

March 8, 2018



Edinburg Consolidated Independent School District

DRAFT FOR DISCUSSION ONLY

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General Obligation (Voter Approved) Bonds Financing: Assumptions and New Money Scenarios

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General Assumptions: Analysis is based on information provided by the District or State documents and current State Law, Policies, Procedures and Funding Formulas.

- Average Daily Attendance (ADA): 32,505
- Projected ADA Growth: 0
- Net Assessed Values (NAV):
 - 2018: \$5,436,842,914
 - 2019: \$6,025,891,231 (10.80% Growth)
 - 2020-Forward, NAV Growth: 0
- Tax Collections Rate: 100%
- Adjusted State Share:
 - 2018: 51.53%
 - 2019 Forward: 46.28%
- Current I&S Tax Rate: \$0.0698

Scenarios A,B,C

- I&S Tax Rate: \$0.0698
- True Interest Cost Estimate: 4.75%

- **TOTAL TAX RATE:** \$1.2398*
- **MAINTENANCE & OPERATIONS (M&O) TAX RATE:** \$1.17
FUNDS RAISED WITH THIS PORTION OF THE TOTAL TAX RATE ARE USED FOR GENERAL OPERATING EXPENSES OF THE DISTRICT (GENERALLY ANY LEGAL EXPENSE).
- **INTEREST & SINKING (I&S) TAX RATE:** \$0.0698
FUNDS RAISED WITH THIS PORTION OF THE TOTAL TAX RATE ARE USED FOR THE SOLE PURPOSE OF PAYING DEBT OWED ON VOTER APPROVED BONDS.

* FOR “TAXES DUE” PURPOSES, THE TOTAL TAX RATE IS APPLIED TO EVERY \$100.00 OF A PROPERTY’S ASSESSED VALUE.

Pre-Scenario (Current Bond Debt): M&O Contributions to Debt Service

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M&O contributions to debt service are subject to review and verification by M&O consultants Moak Casey & Associates.

YEAR	M&O CONTRIBUTION
2018	\$4,000,000
2019	\$6,218,824
2020	\$1,927,424

New Bond Scenarios A, B, C

NO TAX RATE INCREASE

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NEW BOND SCENARIOS	A	B	C
M&O PAYMENT TO DEBT SERVICE 2020 FORWARD	\$9,000,000	\$10,000,000	\$11,000,000
BOND AMOUNT	\$113,055,000	\$129,040,000	\$145,020,000

In effect, \$1,000,000 in payment leverages \$15,980,000 in new debt.

EFFECTS OF I&S TAX RATE INCREASES ON BOND AMOUNTS

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- 1 penny of tax rate raises: \$600,000 locally
- \$600,000 is matched with \$516,902 from the State
- Total amount raised by a penny to pay bond debt:
\$1,116,902
- \$1,116,902 will leverage (afford) \$16,831,400 of New Debt

I&S TAX INCREMENTS BY PENNY: EFFECTS ON THE SIZE OF THE BOND

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- \$11,000,000 FROM M&O FUNDS WILL PAY FOR SOME CURRENT DEBT PLUS **\$145,020,000 (BASE AMOUNT)** IN NEW BONDS
- TO CONSIDER INCREASING THE BOND SIZE TO MORE THAN \$145,020,000, THE I&S TAX RATE WOULD NEED TO BE INCREASED

THE BOND AMOUNT SIZE BY PENNY INCREASE IS AS FOLLOWS

BASE AMOUNT	I&S TAX RATE INCREASE	AMOUNT RAISED BY PENNY INCREASE	NEW BOND AMOUNT SIZE
\$145,020,000	1 CENT	\$16,831,400	\$161,185,400
\$145,020,000	2 CENTS	\$33,662,800	\$178,016,800
\$145,020,000	3 CENTS	\$50,494,200	\$195,514,200
\$145,020,000	4 CENTS	\$67,325,600	\$212,345,600
\$145,020,000	5 CENTS	\$84,157,000	\$229,177,000

Tax Payer Impact of I&S Tax Rate Increase by Cents on Property Values

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PROPERTY VALUE	I&S TAX INCREASE (Cents) YEARLY PAYMENTS				
	1 Cent	2 Cents	3 Cents	4 Cents	5 Cents
\$ 50,000	\$ 5.00	\$ 10.00	\$ 15.00	\$ 20.00	\$ 25.00
\$ 75,000	\$ 7.50	\$ 15.00	\$ 22.50	\$ 30.00	\$ 37.50
\$ 125,000	\$ 12.50	\$ 25.00	\$ 37.50	\$ 50.00	\$ 62.50
\$ 200,000	\$ 20.00	\$ 40.00	\$ 60.00	\$ 80.00	\$100.00
\$1,000,000	\$100.00	\$200.00	\$300.00	\$400.00	\$500.00

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