

For Discussion Purposes Only



Preliminary Tax Rate Impact Analysis – New Bond Program

Thursday, August 17, 2017

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Preliminary Tax Rate Impact Analysis

The Preliminary Tax Rate Impact Analysis is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to the District will correspondingly change.

□ Scenarios Presented

- Determine the projected Interest & Sinking Fund (“I&S”) tax rate impact of a new bond program on Aledo Independent School District (the “District”):
 - ❖ **Scenario 1:** \$72.95 Million Bond Program; and
 - ❖ **Scenario 2:** \$76.15 Million Bond Program.



Preliminary Tax Rate Impact Analysis

□ Assumptions

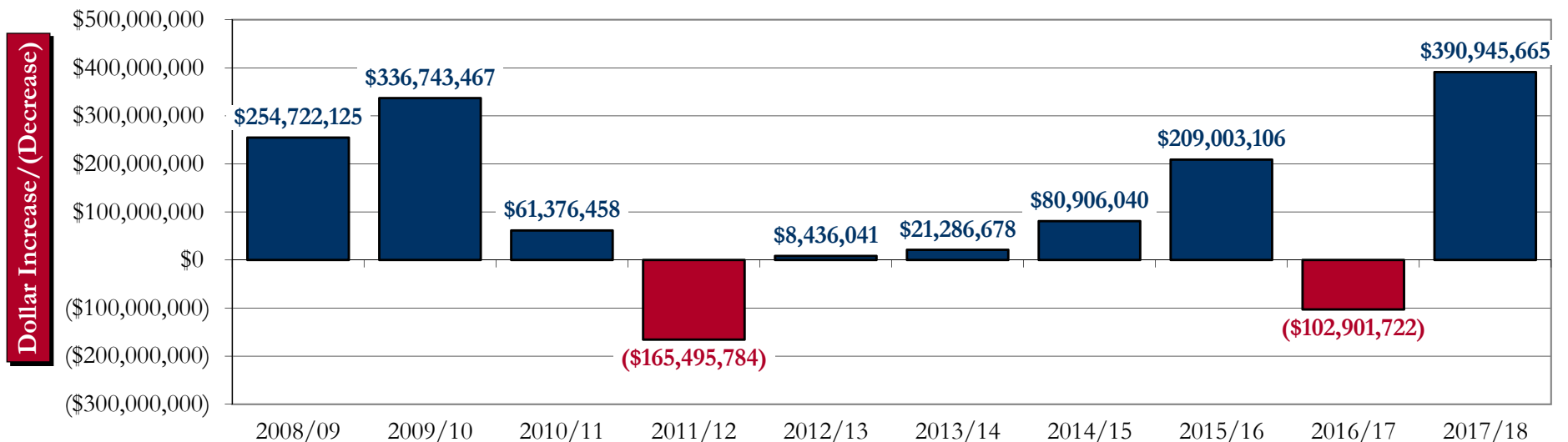
- Assumes the District will prepay \$1,275,000 of its existing Unlimited Tax Refunding Bonds, Series 2007 on February 15, 2018, saving the District and its taxpayers \$552,750 in future interest costs.
- Any I&S tax rate increase associated with a new bond program will occur in fiscal year 2018/19.
- The new bond program is sold at an interest rate of 5.00%.
- The bonds will initially be structured with annual principal payments over 30-years. However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- District will annually have \$1,080,000 of “Other Available Revenues” available for bond payments. “Other Available Revenues” consist of frozen I&S Fund tax collections, interest earnings on I&S tax collections, delinquent tax collections and other available revenues.
- Tax collection rate of 98.5%.



Historical Taxable Assessed Valuation

- ❑ The value of the District's tax base is a primary factor impacting the District's bond capacity.
 - The District's taxable assessed valuation (net of frozen values) is \$2,899,317,128 for fiscal year 2017/18.
 - Over the last decade, the District's taxable values have annually increased as follows:
 - ❖ Maximum tax base increase occurred in Year 2017/18: \$390,945,665;
 - ❖ Maximum tax base decline occurred in Year 2011/12: (\$165,495,784);
 - ❖ Average tax base increase last 5-years: \$119,847,953; and
 - ❖ Average tax base increase last 10-years: \$109,502,207.

