - | - | 1,000,000 | 1,000,000 |
| | Net change in fund balances | - | (189,522) | 1,838,369 | 1,648,847 |
| | Fund balances—beginning | - | 874,164 | 27,966,222 | 28,840,386 |
| | Fund balances—ending | \$ - | \$ 684,642 | \$ 29,804,591 | \$ 30,489,233 |

Other Supplementary Information:

Debt Service Fund

Richardson Independent School District
Budgetary Comparison Schedule
Debt Service Fund
For the year ended June 30, 2025

Exhibit H - 3

| Data Control Codes | | Budgeted Amounts | | Actual | Variance with Final Budget |
|--------------------------|---|------------------|----------------|----------------|-------------------------------|
| | | Original | Final | | Positive/(Negative) |
| | REVENUES | | | | |
| 5700 | Local and intermediate sources | \$ 106,075,644 | \$ 106,075,644 | \$ 113,413,243 | \$ 7,337,599 |
| 5800 | State program revenues | 9,066,818 | 9,066,818 | \$ 8,988,956 | (77,862) |
| 5020 | Total revenues | 115,142,462 | 115,142,462 | 122,402,199 | 7,259,737 |
| | EXPENDITURES | | | | |
| | Debt Service: | | | | |
| 0071 | Principal on long-term debt | 67,210,605 | 68,735,000 | 68,735,000 | - |
| 0072 | Interest on long-term debt | 44,936,210 | 42,411,815 | 42,107,696 | 304,119 |
| 0073 | Bond issuance costs and fees | 20,000 | 1,020,000 | 433,137 | 586,863 |
| 0097 | Payments to tax increment fund | 3,000,000 | 3,000,000 | 1,892,704 | 1,107,296 |
| 6030 | Total expenditures | 115,166,815 | 115,166,815 | 113,168,537 | 1,998,278 |
| 1100 | Excess (deficiency) of revenues over expenditures | (24,353) | (24,353) | 9,233,662 | 9,258,015 |
| | OTHER FINANCING USES : | | | | |
| 7901 | Refunding bonds issued | - | - | 45,900,000 | (45,900,000) |
| 7916 | Premium or Discount on Issuance of Bonds | - | - | 3,133,584 | (3,133,584) |
| 8949 | Payment to bond refunding escrow agent | - | - | (48,618,871) | 48,618,871 |
| 7080 | Total other financing sources | - | - | 414,713 | (414,713) |
| 1200 | Net change in fund balances | (24,353) | (24,353) | 9,648,375 | 8,843,302 |
| 0100 | Fund balances--beginning | 35,279,086 | 35,279,086 | 35,279,086 | - |
| 3000 | Fund balances--ending | \$ 35,254,733 | \$ 35,254,733 | \$ 44,927,461 | (9,672,728) |

Other Supplementary Information:

Internal Service Funds

Richardson Independent School District
Combining Statement of Fund Net Position
Internal Service Funds
June 30, 2025

Exhibit H - 4

| Data Control Codes | | Workers' Compensation | Print Shop | Discretionary Renovations | Total (See D-1) |
|-----------------------------------|------------------------------|----------------------------------|-------------------|--------------------------------------|----------------------------|
| ASSETS | | | | | |
| Current assets: | | | | | |
| 1110 | Cash and investments | \$ 2,540,456 | \$ 200 | \$ - | \$ 2,540,656 |
| 1260 | Due from other funds | - | 32,989 | 50,600 | 83,589 |
| | Total current assets | <u>2,540,456</u> | <u>33,189</u> | <u>50,600</u> | <u>2,624,245</u> |
| | Total assets | <u>2,540,456</u> | <u>33,189</u> | <u>50,600</u> | <u>2,624,245</u> |
| LIABILITIES | | | | | |
| Current liabilities: | | | | | |
| 2110 | Accounts payable | 35,063 | 8,635 | - | 43,698 |
| 2160 | Accrued wages payable | - | 8,777 | - | 8,777 |
| 2170 | Due to other funds | 1,742 | - | - | 1,742 |
| 2210 | Claims and judgments | 1,024,488 | - | - | 1,024,488 |
| | Total current liabilities | <u>1,061,293</u> | <u>17,412</u> | <u>-</u> | <u>1,078,705</u> |
| Noncurrent liabilities: | | | | | |
| 2590 | Claims and judgments | 842,990 | - | - | 842,990 |
| | Total noncurrent liabilities | <u>842,990</u> | <u>-</u> | <u>-</u> | <u>842,990</u> |
| | Total liabilities | <u>1,904,283</u> | <u>17,412</u> | <u>-</u> | <u>1,921,695</u> |
| NET POSITION | | | | | |
| 3900 | Unrestricted | 636,173 | 15,777 | 50,600 | 702,550 |
| | Total net position | <u>\$ 636,173</u> | <u>\$ 15,777</u> | <u>\$ 50,600</u> | <u>\$ 702,550</u> |

Richardson Independent School District
Combining Statement of Revenues, Expenses, and Changes in Fund Net Position
Internal Service Funds
For the year ended June 30, 2025

Exhibit H - 5

| Data Control Codes | Workers' Compensation | Print Shop | Discretionary Renovations | Total (See D-2) |
|--------------------------------------|----------------------------------|-------------------|--------------------------------------|----------------------------|
| Operating revenues : | | | | |
| 5754 Charges for services | \$ 1,372,519 | \$ 511,462 | \$ 100,929 | \$ 1,984,910 |
| Total operating revenues | <u>1,372,519</u> | <u>511,462</u> | <u>100,929</u> | <u>1,984,910</u> |
| Operating expenses : | | | | |
| 6100 Personnel services | 304,923 | 443,042 | - | 747,965 |
| 6200 Contractual services | 207,299 | 37,047 | 92,619 | 336,965 |
| 6300 Supplies | 2,295 | 267,091 | - | 269,386 |
| 6429 Insurance claims and expenses | 1,649,909 | - | - | 1,649,909 |
| 6400 Other operating expenses | 5,501 | 3,345 | - | 8,846 |
| Total operating expenses | <u>2,169,927</u> | <u>750,525</u> | <u>92,619</u> | <u>3,013,071</u> |
| Operating income (loss) | <u>(797,408)</u> | <u>(239,063)</u> | <u>8,310</u> | <u>(1,028,161)</u> |
| Non-operating revenues : | | | | |
| 5742 Interest and investment revenue | 110,061 | - | - | 110,061 |
| Total non-operating revenues | <u>110,061</u> | <u>-</u> | <u>-</u> | <u>110,061</u> |
| Income/(Loss) before transfers | <u>(687,347)</u> | <u>(239,063)</u> | <u>8,310</u> | <u>(918,100)</u> |
| 7915 Transfers in | <u>-</u> | <u>254,840</u> | <u>-</u> | <u>254,840</u> |
| Change in net position | (687,347) | 15,777 | 8,310 | (663,260) |
| Net position—beginning | 1,323,520 | - | 42,290 | 1,365,810 |
| 3900 Net position—ending | <u>\$ 636,173</u> | <u>\$ 15,777</u> | <u>\$ 50,600</u> | <u>\$ 702,550</u> |

Richardson Independent School District
Combining Statement of Cash Flows
Internal Service Funds
For the year ended June 30, 2025

Exhibit H - 6

| | Workers' | | Discretionary | Total |
|--|----------------------------|----------------------------|----------------------|----------------------------|
| | Compensation | Print Shop | Renovations | (See D-3) |
| CASH FLOWS FROM OPERATING ACTIVITIES | | | | |
| Cash receipts from other funds | \$ 2,025,666 | \$ 497,825 | \$ 92,619 | 2,616,110 |
| Cash Payments to suppliers | (196,244) | (307,661) | (92,619) | (596,524) |
| Cash Payments to employees | (304,923) | (445,004) | - | (749,927) |
| Internal activity - disbursements to other funds | 1,742 | - | - | 1,742 |
| Cash payment for Insurance Claims | (1,438,129) | - | - | (1,438,129) |
| Net cash used by operating activities | <u>88,112</u> | <u>(254,840)</u> | <u>-</u> | <u>(166,728)</u> |
| CASH FLOWS FROM NONCAPITAL FINANCING ACTIVITIES | | | | |
| Transfers in from other funds | - | 254,840 | - | 254,840 |
| Net cash provided by noncapital financing activities | <u>-</u> | <u>254,840</u> | <u>-</u> | <u>254,840</u> |
| CASH FLOWS FROM INVESTING ACTIVITIES | | | | |
| Interest | 110,061 | - | - | 110,061 |
| Net cash provided by investing activities | <u>110,061</u> | <u>-</u> | <u>-</u> | <u>110,061</u> |
| Net increase in cash and investments | 198,173 | - | - | 198,173 |
| Cash - beginning of the year | <u>2,342,283</u> | <u>200</u> | <u>-</u> | <u>2,342,483</u> |
| Cash - end of the year | <u><u>\$ 2,540,456</u></u> | <u><u>\$ 200</u></u> | <u><u>\$ -</u></u> | <u><u>\$ 2,540,656</u></u> |
| Reconciliation of operating income (loss) to net cash used by operating activities: | | | | |
| Operating income (loss) | \$ (797,408) | \$ (239,063) | \$ 8,310 | (1,028,161) |
| Change in assets and liabilities: | | | | |
| Due from (to) other funds | 654,889 | (13,637) | (8,310) | 632,942 |
| Accounts payable | 18,851 | (178) | - | 18,673 |
| Claims payable | 211,780 | - | - | 211,780 |
| Payroll deductions and withholdings payable | - | (1,962) | - | (1,962) |
| Net cash used by operating activities | <u><u>\$ 88,112</u></u> | <u><u>\$ (254,840)</u></u> | <u><u>\$ -</u></u> | <u><u>\$ (166,728)</u></u> |

Other Supplementary Information:

Required TEA Schedule

RICHARDSON INDEPENDENT SCHOOL DISTRICT
SCHEDULE OF DELINQUENT TAXES RECEIVABLE
AS OF JUNE 30, 2025

| Data Control Codes | Last Ten Fiscal Years | 1 | 2 | 3 |
|-----------------------------------|--------------------------------------|--------------------|---------------------|--|
| | | Tax Rates | | Net Assessed/Appraised Value For School Tax Purposes* |
| | | Maintenance | Debt Service | |
| | Prior to 2017 | various | various | various |
| | 2017 | 1.04005 | 0.30000 | 20,106,983,186 |
| | 2018 | 1.04005 | 0.35000 | 21,896,395,339 |
| | 2019 | 1.17000 | 0.35000 | 22,485,774,539 |
| | 2020 | 1.06835 | 0.35000 | 24,212,402,735 |
| | 2021 | 1.05470 | 0.35000 | 25,764,976,747 |
| | 2022 | 1.04090 | 0.35000 | 26,748,973,542 |
| | 2023 | 0.96460 | 0.35000 | 31,827,906,238 |
| | 2024 | 0.79310 | 0.35000 | 30,437,202,610 |
| | 2025 | 0.75520 | 0.35000 | 32,339,098,309 |
| 1000 | TOTALS | | | |
| 8000 | TOTALS | Taxes Refunded | | |

* The Net Assessed Values takes the DCAD June supplement value and adjusts for district calculated frozen ceilings.

