

Research Update:

# Ingleside Independent School District, TX Series 2026 Refunding Bonds Assigned 'AA-' Rating; Outlook Stable

April 9, 2026

## Overview

- S&P Global Ratings assigned its 'AAA' long-term rating (based on credit enhancement) and 'AA-' underlying rating to [Ingleside Independent School District](#) (ISD), Texas' proposed \$25.4 million series 2026 unlimited tax refunding bonds.
- At the same time, we affirmed our 'AA-' long-term and underlying rating on the district's general obligation (GO) debt outstanding.
- The outlook is stable.

## Rationale

### Security

Revenue from and ad valorem tax, levied without legal limitation as to rate or amount on all taxable property within the district, secures the bonds.

Proceeds from the bonds will be used to refund certain obligations outstanding for debt service savings, with no extension of maturity.

The 'AAA' long-term rating reflects our view of the district's eligibility for, and participation in, the Texas Permanent School Fund (PSF) bond-guarantee program. For more information on the program rating, see "[Texas Permanent School Fund Bond Guarantee Program Rating Affirmed At 'AAA'](#)," Aug. 27, 2025.

### Credit highlights

The rating reflects our view of the district's healthy reserve position and consistent financial performance, offset by its concentrated tax base and higher debt burden when compared with that of similarly rated peers.

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The district, located in the coastal City of Ingleside along Corpus Christi Bay, is within commuting distance of Corpus Christi, Texas. The local economy is focused on petrochemicals, oil and gas, and manufacturing, resulting in a concentrated tax base, with the district's 10 largest taxpayers representing approximately 69% of taxable assessed value, an increase from 47% last year. This shift is due to the expiration of a Chapter 313 agreement with Ingleside Ethylene LLC, the district's largest taxpayer and operator of an ethylene cracker. Other significant taxpayers include other chemical plants, chemical and oil and gas storage facilities, an electric utility, and a wholesale distribution center. Although the district's tax base is concentrated in the energy sector, its principal taxpayers operate primarily in the midstream and downstream sectors, which are less directly tied to commodity prices compared with upstream activities, so we do not consider this a volatile industry. This supports the district's revenue flow stability, which underpins its consistent financial performance.

The district has consistently achieved balanced operating results in recent years, excluding capital spending and one-off adjustments related to refinancing operations. A very strong fund balance further supports financial performance by giving the district additional flexibility. The adopted fiscal 2026 budget includes a slight \$184,000 deficit, but the district typically outperforms its initial budgets and thus we expect financial performance to remain stable with positive-to-balanced operating results throughout the two-year outlook period.

The rating further reflects our view of the district's:

- Below-average gross county product and per capita personal income. Although a growing tax base, increasing local population, and elevated market value per capita--potentially stronger indicators at the district level than at the county level--partly offset these metrics, they remain subdued compared with those of similarly rated peers.
- Track record of balanced financial performance in recent years, outside of capital spending and refunding operations, and the maintenance of high reserves, which is expected to continue.
- Financial management policies and practices that include conservative budgeting, monthly budget-to-actual reporting to the board, a formalized investment management policy, an informal reserve target of four to five months of expenditures, and measures to mitigate cyber risk. However, the district lacks long-term financial and capital plans or a debt management policy.
- Increased but manageable debt burden as a result of the 2025 issuance. We anticipate debt service to remain 20% to 25% of total governmental revenue following the 2026 bond refunding, considering that the district anticipates only a minor issuance to cover a variety of facility improvements in the next couple of years.
- Limited near-term risk tied to pension and other postemployment benefits liabilities, as the state contributes a sizeable share of employer contributions and is responsible for the proportionate share of the unfunded liability. For more information on Texas' pension landscape, see "[Pension Spotlight: Texas](#)," April 4, 2023.
- For more information on our institutional framework assessment for Texas school districts, see "[Institutional Framework Assessment: Texas Local Governments](#)," Sept. 9, 2024.

## **Environmental, social, and governance**

We view social and governance factors as neutral in our credit analysis. Similar to other districts in the area, its coastal location exposes it to environmental risks from extreme weather events,

which we view as above the sector standard. However, we believe that above-average reserves mitigate the potential financial impact of these events.

