

JANUARY 17, 2019



# Edinburg Consolidated Independent School District

**DRAFT FOR DISCUSSION ONLY**

ESTRADA • HINOJOSA  
INVESTMENT BANKERS

Dallas • Austin • Chicago • Houston • Los Angeles • Miami • New York • San Antonio

- **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.

# General Assumptions: Basis for Presentation Information

**Draft**

This presentation is based on current information provided by the District or gathered from State documents and current State Law, Policies, Procedures and Funding Formulas. Generally, amounts in the millions are rounded to the nearest thousand.

- Average Daily Attendance (ADA): 31,500
- Projected ADA Growth: -0-
- Net Assessed Values (NAV):
  - 2018: \$6,125,398,893
  - 2019: \$6,484,047,758
  - 2020-Forward, NAV Growth: -0-
- Tax Collections Rate: 98%
- Adjusted State Share EDA:\*
  - 2018-2019: 46.4%
  - 2020 Forward: 43.8%
  - Current: I&S Tax Rate is \$0.0698; M&O Tax Rate is \$1.17
  - Total Tax Rate is \$1.2398
- True Interest Cost Estimate: 4.50% (70 Basis above current rates)
- Amortization: 30 years
- \*State Share variance is determined yearly by TEA based on ADA, NAV, and Tax Collections.

# Current Bond Debt

**DRAFT**

<b>Debt Outstanding FYE 8/31/2018</b>				
<b>Series</b>	<b>Debt Outstanding</b>		<b>Amount Callable</b>	<b>Call Date</b>
U/L Tax Ref Bds Ser 2016	\$	80,570,000	\$ 57,430,000	2/15/2026
U/L Tax Ref Bds Ser 2014		31,335,000	17,895,000	2/15/2024
Mtc Tax Ref Bds Ser 2012		2,265,000	480,000	2/15/2022
Mtc Tax Ref Bds Ser 2011		4,730,000	1,255,000	2/15/2021
U/L Tax Sch Bldg Bds Ser 2008A		4,125,000	4,125,000	8/15/2018
<b>Total</b>	<b>\$</b>	<b>123,025,000</b>	<b>\$ 81,185,000</b>	