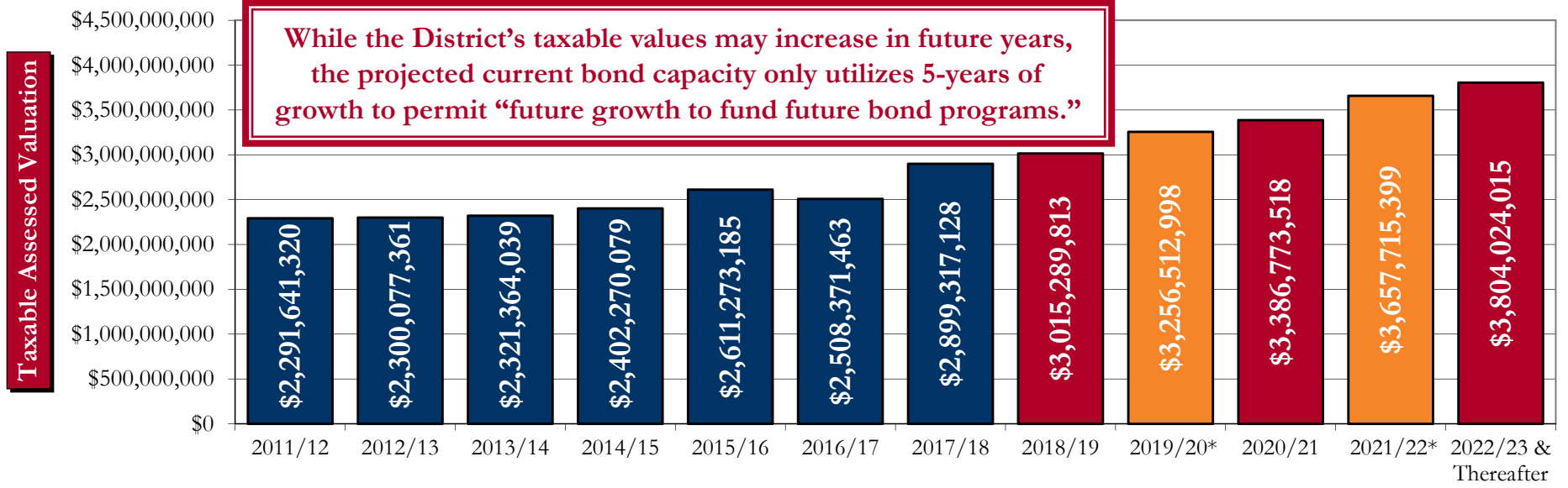
Historical Increases/(Decreases) in Taxable Valuations – Years 2008/09 – 2017/18





Preliminary Tax Rate Impact Analysis

Historical and Assumed Taxable Valuations (Net of Frozen Values)



Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Average Annual Increase – Years 2013/14 – 2017/18
Taxable Assessed Valuation	\$2,300,077,361	\$2,321,364,039	\$2,402,270,079	\$2,611,273,185	\$2,508,371,463	\$2,899,317,128	---
Dollar Change	\$---	\$21,286,678	\$80,906,040	\$209,003,106	(\$102,901,722)	\$390,945,665	\$119,847,953
Percentage Change	---%	0.93%	3.49%	8.70%	(3.94%)	15.59%	4.74%

