



EAGLE MOUNTAIN SAGINAW

Independent School District

Annual Report of Certain Financial and Local Debt Information

Fiscal Year Ended August 31, 2017

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on February 27, 2018.



☑ Overview of Certain Financial/Bond Ratings

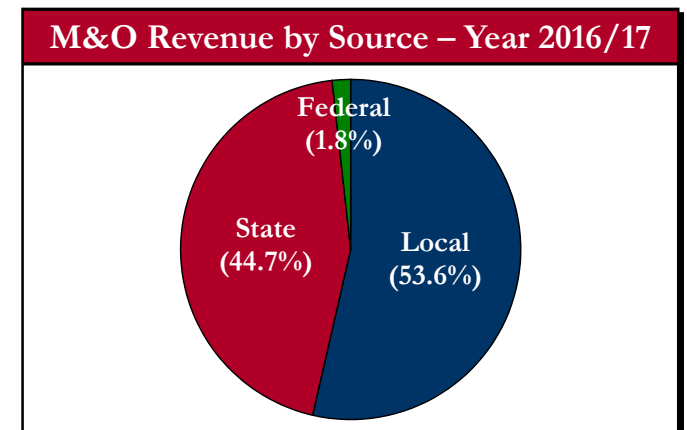
- ☐ **Overview:** Eagle Mountain-Saginaw Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant to Subchapter D, Chapter 39 of the Texas Education Code, the State annually deploys a financial accountability rating system to distinguish the level of a school district’s financial performance based upon certain uniform criteria.
 - ✓ Based on data for year 2015/16, the District was assigned a 2016/17 FIRST Rating of “Above Standard”.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as S&P Global Ratings and Fitch Ratings, Inc., that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **S&P Global Ratings:** Assigns a “AA-” credit rating to the District, defined as “Having a very strong capacity to meet its financial commitments. It differs from the highest rating only to a small degree.”
 - ✓ **Fitch Ratings, Inc.:** Assigns a “AA-” credit rating to the District, defined as “Very high quality. A “AA” rating denotes expectations of very low default risk and very strong capacity for payment of financial commitments.”

For comparison purposes, S&P Global Ratings assigns a credit rating of “AA” to the United States of America.



Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Eagle Mountain-Saginaw ISD is legally required to operate pursuant to the requirements of the Texas Education Code. In particular, the Texas Education Code determines the District’s ability to generate local tax revenues for maintenance & operation purposes and for the repayment of voter-approved bonds. In this regard, the District annually sets two (2) separate tax rates that are levied upon its certified taxable value that is independently determined by the Tarrant Appraisal District:
 - **Maintenance & Operations (“M&O”) Tax Rate:** To provide funds for the “day to day” operational expenses of the District, including instructional programs, teacher salaries, instructional supplies, security, student transportation, extracurricular activities, utilities, facility infrastructure/maintenance, etc.
 - ✓ The District’s annual funds for maintenance & operation purposes primarily consist of a combination of State funding and local M&O taxes. In general, the dollar amount of each component is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. For year 2016/17, the District’s sources for M&O revenues are summarized to the right.
 - ✓ On September 7, 2013, voters approved a tax ratification election to increase the District’s M&O tax rate to \$1.17. Prior to such ratification, the District was limited to a \$1.04 tax rate for maintenance and operations.





☑ Overview of State Funding System

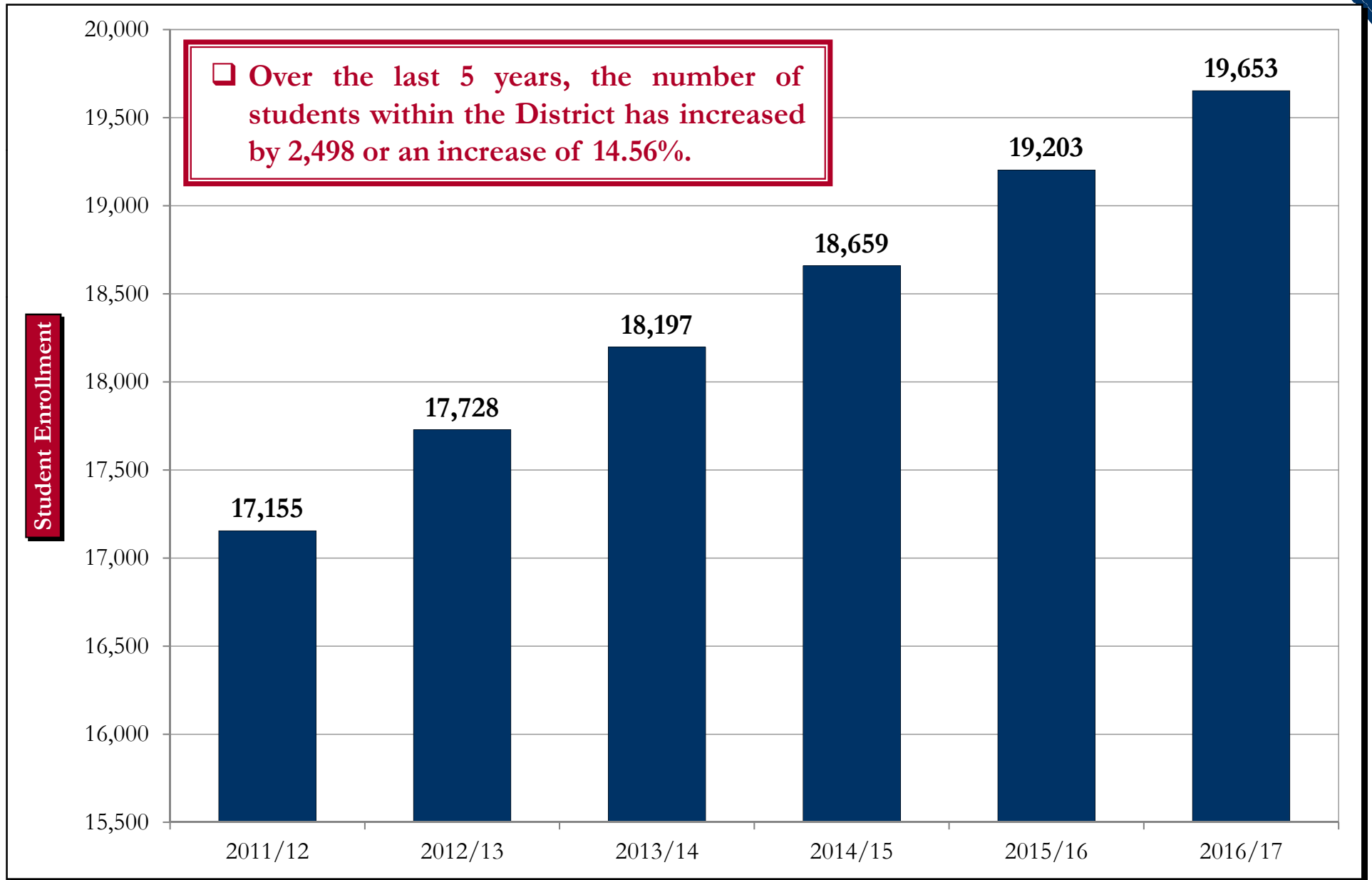
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s bond programs approved by voters over the last 15 years:

District’s Historical Bond Elections Approved By Voters					
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Remaining To Be Issued - As of Aug. 31, 2017	Dollar Amount Remaining To Be Issued - As of Jan. 1, 2018
August 17, 2002	School Building	7,809	\$149,275,000	\$0	\$0
May 13, 2006	School Building	10,886	\$196,500,000	\$0	\$0
May 10, 2008	School Building	14,165	\$394,000,000	\$158,000,000	\$158,000,000
November 7, 2017	School Building & Security	19,311	\$524,755,000	\$0	\$524,755,000
Total Dollar Amount Of Authorized But Unissued Bonds:				\$158,000,000	\$682,755,000

- ✓ As of fiscal year ended August 31, 2017, the District had \$1,961,456 within its Capital Projects Fund for existing/future projects.
- ✓ On November 7, 2017, voters approved the District’s \$524,755,000 bond program.