# PRE (CURRENT) DEBT PAYMENT SCHEDULE **DRAFT**

EDINBURG CONS. INDEPENDENT SCHOOL DISTRICT														
Tax Rate Impact			CM+70BPS	CM+100BPS	=SUM(D):[F]							=SUM(G):[K]	=[L]	
COLLECTIONS RATE: 100.00%		TIC:												
		Dated Date:												
		Par Amount:								I&S Levy for FYE 2019	\$ 4,525,865			
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O
FYE 8/31	[NAV] Net Assessed Valuation	NAV Growth	Existing Debt	2019 U/L Tax Sch Bldg Bonds Debt Service	2020 U/L Tax Sch Bldg Bonds Debt Service	Total Debt	Less: Projected Aid on Existing & New Debt		Less: District Contribution from M&O	Less: District Contribution	Total Net Debt Service Requirements	Required Tax Rate <sup>(1)</sup>	Marginal I&S Tax Rate Increase	FYE 8/31
2018	\$ 6,025,891,231		\$ 14,265,300			\$ 14,265,300	(5,289,972)		(4,000,000)		\$ 4,975,328	0.0698		2018
2019	6,484,047,758		14,048,650			14,048,650	(4,427,016)		(5,095,769)		4,525,865	0.0698		2019
2020	6,484,047,758	0.0%	9,757,250			9,757,250	(3,793,640)		(1,437,745)		4,525,865	0.0698	0.0000	2020
2021	6,484,047,758	0.0%	9,761,500			9,761,500	(3,205,791)		(2,029,843)		4,525,865	0.0698		2021
2022	6,484,047,758	0.0%	9,761,700			9,761,700	(3,205,791)		(2,030,043)		4,525,865	0.0698		2022
2023	6,484,047,758	0.0%	9,756,325			9,756,325	(3,205,791)		(2,024,668)		4,525,865	0.0698		2023
2024	6,484,047,758	0.0%	9,757,700			9,757,700	(3,205,791)		(2,026,043)		4,525,865	0.0698		2024
2025	6,484,047,758	0.0%	9,759,950			9,759,950	(3,205,791)		(2,028,293)		4,525,865	0.0698		2025
2026	6,484,047,758	0.0%	9,757,450			9,757,450	(3,205,791)		(2,025,793)		4,525,865	0.0698		2026
2027	6,484,047,758	0.0%	9,759,425			9,759,425	(3,205,791)		(2,027,768)		4,525,865	0.0698		2027
2028	6,484,047,758	0.0%	9,761,375			9,761,375	(3,205,791)		(2,029,718)		4,525,865	0.0698		2028
2029	6,484,047,758	0.0%	9,759,050			9,759,050	(3,205,791)		(2,027,393)		4,525,865	0.0698		2029
2030	6,484,047,758	0.0%	9,759,875			9,759,875	(3,205,791)		(2,028,218)		4,525,865	0.0698		2030
2031	6,484,047,758	0.0%	6,363,625			6,363,625	(2,638,562)				3,725,063	0.0574		2031
2032	6,484,047,758	0.0%	6,364,250			6,364,250	(2,638,821)				3,725,429	0.0575		2032
2033	6,484,047,758	0.0%	6,358,500			6,358,500	(2,636,437)				3,722,063	0.0574		2033
2034	6,484,047,758	0.0%	6,365,625			6,365,625	(2,639,391)				3,726,234	0.0575		2034
2035	6,484,047,758	0.0%	6,364,875			6,364,875	(2,639,080)				3,725,795	0.0575		2035
2036	6,484,047,758	0.0%	6,360,875			6,360,875	(2,637,422)				3,723,453	0.0574		2036
2037	6,484,047,758	0.0%	6,362,875			6,362,875	(2,638,251)				3,724,624	0.0574		2037
2038	6,484,047,758	0.0%	6,360,125			6,360,125	(2,637,111)				3,723,014	0.0574		2038
2039	6,484,047,758	0.0%	-			-	-				-	0.0000		2039
2040	6,484,047,758	0.0%	-			-	-				-	0.0000		2040
2041	6,484,047,758	0.0%	-			-	-				-	0.0000		2041
2042	6,484,047,758	0.0%	-			-	-				-	0.0000		2042
2043	6,484,047,758	0.0%	-			-	-				-	0.0000		2043
2044	6,484,047,758	0.0%	-			-	-				-	0.0000		2044
2045	6,484,047,758	0.0%	-			-	-				-	0.0000		2045
2046	6,484,047,758	0.0%	-			-	-				-	0.0000		2046
2047	6,484,047,758	0.0%	-			-	-				-	0.0000		2047
2048	6,484,047,758	0.0%	-			-	-				-	0.0000		2048
2049	6,484,047,758	0.0%	-			-	-				-	0.0000		2049
2050	6,484,047,758	0.0%	-			-	-				-	0.0000		2050
2051	6,484,047,758	0.0%	-			-	-				-	0.0000		2051
2052	6,484,047,758	0.0%	-			-	-				-	0.0000		2052
<b>Total</b>			\$ 186,566,300	\$ -	\$ -	\$ 186,566,300	\$ (66,673,615)	\$ -	\$ (30,811,296)	\$ -	\$ 89,081,388			<b>Total</b>