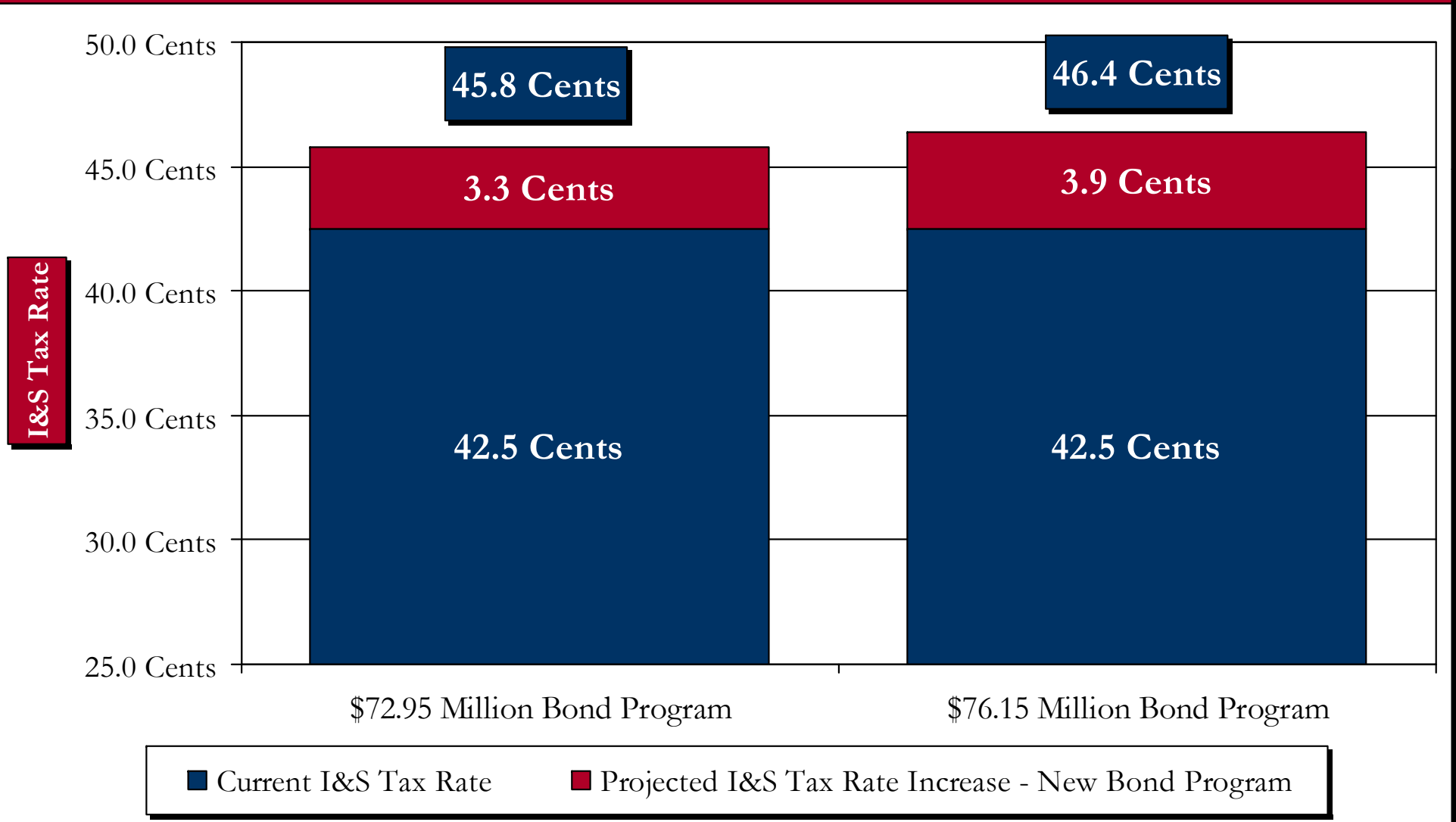
Fiscal Year	2018/19	2019/20*	2020/21	2021/22*	2022/23 & Thereafter	Average Annual Increase – Years 2018/19 – 2022/23
Taxable Assessed Valuation	\$3,015,289,813	\$3,256,512,998	\$3,386,773,518	\$3,657,715,399	\$3,804,024,015	---
Dollar Change	\$115,972,685	\$241,223,185	\$130,260,520	\$270,941,881	\$146,308,616	\$180,941,377
Percentage Change	4.00%	8.00%	4.00%	8.00%	4.00%	5.58%

*Denotes an upcoming Reappraisal Year. Source: Parker County Appraisal District and Tarrant Appraisal District.