## Outlook

The stable outlook reflects our expectation that the district will maintain balanced operations and ample reserves, and that its debt burden will remain manageable throughout our outlook horizon, sustained by continued economic growth.

### Downside scenario

We could lower the rating if financial performance deteriorated, reducing reserves to a level no longer comparable with that of peers, or if the debt load were to increase materially.

### Upside scenario

We could raise the rating if taxpayer concentration diversifies materially and if the local economy expands, leading to improved income indicators to levels in line with those of higher-rated peers.

### Ingleside Independent School District, Texas--credit summary

Institutional framework (IF)	2
Individual credit profile (ICP)	3.1
Economy	5.5
Financial performance	2
Reserves and liquidity	1
Management	3.00
Debt and liabilities	4.00

### Ingleside Independent School District, Texas--key credit metrics

	Most recent	2025	2024	2023
<b>Economy</b>				
Real GCP per capita as % of U.S.	61	--	61	66
County PCPI as % of U.S.	75	--	75	75
Market value (\$000s)	5,219,069	5,163,394	5,247,184	4,655,889
Market value per capita (\$)	490,514	485,281	493,156	439,691
Top 10 taxpayers as % of taxable value	68.9	44.6	44.8	40.2
County unemployment rate (%)	4.9	--	4.9	4.7
Local median household EBI as % of U.S.	103	--	103	101
Local per capita EBI as % of U.S.	86	--	86	85
Local population	10,640	--	10,640	10,589
<b>Financial performance</b>				
Operating fund revenue (\$000s)	--	31,342	31,187	37,499
Operating fund expenditures (\$000s)	--	35,466	30,938	31,905
Net transfers and other adjustments (\$000s)	--	7,811	--	(7,400)
Operating result (\$000s)	--	3,687	249	(1,806)

**Ingleside Independent School District, Texas--key credit metrics**

	<b>Most recent</b>	<b>2025</b>	<b>2024</b>	<b>2023</b>
Operating result as % of revenue	--	11.8	0.8	(4.8)
Operating result three-year average %	--	2.6	(1.0)	(0.7)
Enrollment	--	2,071	2,010	2,023
<b>Reserves and liquidity</b>				
Available reserves as % of operating revenue	--	88.8	77.5	63.8
Available reserves (\$000s)	--	27,832	24,158	23,920
<b>Debt and liabilities</b>				
Debt service cost as % of revenue	--	25.7	12.5	11.0
Net direct debt per capita (\$)	9,347	9,098	4,963	5,401
Net direct debt (\$000s)	99,451	96,802	52,803	57,195
Direct debt 10-year amortization (%)	52	53	--	--
Pension and OPEB cost as % of revenue	--	2	2	2
NPLs per capita (\$)	--	660	660	883
Combined NPLs (\$000s)	--	7,021	7,021	9,348

Financial data may reflect analytical adjustments and is sourced from issuer audit reports or other annual disclosures. Economic data is generally sourced from S&P Global Market Intelligence, the Bureau of Labor Statistics, Claritas, and issuer audits and other disclosures. Local population is sourced from Claritas. Claritas estimates are point in time and not meant to show year-over-year trends. EBI--Effective buying income. GCP--Gross county product. NPL--Net pension liability. OPEB--Other postemployment benefits. PCPI--Per capita personal income.

**Ratings List**

**New Issue Ratings**

US\$25,385,000 Ingleside Independent School District, Political Subdivision of the State of Texas Located in San Patricio County, Texas, Unlimited Tax Refunding Bonds, Series 2026, dated: May 27, 2026, due: August 15, 2037

Long Term Rating	AAA/Stable
Underlying Rating for Credit Program	AA-/Stable

**Ratings Affirmed**

**Local Government**

Ingleside Indpt Sch Dist, TX Unlimited Tax General Obligation	AA-/Stable
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The ratings appearing below the new issues represent an aggregation of debt issues (ASID) associated with related maturities. The maturities similarly reflect our opinion about the creditworthiness of the U.S. Public Finance obligor's legal pledge for payment of the financial obligation. Nevertheless, these maturities may have different credit ratings than the rating presented next to the ASID depending on whether or not additional legal pledge(s) support the specific maturity's payment obligation, such as credit enhancement, as a result of defeasance, or other factors.

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