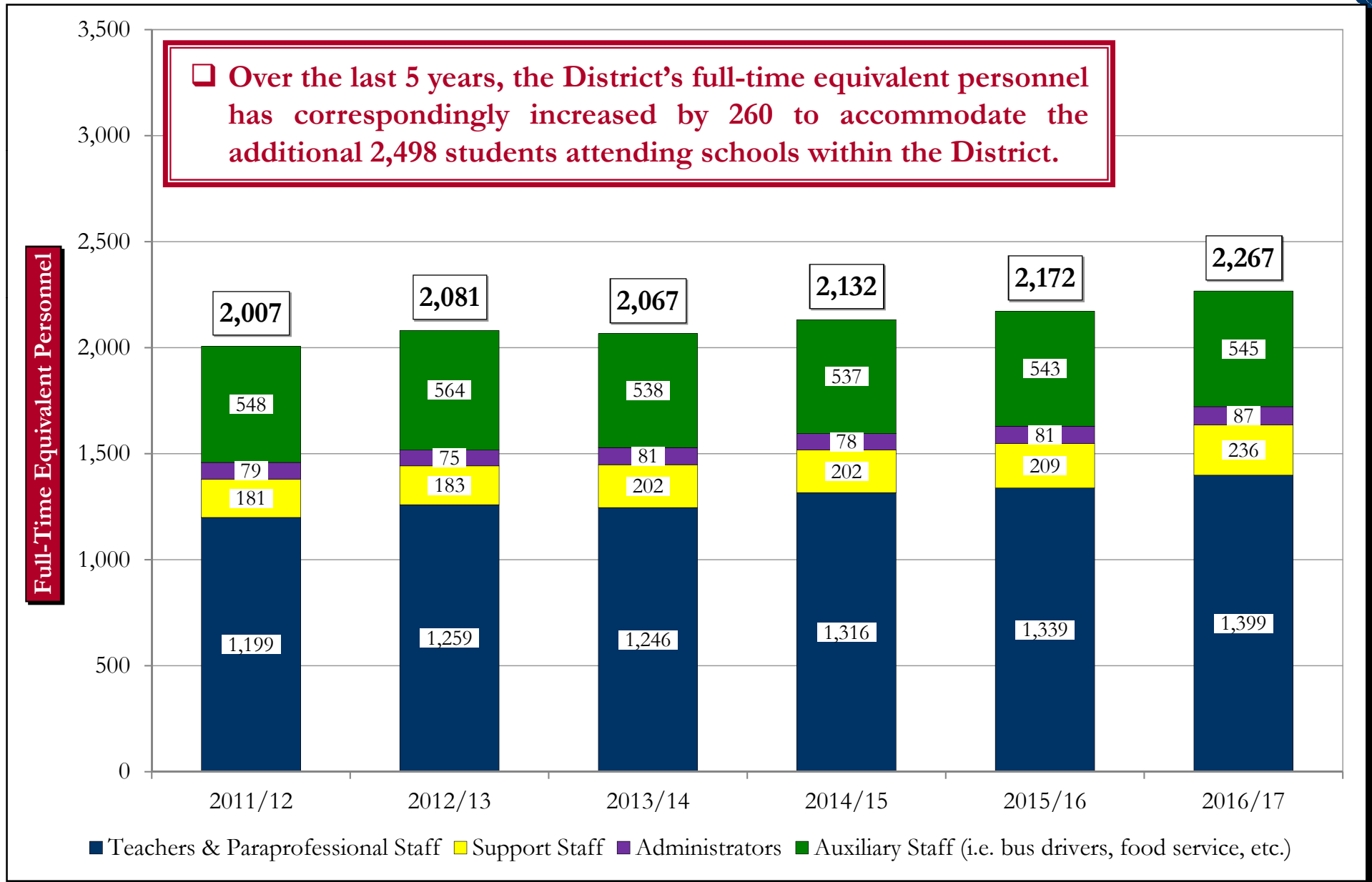


Historical Student Enrollment



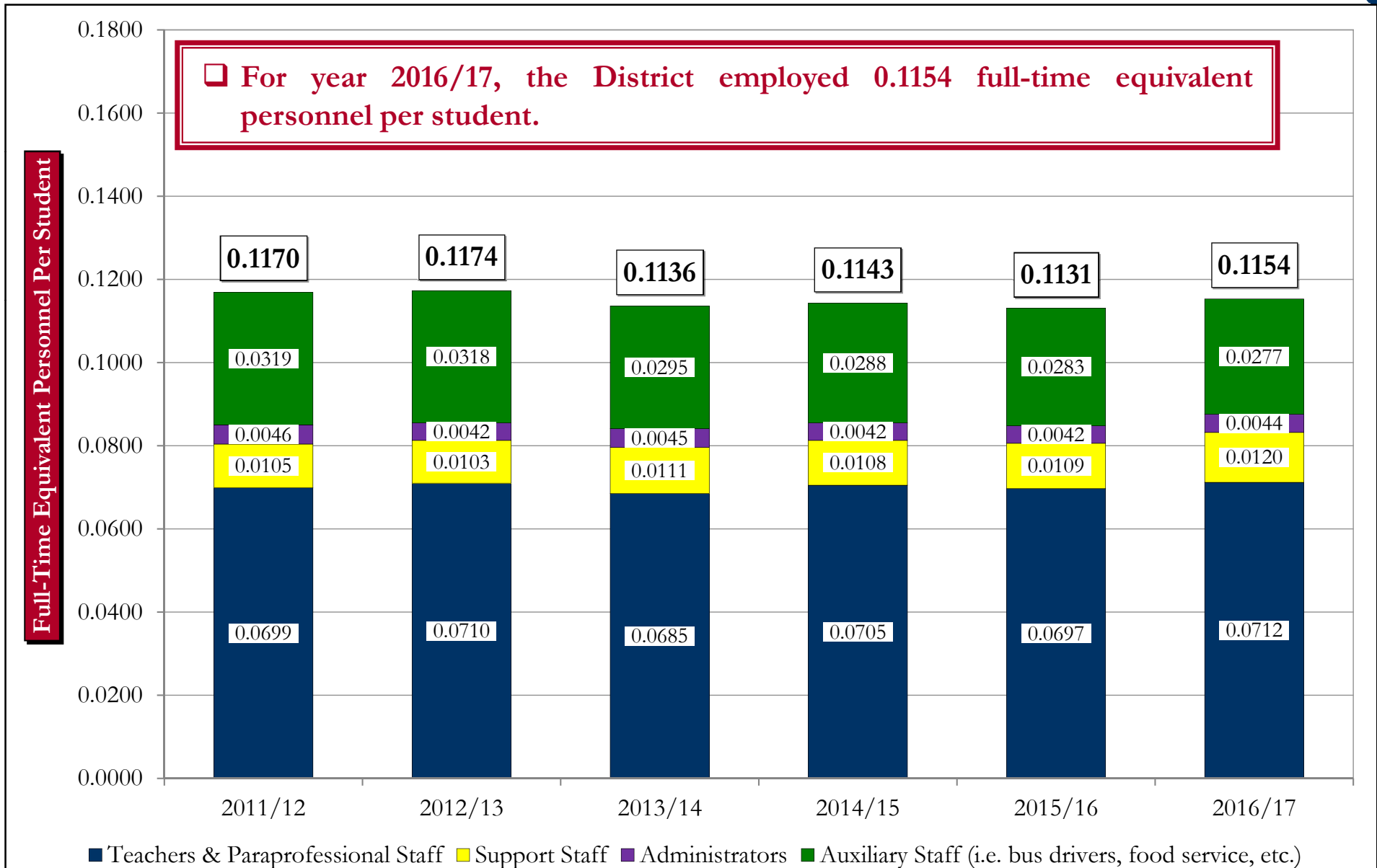


Full-Time Equivalent Personnel



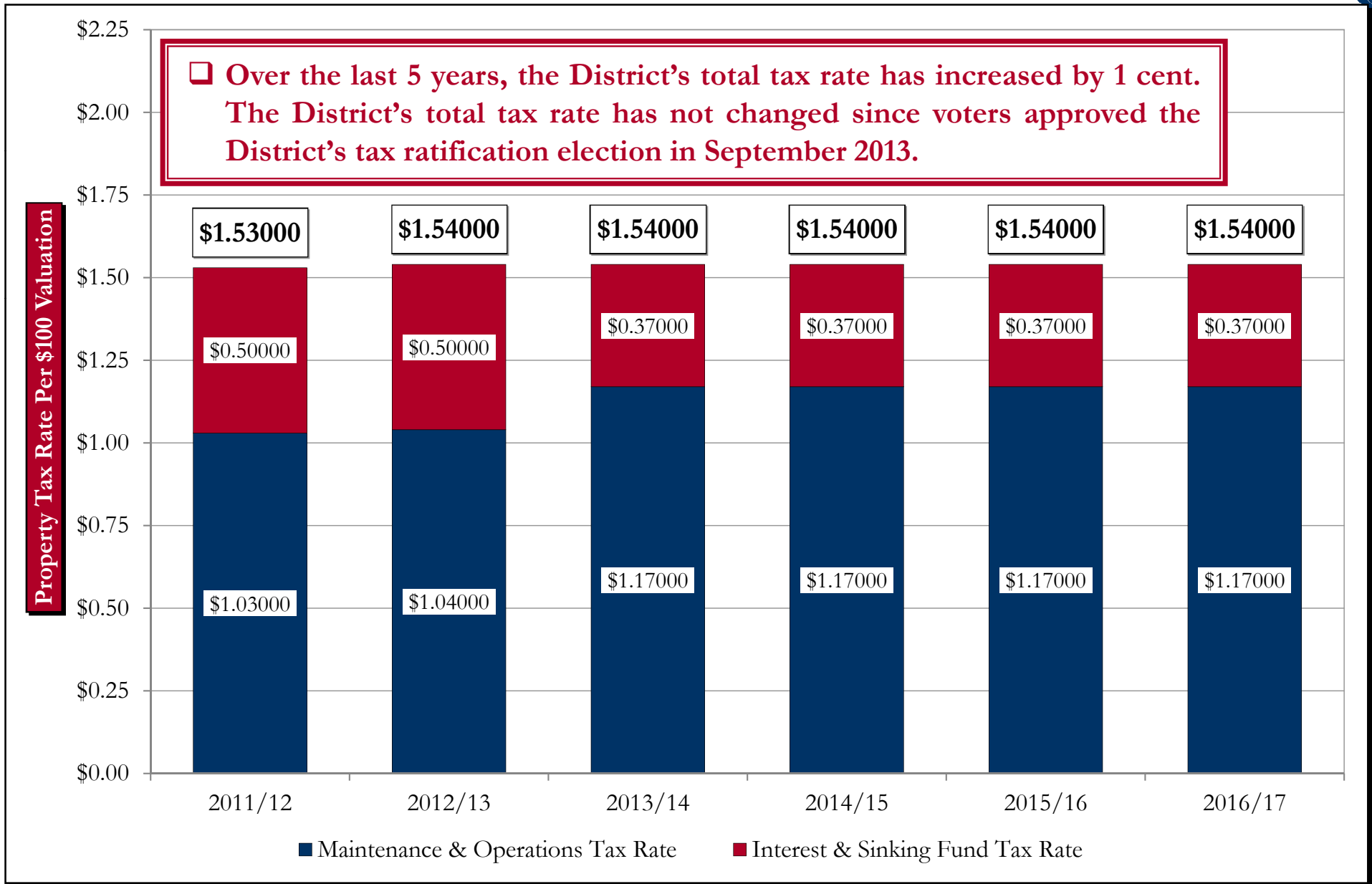


Full-Time Equivalent Personnel Per Student



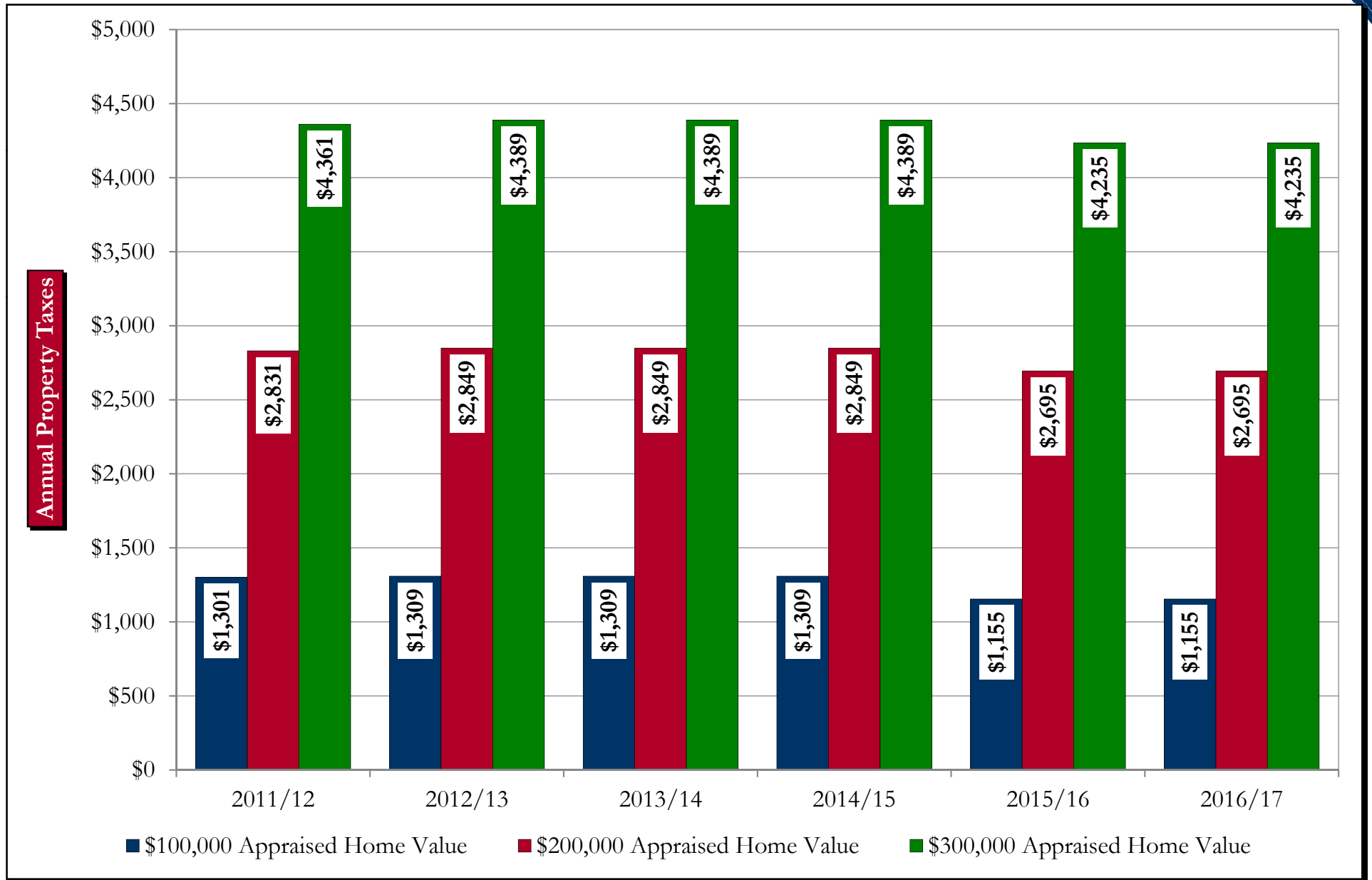


Historical Tax Rates





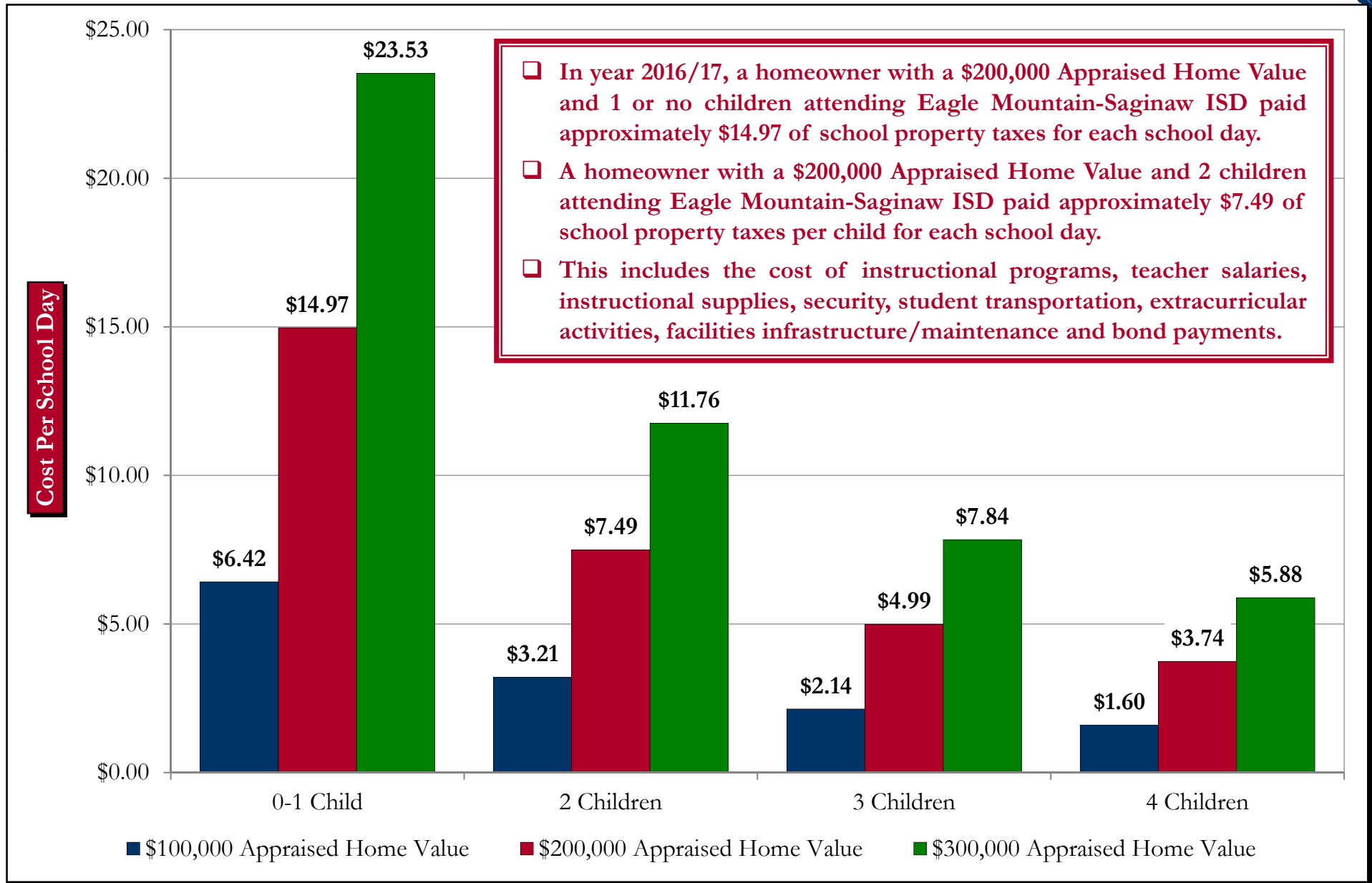
Historical Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – For Various Appraised Home Values



