

# RED OAK INDEPENDENT SCHOOL DISTRICT

## Preliminary Bond Program Information

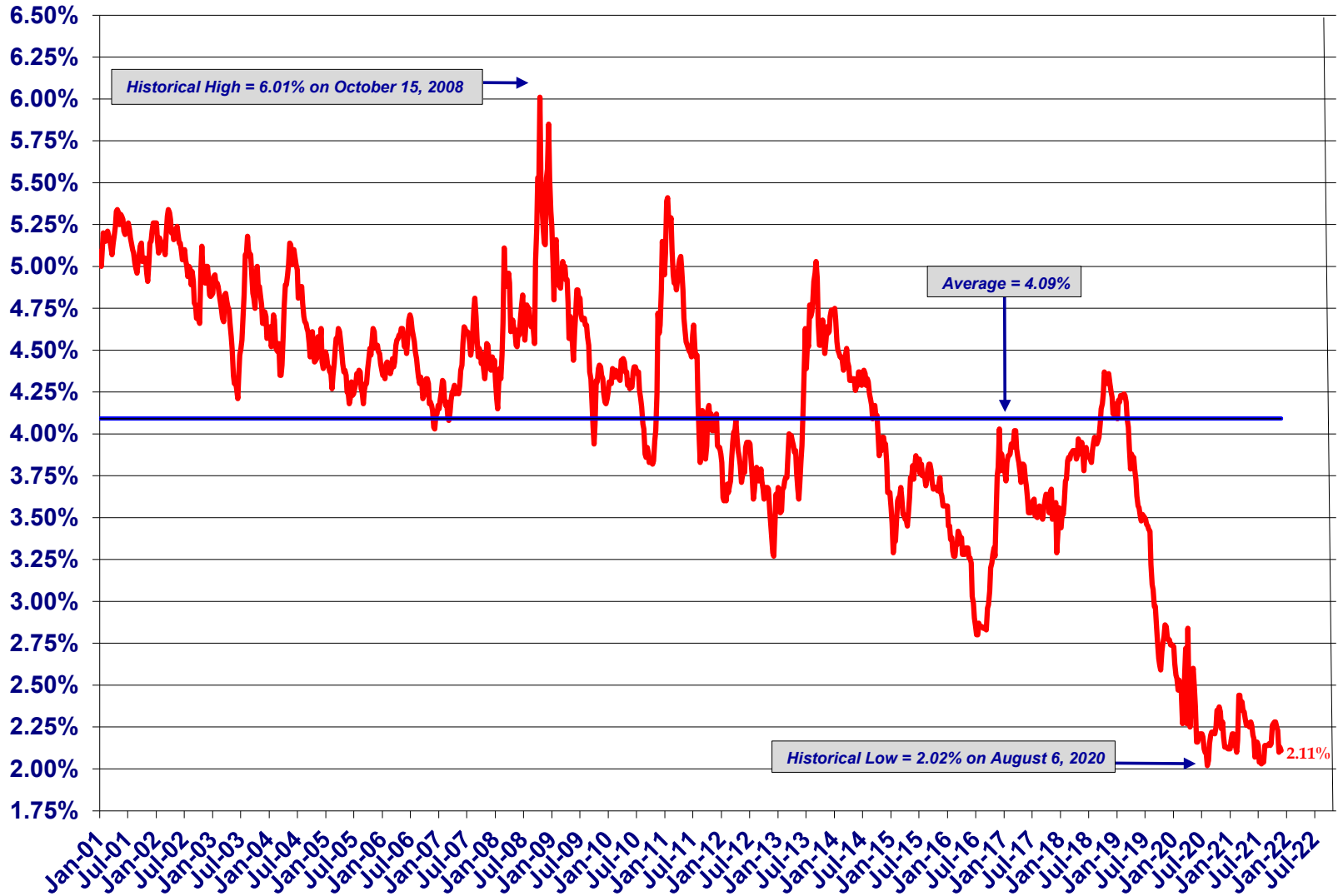
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November 30, 2021