Exhibit J - 1

| 10 | 20 | 31 | 32 | 40 | 50 | 99 |
|----------------------|---------------------------------|-------------------------------------|--------------------------------------|---------------------------------|----------------------|---|
| Beginning Balance | Current Year's Total Levy | Maintenance Total Collections | Debt Service Total Collections | Entire Year's Adjustments | Ending Balance | Total Taxes Refunded under Section 26.1115(c) |
| \$ 1,046,359 | \$ - | \$ 93,748 | \$ 26,055 | \$ (12,112) | 914,444 | |
| 134,517 | - | 13,369 | 4,499 | (416) | 116,233 | |
| 163,021 | - | 13,282 | 4,470 | (1,189) | 144,080 | |
| 339,201 | - | 23,084 | 6,907 | (79,331) | 229,879 | |
| 401,785 | - | 47,561 | 15,584 | (75,311) | 263,329 | |
| 794,626 | - | 78,759 | 26,141 | (344,193) | 345,533 | |
| 969,021 | - | 116,412 | 39,136 | (54,036) | 759,437 | |
| 2,475,168 | - | 8,196 | 2,974 | (585,386) | 1,878,612 | |
| 4,685,339 | - | (2,880,930) | (1,271,373) | (7,303,319) | 1,534,323 | |
| - | 358,067,971 | 240,758,158 | 111,580,312 | - | 5,729,501 | |
| <u>\$ 11,009,037</u> | <u>\$ 358,067,971</u> | <u>\$ 238,271,639</u> | <u>\$ 110,434,705</u> | <u>\$ (8,455,293)</u> | <u>\$ 11,915,371</u> | |
| | | | | | | \$ 163,604 |

RICHARDSON INDEPENDENT SCHOOL DISTRICT**Exhibit J-4****COMPENSATORY EDUCATION PROGRAM AND BILINGUAL EDUCATION PROGRAM RESPONSES
AS OF JUNE 30, 2025**

| Data Codes | Section A: Compensatory Education Programs | Column 1 Responses |
|-------------------|---|---------------------------|
| AP1 | Did your LEA expend any state compensatory education program state allotment funds during the district's fiscal year? | Yes |
| AP2 | Does the LEA have written policies and procedures for its state compensatory education program? | Yes |
| AP3 | List the total state allotment funds received for state compensatory education programs during the district's fiscal year. | \$30,583,523 |
| AP4 | List the actual direct program expenditures for state compensatory education programs during the LEA's fiscal year. (PICs 24, 26, 28, 29, 30) | \$27,527,430 |
| | Section B: Bilingual Education Programs | |
| AP5 | Did your LEA expend any bilingual education program state allotment funds during the LEA's fiscal year? | Yes |
| AP6 | Does the LEA have written policies and procedures for its bilingual education program? | Yes |
| AP7 | List the total state allotment funds received for bilingual education programs during the LEA's fiscal year. | \$7,362,735 |
| AP8 | List the actual direct program expenditures for bilingual education programs during the LEA's fiscal year. (PICs 25) | \$1,572,058 |

STATISTICAL SECTION

RICHARDSON INDEPENDENT SCHOOL DISTRICT STATISTICAL SECTION CONTENTS (UNAUDITED)

This part of the Richardson Independent School District's Annual Comprehensive Financial Report presents detailed information as a context for understanding what the information in the financial statements, note disclosures, and required supplementary information says about the District's overall financial health.

| CONTENTS | PAGE |
|--|-------------|
| Financial Trends | 85 |
| 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 | 99 |
| These schedules contain information to help the reader assess the District's most significant local revenue source, the property tax. | |
| Debt Capacity | 103 |
| 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. | |
| Demographic and Economic Information | 107 |
| These schedules offer demographic and economic indicators to help the reader understand the environment within which the District's financial activities take place. | |
| Operating Information | 109 |
| 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. | |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
NET POSITION BY COMPONENT
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> ¹ | <u>2018</u> | <u>2019</u> |
|---------------------------------------|----------------------|--------------------------|----------------------|----------------------|
| Governmental activities | | | | |
| Net investment in capital assets | \$172,227,554 | \$190,394,746 | \$202,000,786 | \$192,081,509 |
| Restricted: | | | | |
| Federal and State Grants | 473,667 | 475,891 | 757,960 | 662,718 |
| Debt Service | 15,720,885 | 19,490,981 | 15,337,873 | 20,114,100 |
| Child Nutrition | 1,796,015 | 2,295,187 | 2,896,792 | 4,090,723 |
| Unrestricted | <u>100,723,544</u> | <u>(144,681,736)</u> | <u>(94,178,399)</u> | <u>(62,139,054)</u> |
| Total primary government net position | <u>\$290,941,665</u> | <u>\$ 67,975,069</u> | <u>\$126,815,012</u> | <u>\$154,809,996</u> |

Source: The Statement of Net Position for the Richardson Independent School District

Notes:

¹ Net position for fiscal 2017 was restated in 2018 for the implementation of GASB Statement No. 75,

| Fiscal Year | | | | | |
|-----------------------|-----------------------|----------------------|----------------------|----------------------|----------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$ 205,627,885 | \$ 164,425,703 | \$ 134,140,203 | \$ 97,084,676 | \$ 95,099,895 | \$ 59,297,132 |
| 646,023 | 741,977 | 743,981 | 698,844 | 874,164 | 684,642 |
| 17,525,187 | 21,330,975 | 19,964,053 | 27,032,737 | 23,216,736 | 31,826,626 |
| 4,044,586 | 1,386,124 | 7,191,247 | 9,150,404 | 8,674,740 | 7,223,242 |
| <u>(71,095,308)</u> | <u>(72,717,443)</u> | <u>(70,303,144)</u> | <u>(57,712,362)</u> | <u>(47,407,309)</u> | <u>(63,302,391)</u> |
| <u>\$ 156,748,373</u> | <u>\$ 115,167,336</u> | <u>\$ 91,736,340</u> | <u>\$ 76,254,299</u> | <u>\$ 80,458,226</u> | <u>\$ 35,729,251</u> |

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
EXPENSES, PROGRAM REVENUES, AND NET (EXPENSE)/REVENUE
LAST TEN FISCAL YEARS (UNAUDITED)**

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| Expenses | | | | |
| Governmental activities | | | | |
| Instruction | \$ 245,539,001 | \$ 256,304,723 | \$ 180,013,193 | \$ 281,630,450 |
| Instructional resources and media services | 6,292,360 | 6,337,012 | 4,389,392 | 7,014,472 |
| Curriculum and staff development services | 10,672,947 | 10,375,582 | 6,973,671 | 13,686,699 |
| Instructional leadership | 6,193,286 | 7,279,650 | 4,477,608 | 7,431,323 |
| School leadership | 24,983,019 | 25,370,027 | 17,146,758 | 28,531,684 |
| Guidance, counseling, and evaluation services | 18,973,508 | 18,985,753 | 12,781,826 | 22,139,665 |
| Social work services | 963,892 | 1,157,341 | 1,023,808 | 1,457,860 |
| Health services | 4,939,651 | 5,157,922 | 3,469,351 | 5,502,136 |
| Student transportation | 6,265,317 | 6,896,867 | 7,138,412 | 12,718,130 |
| Food Service | 15,812,738 | 14,127,166 | 12,950,279 | 15,738,767 |
| Extracurricular activities | 8,258,342 | 9,066,812 | 7,028,892 | 9,213,908 |
| General administration | 9,011,171 | 8,858,162 | 7,240,083 | 11,889,201 |
| Plant maintenance and operations | 28,857,105 | 29,247,716 | 24,809,943 | 34,839,684 |
| Security and monitoring services | 1,878,685 | 1,877,415 | 1,720,841 | 3,483,695 |
| Data processing services | 6,419,037 | 6,676,762 | 4,605,011 | 6,962,441 |
| Community services | 665,850 | 538,736 | 409,006 | 524,015 |
| Interest on long-term debt | 16,896,313 | 17,274,819 | 22,123,052 | 22,145,742 |
| Bond issuance costs and fees | 434,471 | 2,112,334 | 747,400 | 849,067 |
| Contracted instructional services between schools | | | | 6,108,235 |
| Payments related to shared services arrangements | - | - | 404,151 | 814,853 |
| Juvenile Justice Alternative Education Programs | 3,000 | 3,000 | 8,472 | 3,000 |
| Payments to Tax Increment Fund | 243,193 | 462,517 | 915,037 | 1,253,555 |
| Other Intergovernmental Charges-Appraisal Cost | 929,897 | 941,106 | 1,008,228 | 1,090,253 |
| Total primary government program expenses | <u>414,232,783</u> | <u>429,051,422</u> | <u>321,384,414</u> | <u>495,028,835</u> |
| Program Revenues | | | | |
| Governmental activities | | | | |
| Charges for services | | | | |
| Instruction | 4,776,811 | 4,665,297 | 4,601,761 | 4,351,109 |
| Food services | 3,445,075 | 3,449,559 | 3,845,727 | 3,635,803 |
| Extracurricular activities | 657,948 | 534,159 | 588,639 | 429,794 |
| Plant maintenance and operations | 1,849,892 | 1,832,508 | 1,929,763 | 2,061,934 |
| Operating grants and contributions | 64,547,285 | 56,517,448 | (14,590,433) | 72,680,554 |
| Total primary government program revenues | <u>75,277,011</u> | <u>66,998,971</u> | <u>(3,624,543)</u> | <u>83,159,194</u> |
| Net (Expense)/Revenue | | | | |
| Total primary government expenses | <u><u>\$(338,955,772)</u></u> | <u><u>\$(362,052,451)</u></u> | <u><u>\$(325,008,957)</u></u> | <u><u>\$(411,869,641)</u></u> |

Source: The Statement of Activities for the Richardson Independent School District

| Fiscal Year | | | | | |
|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|-------------------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$ 310,669,673 | \$ 362,147,831 | \$ 305,763,202 | \$ 334,496,270 | \$ 335,958,171 | \$ 359,775,927 |
| 9,110,251 | 8,608,120 | 8,038,318 | 8,719,527 | 6,759,163 | 6,756,991 |
| 17,489,720 | 16,237,179 | 16,665,639 | 15,996,616 | 17,276,384 | 17,307,829 |
| 8,431,184 | 8,192,297 | 7,100,287 | 7,729,745 | 8,066,445 | 8,430,034 |
| 31,230,907 | 28,397,930 | 24,582,764 | 27,145,262 | 28,301,661 | 27,648,556 |
| 23,328,893 | 23,551,978 | 20,520,460 | 21,706,075 | 23,163,550 | 24,858,521 |
| 1,594,503 | 1,799,232 | 1,983,012 | 2,054,735 | 2,309,688 | 2,027,627 |
| 5,461,416 | 6,028,419 | 5,828,103 | 6,458,715 | 6,376,777 | 6,608,284 |
| 12,171,818 | 9,917,381 | 12,538,610 | 12,042,709 | 12,507,416 | 12,843,539 |
| 17,406,691 | 13,440,616 | 15,231,975 | 17,326,563 | 18,297,573 | 18,986,446 |
| 8,651,903 | 10,516,548 | 9,884,982 | 11,930,890 | 12,824,219 | 13,936,212 |
| 11,975,421 | 17,994,236 | 13,853,085 | 13,141,564 | 12,713,623 | 13,394,344 |
| 49,935,972 | 48,671,563 | 62,850,514 | 83,190,718 | 78,212,464 | 68,179,091 |
| 3,163,076 | 3,910,925 | 3,533,479 | 5,934,527 | 12,913,634 | 10,536,262 |
| 7,903,772 | 7,291,481 | 15,011,492 | 11,314,010 | 6,277,972 | 10,802,351 |
| 1,756,205 | 1,913,510 | 1,692,979 | 2,092,009 | 3,450,722 | 3,869,908 |
| 22,300,611 | 16,779,679 | 20,108,058 | 36,658,788 | 35,911,076 | 43,140,281 |
| 432,962 | 3,414,037 | 2,675,270 | - | - | - |
| 535,409 | 1,196,543 | 2,278,124 | 4,226,286 | 4,086,026 | 5,452,555 |
| 969,937 | 1,482,518 | 995,729 | 721,488 | 601,800 | 555,699 |
| 3,000 | 3,000 | 3,000 | 61,482 | 55,098 | 60,912 |
| 1,493,652 | 1,817,765 | 1,990,493 | 2,486,362 | 2,979,123 | 1,892,704 |
| 1,167,100 | 1,174,025 | 1,170,562 | 1,363,922 | 1,324,036 | 1,318,067 |
| <u>547,184,076</u> | <u>594,486,813</u> | <u>554,300,137</u> | <u>626,798,263</u> | <u>630,366,621</u> | <u>658,382,140</u> |
| 3,155,480 | 1,863,380 | 3,548,189 | 3,709,524 | 4,882,167 | 6,323,990 |
| 2,942,348 | 1,447,874 | 1,008,342 | 3,189,008 | 3,086,507 | 3,139,677 |
| 490,538 | 364,921 | 354,419 | 619,370 | 686,774 | 649,331 |
| 1,726,353 | 1,987,601 | 2,110,831 | 2,821,437 | 2,367,755 | 2,387,717 |
| 93,289,029 | 91,515,992 | 70,869,624 | 117,990,566 | 125,402,898 | 100,753,485 |
| <u>101,603,748</u> | <u>97,179,768</u> | <u>77,891,405</u> | <u>128,329,905</u> | <u>136,426,101</u> | <u>113,254,200</u> |
| <u><u>\$(445,580,328)</u></u> | <u><u>\$(497,307,045)</u></u> | <u><u>\$(476,408,732)</u></u> | <u><u>\$(498,468,358)</u></u> | <u><u>\$(493,940,520)</u></u> | <u><u>\$(545,127,940)</u></u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
GENERAL REVENUES AND TOTAL CHANGE IN NET POSITION
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--|--------------------|---------------------|----------------------|----------------------|
| Net (Expense)/Revenue | | | | |
| Total primary government expenses | \$(338,955,772) | \$(362,052,451) | \$(325,008,957) | \$(411,869,641) |
| General Revenues | | | | |
| Governmental activities | | | | |
| Taxes | | | | |
| Property taxes levied for general purposes | 183,836,133 | 200,257,917 | 217,262,735 | 262,741,966 |
| Property taxes levied for debt service | 52,607,863 | 66,606,917 | 72,054,208 | 77,263,875 |
| State Aid Formula Grants | 98,739,192 | 90,431,101 | 78,840,004 | 70,614,229 |
| Unrestricted grants and contributions | 2,726,807 | 3,952,004 | 4,939,120 | 11,388,496 |
| Investment earnings | 767,608 | 1,439,769 | 5,092,451 | 7,678,002 |
| Miscellaneous | 766,765 | 1,043,162 | 1,244,206 | 4,509,496 |
| Special Items: | | | | |
| Sale of Land Parcel | - | 2,856,462 | 103,876 | 5,668,561 |
| Receipt of buses from the Dissolution Committee for the Former Board of Dallas County Schools | - | - | 4,312,300 | - |
| Total primary government | <u>339,444,368</u> | <u>366,587,332</u> | <u>383,848,900</u> | <u>439,864,625</u> |
| Change in Net Position | | | | |
| Total primary government | <u>\$ 488,596</u> | <u>\$ 4,534,881</u> | <u>\$ 58,839,943</u> | <u>\$ 27,994,984</u> |