<sup>(1)</sup> Collection Rate - 100.00%

# NEW BONDS SPREADSHEET

[A]	[B]	[C]	[D]	[E]	[F]	[G]	[H]	[I]	[J]	[K]	[L]	[M]	[N]	[O]	
FYE 8/31	Net Assessed Valuation <sup>(1)</sup>	NAV Gr. %	Existing EDA DS	Project Fund Delivery Rate <sup>(2)</sup>			Total EDA DS	Existing IFA DS	Less Total Est. State Aid <sup>(4)</sup>	Less Contributions		Total Net DS	I&S Tax Rate <sup>(5)</sup>	Rate Change	FYE 8/31
				256,600,000	8/1/2019	4.50%				M&O	Other				
Collections Rate: 98.0%			Series 2019 <sup>(3)</sup>												
			Principal	Interest	Total										
2018	\$ 6,125,398,893		\$ 605,120	\$ -	\$ -	\$ 605,120	\$ 11,045,605	\$ (5,124,041)	\$ -	\$ (2,336,667)	\$ 4,190,018	\$ 0.0698		2018	
2019	6,484,047,758	5.9%	604,660	-	483,389	1,088,049	13,443,990	(6,080,905)	(3,532,397)	(483,389)	4,435,348	0.0698	0.0000	2019	
2020	6,484,047,758	0.0%	82,843	-	12,429,995	12,512,838	9,674,407	(4,302,322)		(3,269,879)	14,615,044	0.2300	0.1602	2020	
2021	6,484,047,758	0.0%	82,934	3,460,000	12,348,685	15,808,685	15,891,619	9,678,566	(4,304,035)		14,615,044	0.2300	-	2021	
2022	6,484,047,758	0.0%	82,891	3,625,000	12,182,188	15,807,188	15,890,079	9,678,809	(10,951,986)		14,616,901	0.2300	0.0000	2022	
2023	6,484,047,758	0.0%	82,833	3,820,000	11,988,130	15,808,130	15,890,963	9,673,492	(10,950,184)		14,614,271	0.2300		2023	
2024	6,484,047,758	0.0%	82,754	4,045,000	11,763,978	15,808,978	15,891,732	9,674,946	(10,951,120)		14,615,558	0.2300		2024	
2025	6,484,047,758	0.0%	82,885	4,280,000	11,526,715	15,806,715	15,889,600	9,677,065	(10,951,058)		14,615,607	0.2300		2025	
2026	6,484,047,758	0.0%	82,733	4,530,000	11,275,630	15,805,630	15,888,363	9,674,717	(10,949,549)		14,613,531	0.2300		2026	
2027	6,484,047,758	0.0%	82,778	4,800,000	11,009,725	15,809,725	15,892,503	9,676,647	(10,952,158)		14,616,992	0.2300		2027	
2028	6,484,047,758	0.0%	82,917	5,080,000	10,728,145	15,808,145	15,891,062	9,678,458	(10,952,273)		14,617,247	0.2300		2028	
2029	6,484,047,758	0.0%	82,815	5,375,000	10,430,178	15,805,178	15,887,992	9,676,235	(10,950,012)		14,614,216	0.2300		2029	
2030	6,484,047,758	0.0%	82,908	5,695,000	10,114,683	15,809,683	15,892,590	9,676,967	(10,952,329)		14,617,229	0.2300		2030	
2031	6,484,047,758	0.0%	-	6,025,000	9,780,663	15,805,663	15,805,663	6,363,625	(9,549,531)		12,619,756	0.1986		2031	
2032	6,484,047,758	0.0%	-	6,380,000	9,427,120	15,807,120	15,807,120	6,364,250	(9,550,428)		12,620,942	0.1986		2032	
2033	6,484,047,758	0.0%	-	6,755,000	9,052,773	15,807,773	15,807,773	6,358,500	(9,548,345)		12,617,927	0.1986		2033	
2034	6,484,047,758	0.0%	-	7,150,000	8,656,480	15,806,480	15,806,480	6,365,625	(9,550,713)		12,621,392	0.1986		2034	
2035	6,484,047,758	0.0%	-	7,570,000	8,236,960	15,806,960	15,806,960	6,364,875	(9,550,615)		12,621,220	0.1986		2035	
2036	6,484,047,758	0.0%	-	7,975,000	7,833,803	15,808,803	15,808,803	6,360,875	(9,549,775)		12,619,902	0.1986		2036	
2037	6,484,047,758	0.0%	-	8,355,000	7,450,048	15,805,048	15,805,048	6,362,875	(9,548,953)		12,618,970	0.1986		2037	
2038	6,484,047,758	0.0%	-	8,760,000	7,047,845	15,807,845	15,807,845	6,360,125	(9,549,046)		12,618,924	0.1986		2038	
2039	6,484,047,758	0.0%	-	9,180,000	6,626,255	15,806,255	15,806,255	-	(6,928,756)		8,877,499	0.1397		2039	
2040	6,484,047,758	0.0%	-	9,670,000	6,134,930	15,804,930	15,804,930	-	(6,928,175)		8,876,755	0.1397		2040	
2041	6,484,047,758	0.0%	-	10,240,000	5,567,495	15,807,495	15,807,495	-	(6,929,299)		8,878,196	0.1397		2041	
2042	6,484,047,758	0.0%	-	10,840,000	4,966,715	15,806,715	15,806,715	-	(6,928,957)		8,877,758	0.1397		2042	
2043	6,484,047,758	0.0%	-	11,475,000	4,330,738	15,805,738	15,805,738	-	(6,928,529)		8,877,209	0.1397		2043	
2044	6,484,047,758	0.0%	-	12,150,000	3,657,425	15,807,425	15,807,425	-	(6,929,268)		8,878,157	0.1397		2044	
2045	6,484,047,758	0.0%	-	12,795,000	3,010,468	15,805,468	15,805,468	-	(6,928,410)		8,877,057	0.1397		2045	
2046	6,484,047,758	0.0%	-	13,415,000	2,394,533	15,809,533	15,809,533	-	(6,930,192)		8,879,340	0.1397		2046	
2047	6,484,047,758	0.0%	-	14,060,000	1,748,870	15,808,870	15,808,870	-	(6,929,902)		8,878,968	0.1397		2047	
2048	6,484,047,758	0.0%	-	14,735,000	1,072,188	15,807,188	15,807,188	-	(6,929,164)		8,878,023	0.1397		2048	
2049	6,484,047,758	0.0%	-	15,445,000	362,958	15,807,958	15,807,958	-	(6,929,502)		8,878,456	0.1397		2049	
			2,121,071	237,685,000	233,639,701	471,324,701	473,445,772	181,830,654	(270,989,532)	(3,532,397)	(12,741,041)	368,013,457			

<sup>(1)</sup> 2018 and 2019 Freeze Adjusted Assessed Valuations. Other values are calculated.