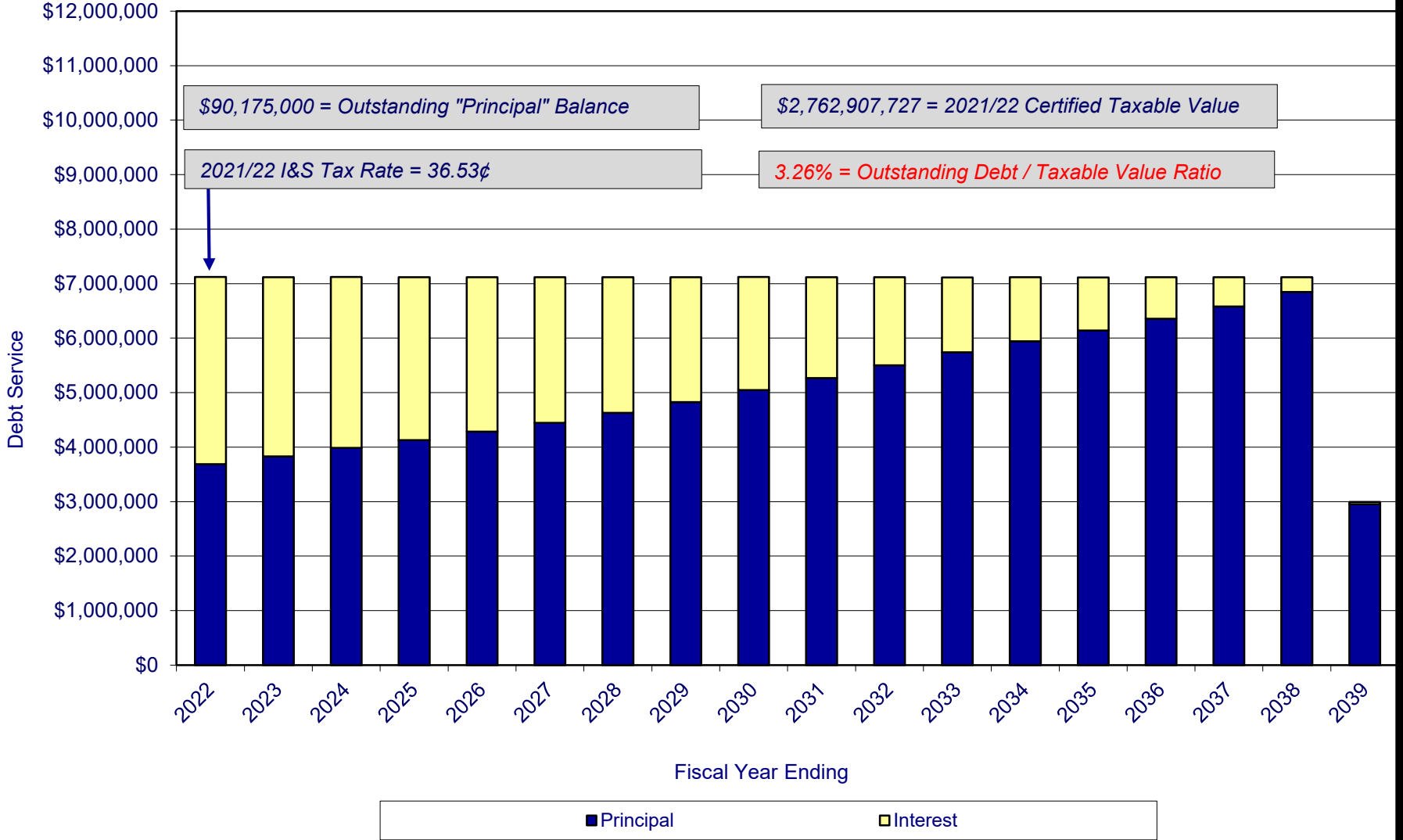
# BOND BUYERS INDEX OF MUNICIPAL BONDS

January 2001 - November 2021



# RED OAK INDEPENDENT SCHOOL DISTRICT

## Outstanding Voted Bond Debt Service



# Taxable Value History

| (1)                            | (2)                  | (3)                       | (4)                      | (5)            | (6)             |
|--------------------------------|----------------------|---------------------------|--------------------------|----------------|-----------------|
| Fiscal Year Ending (August 31) | Net Taxable Value    | Taxable Value Change (\$) | Taxable Value Change (%) | 5-Year Average | 10-Year Average |
| 2005/06                        | \$ 903,281,660       |                           |                          |                |                 |
| 2006/07                        | \$ 999,005,256       | \$ 95,723,596             | 10.60%                   |                |                 |
| 2007/08                        | \$ 1,128,111,864     | \$ 129,106,608            | 12.92%                   |                |                 |
| 2008/09                        | \$ 1,195,220,441     | \$ 67,108,577             | 5.95%                    |                |                 |
| 2009/10                        | \$ 1,177,993,756     | \$ (17,226,685)           | -1.44%                   |                |                 |
| 2010/11                        | \$ 1,163,873,416     | \$ (14,120,340)           | -1.20%                   | 5.37%          |                 |
| 2011/12                        | \$ 1,154,401,661     | \$ (9,471,755)            | -0.81%                   |                |                 |
| 2012/13                        | \$ 1,162,743,269     | \$ 8,341,608              | 0.72%                    |                |                 |
| 2013/14                        | \$ 1,208,476,734     | \$ 45,733,465             | 3.93%                    |                |                 |
| 2014/15                        | \$ 1,381,667,259     | \$ 173,190,525            | 14.33%                   |                |                 |
| 2015/16                        | \$ 1,441,482,689     | \$ 59,815,430             | 4.33%                    | 4.50%          | 4.93%           |
| 2016/17                        | \$ 1,547,984,198     | \$ 106,501,509            | 7.39%                    |                |                 |
| 2017/18                        | \$ 1,685,217,726     | \$ 137,233,528            | 8.87%                    |                |                 |
| 2018/19                        | \$ 1,836,161,664     | \$ 150,943,938            | 8.96%                    |                |                 |
| 2019/20                        | \$ 2,096,162,731     | \$ 260,001,067            | 14.16%                   |                |                 |