Note: Taxes are net of the State-mandated residential homestead exemption.



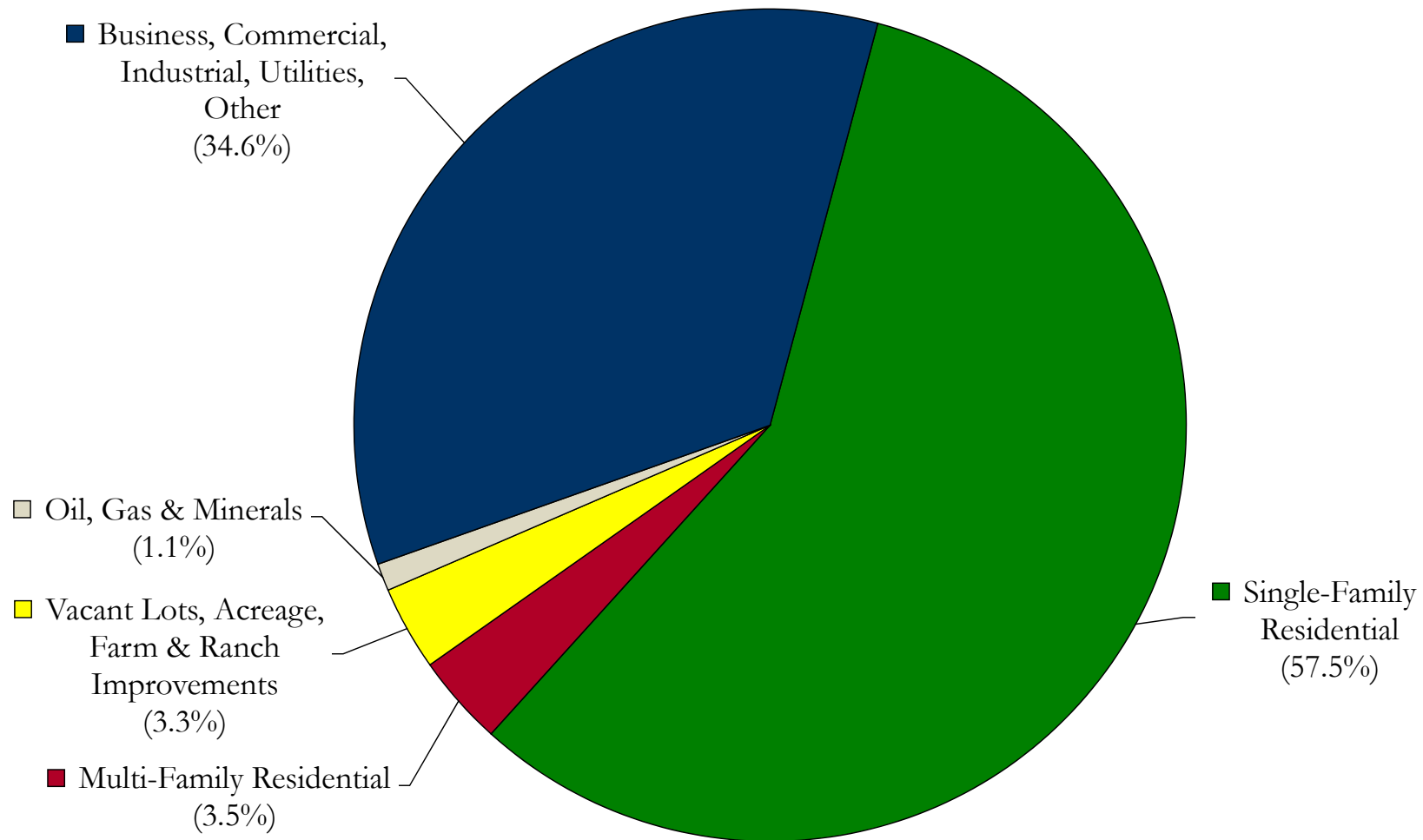
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2016/17





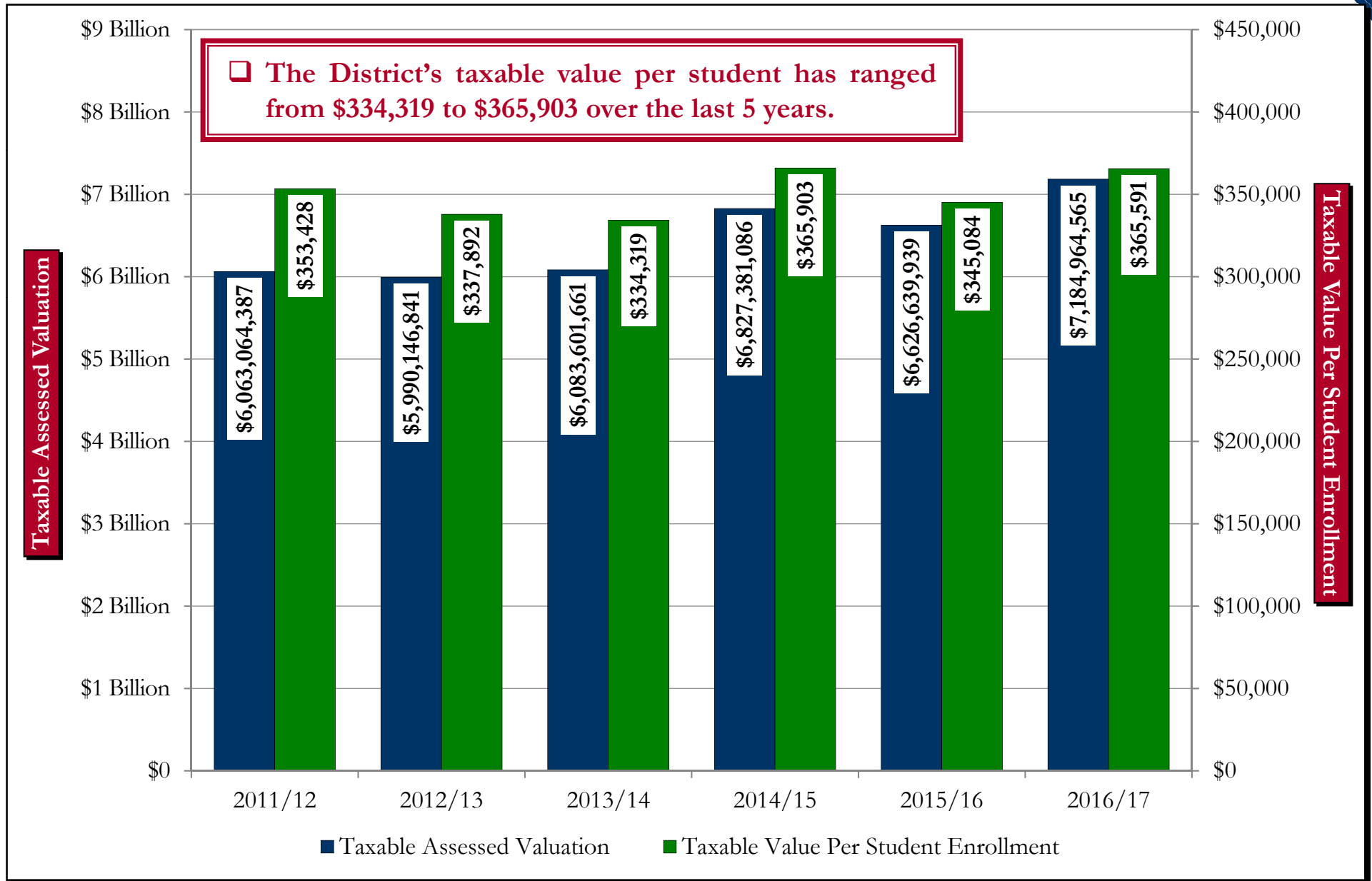
Composition of Total Assessed Valuation – Year 2016/17

For year 2016/17, Single-Family Residential properties comprised 57.5% of the District's total assessed valuation and other property categories comprised 42.5%.