Source: The Statement of Activities for the Richardson Independent School District

| Fiscal Year | | | | | |
|---------------------|------------------------|------------------------|------------------------|---------------------|------------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$(445,580,328) | \$(497,307,045) | \$(476,408,732) | \$(498,468,358) | \$(493,940,520) | \$(545,127,940) |
| 259,194,611 | 270,859,001 | 276,746,490 | 289,514,267 | 235,519,642 | 241,570,346 |
| 83,326,337 | 87,637,002 | 91,516,148 | 103,633,606 | 100,891,469 | 109,638,124 |
| 87,495,161 | 82,052,490 | 64,651,647 | 50,885,279 | 125,848,656 | 118,449,455 |
| 7,587,849 | 8,178,422 | 9,929,245 | 11,503,040 | 5,277,957 | 5,078,253 |
| 5,734,398 | 364,343 | 993,926 | 22,529,534 | 26,144,474 | 22,802,642 |
| 4,180,349 | 6,601,397 | 3,195,022 | 4,920,591 | 4,462,249 | 2,860,145 |
| - | - | 5,945,258 | - | - | - |
| - | - | - | - | - | - |
| <u>447,518,705</u> | <u>455,692,655</u> | <u>452,977,736</u> | <u>482,986,317</u> | <u>498,144,447</u> | <u>500,398,965</u> |
| <u>\$ 1,938,377</u> | <u>\$ (41,614,390)</u> | <u>\$ (23,430,996)</u> | <u>\$ (15,482,041)</u> | <u>\$ 4,203,927</u> | <u>\$ (44,728,975)</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
FUND BALANCES, GOVERNMENTAL FUNDS
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|--------------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| General Fund | | | | |
| Nonspendable | \$ 665,102 | \$ 458,967 | \$ 419,040 | \$ 545,481 |
| Assigned | 11,017,389 | 20,726,587 | 17,325,661 | 29,880,328 |
| Unassigned | 80,050,869 | 80,410,277 | 80,476,033 | 92,299,289 |
| Total general fund | <u>\$ 91,733,360</u> | <u>\$ 101,595,831</u> | <u>\$ 98,220,734</u> | <u>\$ 122,725,098</u> |
| All Other Governmental Funds | | | | |
| Nonspendable | \$ 75,123 | \$ 111,212 | \$ 92,689 | \$ 163,555 |
| Restricted | 22,495,496 | 252,912,454 | 162,202,446 | 188,102,162 |
| Committed | 20,456,465 | 20,715,626 | 21,877,701 | 22,668,827 |
| Assigned | 37,889,064 | 27,027,382 | 36,272,670 | 44,435,690 |
| Total all other governmental funds | <u>\$ 80,916,148</u> | <u>\$ 300,766,674</u> | <u>\$ 220,445,506</u> | <u>\$ 255,370,234</u> |
| Total General and Other Governmental | <u>\$ 172,649,508</u> | <u>\$ 402,362,505</u> | <u>\$ 318,666,240</u> | <u>\$ 378,095,332</u> |

Source: The Balance Sheet of Governmental Funds for the Richardson Independent School District

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$ 785,384 | \$ 1,489,670 | \$ 1,442,865 | \$ 1,382,477 | \$ 785,940 | \$ 774,995 |
| 68,404,189 | 71,652,788 | 73,597,666 | 73,664,630 | 73,585,665 | 57,222,470 |
| 87,543,530 | 94,350,389 | 95,655,634 | 104,138,245 | 109,142,406 | 108,523,219 |
| <u>\$ 156,733,103</u> | <u>\$ 167,492,847</u> | <u>\$ 170,696,165</u> | <u>\$ 179,185,352</u> | <u>\$ 183,514,011</u> | <u>\$ 166,520,684</u> |
| | | | | | |
| \$ 317,601 | \$ 641,958 | \$ 151,495 | \$ 101,903 | \$ 77,481 | \$ 87,185 |
| 102,950,978 | 57,788,523 | 319,084,618 | 314,085,859 | 145,738,087 | 188,330,859 |
| 23,287,274 | 23,385,208 | 24,157,444 | 15,788,234 | 27,966,222 | 29,804,591 |
| 24,061,550 | 15,911,203 | 4,915,277 | 4,423,939 | 10,130,886 | 11,946,038 |
| <u>\$ 150,617,403</u> | <u>\$ 97,726,892</u> | <u>\$ 348,308,834</u> | <u>\$ 334,399,935</u> | <u>\$ 183,912,676</u> | <u>\$ 230,168,673</u> |
| | | | | | |
| <u>\$ 307,350,506</u> | <u>\$ 265,219,739</u> | <u>\$ 519,004,999</u> | <u>\$ 513,585,287</u> | <u>\$ 367,426,687</u> | <u>\$ 396,689,357</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS REVENUES ¹
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---------------------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Federal sources: | | | | |
| Federal grants | \$ 24,943,351 | \$ 24,947,046 | \$ 26,119,129 | \$ 34,044,410 |
| Child Nutrition | 11,299,914 | 10,959,034 | 11,241,489 | 12,227,191 |
| Total federal sources | <u>36,243,265</u> | <u>35,906,080</u> | <u>37,360,618</u> | <u>46,271,601</u> |
| State sources: | | | | |
| State education finance program | 113,455,584 | 105,903,799 | 95,298,957 | 87,587,472 |
| Child Nutrition | 88,186 | 88,436 | 89,899 | 84,216 |
| Debt Service | 904,958 | 727,476 | 690,837 | 607,263 |
| State grants and other | 4,742,459 | 2,584,019 | 3,113,288 | 4,178,687 |
| Total state sources | <u>119,191,187</u> | <u>109,303,730</u> | <u>99,192,981</u> | <u>92,457,638</u> |
| Local sources: | | | | |
| Property taxes | 236,173,385 | 266,934,547 | 288,680,678 | 339,494,146 |
| Capital Projects fund | 64,866 | 506,706 | 2,401,726 | 3,106,014 |
| Child Nutrition | 3,449,931 | 3,460,510 | 3,887,711 | 3,713,975 |
| Athletic Activities | 727,173 | 644,560 | 616,558 | 540,848 |
| Other Local Sources | 10,997,260 | 11,330,720 | 13,964,560 | 18,526,934 |
| Total local sources | <u>251,412,615</u> | <u>282,877,043</u> | <u>309,551,233</u> | <u>365,381,917</u> |
| Total revenues | <u>\$ 406,847,067</u> | <u>\$ 428,086,853</u> | <u>\$ 446,104,832</u> | <u>\$ 504,111,156</u> |

Source: Exhibit C-2, Statement of Revenues, Expenditures, and Changes in Fund Balances - Governmental Funds for the Richardson Independent School District

Notes:

¹ Includes General, Child Nutrition, ESSER III, Debt Service, Capital Projects, and Special Revenue Funds.