| 2020/21                        | \$ 2,295,391,127     | \$ 199,228,396            | 9.50%                    | 9.78%          | 7.14%           |
| 2021/22                        | (a) \$ 2,600,000,000 | \$ 304,608,873            | 13.27%                   |                |                 |

(a) Ellis Co. CAD. Certified taxable value before the "freeze adjustment" totaled \$2,762,907,727 (\$2,399,823,473 for 2020/21)

# Tax Rate & Fund Balance History

| (1)                                  | (2)             | (3)             | (4)               | (5)                              |
|--------------------------------------|-----------------|-----------------|-------------------|----------------------------------|
| Fiscal Year<br>Ending<br>(August 31) | M&O<br>Tax Rate | I&S<br>Tax Rate | Total<br>Tax Rate | I&S Fund<br>Balance<br>(June 30) |
| 2005/06                              | \$ 1.5000       | \$ 0.1400       | \$ 1.6400         |                                  |
| 2006/07                              | \$ 1.3700       | \$ 0.1400       | \$ 1.5100         | \$ 2,219,610                     |
| 2007/08                              | \$ 1.0400       | \$ 0.2600       | \$ 1.3000         | \$ 3,351,823                     |
| 2008/09                              | \$ 1.1700       | \$ 0.3300       | \$ 1.5000         | \$ 7,492,463                     |
| 2009/10                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 6,691,072                     |
| 2010/11                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 6,128,783                     |
| 2011/12                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 5,673,632                     |
| 2012/13                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 4,701,775                     |
| 2013/14                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 4,418,610                     |
| 2014/15                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 4,492,483                     |
| 2015/16                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 4,571,219                     |
| 2016/17                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 4,235,240                     |
| 2017/18                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 5,038,724                     |
| 2018/19                              | \$ 1.1700       | \$ 0.3700       | \$ 1.5400         | \$ 5,394,949                     |
| 2019/20                              | \$ 1.0683       | \$ 0.3700       | \$ 1.4383         | \$ 6,164,369                     |
| 2020/21                              | \$ 0.9939       | \$ 0.3653       | \$ 1.3592         | \$ 7,031,364                     |
| 2021/22                              | \$ 0.9603       | \$ 0.3653       | \$ 1.3256         |                                  |