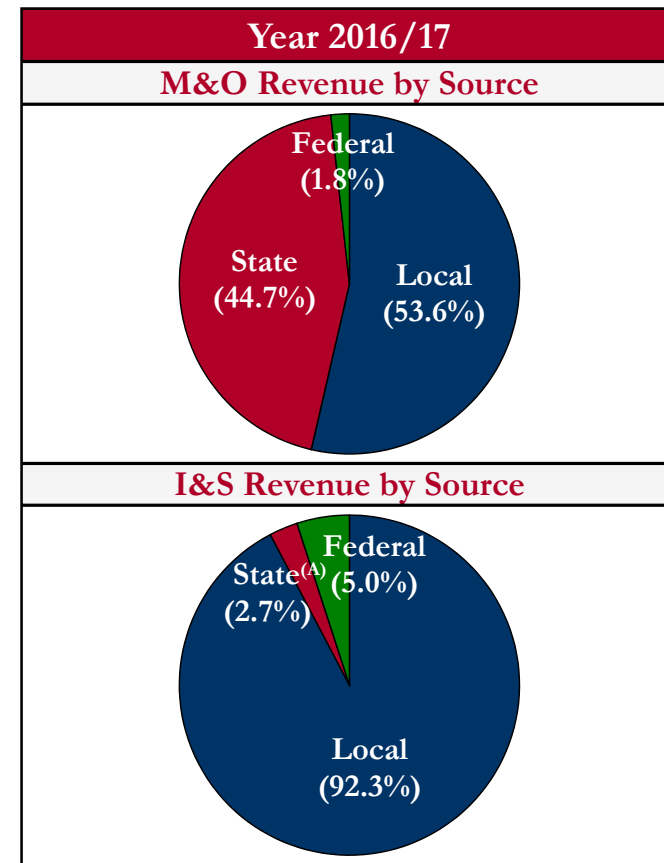
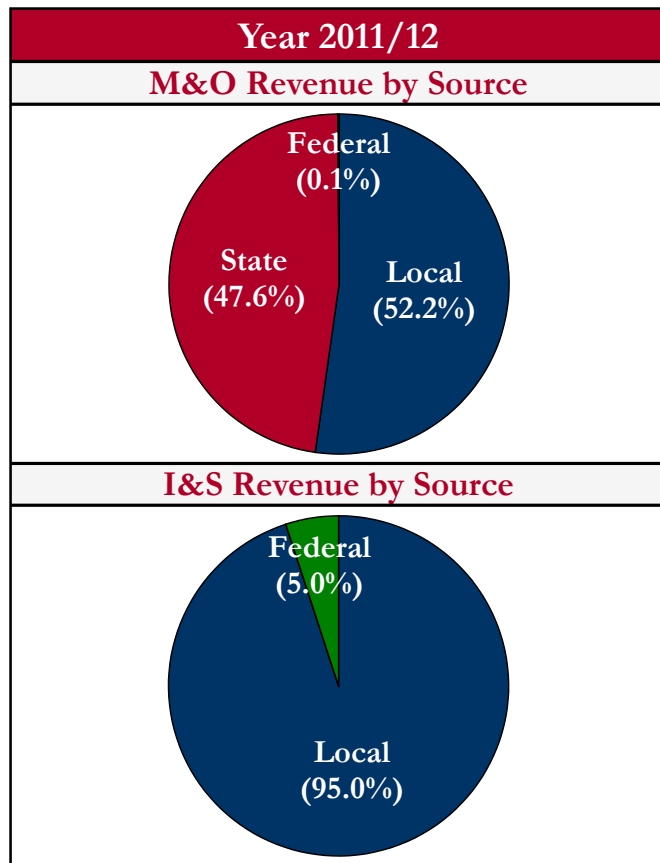
Historical Taxable Assessed Valuation and Taxable Value Per Student Enrollment





General Fund and Debt Service Fund – Revenue By Source

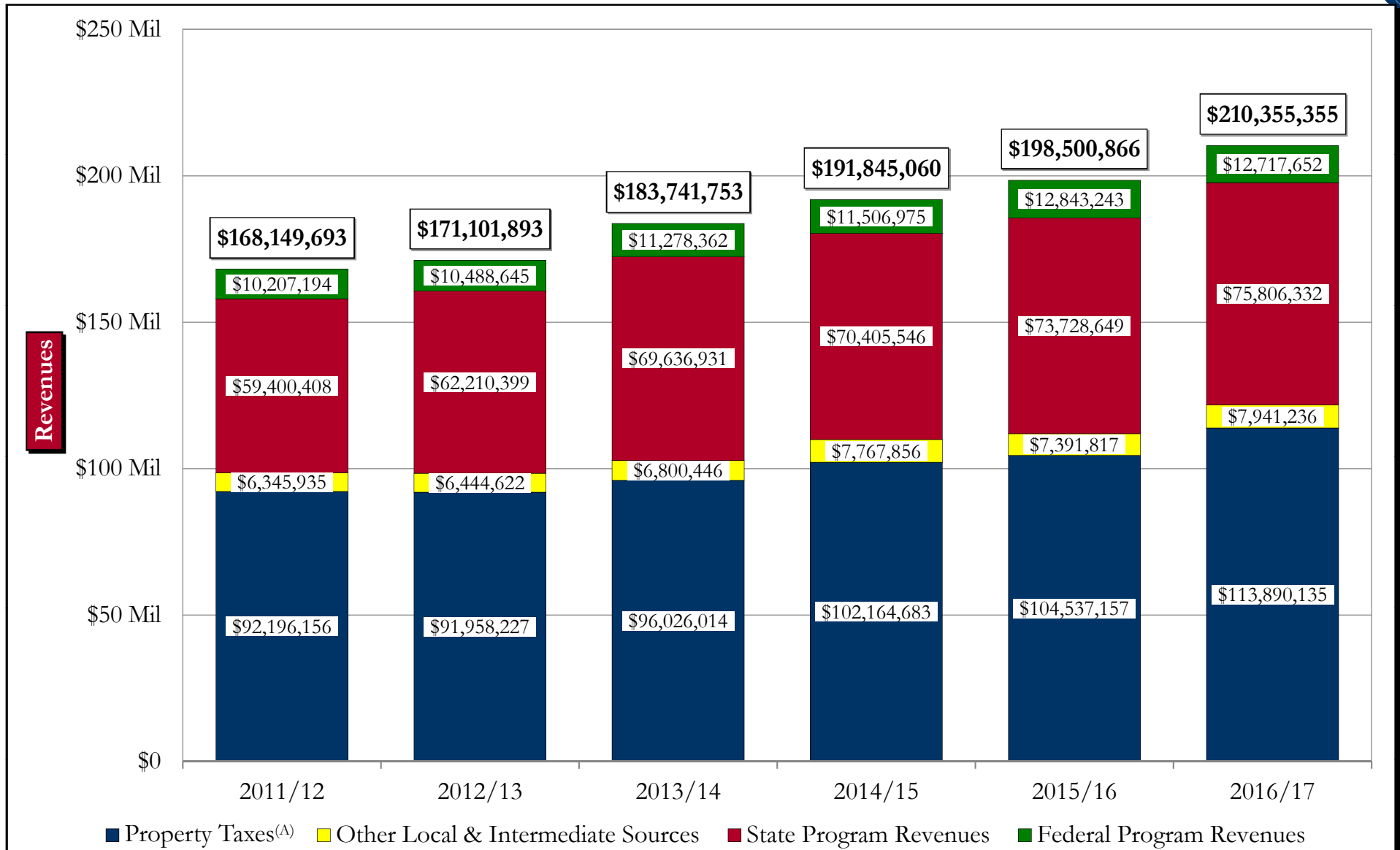
- ❑ The State funding system is structured to provide the District with an “equalized” dollar amount per student. The revenue sources for maintenance and operations and repayment of bonds is summarized below.
- ❑ For year 2016/17, the District did not receive any facilities funding from the State for the payment of voter-approved bonds.



^(A) Represents payment from State received for lost tax revenues resulting from increase of residential homestead exemption in year 2015/16.



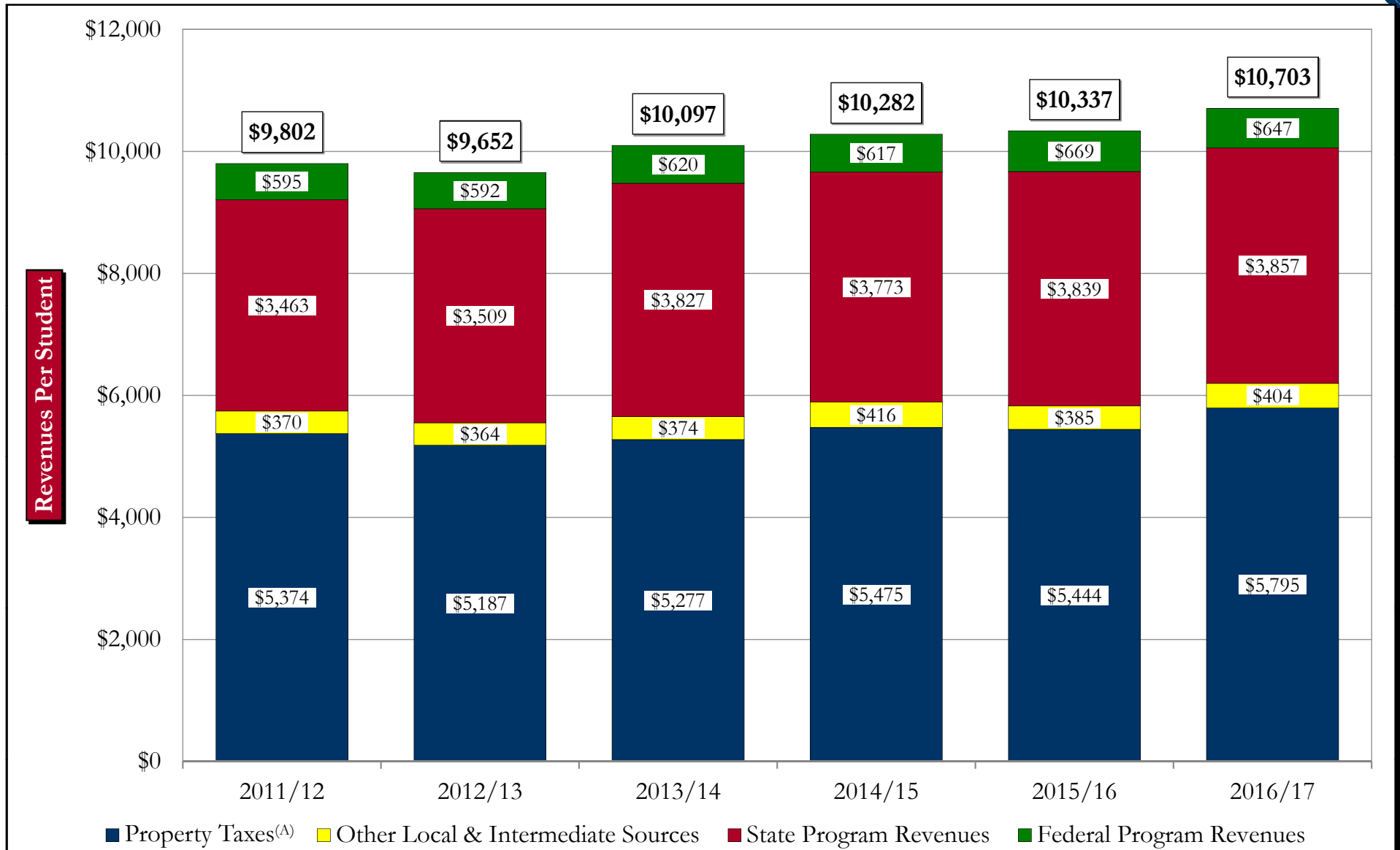
Total Revenues (All Governmental Funds*) By Source