Exhibit S-5

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$ 38,494,780 | \$ 37,794,803 | \$ 66,283,819 | \$ 80,729,083 | \$ 57,913,746 | \$ 38,662,037 |
| 13,138,277 | 8,070,722 | 20,024,497 | 14,879,403 | 13,550,037 | 14,180,871 |
| <u>51,633,057</u> | <u>45,865,525</u> | <u>86,308,316</u> | <u>95,608,486</u> | <u>71,463,783</u> | <u>52,842,908</u> |
| 108,037,735 | 102,799,909 | 85,405,726 | 72,992,345 | 149,471,864 | 143,272,130 |
| 81,673 | 85,009 | 226,248 | 80,101 | 75,100 | 78,507 |
| 602,897 | 564,682 | 472,966 | 1,214,797 | 7,230,614 | 8,988,956 |
| 9,068,609 | 4,264,464 | 2,370,893 | 2,178,767 | 10,488,709 | 8,857,419 |
| <u>117,790,914</u> | <u>107,714,064</u> | <u>88,475,833</u> | <u>76,466,010</u> | <u>167,266,287</u> | <u>161,197,012</u> |
| 339,494,146 | 357,770,634 | 368,437,947 | 392,144,125 | 333,783,180 | 351,995,832 |
| 2,553,424 | 175,976 | 404,650 | 12,822,728 | 11,406,733 | 9,807,991 |
| 3,713,975 | 1,447,874 | 1,058,427 | 3,556,454 | 3,894,406 | 3,606,410 |
| 540,848 | 474,749 | 675,649 | 619,370 | 824,465 | 649,331 |
| 18,526,935 | 10,501,733 | 12,100,852 | 23,740,565 | 29,068,045 | 27,792,756 |
| <u>364,829,328</u> | <u>370,370,966</u> | <u>382,677,525</u> | <u>432,883,242</u> | <u>378,976,829</u> | <u>393,852,320</u> |
| <u>\$ 534,253,299</u> | <u>\$ 523,950,555</u> | <u>\$ 557,461,674</u> | <u>\$ 604,957,738</u> | <u>\$ 617,706,899</u> | <u>\$ 607,892,240</u> |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
GOVERNMENTAL FUNDS EXPENDITURES AND DEBT SERVICE RATIO ¹
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|-----------------------|-----------------------|-----------------------|-----------------------|
| Expenditures | | | | |
| Governmental activities | | | | |
| 11 Instruction | \$ 210,023,704 | \$ 229,145,530 | \$ 239,692,109 | \$ 234,189,361 |
| 12 Instructional resources and media services | 5,469,998 | 5,537,285 | 5,434,430 | 6,017,075 |
| 13 Curriculum and staff development services | 9,432,867 | 9,686,007 | 10,651,034 | 11,896,580 |
| Total function 10 | <u>224,926,569</u> | <u>244,368,822</u> | <u>255,777,573</u> | <u>252,103,016</u> |
| 21 Instructional leadership | 5,382,257 | 6,455,288 | 6,102,797 | 6,286,503 |
| 23 School leadership | 21,485,434 | 21,915,581 | 22,724,389 | 23,708,310 |
| Total function 20 | <u>26,867,691</u> | <u>28,370,869</u> | <u>28,827,186</u> | <u>29,994,813</u> |
| 31 Guidance, counseling, and evaluation services | 16,432,603 | 16,793,047 | 17,771,507 | 18,735,253 |
| 32 Social work services | 827,455 | 999,296 | 1,174,393 | 1,252,640 |
| 33 Health services | 4,227,391 | 4,464,299 | 4,449,540 | 4,629,043 |
| 34 Student transportation | 5,620,957 | 6,100,452 | 7,809,566 | 11,856,244 |
| 35 Food Service | 14,972,627 | 13,874,556 | 14,529,456 | 14,881,496 |
| 36 Extracurricular activities | 7,000,970 | 8,164,535 | 7,745,776 | 7,691,634 |
| Total function 30 | <u>49,082,003</u> | <u>50,396,185</u> | <u>53,480,238</u> | <u>59,046,310</u> |
| 41 General administration | 7,985,913 | 7,737,408 | 8,654,176 | 10,097,174 |
| Total function 40 | <u>7,985,913</u> | <u>7,737,408</u> | <u>8,654,176</u> | <u>10,097,174</u> |
| 51 Plant maintenance and operations | 25,873,281 | 25,678,516 | 27,939,871 | 29,471,783 |
| 52 Security and monitoring services | 1,653,961 | 1,690,862 | 1,700,748 | 3,172,252 |
| 53 Data processing services | 5,643,938 | 5,893,807 | 5,503,660 | 6,013,314 |
| Total function 50 | <u>33,171,180</u> | <u>33,263,185</u> | <u>35,144,279</u> | <u>38,657,349</u> |
| 61 Community services | 594,711 | 509,555 | 485,748 | 485,544 |
| Total function 60 | <u>594,711</u> | <u>509,555</u> | <u>485,748</u> | <u>485,544</u> |
| 71 Debt service | | | | |
| Principal on long-term debt | 33,604,068 | 43,213,865 | 45,454,543 | 47,948,614 |
| Interest on long-term debt | 17,052,542 | 20,522,303 | 23,992,167 | 25,536,475 |
| Bond issuance costs and fees | 434,471 | 2,112,334 | 747,400 | 1,955,651 |
| Total function 70 | <u>51,091,081</u> | <u>65,848,502</u> | <u>70,194,110</u> | <u>75,440,740</u> |
| 81 Facilities acquisition/construction | 25,424,683 | 81,780,833 | 71,259,627 | 104,144,296 |
| Total function 80 | <u>25,424,683</u> | <u>81,780,833</u> | <u>71,259,627</u> | <u>104,144,296</u> |
| 91 Contracted instructional services between schools | - | - | - | 6,108,235 |
| 93 Payments related to shared services arrangements | - | - | 404,151 | 814,853 |
| 95 Juvenile Justice Alternative Education Programs | 3,000 | 3,000 | 8,472 | 3,000 |
| 97 Payments to Tax Increment Fund | 243,193 | 462,517 | 915,037 | 1,253,555 |
| 99 Other Intergovernmental Charges-Appraisal Cost | 929,897 | 941,106 | 1,008,228 | 1,090,253 |
| Total function 90 | <u>1,176,090</u> | <u>1,406,623</u> | <u>2,335,888</u> | <u>9,269,896</u> |
| Total expenditures | <u>\$ 420,319,921</u> | <u>\$ 513,681,982</u> | <u>\$ 526,158,825</u> | <u>\$ 579,239,138</u> |
| Capital Expenditures | 18,454,505 | 82,668,173 | 74,731,292 | 99,701,463 |
| Debt service as a percentage of noncapital expenditures | 12.6% | 14.8% | 15.4% | 15.3% |

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Richardson Independent School District

Notes:

¹ Includes General, Child Nutrition, Debt Service, Capital Projects, and Special Revenue Funds.

| Fiscal Year | | | | | |
|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
| \$ 256,009,247 | \$ 263,744,096 | \$ 299,484,721 | \$ 305,991,621 | \$ 294,595,508 | \$ 309,077,580 |
| 8,079,819 | 8,019,392 | 8,590,649 | 9,065,633 | 6,524,712 | 6,488,844 |
| 14,858,824 | 15,114,810 | 19,062,905 | 16,927,816 | 16,018,248 | 17,623,823 |
| <u>278,947,890</u> | <u>286,878,298</u> | <u>327,138,275</u> | <u>331,985,070</u> | <u>317,138,468</u> | <u>333,190,247</u> |
| 6,974,097 | 7,562,348 | 7,727,299 | 7,715,595 | 7,861,100 | 8,245,524 |
| 25,400,009 | 26,089,844 | 26,908,751 | 27,103,595 | 27,548,314 | 27,009,065 |
| <u>32,374,106</u> | <u>33,652,192</u> | <u>34,636,050</u> | <u>34,819,190</u> | <u>35,409,414</u> | <u>35,254,589</u> |
| 19,287,627 | 21,866,958 | 22,472,803 | 22,213,794 | 22,874,185 | 24,572,258 |
| 1,371,223 | 1,655,610 | 2,205,274 | 2,041,378 | 2,228,560 | 1,979,848 |
| 4,486,983 | 5,558,136 | 6,260,128 | 6,966,867 | 6,115,379 | 6,341,836 |
| 11,460,521 | 11,228,433 | 13,785,196 | 12,838,002 | 11,874,065 | 11,647,705 |
| 16,426,051 | 12,899,079 | 16,395,725 | 17,427,877 | 18,150,505 | 19,566,882 |
| 7,238,485 | 8,458,197 | 11,794,793 | 15,020,659 | 10,207,737 | 10,509,180 |
| <u>60,270,890</u> | <u>61,666,413</u> | <u>72,913,919</u> | <u>76,508,577</u> | <u>71,450,431</u> | <u>74,617,709</u> |
| 9,805,660 | 11,795,820 | 12,504,561 | 11,333,576 | 10,879,838 | 11,471,510 |
| <u>9,805,660</u> | <u>11,795,820</u> | <u>12,504,561</u> | <u>11,333,576</u> | <u>10,879,838</u> | <u>11,471,510</u> |
| 43,894,663 | 41,233,865 | 65,347,033 | 85,582,338 | 78,382,411 | 64,084,369 |
| 2,800,228 | 3,767,376 | 4,254,353 | 6,120,697 | 13,342,077 | 10,421,572 |
| 6,842,397 | 6,925,317 | 16,067,485 | 16,942,853 | 4,509,157 | 9,966,242 |
| <u>53,537,288</u> | <u>51,926,558</u> | <u>85,668,871</u> | <u>108,645,888</u> | <u>96,233,645</u> | <u>84,472,183</u> |
| 1,566,036 | 1,761,197 | 1,893,115 | 2,083,088 | 3,350,787 | 3,794,312 |
| <u>1,566,036</u> | <u>1,761,197</u> | <u>1,893,115</u> | <u>2,083,088</u> | <u>3,350,787</u> | <u>3,794,312</u> |
| 56,773,360 | 55,105,669 | 65,448,038 | 66,379,876 | 73,958,820 | 74,548,333 |
| 30,016,237 | 27,808,935 | 26,761,531 | 35,000,059 | 42,131,183 | 42,140,799 |
| 432,962 | 3,414,037 | 2,675,270 | 1,524,470 | 736,578 | 1,350,854 |
| <u>87,222,559</u> | <u>86,328,641</u> | <u>94,884,839</u> | <u>102,904,405</u> | <u>116,826,581</u> | <u>118,039,986</u> |
| 74,318,004 | 26,717,547 | 78,732,274 | 144,293,509 | 104,322,815 | 52,293,446 |
| <u>74,318,004</u> | <u>26,717,547</u> | <u>78,732,274</u> | <u>144,293,509</u> | <u>104,322,815</u> | <u>52,293,446</u> |
| 535,409 | 1,196,543 | 2,278,124 | 4,226,286 | 4,086,026 | 5,452,555 |
| 969,937 | 1,482,518 | 995,729 | 721,488 | 601,800 | 555,699 |
| 3,000 | 3,000 | 3,000 | 61,482 | 55,098 | 60,912 |
| 1,493,652 | 1,817,765 | 1,990,493 | 2,486,362 | 2,979,123 | 1,892,704 |
| 1,167,100 | 1,174,025 | 1,170,562 | 1,363,922 | 1,324,036 | 1,318,067 |
| <u>4,169,098</u> | <u>5,673,851</u> | <u>6,437,908</u> | <u>8,859,540</u> | <u>9,046,083</u> | <u>9,279,937</u> |
| <u>\$ 602,211,531</u> | <u>\$ 566,400,517</u> | <u>\$ 714,809,812</u> | <u>\$ 821,432,843</u> | <u>\$ 764,658,062</u> | <u>\$ 722,413,919</u> |
| 66,042,350 | 33,930,387 | 96,703,848 | 179,342,538 | 121,965,326 | 49,950,195 |
| 16.2% | 15.6% | 14.9% | 15.8% | 18.1% | 17.4% |

RICHARDSON INDEPENDENT SCHOOL DISTRICT
OTHER FINANCING SOURCES AND USES AND NET CHANGE IN FUND BALANCES
LAST TEN FISCAL YEARS (UNAUDITED)

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> |
|---|------------------------|-----------------------|------------------------|----------------------|
| Excess of revenues over (under) expenditures | \$ (13,472,854) | \$ (85,595,129) | \$ (80,053,993) | \$ (75,127,982) |
| Other Financing Sources (Uses) | | | | |
| General long-term debt issued | - | 275,360,000 | - | 116,960,000 |
| General long-term debt refunding | 38,660,000 | 11,905,000 | 85,105,000 | - |
| Premium or discount on issuance on bonds | 7,085,458 | 36,968,943 | 10,322,494 | 11,928,513 |
| Leases (as lessee) | - | 1,744,239 | - | - |
| Sale of real or personal property | - | 2,856,462 | 103,876 | 5,668,561 |
| Transfers in | 24,059,182 | 8,905,301 | 10,000 | 16,000,582 |
| Subscription-based information technology arrangements | - | - | - | - |
| Other resources | - | - | - | - |
| Transfers out | (24,059,182) | (9,000,000) | (10,500,000) | (16,000,582) |
| Payments to escrow agents | (45,325,938) | (13,431,819) | (98,673,642) | - |
| Total other financing sources (uses) | <u>419,520</u> | <u>315,308,126</u> | <u>(13,632,272)</u> | <u>134,557,074</u> |
| Net change in fund balances | <u>\$ (13,053,334)</u> | <u>\$ 229,712,997</u> | <u>\$ (93,686,265)</u> | <u>\$ 59,429,092</u> |

Source: Statement of Revenues, Expenditures, and Changes in Fund Balances Governmental Funds for the Richardson Independent School District

| <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|------------------------|------------------------|-----------------------|-----------------------|-------------------------|----------------------|
| \$ (71,328,396) | \$ (42,449,962) | \$ (157,348,138) | \$ (216,475,105) | \$ (146,951,163) | \$ (114,521,679) |
| - | - | 368,240,000 | 193,930,000 | - | 121,210,000 |
| 33,799,970 | 36,675,000 | - | - | - | 45,900,000 |
| 3,564,724 | 2,862,212 | 34,423,244 | 7,592,915 | - | 8,080,322 |
| - | - | 2,861,752 | 32,265 | - | - |
| 208,269 | 123,859 | 5,945,258 | 163,052 | 364,617 | 11,173,671 |
| 1,000,000 | 1,026,947 | 1,000,000 | 5,000,000 | 7,479,335 | 1,000,000 |
| - | - | - | 9,728,844 | 1,748,611 | 6,294,067 |
| - | - | - | - | - | - |
| (1,030,972) | (1,267,053) | (1,336,856) | (5,391,683) | (8,800,000) | (1,254,840) |
| (36,958,421) | (39,135,123) | - | - | - | (48,618,871) |
| <u>583,570</u> | <u>285,842</u> | <u>411,133,398</u> | <u>211,055,393</u> | <u>792,563</u> | <u>143,784,349</u> |
| <u>\$ (70,744,826)</u> | <u>\$ (42,164,120)</u> | <u>\$ 253,785,260</u> | <u>\$ (5,419,712)</u> | <u>\$ (146,158,600)</u> | <u>\$ 29,262,670</u> |