# 2021/22 Tax Rate Comparison

| <u>District</u>               | <u>M&amp;O<br/>Tax Rate</u> | <u>I&amp;S<br/>Tax Rate</u> | <u>Total<br/>Tax Rate</u> |
|-------------------------------|-----------------------------|-----------------------------|---------------------------|
| Prosper ISD                   | \$0.9603                    | \$0.5000                    | \$1.4603                  |
| Royse City ISD                | \$0.9603                    | \$0.5000                    | \$1.4603                  |
| Midlothian ISD                | \$0.8720                    | \$0.4800                    | \$1.3520                  |
| Ennis ISD                     | \$0.9937                    | \$0.4600                    | \$1.4537                  |
| Cleburne ISD                  | \$0.9942                    | \$0.4544                    | \$1.4486                  |
| Lancaster ISD                 | \$1.0329                    | \$0.4375                    | \$1.4704                  |
| DeSoto ISD                    | \$0.9603                    | \$0.4283                    | \$1.3886                  |
| Grand Prairie ISD             | \$0.9603                    | \$0.4160                    | \$1.3763                  |
| Birdville ISD                 | \$0.9241                    | \$0.4139                    | \$1.3380                  |
| Waxahachie ISD                | \$0.9603                    | \$0.3839                    | \$1.3442                  |
| Rockwall ISD                  | \$0.9036                    | \$0.3700                    | \$1.2736                  |
| <b>Red Oak ISD</b>            | <b>\$0.9603</b>             | <b>\$0.3653</b>             | <b>\$1.3256</b>           |
| Mansfield ISD                 | \$1.0583                    | \$0.3600                    | \$1.4183                  |
| Richardson ISD                | \$1.0409                    | \$0.3500                    | \$1.3909                  |
| Duncanville ISD               | \$0.9759                    | \$0.3400                    | \$1.3159                  |
| Cedar Hill ISD                | \$0.9024                    | \$0.3360                    | \$1.2384                  |
| Joshua ISD                    | \$0.9603                    | \$0.3297                    | \$1.2900                  |
| Grapevine-Colleyville ISD     | \$0.9534                    | \$0.3217                    | \$1.2751                  |
| Ferris ISD                    | \$0.9559                    | \$0.3184                    | \$1.2743                  |
| Corsicana ISD                 | \$0.9634                    | \$0.2809                    | \$1.2443                  |
| Midway ISD                    | \$0.8943                    | \$0.2700                    | \$1.1643                  |
| Waco ISD                      | \$1.0244                    | \$0.2202                    | \$1.2446                  |
| Carrollton-Farmers Branch ISD | \$1.0013                    | \$0.2000                    | \$1.2013                  |

# Bond Election History

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| <u>Date</u>   | <u>Amount</u> | <u>Vote Count</u> |                | <u>Result</u> | <u>Amount Issued</u> |
|---------------|---------------|-------------------|----------------|---------------|----------------------|
|               |               | <u>For</u>        | <u>Against</u> |               |                      |
| May 6, 2017   | \$74,085,000  | 980               | 1,016          | Fail          | N/A                  |
| May 12, 2007  | \$95,000,000  | 1,036             | 489            | Pass          | \$95,000,000         |
| May 13, 2006  | \$90,000,000  | 279               | 512            | Fail          | N/A                  |
| Oct. 5, 2002  | \$14,000,000  | 435               | 151            | Pass          | \$14,000,000         |
| March 6, 1999 | \$16,000,000  | 776               | 43             | Pass          | \$16,000,000         |