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



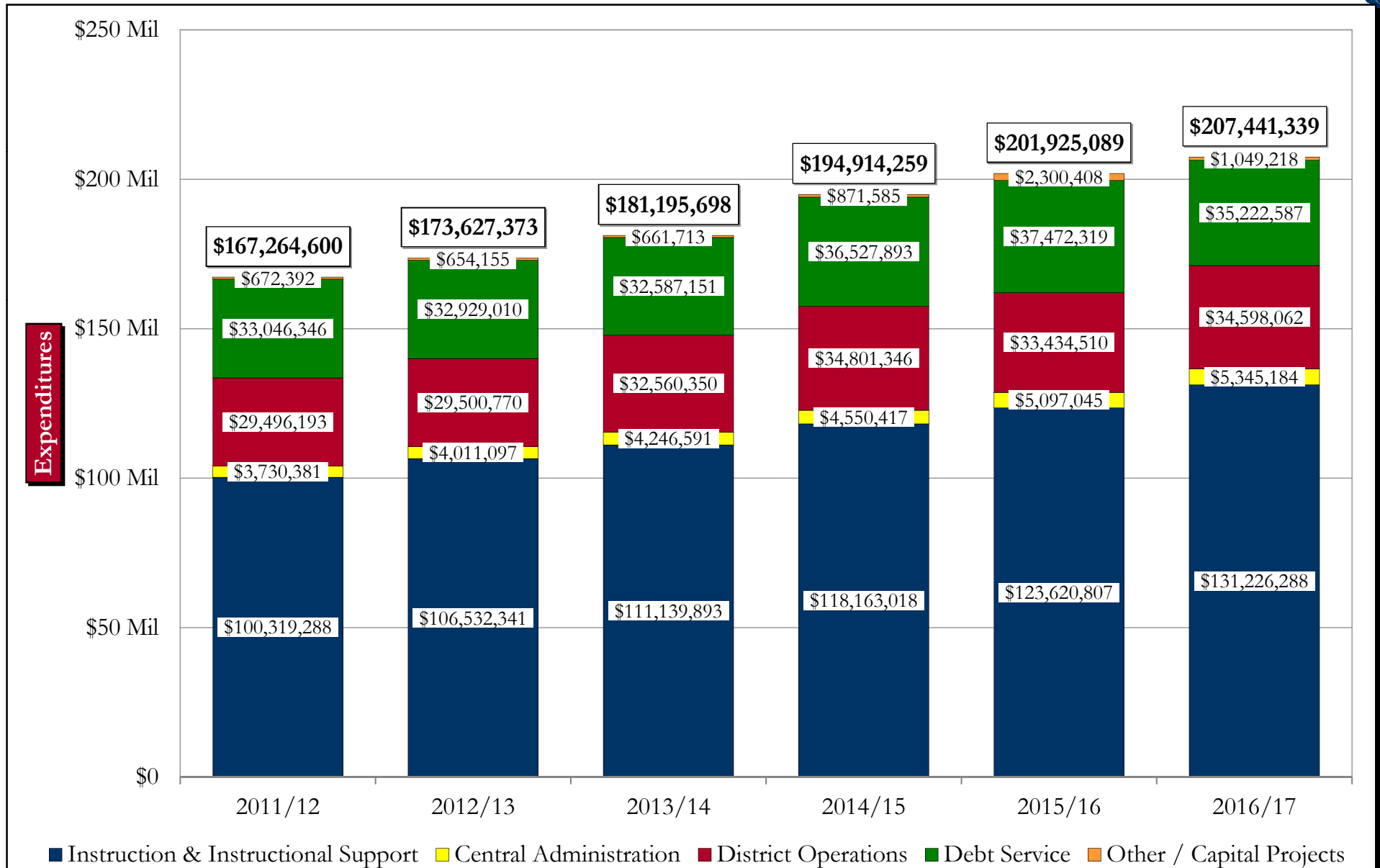
Total Revenues (All Governmental Funds*) Per Student



^(A) Includes maintenance and operation expenses and bond payments of voter-approved bonds.



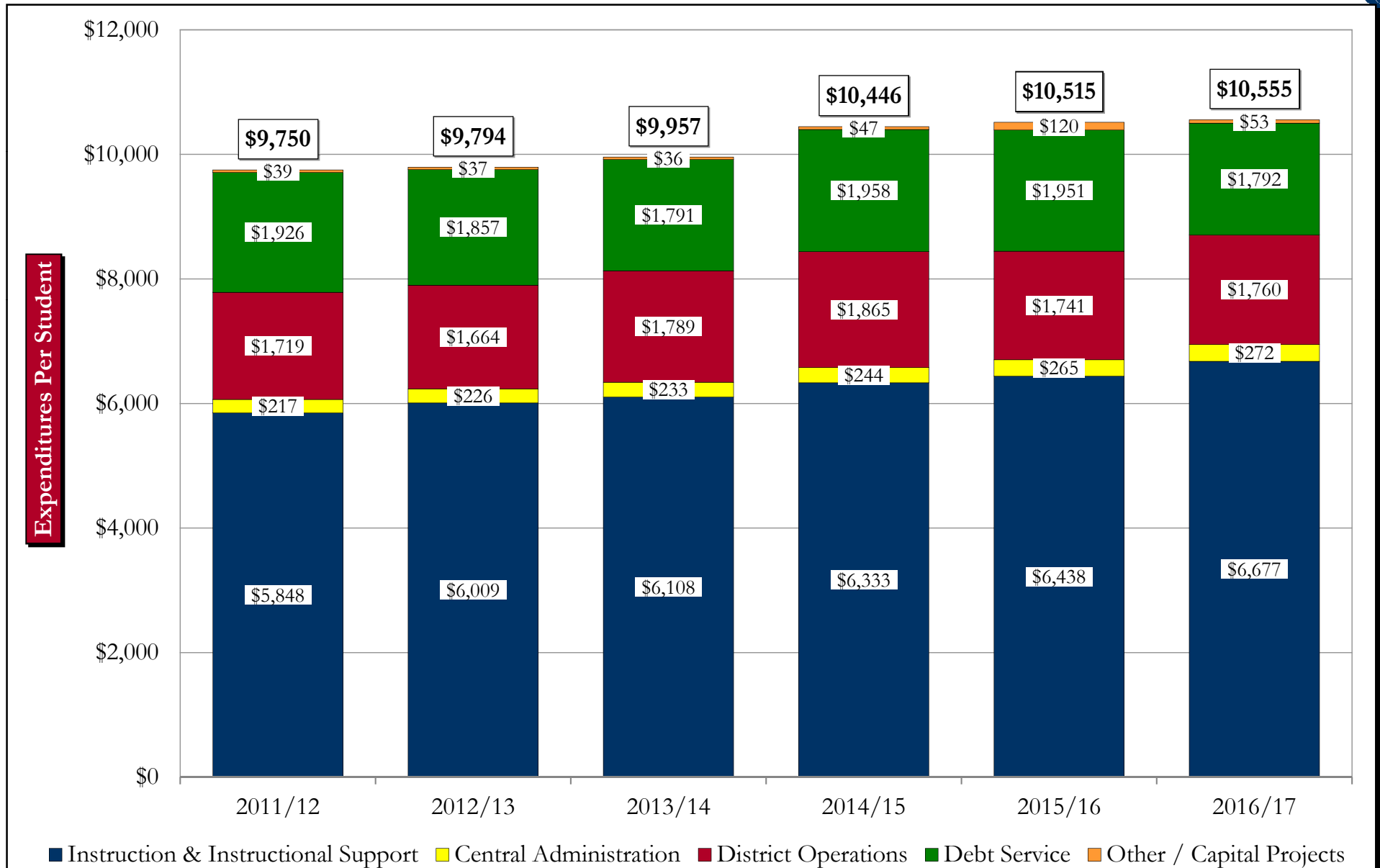
Total Expenditures (All Governmental Funds*) By Source



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements and District records.



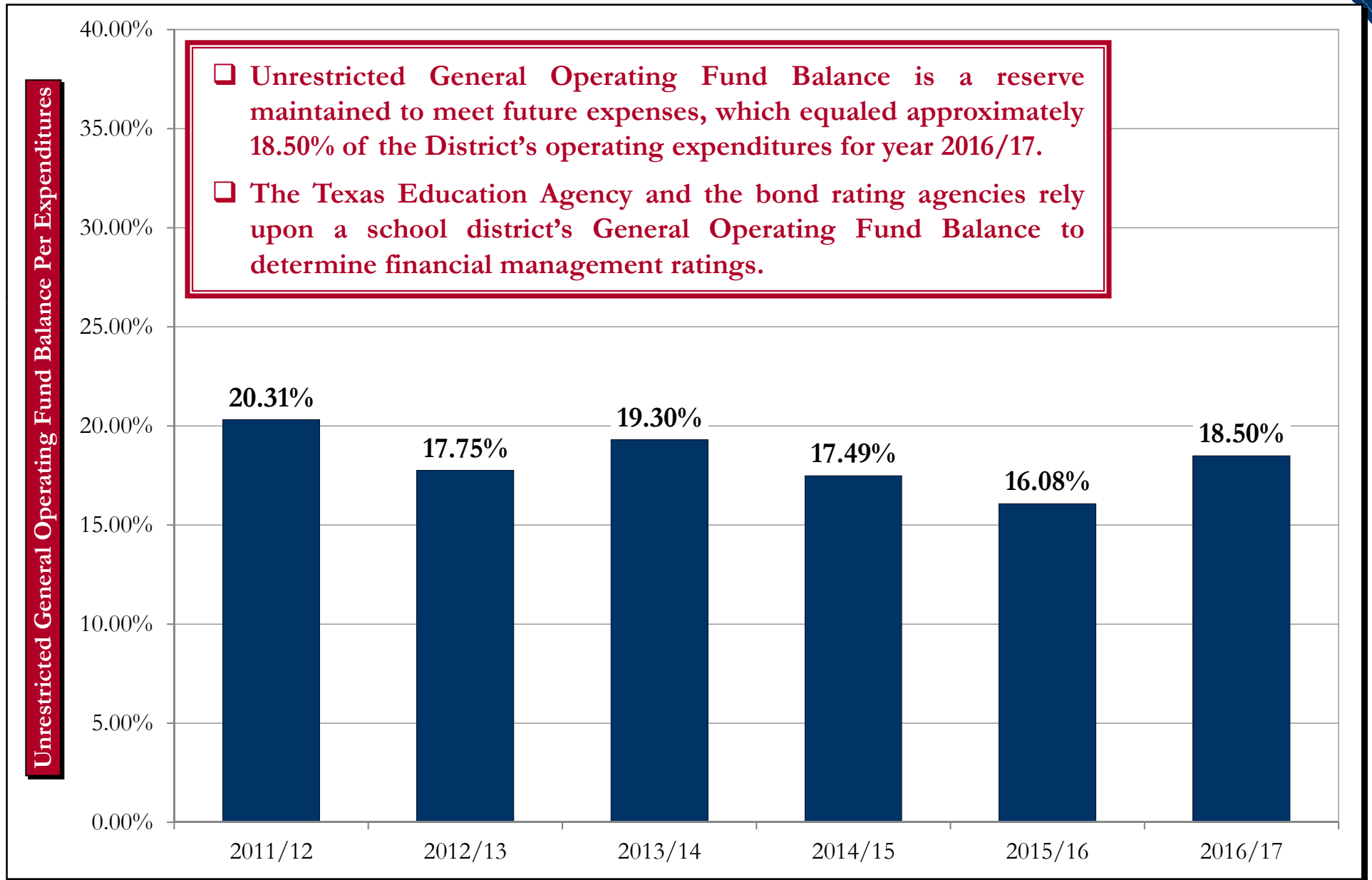
Total Expenditures (All Governmental Funds*) Per Student



*Excludes Capital Projects Fund. Source: District's Audited Financial Statements, Texas Education Agency - PEIMS and District records.