Preliminary Tax Rate Impact Analysis

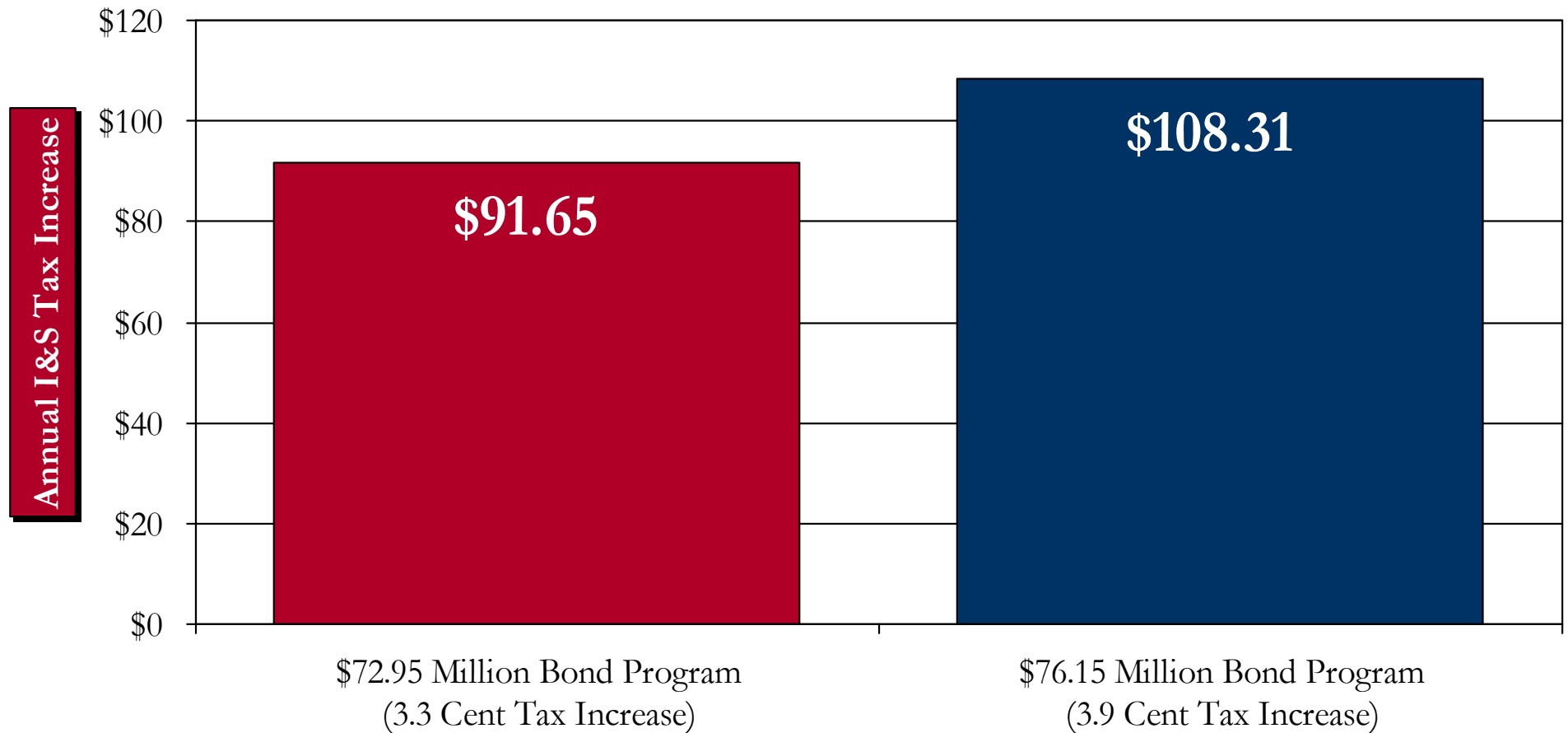
Maximum Projected I&S Tax Rate – With New Bond Program





Preliminary Tax Rate Impact Analysis

Projected Annual I&S Tax Increase For \$277,715 Average Taxable Home Value (Net of Residential Homestead Exemption)