# Preliminary Bond Program Analysis

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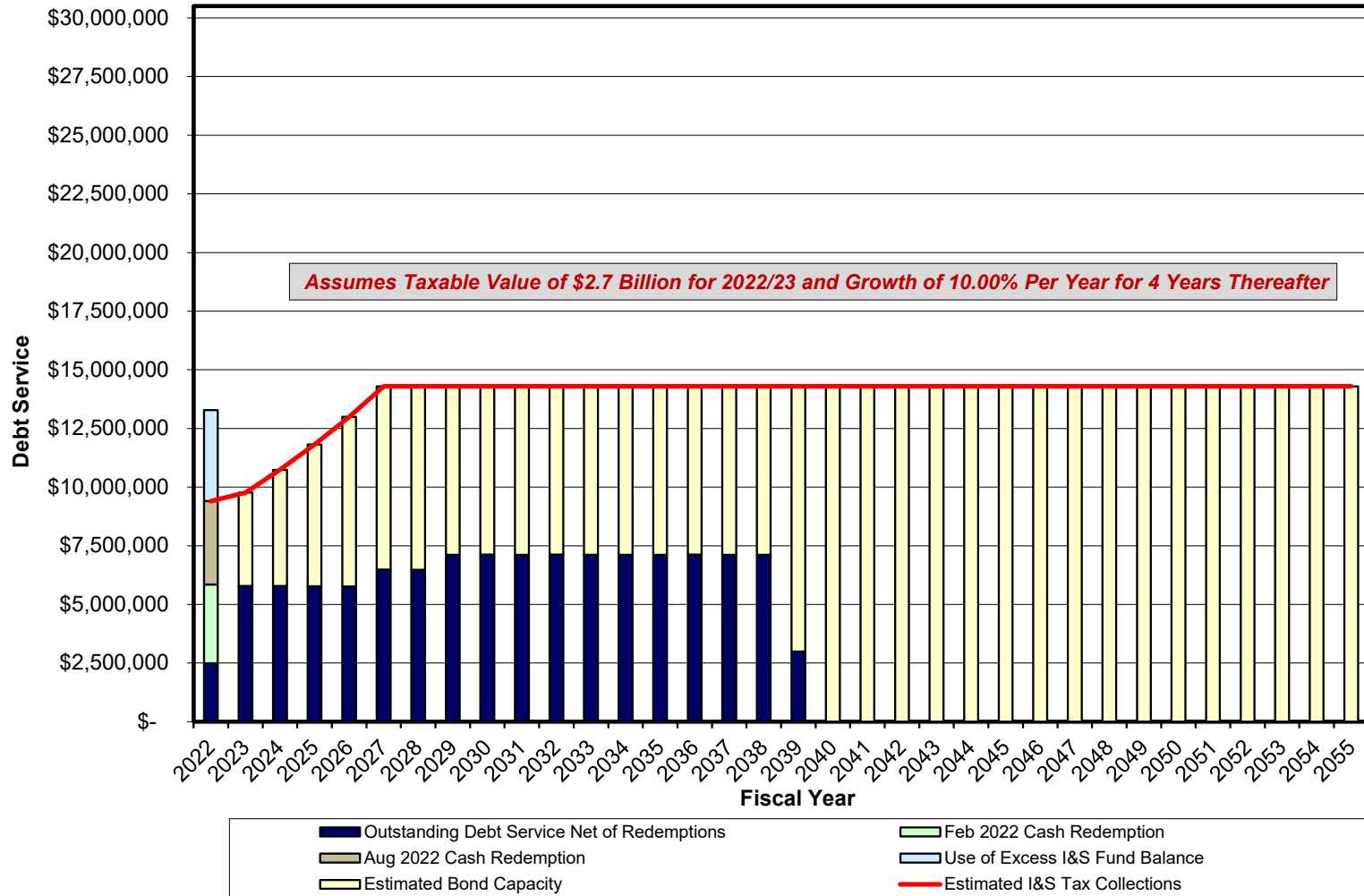
## Summary of Parameters:

|                        |  |
|------------------------|--|
| Bond Election:         | Assumed to be May 2022   |
| Issuance Dates:        | Assumed to be August 2022, August 2023, August 2024 & August 2025  |
| Collection Percentage: | Assumed to be 99%  |
| Taxable Value:         | Assumed to be \$2,700,000,000 for 2022/23<br>Assumed Growth of 10% Per Year for 4 Years Beginning in 2023/24 |
| Interest Rates:        | Assumed to be 3.00%, 3.25%, 3.50% and 3.75%  |
| Amortization Length:   | Assumed to be 30 Years   |
| Transfer of Funds:     | No Transfers of Existing Funds Are Assumed in this Analysis  |
| 2021/22 I&S Tax Rate:  | 36.53¢   |
| Call Feature:          | 10-Year Optional Early Redemption  |