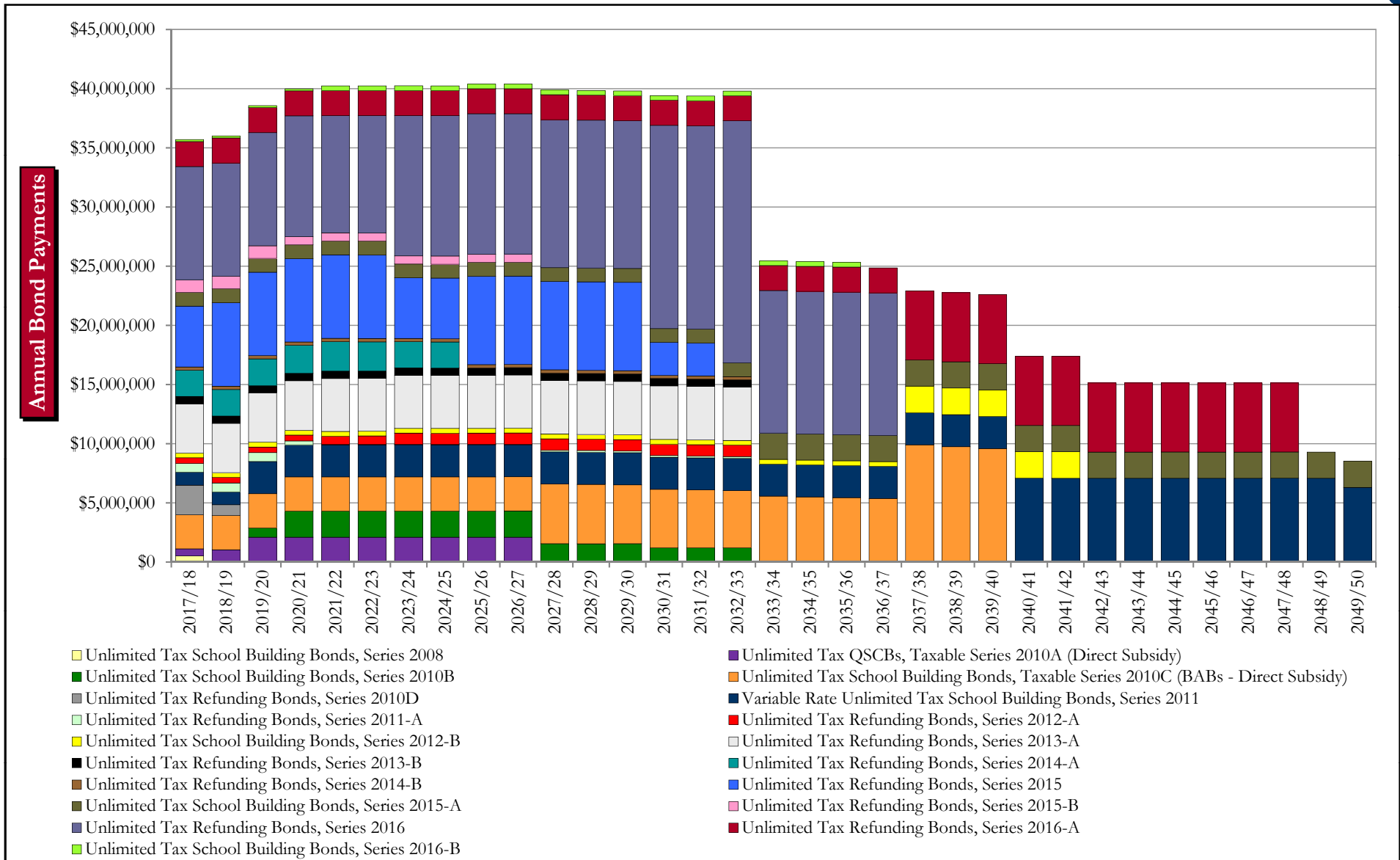


Unrestricted General Operating Fund Balance as a Percentage of General Operating Expenditures





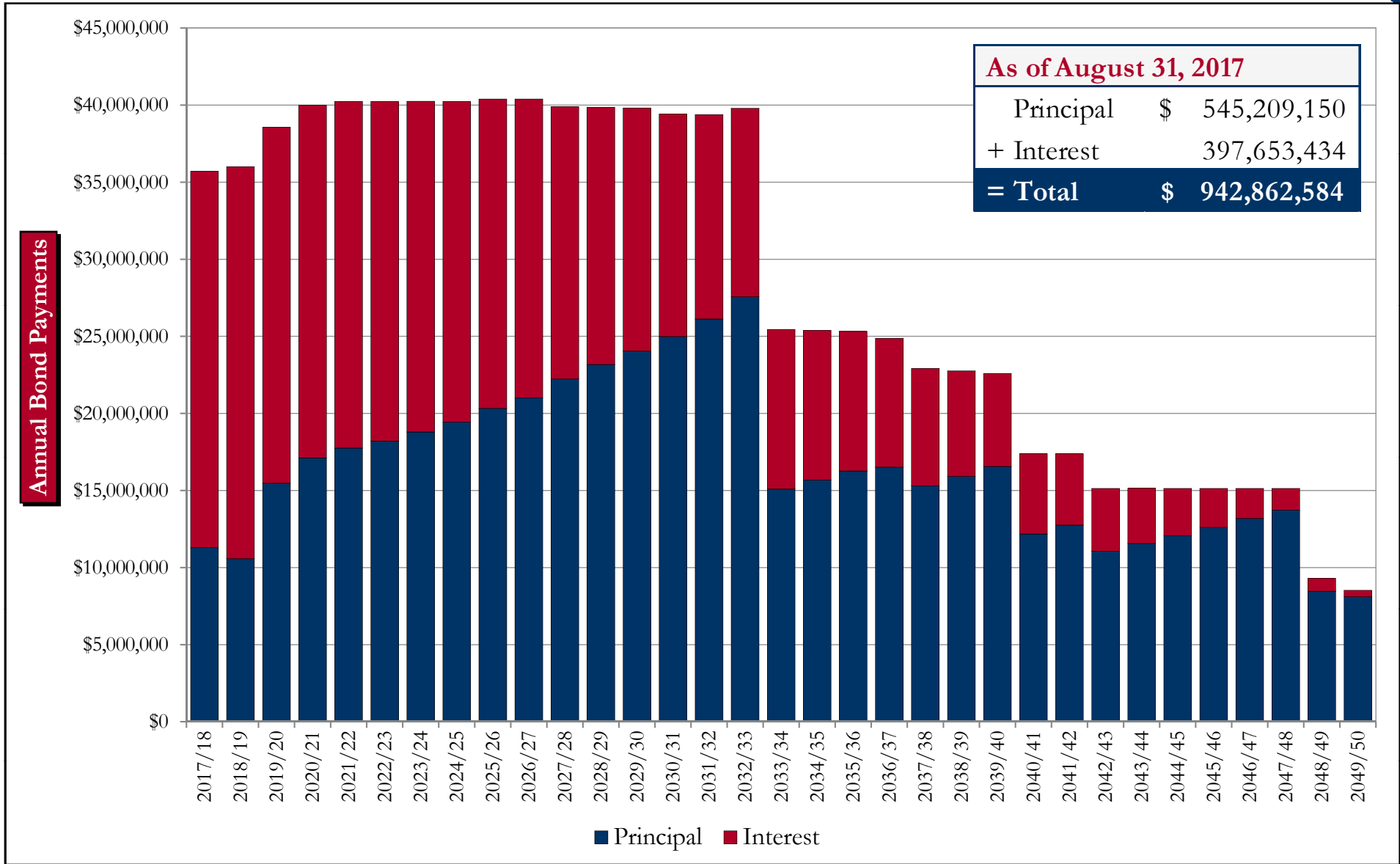
☑ Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31. Does not include any federal subsidies.



☑ Unlimited Tax Debt Service By Principal and Interest – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31. Does not include any federal subsidies.



Savings from District's Recent Bond Refunding Programs to Lower Interest Costs

- ❑ Eagle Mountain-Saginaw ISD has implemented 13 bond refunding programs to reduce the cost of voter-approved bonds – Which have generated more than \$83.8 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs

Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2005-B	1995	\$ 4,795,000	\$ 555,296
Unlimited Tax Refunding Bonds, Series 2005-C	1993, 1993A, 1999A, 2000, 2002	24,055,000	1,776,836
Unlimited Tax Refunding Bonds, Series 2006-B	2002, 2002A	76,424,511	5,654,927
Unlimited Tax Refunding Bonds, Series 2011-A	2000, 2002, 2004	6,655,000	967,269
Unlimited Tax Refunding Bonds, Series 2012-A	2002A, 2004	9,361,828	1,782,843
Unlimited Tax Refunding Bonds, Series 2013-A	2006, 2007	55,530,000	4,528,581
Unlimited Tax Refunding Bonds, Series 2013-B	2005-A	8,605,000	1,087,657
Unlimited Tax Refunding Bonds, Series 2014-A	2002A, 2005-B, 2006-A	18,259,226	1,628,606
Unlimited Tax Refunding Bonds, Series 2014-B	2005-A	3,635,000	571,364
Unlimited Tax Refunding Bonds, Series 2015	2006-A, 2007, 2008	64,660,000	8,007,716
Unlimited Tax Refunding Bonds, Series 2015-B	2005-C	11,575,000	1,354,685
Unlimited Tax Refunding Bonds, Series 2016	2006-A, 2006-B, 2007, 2008	166,905,000	37,492,852
Unlimited Tax Refunding Bonds, Series 2016-A	2008	53,420,000	18,392,795
Totals	---	\$ 503,880,565	\$ 83,801,427

