



BROWNSBORO
INDEPENDENT SCHOOL DISTRICT

Annual Report of Local Debt Information

Fiscal Year Ended August 31, 2023

Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on February 23, 2024.



Overview of Certain Financial/Bond Ratings

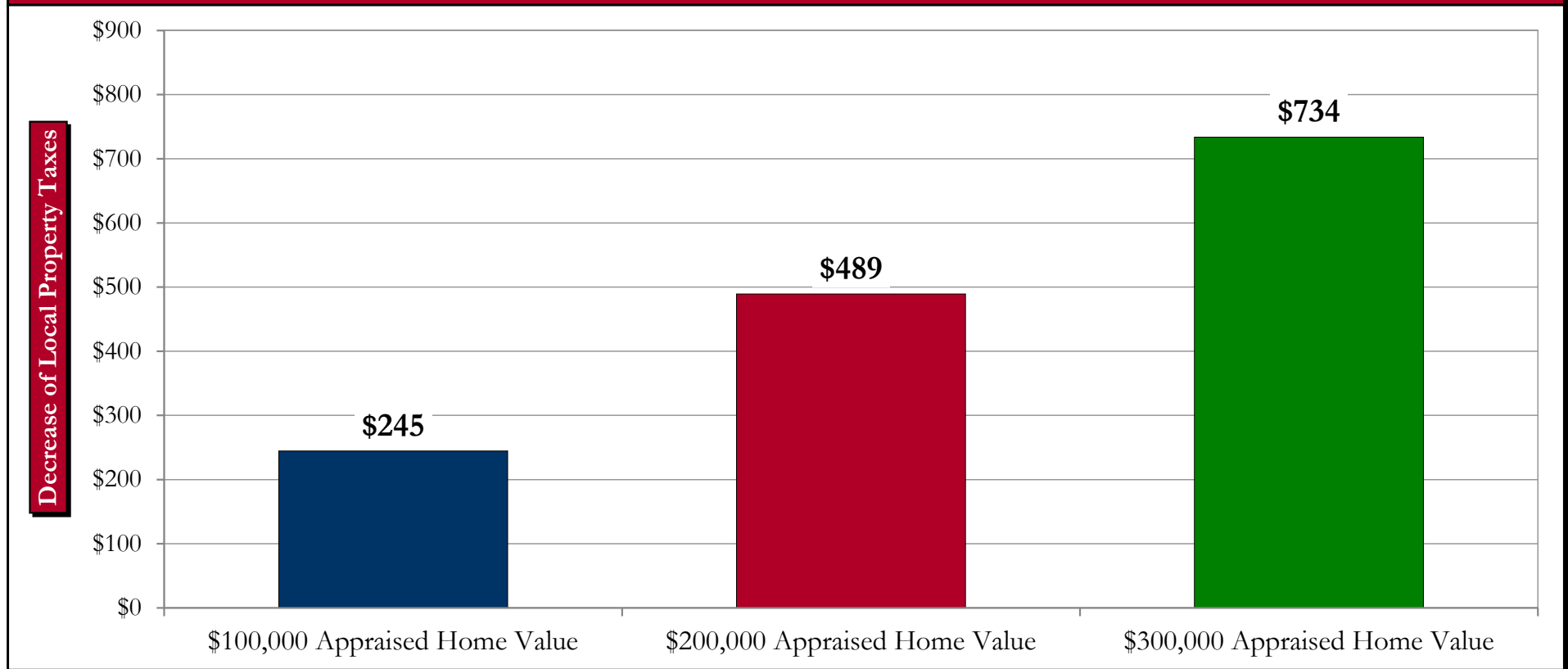
- ❑ **Overview:** Brownsboro Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** Pursuant 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 2021/22, the District was assigned a 2022/23 FIRST Rating of “Superior Achievement” and the District’s score was 100 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as S&P Global Ratings, that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **S&P Global Ratings:** Assigns a “A+” credit rating to the District, defined as “Having a strong capacity to meet its financial commitments but is somewhat more susceptible to the adverse effects of changes in circumstances and economic conditions than obligors in higher-rated categories.”



Overview of 20% Optional Residential Homestead Exemption Provided By District

- ❑ **Local Option, Additional Homestead Exemption:** Unlike many Texas school districts, the District has approved an additional residential homestead exemption equal to 20% of the assessed value. In this regard, the residential homestead exemption lowers the taxable value of a taxpayer's home for purposes of levying the District's tax rate.
- ❑ The following summarizes the estimated benefit that accrued to residential homeowners in year 2022/23.