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
APPRAISED VALUE AND ACTUAL VALUE OF TAXABLE PROPERTY
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-8

| Fiscal Year | APPRAISED VALUE | | | Total Estimated Taxable Value | Total Direct Rate ¹ |
|----------------|------------------------------------|----------------------|---------------------|--|--------------------------------------|
| | Residential or Real Property | Personal Property | Less: Exemptions | | |
| 2016 | 19,301,762,110 | 2,838,200,940 | 3,848,077,544 | 18,291,885,506 | 1.34005 |
| 2017 | 21,305,843,460 | 3,062,408,270 | 4,261,268,544 | 20,106,983,186 | 1.34005 |
| 2018 | 23,439,201,230 | 3,124,807,470 | 4,667,613,361 | 21,896,395,339 | 1.39005 |
| 2019 | 24,667,111,895 | 3,229,457,420 | 5,410,794,776 | 22,485,774,539 | 1.39005 |
| 2020 | 26,080,999,887 | 3,386,582,950 | 5,255,180,102 | 24,212,402,735 | 1.52000 |
| 2021 | 29,109,827,229 | 3,651,479,690 | 6,996,330,172 | 25,764,976,747 | 1.40470 |
| 2022 | 30,084,894,070 | 3,606,888,550 | 6,942,809,078 | 26,748,973,542 | 1.39090 |
| 2023 | 36,080,922,730 | 4,024,162,780 | 8,277,179,272 | 31,827,906,238 | 1.31460 |
| 2024 | 39,062,850,550 | 4,546,576,780 | 13,172,224,720 | 30,437,202,610 | 1.14310 |
| 2025 | 43,728,936,730 | 4,244,927,220 | 15,634,765,641 | 32,339,098,309 | 1.10520 |

Source: Dallas Central Appraisal District.

Notes:

- The District performs its own tax collection activities.
- Property is appraised at full market value. Properties are reappraised at least once every three years.
- Represents total appraised value before exemptions.

¹ Per \$100 of assessed value.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING PROPERTY TAX RATES
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-9

| Fiscal Year | Richardson Independent School District Direct Rates | | | Overlapping Rates ¹ | | | |
|----------------|---|-----------------|---------|-------------------------------------|--------------------------|-----------------------|----------------------|
| | Maintenance and Operations | Debt Service | Total | County of Dallas ² | City of Richardson | City of Garland | City of Dallas |
| 2016 | 1.04005 | 0.30000 | 1.34005 | 0.66275 | 0.63516 | 0.70460 | 0.79700 |
| 2017 | 1.04005 | 0.30000 | 1.34005 | 0.65470 | 0.62516 | 0.70460 | 0.78250 |
| 2018 | 1.04005 | 0.35000 | 1.39005 | 0.65674 | 0.62516 | 0.70460 | 0.78040 |
| 2019 | 1.17000 | 0.35000 | 1.52000 | 0.65650 | 0.62516 | 0.70460 | 0.77670 |
| 2020 | 1.06835 | 0.35000 | 1.41835 | 0.64660 | 0.62516 | 0.76960 | 0.77660 |
| 2021 | 1.05470 | 0.35000 | 1.40470 | 0.63984 | 0.62516 | 0.76960 | 0.77630 |
| 2022 | 1.04090 | 0.35000 | 1.39090 | 0.61646 | 0.61516 | 0.75697 | 0.77330 |
| 2023 | 0.96460 | 0.35000 | 1.31460 | 0.57965 | 0.56095 | 0.71669 | 0.74580 |
| 2024 | 0.79310 | 0.35000 | 1.14310 | 0.54525 | 0.56095 | 0.68975 | 0.73570 |
| 2025 | 0.75520 | 0.35000 | 1.10520 | 0.53310 | 0.54218 | 0.68975 | 0.70470 |

Source: Dallas County Tax Rates (<https://www.dallascounty.org/departments/tax/tax-rates-landing.php>)

Notes:

The District tax rate is set in accordance with the Texas Education Code and Texas Tax Code

¹ Includes levies for operating and debt service costs.

² Includes Dallas County, School Equilization, Parkland Hospital and Dallas College.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL PROPERTY TAX PAYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Exhibit S-10

| Taxpayer | 2025 | | | 2016 | | |
|----------------------------------|-----------------------------------|-------------|---|-----------------------------------|-------------|---|
| | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value | Taxable Assessed Value | Rank | Percentage of Total Taxable Assessed Value |
| Texas Instruments | \$ 908,139,833 | 1 | 2.8% | \$ 548,238,538 | 1 | 3.1% |
| Linked-In | 409,813,220 | 2 | 1.3% | | | |
| HCP DR MCD LLC | 218,000,000 | 3 | 0.7% | 194,280,280 | 3 | 1.1% |
| Collins Technology Park Partners | 174,885,660 | 4 | 0.5% | 209,353,330 | 2 | 1.2% |
| MCI Worldcom | 129,162,040 | 5 | 0.4% | 122,625,870 | 5 | 0.7% |
| Oncor Electric Delivery Co | 126,711,770 | 6 | 0.4% | | | |
| La Mirada Property | 98,000,000 | 7 | 0.3% | | | |
| 7927 Forest Lane Texas Owner | 96,000,000 | 8 | 0.3% | | | |
| Atmos Energy Mid Tex | 93,687,760 | 9 | 0.3% | | | |
| Lakeside Campus Partners | 93,500,000 | 10 | 0.3% | | | |
| Southwestern Bell | | | | 136,986,740 | 4 | 0.8% |
| JP Greenway/Palisades | | | | 102,775,080 | 6 | 0.6% |
| Texas Utilities | | | | 90,577,570 | 7 | 0.5% |
| Galatyn Properties Ltd | | | | 81,325,000 | 8 | 0.5% |
| Medical City | | | | 73,311,040 | 9 | 0.4% |
| Park Central Property LP | | | | 69,592,500 | 10 | 0.4% |
| | \$ 2,347,900,283 | | 7.3% | \$ 1,629,065,948 | | 9.3% |

Source: Dallas Central Appraisal District

RICHARDSON INDEPENDENT SCHOOL DISTRICT
PROPERTY TAX LEVIES AND COLLECTIONS ¹
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-11

| Fiscal Year | Original Levy | Adjustments | Adjusted Levy | Collected Within the Fiscal Year of the Levy | | Collections in Subsequent Years | Total Collections to Date | |
|----------------|---------------|-------------|---------------|---|-----------------------|------------------------------------|---------------------------|-----------------------------------|
| | | | | Amount | Percentage of Levy | | Amount | Percentage of Adjusted Levy |
| 2016 | 236,541,304 | (861,230) | 235,680,074 | 234,192,943 | 99.37% | 1,387,603 | 235,580,546 | 99.96% |
| 2017 | 267,350,514 | (1,155,733) | 266,194,781 | 264,888,931 | 99.51% | 1,189,617 | 266,078,548 | 99.96% |
| 2018 | 289,774,765 | (2,228,805) | 287,545,960 | 287,101,654 | 99.85% | 300,226 | 287,401,880 | 99.95% |
| 2019 | 341,783,773 | (3,208,121) | 338,575,652 | 338,163,346 | 99.88% | 182,427 | 338,345,773 | 99.93% |
| 2020 | 343,416,614 | (3,087,161) | 340,329,453 | 339,930,220 | 99.88% | 135,904 | 340,066,124 | 99.92% |
| 2021 | 361,731,974 | (3,369,095) | 358,362,879 | 358,119,571 | 99.93% | (102,225) | 358,017,346 | 99.90% |
| 2022 | 372,051,473 | (2,235,114) | 369,816,359 | 367,840,856 | 99.47% | 1,216,066 | 369,056,922 | 99.79% |
| 2023 | 396,514,287 | (5,978,690) | 390,535,597 | 390,228,848 | 99.92% | (1,571,863) | 388,656,985 | 99.52% |
| 2024 | 342,126,110 | (7,303,319) | 334,822,791 | 337,440,771 | 100.78% | (4,152,303) | 333,288,468 | 99.54% |
| 2025 | 358,067,971 | - | 358,067,971 | 352,338,470 | 98.40% | - | 352,338,470 | 98.40% |

Source: Dallas Central Appraisal District and District records.

Notes:

¹ The District performs its own tax collection activities.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
OUTSTANDING DEBT BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-12

| Fiscal Year | Governmental Activities | | | | | Percentage of Personal Income ² | Total Outstanding Debt Per Capita ^{1,2} |
|-------------|--------------------------|-------------------------|----------------------------|----------------------------|--------------------------|--|--|
| | General Obligation Bonds | Contractual Obligations | Lease Financing Agreements | SBITA Financing Agreements | Total Primary Government | | |
| 2016 | 421,451,668 | - | 12,530 | - | 421,464,198 | 5.02% | 1,737 |
| 2017 | 684,999,949 | - | 1,402,899 | - | 686,402,848 | 8.08% | 2,798 |
| 2018 | 632,277,128 | - | 1,048,356 | - | 633,325,484 | 7.47% | 2,586 |
| 2019 | 706,852,746 | - | 713,859 | - | 707,566,605 | 8.16% | 2,903 |
| 2020 | 640,797,651 | - | 359,632 | - | 641,157,283 | 6.68% | 2,661 |
| 2021 | 572,294,831 | - | 4,792 | - | 572,299,623 | 5.81% | 2,350 |
| 2022 | 901,169,505 | - | 2,328,506 | - | 903,498,011 | 9.61% | 3,885 |
| 2023 | 1,037,828,299 | - | 1,823,487 | 2,196,252 | 1,041,848,038 | 10.56% | 4,571 |
| 2024 | 959,627,435 | - | 1,290,580 | 1,107,496 | 962,025,511 | 8.78% | 4,235 |
| 2025 | 1,008,201,618 | - | 763,584 | 2,115,226 | 1,011,080,428 | 9.34% | 4,503 |

Source: District records

Notes:

¹ Details of the District's outstanding debt can be found in the notes to the financial statements.

² See Schedule S-16 for personal income and population data. These ratios are calculated using personal income and population for the prior calendar year.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
DIRECT AND OVERLAPPING GOVERNMENTAL ACTIVITIES DEBT
AS OF JUNE 30, 2025 (UNAUDITED)**

Exhibit S-13

| Governmental Unit | Debt Outstanding | Estimated Percentage Applicable ¹ | Estimated Share of Direct and Overlapping Debt |
|---|-----------------------------|---|---|
| City of Dallas | \$2,569,118,583 | 10.01% | \$ 257,168,770 |
| City of Garland | 533,635,000 | 5.09% | 27,162,022 |
| City of Richardson | 459,290,000 | 49.50% | 227,348,550 |
| Dallas County | 198,645,000 | 8.71% | 17,301,980 |
| Dallas County Hospital District | 527,660,000 | 8.71% | 45,959,186 |
| Dallas College | 247,115,000 | 8.71% | 21,523,717 |
| Subtotal, overlapping bonded debt | | | 596,464,224 |
| Richardson Independent School District direct debt | 1,011,080,428 | 100% | 1,011,080,428 |
| Total direct and overlapping debt | | | <u>\$ 1,607,544,652</u> |

Source: Taxable value data used to estimate applicable percentages provided by the Dallas Central Appraisal District. Debt outstanding data provided by each governmental unit.