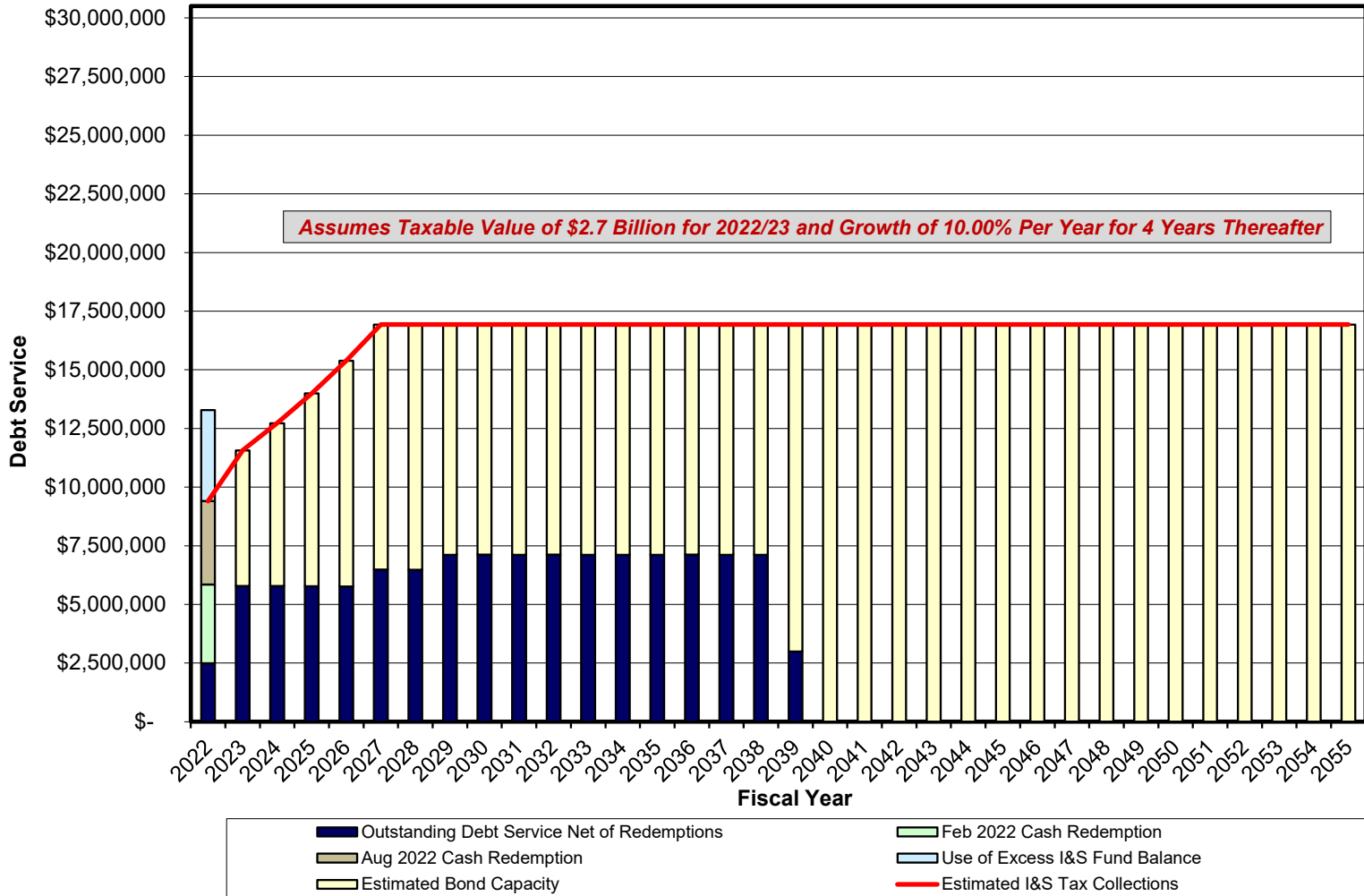
# Preliminary Bond Program Analysis

**Scenario 1: \$200,000,000 – No Tax Rate Increase (Remain at 36.53¢)**



# Preliminary Bond Program Analysis

**Scenario 2: \$250,000,000 – 