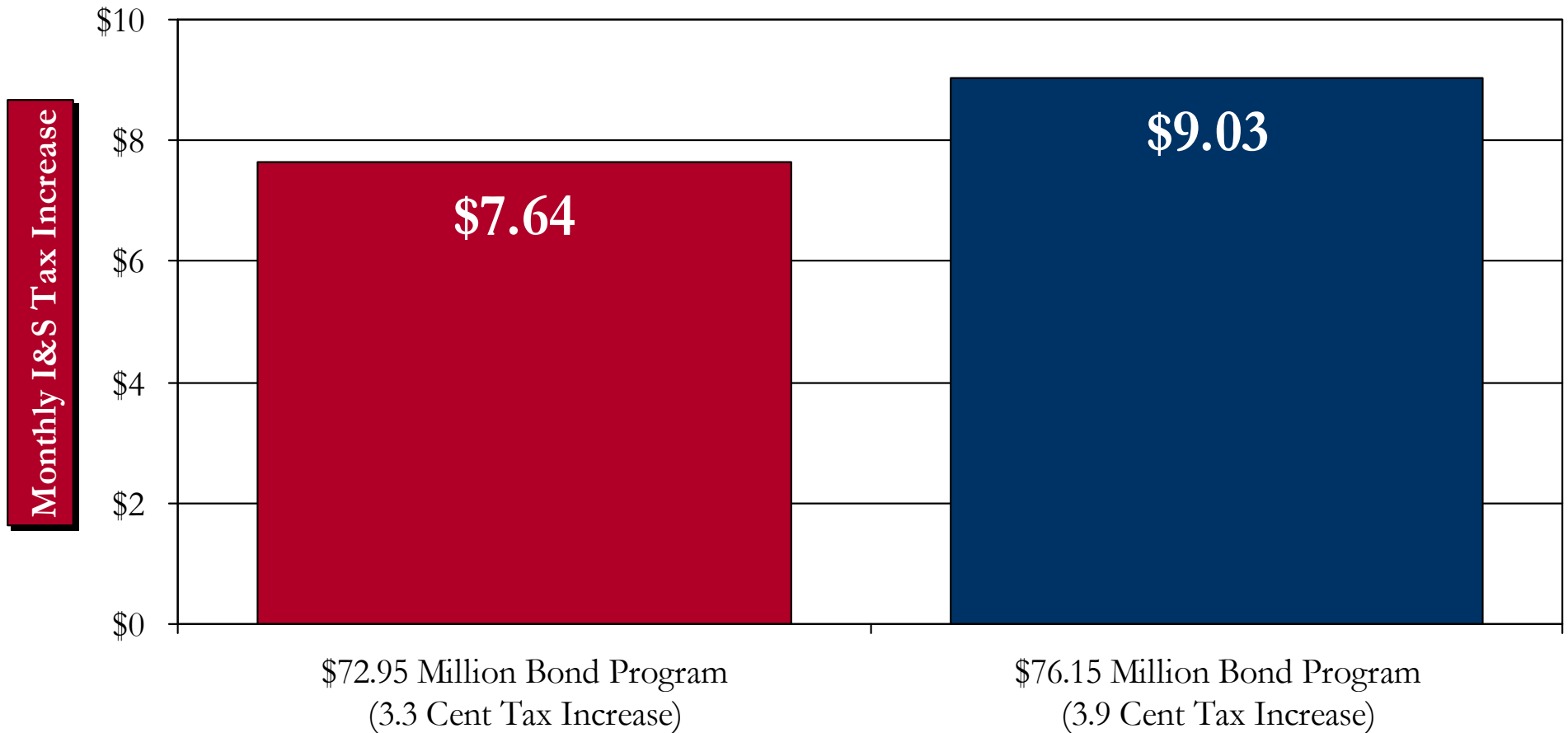


Note: The State Property Tax Code allows for school property taxes on an individual homestead to be “frozen” at the age of 65. If you are 65 years of age or older and you have filed for the “Over 65 Homestead Exemption”, there is a ceiling on the amount of school taxes to be paid – The only exception is if improvements are made to a home. As such, a tax increase from a new bond program cannot increase the applicable tax ceiling of a taxpayer that has qualified for the “Over 65 Homestead Exemption.”



Preliminary Tax Rate Impact Analysis

Projected Monthly I&S Tax Increase For \$277,715 Average Taxable Home Value (Net of Residential Homestead Exemption)



Note: The State Property Tax Code allows for school property taxes on an individual homestead to be “frozen” at the age of 65. If you are 65 years of age or older and you have filed for the “Over 65 Homestead Exemption”, there is a ceiling on the amount of school taxes to be paid – The only exception is if improvements are made to a home. As such, a tax increase from a new bond program cannot increase the applicable tax ceiling of a taxpayer that has qualified for the “Over 65 Homestead Exemption.”



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