Notes: Overlapping governments are those that coincide, at least in part, with the geographic boundaries of the district. This schedule estimates the portion of the outstanding debt of those overlapping governments that is borne by the residents and businesses of the district. This process recognizes that, when considering the district's ability to issue and repay long-term debt, the entire debt burden borne by the residents and businesses should be taken into account. However, this does not imply that every taxpayer is a resident, and therefore responsible for repaying the debt, of each overlapping government.

¹ The percentage of overlapping debt applicable is estimated using taxable property values. Applicable percentages were estimated by determining the portion of another governmental unit's taxable value that is within the district's boundaries and dividing it by each unit's total taxable value.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
LEGAL DEBT MARGIN INFORMATION
AS OF JUNE 30, 2025 (UNAUDITED)**

Exhibit S-14

Chapter 45 (School District Funds) Subchapter A (Taxes Bonds and Maintenance Taxes) of the Texas Education Code governs the issuance of bonds by independent school districts in the State of Texas. Key points regarding limitations on the issuance of bonds are:

- Sec. 45.001(b) – The bonds must mature serially or otherwise not more than 40 years from their date.
- Sec. 45.0031(a) – Before issuing bonds described by Section 45.001, a school district must demonstrate to the attorney general under Subsection (b) or (c) that, with respect to the proposed issuance, the district has a projected ability to pay the principal of and interest on the proposed bonds and all previously issued bonds other than bonds authorized to be issued at an election held on or before April 1, 1991, and issued before September 1, 1992, from a tax at a rate not to exceed \$0.50 per \$100 of valuation.

The full text of Chapter 45 of the Texas Education Code can be found at www.capitol.state.tx.us.

The District's debt service tax rate for fiscal year 2024 is \$0.35 per \$100 of valuation.

Source: Texas Education Code and District records.

RICHARDSON INDEPENDENT SCHOOL DISTRICT
RATIO OF NET BONDED DEBT TO ASSESSED VALUE AND NET BONDED DEBT PER CAPITA
LAST TEN FISCAL YEARS (UNAUDITED)

Exhibit S-15

| Fiscal Year | Population¹ | Assessed Value | Total Bonded Debt Outstanding² | Less Debt Service Funds³ | Net Bonded Debt Outstanding | Ratio of Net Bonded Debt to Assessed Value | Net Bonded Debt Per Capita |
|--------------------|-------------------------------|-----------------------|--|--|------------------------------------|---|-----------------------------------|
| 2016 | 104,300 | 18,291,885,506 | 421,451,668 | 15,720,885 | 405,730,783 | 2.22% | 3,890 |
| 2017 | 107,400 | 20,106,983,186 | 684,999,949 | 19,490,981 | 665,508,968 | 3.31% | 6,197 |
| 2018 | 110,140 | 21,896,395,339 | 632,277,128 | 15,337,873 | 616,939,255 | 2.82% | 5,601 |
| 2019 | 113,710 | 22,485,774,539 | 706,852,746 | 20,114,100 | 686,738,646 | 3.05% | 6,039 |
| 2020 | 115,630 | 24,212,402,735 | 640,797,651 | 17,525,187 | 623,272,464 | 2.57% | 5,390 |
| 2021 | 117,050 | 25,764,976,747 | 572,294,831 | 21,330,975 | 550,963,856 | 2.14% | 4,707 |
| 2022 | 122,570 | 26,748,973,542 | 901,169,505 | 19,964,053 | 881,205,452 | 3.29% | 7,189 |
| 2023 | 122,615 | 31,827,906,238 | 1,037,828,299 | 27,032,737 | 1,010,795,562 | 3.18% | 8,244 |
| 2024 | 227,170 | 30,437,202,610 | 962,025,511 | 23,216,736 | 938,808,775 | 3.08% | 4,133 |
| 2025 | 224,534 | 32,339,098,309 | 1,011,080,428 | 31,826,626 | 979,253,802 | 3.03% | 4,361 |

Source: Dallas Central Appraisal District and the District records.

Notes:

¹ See Schedule S-16 for population data. Only the City of Richardson population is represented.

² Details of the District's outstanding debt can be found in the notes to the financial statements.

³ 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 and accreted interest.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
DEMOGRAPHIC AND ECONOMIC STATISTICS
LAST TEN CALENDAR YEARS (UNAUDITED)**

Exhibit S-16

| Year | Population ¹ | Personal Income (000 dollars) | Per Capita Personal Income (dollars)² | Unemployment Rate ³ |
|-------------|--------------------------------|--|---|---|
| 2016 | 242,586 | 8,402,451 | 34,637 | 3.60% |
| 2017 | 245,303 | 8,496,560 | 34,637 | 3.40% |
| 2018 | 244,864 | 8,481,354 | 34,637 | 3.20% |
| 2019 | 243,760 | 8,673,956 | 35,584 | 3.07% |
| 2020 | 240,922 | 9,595,682 | 39,829 | 6.40% |
| 2021 | 243,531 | 9,843,036 | 40,418 | 5.47% |
| 2022 | 232,547 | 9,396,759 | 40,408 | 3.37% |
| 2023 | 227,902 | 9,869,296 | 43,305 | 3.52% |
| 2024 | 227,170 | 10,956,636 | 48,231 | 4.10% |
| 2025 | 224,534 | 11,316,065 | 50,398 | 4.00% |

Sources :

¹ Municipal Advisory Council of Texas

² 2020-2023 from Census.gov Income & Poverty annual estimates.

Prior years from City of Richardson 2019 ACFR, Table 13, 'Demographic and Economic Statistics'.

³ US Department of Labor and Texas Workforce Commission statistics.

Note :

Approximately 35% of RISD is within the boundary of the City of Richardson.

Approximately 60% of RISD is within the boundary of the City of Dallas.

Approximately 5% of RISD is within the boundary of the City of Garland.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
PRINCIPAL EMPLOYERS
CURRENT YEAR AND NINE YEARS AGO (UNAUDITED)**

Exhibit S-17

| Employer | 2025 | | | 2016³ | | |
|-----------------------------------|------------------------------|-------------|--|-------------------------|-------------|--|
| | Employees¹ | Rank | Percentage of Total City Employment² | Employees | Rank | Percentage of Total City Employment |
| Texas Instruments, Inc. | 9,800 | 1 | 14.71% | 13,000 | 1 | 18.16% |
| Richardson ISD | 5,497 | 2 | 8.25% | 5,000 | 3 | 6.99% |
| The University of Texas at Dallas | 3,455 | 3 | 5.19% | 2,674 | 6 | 3.74% |
| Infosis | 2,600 | 4 | 3.90% | | | |
| GEICO | 2,300 | 5 | 3.45% | | | |
| RealPage | 2,100 | 6 | 3.15% | | | |
| Fujitsu Network Communications | 1,500 | 7 | 2.25% | | | |
| Qorvo (formerly Tri-qint) | 1,300 | 8 | 1.95% | | | |
| AT&T | 1,100 | 9 | 1.65% | 5,000 | 3 | 6.99% |
| iQor | 1,000 | 10 | 1.50% | | | |
| State Farm Insurance | | | | 8,000 | 2 | 11.18% |
| Blue Cross & Blue Shield | | | | 3,100 | 5 | 4.33% |
| Cisco Systems | | | | 1,400 | 9 | 1.96% |
| United Healthcare | | | | 1,700 | 7 | 2.38% |
| Fujitsu Network Communications | | | | 1,500 | 8 | 2.10% |
| Fossil, Inc. | | | | 1,400 | 9 | 1.96% |
| Total | 30,652 | | 46.00% | 42,774 | | 59.79% |

Sources : ¹ For Richardson ISD, District Records from PEIMS Submission Data.
Remaining companies from Municipal Advisory Council of Texas

² Total city employment (the denominator), from the Labor Market Information Department, Texas Workforce Commission as of June 2024.

³ Richardson ISD Annual Comprehensive Financial Report, 2016.

Note: Texas Instruments is located in the City of Dallas, adjacent to the southern border of the City of Richardson within the RISD boundary.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
FULL-TIME-EQUIVALENT DISTRICT EMPLOYEES BY TYPE
LAST TEN FISCAL YEARS (UNAUDITED)**

