

VOTER INFORMATION DOCUMENT¹
McMullen County Independent School District – Proposition A

Ballot Language – McMullen County ISD Proposition A (“Proposition A”)		
<input type="checkbox"/> FOR)	“THE ISSUANCE OF \$14,500,000 OF SCHOOL BUILDING BONDS FOR CONSTRUCTING, ACQUIRING, RENOVATING, IMPROVING AND EQUIPPING SCHOOL BUILDINGS, THE PURCHASE OF NEW SCHOOL BUSES, AND THE PURCHASE OF NECESSARY SITES FOR SCHOOL BUILDINGS; AND THE LEVYING OF A TAX SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND TO PAY THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED OR AUTHORIZED IN ANTICIPATION OF, IN RELATION TO OR IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE.”
<input type="checkbox"/> AGAINST)	

Information Regarding the Debt Obligations Proposed Under Proposition A		
Principal Amount of the Debt Obligations Proposed Under Proposition A	Estimated Interest on the Debt Obligations Proposed Under Proposition A ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under Proposition A on Time and in Full
\$14,500,000	\$1,993,175	\$16,493,175

Information Regarding the Outstanding Debt Obligations of the District as of August 17, 2020 ³		
Principal Amount of the Outstanding Debt Obligations of the District	Estimated Remaining Interest on the Outstanding Debt Obligations of the District	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the District on Time and in Full
\$10,314,000.00	\$637,639.09	\$10,951,639.09

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (“Bonds”) Proposed Under Proposition A
If the bonds authorized by Proposition A are issued pursuant to the assumptions set forth under “Assumptions Utilized in Calculating the Estimated Tax Impact,” below, the District estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under Proposition A would be approximately \$30.00.

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code.

² The District has assumed the bonds will bear interest at an estimated rate of 3.00% based on current market conditions. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects the District’s outstanding debt obligations as of August 17, 2020, the date the Board of Trustees approved an order calling the election.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the District intends to issue the bonds authorized by Proposition A over a period of years in a manner and in accordance with a schedule to be determined by the Board of Trustees based upon a number of factors, including, but not limited to, the then current needs of the District, demographic changes, prevailing market conditions, then current market interest rates, assessed valuations of property in the District and management of the District’s short-term and long-term interest rate exposure. Actual results may vary from the assumptions shown below. For the purposes of estimating the maximum annual increase in taxes identified in this table, the District utilized the following assumptions:

(1) The District has assumed the issuance of a single series of bonds utilizing the full \$14,500,000 in voted authorization from Proposition A in 2020 to be amortized as shown in the following schedule. The following is an estimated pro forma amortization schedule based on this assumption. It shows the District’s currently outstanding bonds and bonds authorized under Proposition A:

McMullen County Independent School District
\$14,500,000 Proposition A
Preliminary Debt Service Requirements

CYE 12/31	Existing Debt	Principal	Coupon	Interest	Total P+I
2021	1,219,347.15	-	-	-	-
2022	1,216,561.52	3,095,000.00	3.00%	384,950.00	3,479,950.00
2023	2,539,850.72	1,120,000.00	3.00%	325,350.00	1,445,350.00
2024	2,540,391.87	1,155,000.00	3.00%	291,225.00	1,446,225.00
2025	2,539,704.51	1,190,000.00	3.00%	256,050.00	1,446,050.00
2026	895,783.32	1,225,000.00	3.00%	219,825.00	1,444,825.00
2027	-	1,265,000.00	3.00%	182,475.00	1,447,475.00
2028	-	1,300,000.00	3.00%	144,000.00	1,444,000.00
2029	-	1,340,000.00	3.00%	104,400.00	1,444,400.00
2030	-	1,385,000.00	3.00%	63,525.00	1,448,525.00
2031	-	1,425,000.00	3.00%	21,375.00	1,446,375.00
TOTAL	\$ 10,951,639.09	\$ 14,500,000.00		\$ 1,993,175.00	\$ 16,493,175.00

- (2) The District has assumed the bonds would bear interest at an estimated rate of 3.00%.
- (3) In calculating the tax impact on a residence homestead, the District applied the \$25,000 state mandated homestead exemption, resulting in a taxable assessed valuation of \$75,000 on a residence homestead with an appraised value of \$100,000. The District has assumed that the taxable assessed value within the District will be held constant for the remaining life of the bonds.
- (4) The District did not apply any exemptions in connection with this calculation. In calculating the tax impact, the District has estimated that the District’s debt service tax rate will increase by approximately \$0.03 per one hundred dollars of assessed valuation in connection with the bonds authorized under Proposition A.