6.74¢ I&S Tax Rate Increase (from 36.53¢ to 43.27¢)**



# Preliminary Bond Program Analysis

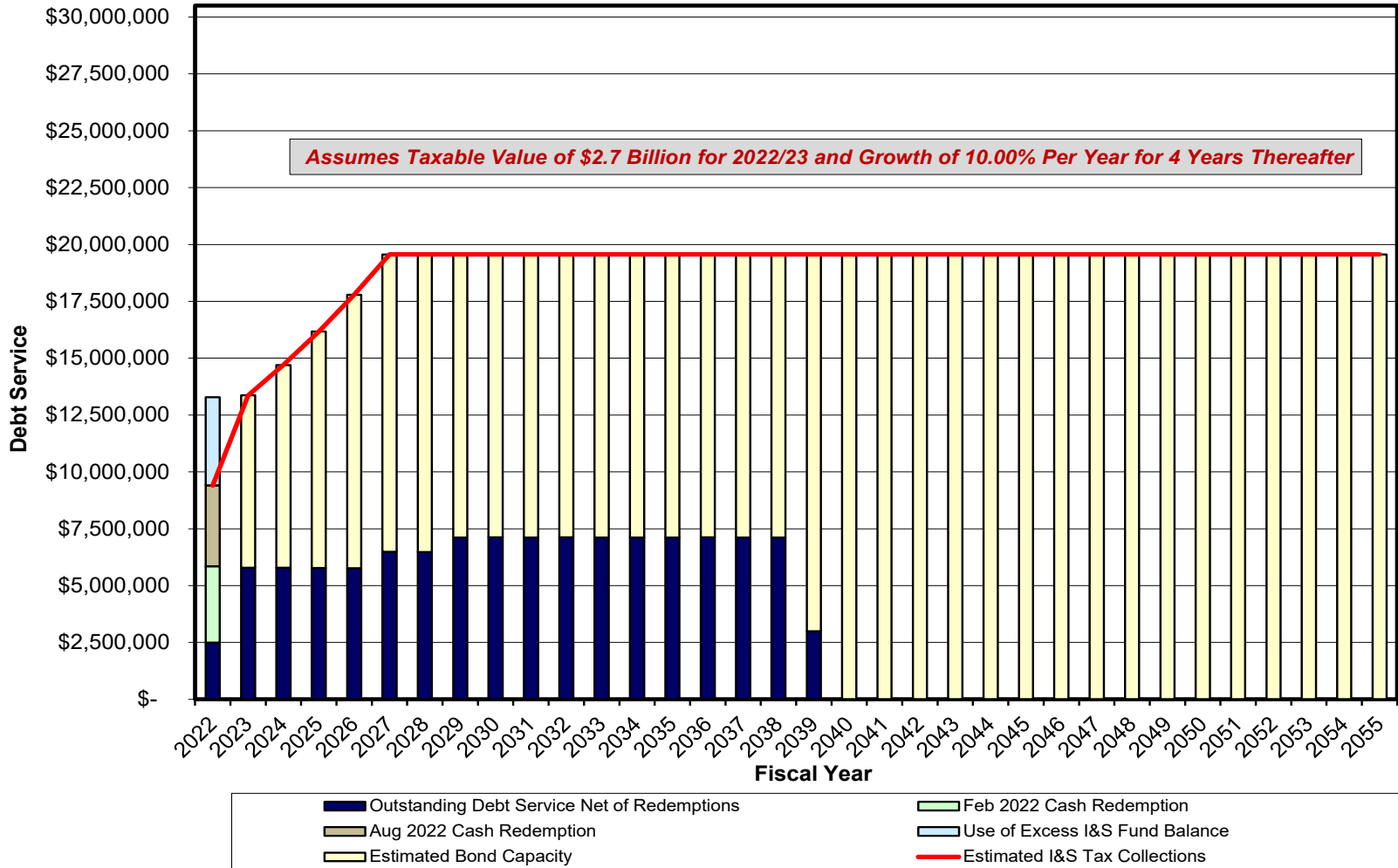
**Scenario 2: \$250,000,000 – 6.74¢ I&S Tax Rate Increase (from 36.53¢ to 43.27¢)**