| | <u>2016</u> | <u>2017</u> | <u>2018¹</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022²</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--|----------------|----------------|-------------------------|----------------|----------------|----------------|-------------------------|----------------|----------------|----------------|
| Teachers | | | | | | | | | | |
| 047 Substitute Teacher | - | - | 1.0 | 0.3 | 5.4 | 8.2 | 27.0 | 3.0 | 2.0 | - |
| 087 Teacher | 2,575.9 | 2,583.6 | 2,650.9 | 2,662.2 | 2,738.8 | 2,833.1 | 2,958.2 | 2,907.5 | 2,723.4 | 2,657.9 |
| Total Professional Support | <u>2,575.9</u> | <u>2,583.6</u> | <u>2,651.9</u> | <u>2,662.5</u> | <u>2,744.2</u> | <u>2,841.3</u> | <u>2,985.2</u> | <u>2,910.5</u> | <u>2,725.4</u> | <u>2,657.9</u> |
| Professional Support | | | | | | | | | | |
| 056 Athletic Trainer | 2.5 | 3.0 | 3.6 | 3.7 | 6.7 | 5.8 | 5.3 | 3.6 | 3.6 | 6.5 |
| 109 Athletics - Other than Athletic Director | - | - | 4.0 | 4.0 | 0.9 | 0.4 | 2.7 | 0.8 | 0.5 | 1.1 |
| 006 Audiologist | 1.0 | 1.0 | 1.0 | 0.6 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 112 Business Services Professional | - | - | 13.0 | 11.2 | 12.2 | 13.0 | 22.0 | 21.5 | 22.0 | 24.0 |
| 102 Communications Professional | - | - | 6.0 | 6.0 | 7.0 | 9.0 | 9.0 | 9.0 | 8.0 | 7.0 |
| 008 School Counselor | 105.0 | 107.3 | 109.4 | 108.4 | 117.0 | 120.7 | 120.5 | 120.4 | 115.8 | 118.1 |
| 110 Custodial Professional | - | - | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 |
| 011 Educational Diagnostician | 18.5 | 19.5 | 30.2 | 35.5 | 39.0 | 41.5 | 44.5 | 44.9 | 39.8 | 43.4 |
| 107 Food Services Professional | - | - | 2.0 | 2.0 | 2.0 | 2.0 | 3.0 | 4.0 | 5.0 | 5.0 |
| 100 Instructional Materials Coordinator | - | - | 26.3 | 29.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | - |
| 104 Internal Auditor | - | - | 1.0 | 1.0 | 0.5 | - | - | - | - | - |
| 106 District/Campus Information Tech Professional | - | - | 34.9 | 36.5 | 37.3 | 33.9 | 36.8 | 34.8 | 35.0 | 45.0 |
| 101 Legal Services | - | - | 2.5 | 2.5 | 2.1 | 1.0 | 2.0 | 2.0 | 3.0 | 3.0 |
| 013 Librarian | 49.4 | 51.0 | 49.0 | 51.5 | 52.5 | 49.4 | 48.8 | 51.8 | 52.2 | 46.1 |
| 111 Maintenance Professional | - | - | 18.0 | 17.3 | 13.7 | 12.9 | 11.0 | 13.7 | 13.0 | 13.0 |
| 016 Occupational Therapist | - | - | - | - | 1.0 | - | 5.4 | 6.6 | 6.9 | 6.0 |
| 017 Orientation and Mobility Specialist | - | - | - | - | - | - | 0.9 | 0.8 | 1.0 | 1.0 |
| 018 Physical Therapist | - | - | - | - | - | - | 2.8 | 2.9 | 2.0 | 2.8 |
| 103 Research/Evaluation Professional | - | - | 7.8 | 8.0 | 7.0 | 7.0 | 6.0 | 6.0 | 5.0 | 6.0 |
| 022 School Nurse | 71.4 | 71.7 | 72.0 | 67.0 | 61.0 | 62.1 | 60.8 | 60.7 | 60.6 | 56.9 |
| 023 LSSP/Psychologist | 26.2 | 23.5 | 19.5 | 11.9 | 15.5 | 14.8 | 12.0 | 13.5 | 16.5 | 18.5 |
| 024 Social Worker | - | - | - | - | - | - | - | - | - | 4.0 |
| 105 Security | - | - | 3.0 | 4.0 | 4.0 | 2.0 | 2.0 | 2.0 | 2.0 | 35.5 |
| 026 Speech Therapist/Speech-Language Pathologist | 59.1 | 62.6 | 60.4 | 57.8 | 65.7 | 78.2 | 69.8 | 68.7 | 68.0 | 68.4 |
| 041 Teacher Facilitator | 208.0 | 208.5 | 160.0 | 96.2 | 177.7 | 179.0 | 93.7 | 109.8 | 119.4 | 125.1 |
| 108 Transportation | - | - | 0.6 | 2.0 | 1.0 | 1.0 | 3.0 | 2.0 | 2.0 | 2.0 |
| 058 Campus Professional Personnel | 43.6 | 37.9 | - | - | - | - | - | - | - | - |
| 080 Non-Campus Professional Personnel | 135.8 | 140.0 | - | - | - | - | - | - | - | - |
| 120 Instructional Coach | - | - | - | - | - | - | - | - | 65.4 | 59.3 |
| 114 Other Campus Exempt Professional Auxiliary | - | - | 75.9 | 95.7 | 25.6 | 26.8 | 82.1 | 82.3 | 118.7 | 121.7 |
| 113 Other District Exempt Professional Auxiliary | - | - | 27.0 | 24.1 | 39.5 | 45.9 | 98.9 | 107.3 | 76.3 | 64.5 |
| Total Professional Support | <u>720.5</u> | <u>726.0</u> | <u>729.1</u> | <u>677.9</u> | <u>692.9</u> | <u>710.4</u> | <u>747.0</u> | <u>773.1</u> | <u>845.7</u> | <u>887.9</u> |
| Campus Administration | | | | | | | | | | |
| 020 Principal | 54.5 | 54.5 | 55.0 | 54.4 | 53.9 | 55.5 | 56.0 | 56.0 | 55.0 | 50.0 |
| 003 Assistant Principal | 76.2 | 75.4 | 85.0 | 83.0 | 101.7 | 101.1 | 100.3 | 103.6 | 103.2 | 102.0 |
| 012 District Instructional Pgr Director or Exec Director | - | - | - | - | 1.0 | - | 1.0 | 2.0 | 1.0 | - |
| 040 Athletic Director | 2.1 | 2.8 | 1.0 | 1.0 | - | - | - | - | - | - |
| Total Campus Administration | <u>132.8</u> | <u>132.7</u> | <u>141.0</u> | <u>138.4</u> | <u>156.6</u> | <u>156.6</u> | <u>157.3</u> | <u>161.6</u> | <u>159.2</u> | <u>152.0</u> |
| Central Administration | | | | | | | | | | |
| 003 Assistant Principal | - | - | - | - | - | - | - | - | 1.0 | 8.0 |
| 004 Assistant/Assoc/Deputy Superintendent | 7.0 | 6.2 | 7.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 7.0 | 7.0 |
| 012 District Instructional Pgr Director or Exec Director | 47.5 | 51.2 | 51.4 | 59.0 | 74.5 | 73.4 | 57.2 | 58.1 | 61.8 | 49.0 |
| 020 Principal | - | - | - | - | - | - | - | - | 1.0 | - |
| 027 Superintendent | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 040 Athletic Director | 1.0 | 1.0 | 2.0 | 2.0 | 0.6 | 2.0 | 2.0 | 2.0 | 2.0 | 2.0 |
| 043 Business Manager | - | - | - | 2.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 044 Tax Assessor &/or Collector | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 | 1.0 |
| 045 Director of Personnel/HR | 4.8 | 5.0 | 4.6 | 5.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 | 6.0 |
| Total Central Administration | <u>62.3</u> | <u>65.4</u> | <u>67.0</u> | <u>76.0</u> | <u>90.1</u> | <u>90.4</u> | <u>74.2</u> | <u>75.1</u> | <u>81.8</u> | <u>75.0</u> |
| Educational Aides | | | | | | | | | | |
| 033 Educational Aides | 321.7 | 304.3 | 341.2 | 345.8 | 419.1 | 462.7 | 454.5 | 434.5 | 466.3 | 438.2 |
| Total Educational Aides | <u>321.7</u> | <u>304.3</u> | <u>341.2</u> | <u>345.8</u> | <u>419.1</u> | <u>462.7</u> | <u>454.5</u> | <u>434.5</u> | <u>466.3</u> | <u>438.2</u> |
| Auxiliary Staff | 1,187.0 | 1,149.0 | 1,152.0 | 1,283.7 | 1,316.0 | 1,310.8 | 1,310.5 | 1,275.5 | 1,268.4 | 1,286.2 |
| Total All Full-Time Equivalent Employees | <u>5,000.2</u> | <u>4,961.0</u> | <u>5,082.2</u> | <u>5,184.3</u> | <u>5,418.9</u> | <u>5,572.2</u> | <u>5,728.7</u> | <u>5,630.3</u> | <u>5,546.8</u> | <u>5,497.2</u> |

Source: TSDS PEIMS Staff FTE By Role (PDM1-110-006)

¹ Numerous staff classifications were reclassified in 2018.

² Numerous staff classifications were reclassified in 2022.

³ TSDS PEIMS Staff FTE By Role (PDM1-110-006) report does not include the following for FY25: 68.4 FTE for Role ID 026, 6.0 FTE for Role ID 016, 1.0 FTE for Role ID 017, and 2.8 for Role ID 018.

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
OPERATING STATISTICS
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-19

| Fiscal Year | Enrollment | Operating Expenditures | Cost per Pupil | Percentage Change | Teaching Staff | Pupil-Teacher Ratio | Percentage of Students Receiving Free or Reduced-Price Meals |
|--------------------|-------------------|-------------------------------|-----------------------|--------------------------|-----------------------|----------------------------|---|
| 2016 | 38,738 | 291,967,114 | 7,537 | 4.00 % | 2,575.9 | 15.0 | 57.0% |
| 2017 | 39,268 | 301,932,686 | 7,689 | 2.02 % | 2,583.6 | 15.2 | 57.0% |
| 2018 | 39,314 | 321,904,129 | 8,188 | 6.49 % | 2,651.9 | 14.8 | 57.0% |
| 2019 | 39,108 | 335,376,095 | 8,576 | 4.74 % | 2,662.5 | 14.7 | 56.0% |
| 2020 | 39,619 | 350,174,118 | 8,839 | 3.07 % | 2,744.2 | 14.4 | 55.5% |
| 2021 | 37,787 | 377,250,637 | 9,984 | 12.95 % | 2,841.3 | 13.3 | 53.0% |
| 2022 | 37,633 | 381,822,658 | 10,146 | 1.62 % | 2,985.2 | 12.6 | 55.9% |
| 2023 | 37,260 | 385,443,514 | 10,345 | 1.96 % | 2,910.5 | 12.8 | 53.8% |
| 2024 | 37,085 | 403,195,844 | 10,872 | 5.09 % | 2,725.4 | 13.6 | 53.3% |
| 2025 | 36,971 | 430,319,383 | 11,639 | 7.05 % | 2,657.9 | 13.9 | 53.3% |

Source: TSDS PEIMS Disaggregation of PEIMS Student Data (PDM1-120-009)

**RICHARDSON INDEPENDENT SCHOOL DISTRICT
CAPITAL ASSET INFORMATION
LAST TEN FISCAL YEARS (UNAUDITED)**

Exhibit S-20

| | <u>2016</u> | <u>2017</u> | <u>2018</u> | <u>2019</u> | <u>2020</u> | <u>2021</u> | <u>2022</u> | <u>2023</u> | <u>2024</u> | <u>2025</u> |
|--------------------------------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|-------------|
| School | | | | | | | | | | |
| Elementary | | | | | | | | | | |
| Buildings | 41 | 41 | 41 | 41 | 41 | 41 | 41 | 42 | 42 | 37 |
| Square feet | 2,964,601 | 2,958,009 | 2,958,009 | 2,991,625 | 2,991,625 | 2,991,625 | 2,991,625 | 3,041,428 | 3,083,100 | 2,760,630 |
| Maximum Capacity | 30,276 | 30,840 | 30,840 | 30,556 | 30,556 | 30,556 | 30,556 | 30,936 | 30,682 | 28,362 |
| Enrollment | 23,059 | 23,345 | 23,148 | 23,050 | 23,237 | 21,701 | 21,509 | 21,253 | 21,169 | 21,303 |
| Junior High/Middle | | | | | | | | | | |
| Buildings | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 | 8 |
| Square feet | 1,093,351 | 1,093,351 | 1,093,351 | 1,093,351 | 1,093,351 | 1,093,351 | 1,093,351 | 1,093,351 | 1,229,761 | 1,229,761 |
| Maximum Capacity | 8,468 | 8,468 | 8,468 | 8,382 | 8,382 | 8,382 | 8,382 | 8,381 | 8,485 | 9,085 |
| Enrollment ¹ | 5,576 | 5,486 | 5,527 | 5,651 | 5,909 | 5,670 | 5,626 | 5,489 | 5,370 | 5,265 |
| High | | | | | | | | | | |
| Buildings | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 | 5 |
| Square feet | 1,913,791 | 1,913,791 | 1,913,791 | 1,958,001 | 1,958,001 | 2,011,437 | 2,011,437 | 2,047,127 | 2,081,874 | 2,121,080 |
| Maximum Capacity | 12,882 | 12,882 | 12,882 | 13,076 | 13,076 | 12,996 | 12,996 | 13,493 | 13,777 | 14,145 |
| Enrollment | 10,100 | 10,425 | 10,632 | 10,403 | 10,467 | 10,412 | 10,496 | 10,503 | 10,546 | 10,403 |
| Other Educational Facilities | | | | | | | | | | |
| Buildings | 3 | 4 | 4 | 4 | 8 | 8 | 8 | 8 | 8 | 7 |
| Square feet | 39,668 | 62,668 | 62,668 | 62,668 | 382,668 | 382,668 | 386,368 | 386,368 | 386,368 | 418,314 |
| Administrative/Transportation | | | | | | | | | | |
| Buildings | 7 | 8 | 8 | 8 | 8 | 8 | 13 | 13 | 13 | 12 |
| Square feet | 259,649 | 286,454 | 286,454 | 286,454 | 286,454 | 286,454 | 436,612 | 436,612 | 436,612 | 535,306 |
| Athletics | | | | | | | | | | |
| Football/soccer fields (quantity) | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 | 24 |
| Football stadiums (quantity) | 5 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Running tracks (quantity) | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 | 13 |
| Baseball fields (quantity) | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 | 4 |
| Softball fields (quantity) | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 | 19 |
| Tennis court sites (quantity) | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 | 12 |
| Swimming pools (quantity) | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 | 2 |
| Playgrounds (quantity) | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 109 | 110 | 113 |

Source: District records

FEDERAL AWARDS SECTION

**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**

Board of Trustees
Richardson Independent School District
Richardson, 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 Richardson Independent School District (the District) as of and for the year ended June 30, 2025, 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 17, 2025.

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*.

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

Dallas, Texas
November 17, 2025

**Independent Auditor's Report on Compliance for Each Major Federal
Program and Report on Internal Control over Compliance
As Required by the Uniform Guidance**

Board of Trustees
Richardson Independent School District
Richardson, Texas

Report on Compliance for Each Major Federal Program

Opinion on Each Major Federal Program

We have audited Richardson 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, 2025. 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, 2025.

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 the District's federal programs.

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.