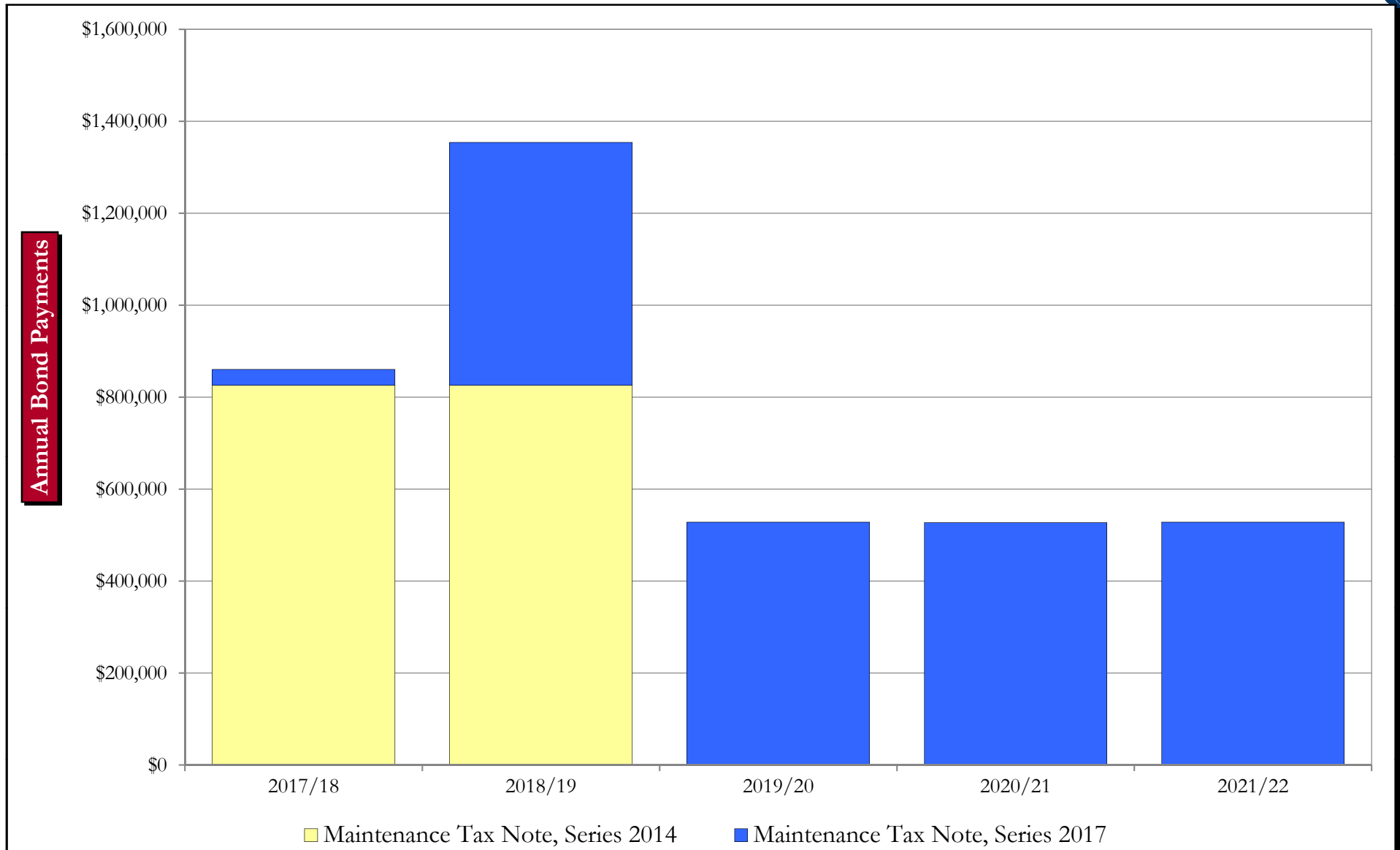


Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2017

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Unlimited Tax School Building Bonds, Series 2008	Capital Improvements	\$97,450,000.00	\$500,000.00	\$520,000.00	\$5.36	\$5.57	08/15/2018	\$97,717,855.23	\$97,717,855.23	\$0.00
2	Unlimited Tax Qualified School Construction Bonds, Taxable Series 2010A (Direct Subsidy)	Capital Improvements	\$12,445,000.00	\$12,445,000.00	\$18,397,443.60	\$133.34	\$197.11	08/15/2027	\$12,360,763.53	\$12,360,763.53	\$0.00
3	Unlimited Tax School Building Bonds, Series 2010B	Capital Improvements	\$12,699,503.25	\$12,699,503.25	\$24,565,000.00	\$136.06	\$263.19	08/15/2033	\$12,784,141.55	\$12,784,141.55	\$0.00
4	Unlimited Tax School Building Bonds, Taxable Series 2010C (Build America Bonds - Direct Subsidy)	Capital Improvements	\$54,855,000.00	\$54,855,000.00	\$109,758,671.44	\$587.72	\$1,175.95	08/15/2040	\$54,485,425.41	\$54,485,425.41	\$0.00
5	Unlimited Tax Refunding Bonds, Series 2010D	Refunding at a lower interest rate, etc.	\$6,100,000.00	\$2,365,000.00	\$3,415,000.00	\$25.34	\$36.59	08/15/2019	\$6,831,057.18	\$6,831,057.18	\$0.00
6	Variable Rate Unlimited Tax School Building Bonds, Series 2011	Capital Improvements	\$55,000,000.00	\$54,225,000.00	\$129,170,750.00	\$580.97	\$1,383.93	08/01/2050	\$56,620,348.79	\$56,620,348.79	\$0.00
7	Unlimited Tax Refunding Bonds, Series 2011-A	Refunding at a lower interest rate, etc.	\$6,655,000.00	\$3,140,000.00	\$3,693,831.28	\$33.64	\$39.58	08/15/2033	\$6,966,715.44	\$6,966,715.44	\$0.00
8	Unlimited Tax Refunding Bonds, Series 2012-A	Refunding at a lower interest rate, etc.	\$9,149,646.40	\$8,959,646.40	\$12,875,100.00	\$95.99	\$137.94	08/15/2033	\$9,991,429.87	\$9,991,429.87	\$0.00
9	Unlimited Tax School Building Bonds, Series 2012-B	Capital Improvements	\$10,000,000.00	\$10,000,000.00	\$19,231,400.00	\$107.14	\$206.04	08/15/2042	\$10,501,206.67	\$10,501,206.67	\$0.00
10	Unlimited Tax Refunding Bonds, Series 2013-A	Refunding at a lower interest rate, etc.	\$53,800,000.00	\$50,010,000.00	\$70,717,343.90	\$535.81	\$757.66	08/15/2033	\$61,675,829.38	\$61,675,829.38	\$0.00
11	Unlimited Tax Refunding Bonds, Series 2013-B	Refunding at a lower interest rate, etc.	\$8,605,000.00	\$7,735,000.00	\$9,938,181.34	\$82.87	\$106.48	08/15/2033	\$9,246,762.28	\$9,246,762.28	\$0.00
12	Unlimited Tax Refunding Bonds, Series 2014-A	Refunding at a lower interest rate, etc.	\$17,055,000.00	\$14,965,000.00	\$18,448,850.00	\$160.33	\$197.66	08/15/2025	\$19,807,336.26	\$19,807,336.26	\$0.00
13	Unlimited Tax Refunding Bonds, Series 2014-B	Refunding at a lower interest rate, etc.	\$3,635,000.00	\$3,365,000.00	\$4,395,162.58	\$36.05	\$47.09	08/15/2033	\$3,681,743.72	\$3,681,743.72	\$0.00
14	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$64,660,000.00	\$63,860,000.00	\$93,542,200.00	\$684.19	\$1,002.21	08/15/2032	\$77,242,841.73	\$77,242,841.73	\$0.00
15	Unlimited Tax School Building Bonds, Series 2015-A	Capital Improvements	\$25,605,000.00	\$25,605,000.00	\$56,375,575.00	\$274.33	\$604.01	08/15/2050	\$27,279,623.64	\$27,279,623.64	\$0.00
16	Unlimited Tax Refunding Bonds, Series 2015-B	Refunding at a lower interest rate, etc.	\$11,205,000.00	\$6,865,000.00	\$8,030,700.00	\$73.55	\$86.04	08/15/2027	\$11,708,198.36	\$11,708,198.36	\$0.00
17	Unlimited Tax Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc.	\$157,515,000.00	\$157,515,000.00	\$246,643,525.00	\$1,687.61	\$2,642.53	08/15/2037	\$183,004,598.67	\$183,004,598.67	\$0.00
18	Unlimited Tax Refunding Bonds, Series 2016-A	Refunding at a lower interest rate, etc.	\$51,700,000.00	\$51,700,000.00	\$106,542,350.00	\$553.91	\$1,141.49	08/15/2048	\$58,059,449.83	\$58,059,449.83	\$0.00
19	Unlimited Tax School Building Bonds, Series 2016-B	Capital Improvements	\$4,400,000.00	\$4,400,000.00	\$6,601,500.00	\$47.14	\$70.73	08/15/2036	\$5,043,806.71	\$3,082,350.71	\$1,961,456.00



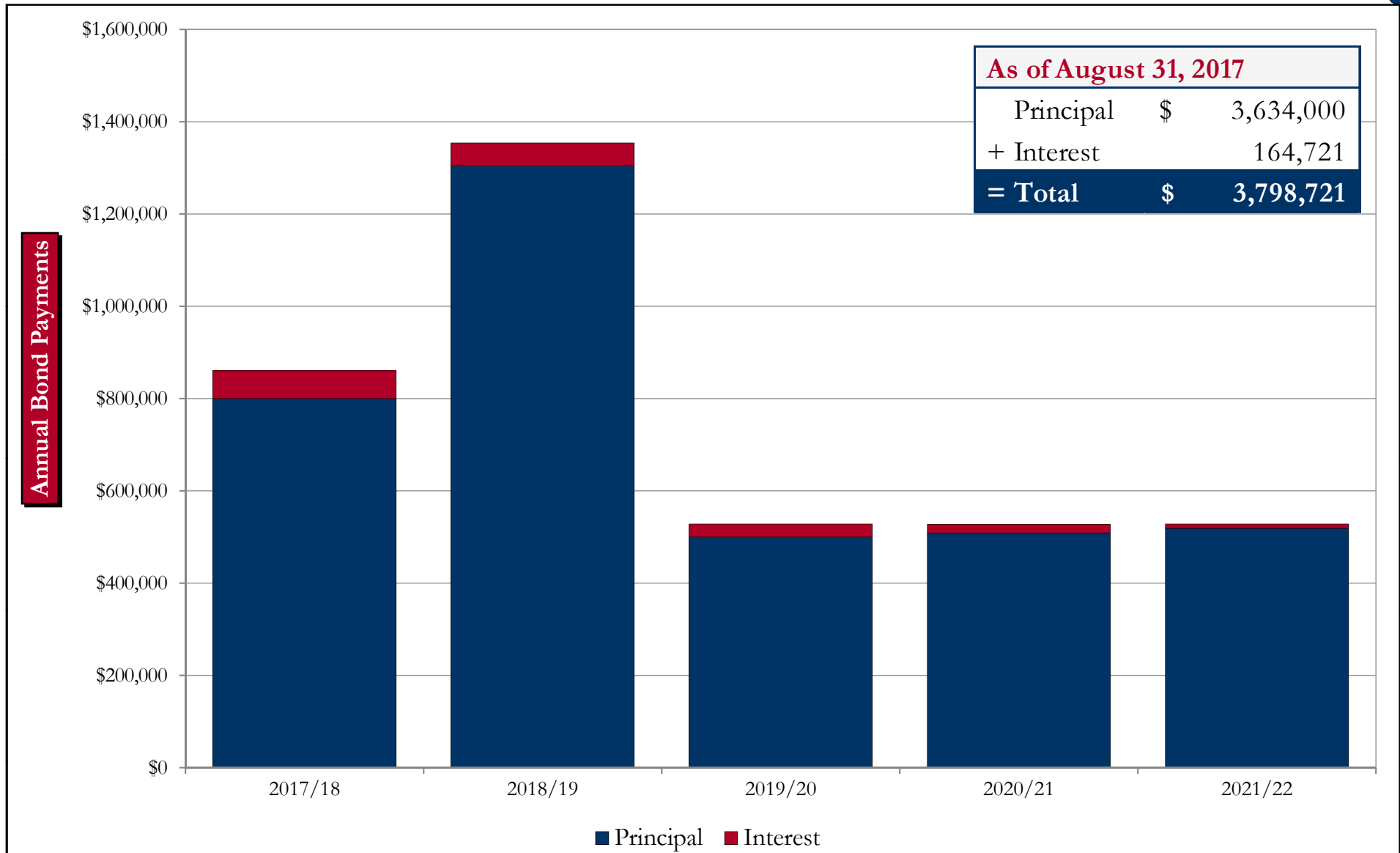
☑ Maintenance Tax Debt Service By Series



Note: Debt service payments reflect payments from September 1 through August 31. Payable from the District's M&O tax rate.



☑ Maintenance Tax Debt Service By Principal and Interest



Note: Debt service payments reflect payments from September 1 through August 31. Payable from the District's M&O tax rate.