<sup>(2)</sup> Current market PSF rates, 12/7/19, plus 70 bps.

<sup>(3)</sup> The District must make a payment in FY 19 to qualify the debt for EDA in the 2021 biennium.

<sup>(4)</sup> See State Aid Calculations.

<sup>(5)</sup> Calculated values expect 2018 and 2019.

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# New Bonds Spreadsheet Summarized Bond Payments (State and Local Shares)

**DRAFT**

Bonds Sold: \$237,685,000

Project Fund: \$256,600,000

District Contribution to Payment (Non-I&S):

2020:\$3,269,879

2021:\$6,651,106

Total Yrly. Pmt. (all debt 2022 forward):

Approximately: \$25,569,000

District Share: \$14,616,000 (raised by I&S Tax Rate)

State Share: \$10,953,000 (IFA/EDA)

# New Bonds Spreadsheet Summarized Tax Rate Impact

**DRAFT**

YEAR	M&O	I&S	TOTAL
2019	\$1.17	\$0.0698	\$1.2398
2020	\$1.06*	\$0.2300**	\$1.2900

\*11 CENTS DECREASE IN M&O ARE FROM M&O SWAP TO I&S

\*\*ADDITIONAL **5.02 CENTS** IN I&S (\$0.23) ARE THE NET I&S TAX INCREASE NECESSARY TO COMPLETE THE PAYMENT ON NEW BONDS (\$237,685,000)

\$0.23 I&S TAX RATE REMAINS CONSTANT UNTIL 2031 WHEN IT DECREASES TO \$0.1986 (BASED ON THE ASSUMPTIONS SHOWN)



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

DRAFT

PROPERTY VALUE	I&S RATE TAX INCREASE	
	(1 Cent)	(5 Cents)
\$ 50,000	\$5.00	\$ 25.00
\$ 75,000	\$7.50	\$ 37.50
\$ 100,000	\$10.00	\$ 50.00
\$ 125,000	\$12.50	\$ 62.50
\$ 200,000	\$20.00	\$100.00
\$1,000,000	\$100.00	\$500.00

# BOND DEBT RATIO TO ADA: COMPARABLE SIZE DISTRICTS IN HIDALGO COUNTY (CURRENT)

**DRAFT**

DISTRICT	ADA	DEBT OUTSTANDING	AVERAGE DEBT PER ADA
ECISD	32,505	\$123,025,000	\$ 3,784
LJISD	24,609	\$223,190,945	\$ 9,069
MISSION CISD	12,716	\$122,933,000	\$ 9,667
PSJA ISD	28,513	\$328,935,000	\$11,536

# HIDALGO COUNTY SCHOOL DISTRICTS: 2018 TAX RATES, HIGHEST TO LOWEST

**DRAFT**

	M&O Rate	I&S Rate	Total Tax Rate
Hidalgo ISD	\$ 1.1700	\$ 0.3000	\$ 1.4700
Progreso ISD	\$ 1.0400	\$ 0.3500	\$ 1.3900
PSJA ISD	\$ 1.1700	\$ 0.2192	\$ 1.3892
Mercedes ISD	\$ 1.1700	\$ 0.2100	\$ 1.3800
Sharyland ISD	\$ 1.1700	\$ 0.2055	\$ 1.3755
Mission CISD	\$ 1.1700	\$ 0.1820	\$ 1.3520
Monte Alto ISD	\$ 1.1700	\$ 0.1800	\$ 1.3500
La Joya ISD	\$ 1.1700	\$ 0.1410	\$ 1.3110
La Villa ISD	\$ 1.1700	\$ 0.1338	\$ 1.3038
Valley View ISD	\$ 1.1700	\$ 0.1070	\$ 1.2770
Donna ISD	\$ 1.1700	\$ 0.0880	\$ 1.2580
Edcouch Elsa ISD	\$ 1.1700	\$ 0.0880	\$ 1.2580
<i>Edinburg CISD</i>	\$ 1.1700	\$ 0.0680	\$ 1.2398
Weslaco ISD	\$ 1.1397	\$ 0.0200	\$ 1.1597
McAllen ISD	\$ 1.1550	\$ -	\$ 1.1550

# Timeline

The following dates below are dates of key actions along the path.

- **Election Day: May 4, 2019**
- **Call the Election (Board) February 15, 2019\***
- **Sell bonds (on or around) June 2019\*\***
- **Receive Funds July 2019\*\***
- **First payment (small) August 15, 2019**

\*Deadline for calling an election. The Board may choose to call and election at an earlier date.

\*\*Dates for selling bonds or receiving funds are approximate dates in order to qualify for state assistance at the soonest possible time.



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