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

Dallas, Texas
January 9, 2026

Richardson Independent School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

I. Summary of the Auditor's Results:

Financial Statements

- a. An unmodified opinion was issued on the financial statements.
- b. 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
- c. Noncompliance material to financial statements noted? _____ Yes X No

Federal Awards

- d. 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
- e. An unmodified opinion was issued on compliance for major federal programs.
- f. Any audit findings disclosed that were required to be reported in accordance with 2 CFR 200.516(a). _____ Yes X No
- g. Identification of major programs:
- | | |
|-------------------|---------|
| Title I, Part A | 84.010A |
| Title II, Part A | 84.367A |
| Title III, Part A | 84.365A |
- h. The dollar threshold used to distinguish between Type A and Type B programs. \$1,432,940
- i. Auditee qualified as a low-risk auditee. X Yes _____ No

Richardson Independent School District

Schedule of Findings and Questioned Costs

Year Ended June 30, 2025

II. Findings Relating to the Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None

III. Findings and Questioned Costs for Federal Awards Including Audit Findings as Described in 1.f Above

None

Richardson Independent School District

Summary of Prior Year Audit Findings

Year Ended June 30, 2025

IV. Findings Relating to the Prior Year Financial Statements Which Are Required To Be Reported in Accordance with Generally Accepted Government Auditing Standards.

None

Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2025

Exhibit K - 1

| Federal Grantor/ Pass-Through Grantor Program Title | Federal Assistance Listing Number | Project Number | Special Revenue Fund Expenditures | General Fund Overhead | Total |
|--|--|---------------------------|--|--------------------------------------|-------------------|
| <u>U.S. DEPARTMENT OF AGRICULTURE</u> | | | | | |
| CHILD NUTRITION CLUSTER | | | | | |
| Passed through the Texas Education Agency | | | | | |
| School Breakfast Program | 10.553 | 71402301 | \$ 3,013,751 | \$ - | \$ 3,013,751 |
| National School Lunch Program | 10.555 | 71302301 | 10,039,705 | 1,664,549 | 11,704,254 |
| Total Passed through the Texas Education Agency | | | 13,053,456 | 1,664,549 | 14,718,005 |
| Passed through the Texas Department of Agriculture: | | | | | |
| National School Lunch Program - Noncash Assistance (Commodities) | 10.555 | 00284 | 1,127,415 | - | 1,127,415 |
| Total Passed through the Texas Department of Agriculture | | | 1,127,415 | - | 1,127,415 |
| TOTAL CHILD NUTRITION CLUSTER | | | 14,180,871 | 1,664,549 | 15,845,420 |
| TOTAL U.S. DEPARTMENT OF AGRICULTURE | | | 14,180,871 | 1,664,549 | 15,845,420 |
| <u>U.S. DEPARTMENT OF DEFENSE</u> | | | | | |
| Direct Program | | | | | |
| JROTC | 12.000 | TX791840 | 309,428 | - | 309,428 |
| TOTAL U.S. DEPARTMENT OF DEFENSE | | | 309,428 | - | 309,428 |
| <u>U.S. DEPARTMENT OF EDUCATION</u> | | | | | |
| Passed through Texas Education Agency: | | | | | |
| Title I, Part A - Improving Basic Programs | 84.010A | 24610101057916 | 601,827 | 86,423 | 688,250 |
| Title I, Part A - Improving Basic Programs | 84.010A | 25610101057916 | 9,773,693 | 228,780 | 10,002,473 |
| 2023-2025 Title I, 1003 ESF Focused Support Grant | 84.010A | 246101397110004 | 61,168 | 969 | 62,137 |
| 2024-2026 Title I, 1003 ESF Focused Support Grant | 84.010A | 256101397110022 | 111,951 | 1,824 | 113,775 |
| Total Title I - Part A (84.010A) | | | 10,548,639 | 317,996 | 10,866,635 |
| SPECIAL EDUCATION CLUSTER | | | | | |
| Special Education - Grants to States (IDEA, Part B) | 84.027A | 246600010579166600 | 349,264 | 38,582 | 387,846 |
| Special Education - Grants to States (IDEA, Part B) | 84.027A | 256600010579166600 | 7,251,210 | 172,806 | 7,424,016 |
| COVID-19 - IDEA-B Formula - ARP | 84.027X | 225350010579165350 | - | 31,447 | 31,447 |
| Special Education - High Cost Fund | 84.027A | 66002106 | 7,610 | - | 7,610 |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173A | 246610010579166610 | - | 1,001 | 1,001 |
| Special Education - Preschool Grants (IDEA Preschool) | 84.173A | 256610010579166610 | 94,596 | 2,021 | 96,617 |
| COVID-19 - IDEA-B Preschool - ARP | 84.173X | 225360010579165360 | - | 1,665 | 1,665 |
| Total Special Education Cluster | | | 7,702,680 | 247,522 | 7,950,202 |
| 22-23 Perkins V: Strengthening CTE for 21st Century | 84.048A | 24420006057916 | 15,223 | 3,776 | 18,999 |
| 23-24 Perkins V: Strengthening CTE for 21st Century | 84.048A | 25420006057916 | 511,263 | 7,920 | 519,183 |
| Total Career and Technical Education (84.048A) | | | 526,486 | 11,696 | 538,182 |
| 2022-2023 Texas Education for Homeless Children and Youth | 84.196A | 244600057110075 | 42,283 | 1,444 | 43,727 |
| 2023-2024 Texas Education for Homeless Children and Youth | 84.196A | 254600057110022 | 133,836 | 1,699 | 135,535 |
| Total Texas Education for Homeless Children and Youth (84.196A) | | | 176,119 | 3,143 | 179,262 |
| Title II, Part A, Supporting Effective Instruction | 84.367A | 24694501057916 | 88,702 | 9,464 | 98,166 |
| Title II, Part A, Supporting Effective Instruction | 84.367A | 25694501057916 | 1,148,206 | 21,366 | 1,169,572 |
| 2024-2025 Principal Residency Grant Cycle 7 | 84.367A | 246945677110007 | 472,257 | 10,768 | 483,025 |
| Total Title II - Part A (84.367A) | | | 1,709,165 | 41,598 | 1,750,763 |
| Title III, Part A-Language Instruction for Limited English Proficient Students | 84.365A | 24671001057916 | 130,176 | 6,133 | 136,309 |
| Title III, Part A-Language Instruction for Limited English Proficient Students | 84.365A | 25671001057916 | 1,043,834 | 27,091 | 1,070,925 |
| Title III, Part A-Immigrant | 84.365A | 24671003057916 | 53,328 | 3,269 | 56,597 |
| Title III, Part A-Immigrant | 84.365A | 25671003057916 | 190,756 | 786 | 191,542 |
| Total Title III Language Instruction for LEP Students and Immigrants (84.365A) | | | 1,418,094 | 37,279 | 1,455,373 |
| LEP Summer School | 84.369A | S369A190045 | 28,634 | - | 28,634 |
| 2024-2025 Stronger Connections Grant | 84.424F | 236811017110061 | 390,243 | 820 | 391,063 |
| Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program | 84.424A | 24680101057916 | 75,797 | 7,615 | 83,412 |
| Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program | 84.424A | 25680101057916 | 749,159 | 22,329 | 771,488 |
| Total Title IV, Part A, Subpart 1, Student Support and Academic Enrichment Program (84.424A) | | | 824,956 | 29,944 | 854,900 |
| COVID-19 - Elementary and Secondary School Emergency Relief Fund II (ESSER II) of the | 84.425D | 21521001057916 | (14,906) | - | (14,906) |
| Total Elementary and Secondary School Emergency Relief Fund (84.425D) | | | (14,906) | - | (14,906) |
| Texas COVID Learning Acceleration Supports (TCLAS) - ESSER III | 84.425U | 21528042057916 | 308,714 | 55,487 | 364,201 |
| ARP ESSER III | 84.425U | 21528001057916 | 4,550,550 | 805,985 | 5,356,535 |
| Total American Rescue Plan - Elementary and Secondary School Emergency Relief (ARP ESSER) (84.425U) | | | 4,859,264 | 861,472 | 5,720,736 |
| COVID -19 - ARP Homeless I - TEHCY Supplemental | 84.425W | 215330017110068 | 1,303 | 229 | 1,532 |
| Total American Rescue Plan - Elementary and Secondary School Emergency Relief -Homeless Children and Youth (84.425W) | | | 1,303 | 229 | 1,532 |
| Total Passed through Texas Education Agency | | | 28,170,677 | 1,551,699 | 29,722,376 |

**Richardson Independent School District
Schedule of Expenditure of Federal Awards
For the Year Ended June 30, 2025**

Exhibit K - 1

| <u>Federal Grantor/ Pass-Through Grantor Program Title</u> | <u>Federal Assistance Listing Number</u> | <u>Project Number</u> | <u>Special Revenue Fund Expenditures</u> | <u>General Fund Overhead</u> | <u>Total</u> |
|--|--|---------------------------|--|--------------------------------------|----------------------|
| Passed through Dallas County Local Workforce Development Board Adult Education Literacy (AEL) | 84.002 | RISD-AEL 2018-1 | 419,693 | 13,504 | 433,197 |
| Total Passed through Dallas County Local Workforce Development Board | | | 419,693 | 13,504 | 433,197 |
| TOTAL U.S. DEPARTMENT OF EDUCATION | | | 28,590,370 | 1,565,203 | 30,155,573 |
| <u>U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES</u> | | | | | |
| Passed through Texas Health and Human Services Commission | | | | | |
| Medicaid Administrative Claiming Program (MAC) | 93.778 | HHS000537900076 | 227,654 | - | 227,654 |
| Total Medicaid Cluster | | | 227,654 | - | 227,654 |
| Child Care and Development Fund (CCDF) - Childcare Group | 93.575 | 529-07-0157-00060 | 157,214 | - | 157,214 |
| Total Childcare Group Cluster | | | 157,214 | - | 157,214 |
| Total Passed through Texas Health and Human Services Commission | | | 384,868 | - | 384,868 |
| Passed through Office of Refugee Resettlement's Administration for Children & Families | | | | | |
| Refugee Support Services Program | 93.566 | 2402TXRSSS | 229,020 | 24,166 | 253,186 |
| Refugee Support Services Program | 93.566 | 2402TXRSSS | 797,150 | 19,030 | 816,180 |
| Total Passed through Texas Education Agency | | | 1,026,170 | 43,196 | 1,069,366 |
| TOTAL U.S. DEPARTMENT OF HEALTH AND HUMAN SERVICES | | | 1,411,038 | 43,196 | 1,454,234 |
| TOTAL EXPENDITURES OF FEDERAL AWARDS | | | \$ 44,491,707 | \$ 3,272,948 | \$ 47,764,655 |

See notes to the Schedule of Expenditures of Federal Awards.

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, or designated for, 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 accompanying schedule of expenditures of federal awards (the “Schedule”) includes the federal grant activity of the District under programs of the federal government for the year ended June 30, 2025. The information in this schedule is presented in accordance with the requirements of the Uniform Guidance. Because the schedule presents only a selected portion of the operations of the District, it is not intended to and does not present the financial position, changes in net position or cash flows of the District.
3. 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 the General Fund or Special Revenue Fund, components of the Governmental Funds. With this measurement focus, only current assets and current liabilities and the fund balance are included on the balance sheet. Operating statements of these funds present increases (i.e., revenues and other financing sources) and decreases (i.e., expenditures and other financing uses) in net current assets.

The modified accrual basis of accounting is used for the Government Funds. 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, except for unmatured interest on long-term debt, which is recognized when due, and certain compensated absences and claims and judgments, which are recognized when the obligations are expected to be liquidated with expendable available financial resources.

Federal grant funds are considered 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.

4. 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 ending date, in accordance with provisions in the Uniform Guidance
5. The National School Lunch Program (ALN 10.555) received like kind goods. The monetary value of these goods was \$1,127,415 for the year ended June 30, 2025.
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 the rules and regulations governing the grants, refund of any money received may be required and the collectability of any related receivable at June 30, 2025, 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 combined financial statements for such contingencies.

7. The following is a reconciliation of total expenditures reported on the Schedule of Expenditures of Federal Award (Exhibit K-1) to Federal Program Revenues reported on Exhibit C-2:

| | |
|--|----------------------|
| Total Expenditures of Federal Awards (K-1) | \$ 47,764,655 |
| School Health and Related Services (SHARs) | <u>5,078,253</u> |
| Federal Program Revenues (Exhibit C-2) | <u>\$ 52,842,908</u> |

8. The District has elected not to use the 10% de minimis indirect cost rate as allowed under the Uniform Guidance.