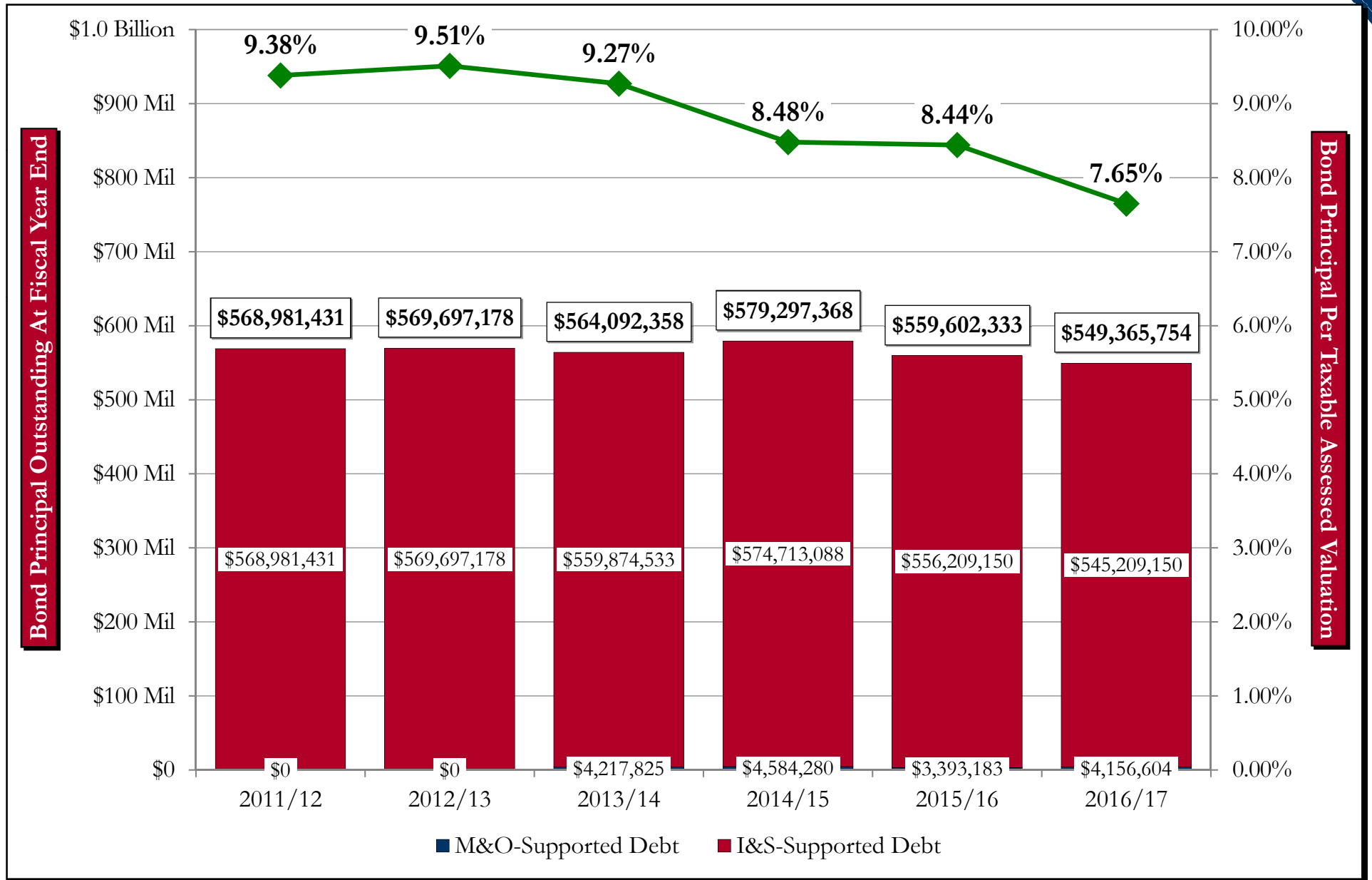


☑ Summary of Maintenance Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2017

No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Maintenance Tax Note, Series 2014	Maintenance & Technology	\$3,175,000.00	\$1,613,000.00	\$1,651,816.00	\$17.28	\$17.70	08/15/2019	\$3,175,000.00	\$3,175,000.00	\$0.00
2	Maintenance Tax Note, Series 2017	Maintenance & Equipment	\$2,021,000.00	\$2,021,000.00	\$2,146,904.87	\$21.65	\$23.00	08/15/2022	\$2,021,000.00	\$932,198.00	\$1,088,802.00



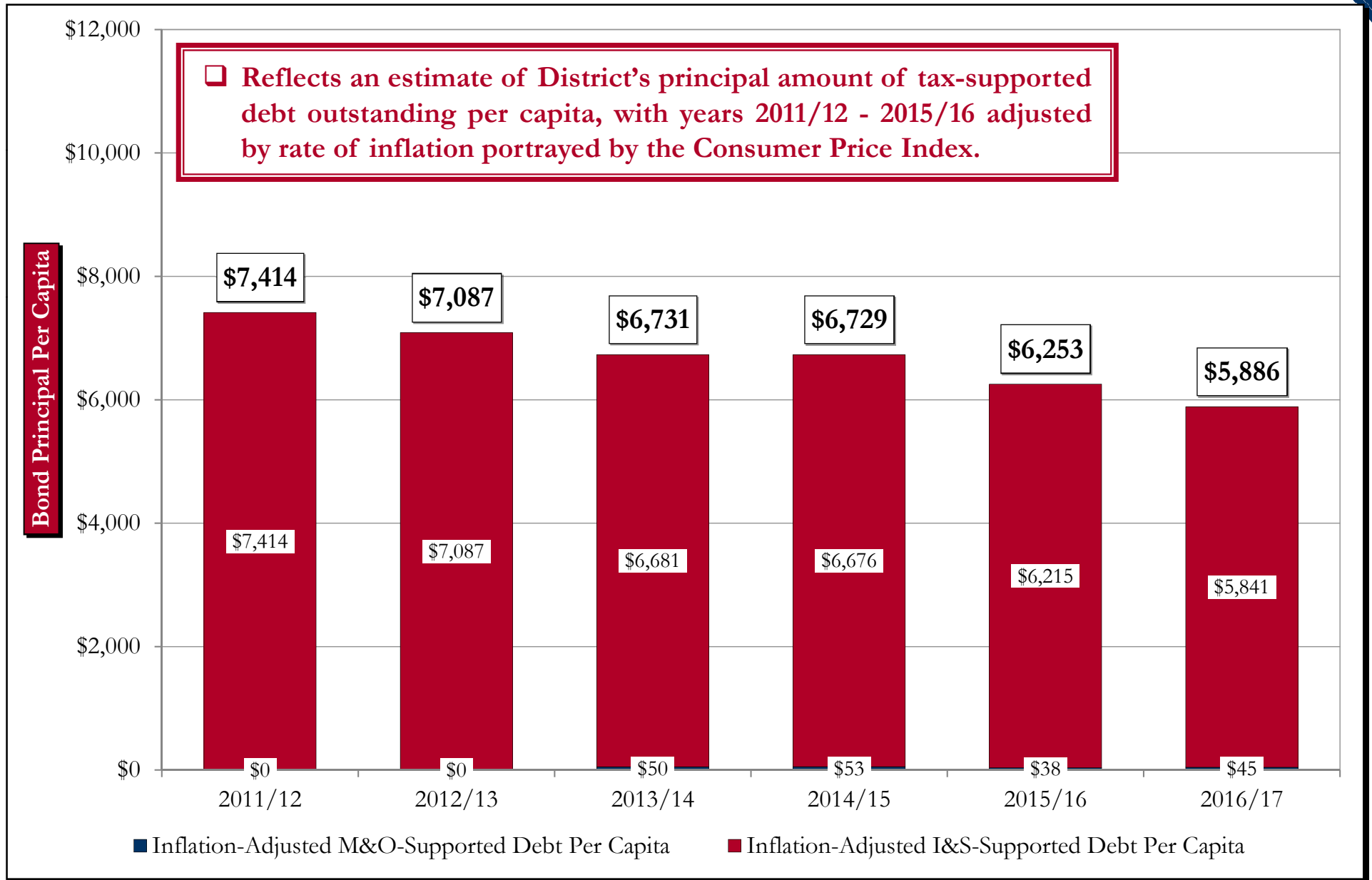
Tax-Supported Debt Obligations At Fiscal Year End and As a Percentage of Taxable Assessed Valuation



Source: District's Audited Financial Statements, Tarrant Appraisal District and District records.

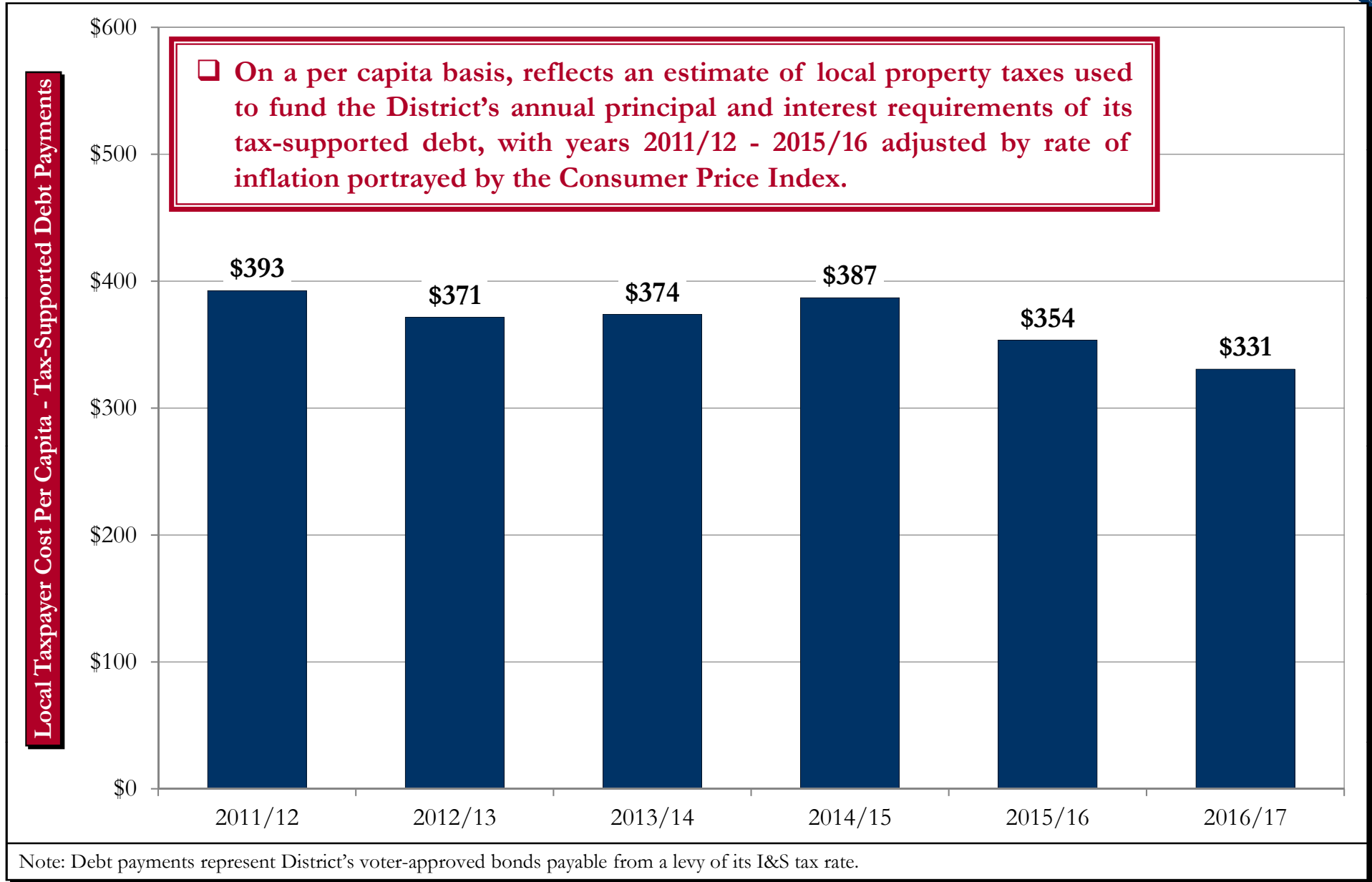


Inflation-Adjusted Tax-Supported Debt Per Capita





Inflation-Adjusted Tax-Supported Debt Cost Per Capita – Principal and Interest In Each of the Last 5 Years





Contact Information and Links to Additional Resources

Main Office Contact Information:

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Mr. Jim Schiele

Chief Financial Officer

Phone: (817) 232-0880 Ext. 2955

Email: jschiele@ems-isd.net

Links to Additional Resources:

<https://www.comptroller.texas.gov/transparency/local/debt/isds.php>

http://www.brb.state.tx.us/local_debt_search.aspx