## Tax Impact:

| <b>Projected Cost to Homeowner for a 6.74¢ Increase for Voted Bonds</b>  |   |                                     |                                      |
|--|---|-------------------------------------|--------------------------------------|
| Home Value<br>Before<br>Exemptions   | Home Value<br>After \$40,000<br>State Exemption | Projected<br>Annual<br>Tax Increase | Projected<br>Monthly<br>Tax Increase |
| \$100,000  | \$60,000  | \$40.44                             | \$3.37                               |
| 150,000  | 110,000   | 74.14                               | 6.18                                 |
| 200,000  | 160,000   | 107.84                              | 8.99                                 |
| 250,000  | 210,000   | 141.54                              | 11.80                                |
| 300,000  | 260,000   | 175.24                              | 14.60                                |
| 350,000  | 310,000   | 208.94                              | 17.41                                |
| 400,000  | 360,000   | 242.64                              | 20.22                                |
| 450,000  | 410,000   | 276.34                              | 23.03                                |
| 500,000  | 460,000   | 310.04                              | 25.84                                |
| <p><b>No Tax Increase above the frozen level<br/>on the Homestead of Taxpayers 65 years of age and older<br/>who have applied for and received the Age 65 Freeze</b></p> |   |                                     |                                      |

# Preliminary Bond Program Analysis

**Scenario 3: \$300,000,000 – 13.47¢ I&S Tax Rate Increase (from 36.53¢ to 50.00¢)**



# Preliminary Bond Program Analysis

**Scenario 3: \$300,000,000 – 13.47¢ I&S Tax Rate Increase (from 36.53¢ to 50.00¢)**

## Tax Impact:

| <b>Projected Cost to Homeowner for a 13.47¢ Increase for Voted Bonds</b>  |   |                                     |                                      |
|---|---|-------------------------------------|--------------------------------------|
| Home Value<br>Before<br>Exemptions  | Home Value<br>After \$40,000<br>State Exemption | Projected<br>Annual<br>Tax Increase | Projected<br>Monthly<br>Tax Increase |
| \$100,000   | \$60,000  | \$80.82                             | \$6.74                               |
| 150,000   | 110,000   | 148.17                              | 12.35                                |
| 200,000   | 160,000   | 215.52                              | 17.96                                |
| 250,000   | 210,000   | 282.87                              | 23.57                                |
| 300,000   | 260,000   | 350.22                              | 29.19                                |
| 350,000   | 310,000   | 417.57                              | 34.80                                |
| 400,000   | 360,000   | 484.92                              | 40.41                                |
| 450,000   | 410,000   | 552.27                              | 46.02                                |
| 500,000   | 460,000   | 619.62                              | 51.64                                |
| <b>No Tax Increase above the frozen level<br/>on the Homestead of Taxpayers 65 years of age and older<br/>who have applied for and received the Age 65 Freeze</b> |   |                                     |                                      |

# Texas School Bond Elections

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- 2021 – 128 Elections (\$15,791,009,685 Dollar Volume)
  - 96 Passed (75%)
  - 32 Failed (25%)
- 2020 – 39 Elections (\$9,288,061,214 Dollar Volume)
  - 31 Passed (79%)
  - 8 Failed (21%)
- 2019 – 125 Elections (\$15,527,404,135 Dollar Volume)
  - 98 Passed (78%)
  - 27 Failed (22%)
- 2018 – 104 Elections (\$11,026,121,959 Dollar Volume)
  - 86 Passed (83%)
  - 18 Failed (17%)
- 2017 – 118 Elections (\$13,969,176,291 Dollar Volume)
  - 86 Passed (75%)
  - 32 Failed (25%)

# Bond Election Timing

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- May 7, 2022
  - Board Action to Call for the Bond Election
    - On or Before February 18<sup>th</sup>
  - Early Voting
    - April 25<sup>th</sup> through May 3<sup>rd</sup>
  - Bond Election
    - May 7, 2022
  - Canvass Bond Election Results
    - May 10<sup>th</sup> to May 18<sup>th</sup>
  - 30-Day Contest Period
    - 30 Days from the date the Board Canvasses the Bond Election Results
  - Sell the Bonds
    - Mid-July to Mid-August