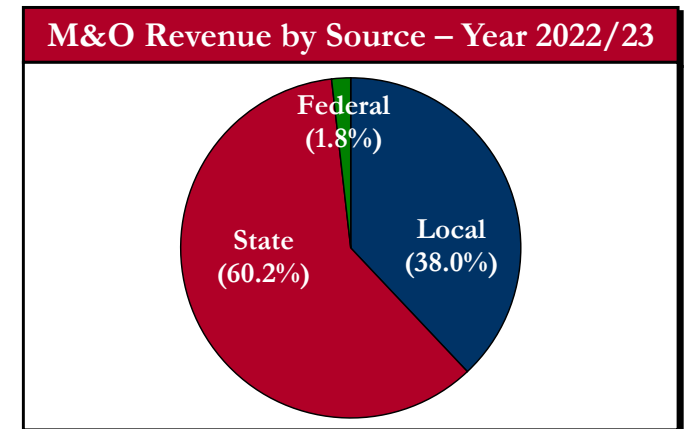
20% Optional Residential Homestead Exemption – Estimated Decrease of Local Property Taxes – Year 2022/23





Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Brownsboro 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 Henderson County Appraisal District and Van Zandt County 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 2022/23, the District’s sources for M&O revenues are summarized to the right.
 - ✓ On October 6, 2012, 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. Beginning in year 2019/20, the District’s M&O tax rate became subject to compression pursuant to House Bill 3 that was enacted during the 2019 legislative session.





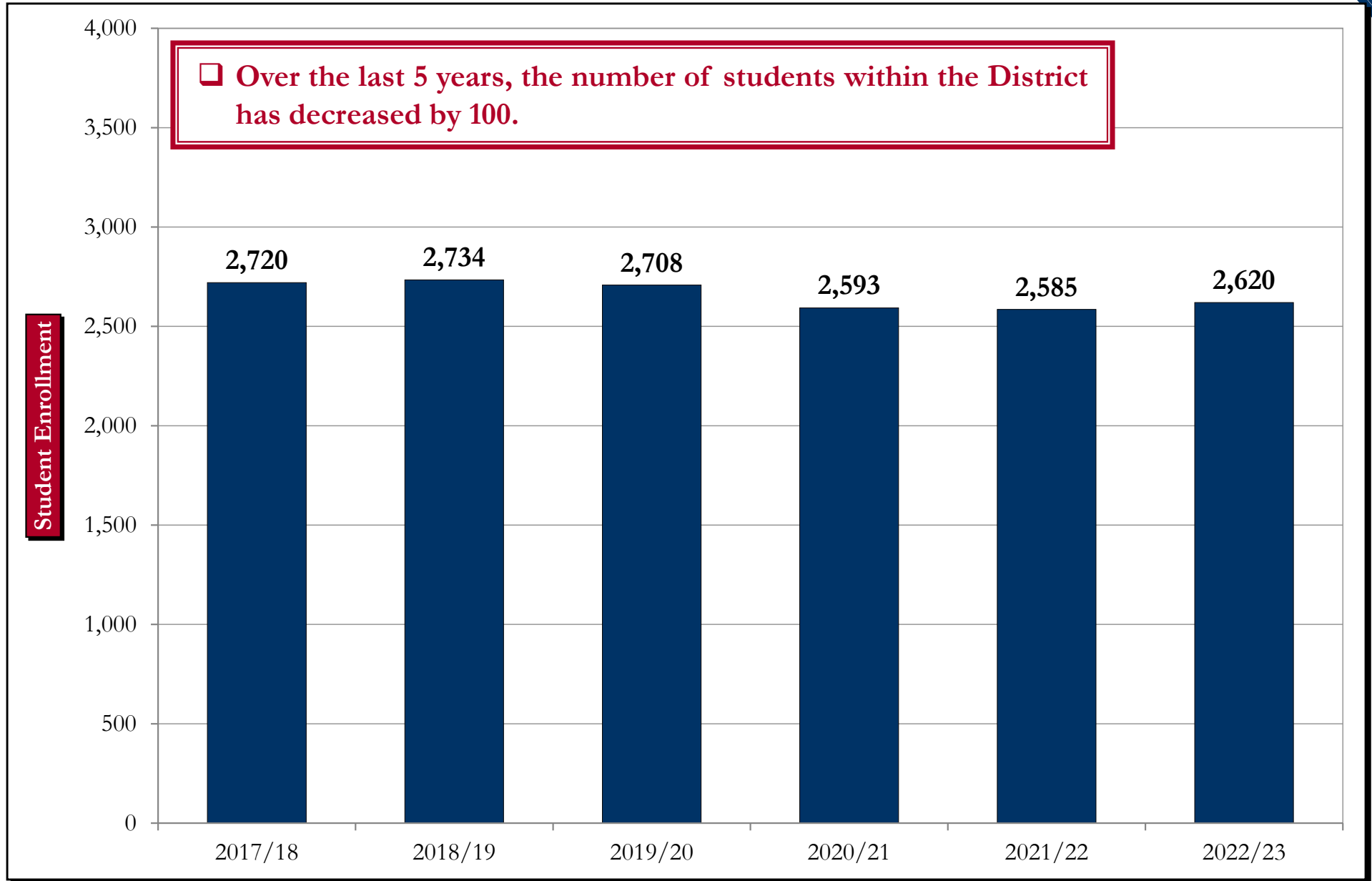
Overview of State Funding System

- **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 following summarizes the District’s bond programs approved by voters over the last 20 years:

District’s Historical Bond Elections Approved By Voters				
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Remaining To Be Issued
November 2, 2010	School Building & Renovations	2,881	\$27,260,000	\$0
November 8, 2022	School Building	2,620	\$24,000,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds:				\$0

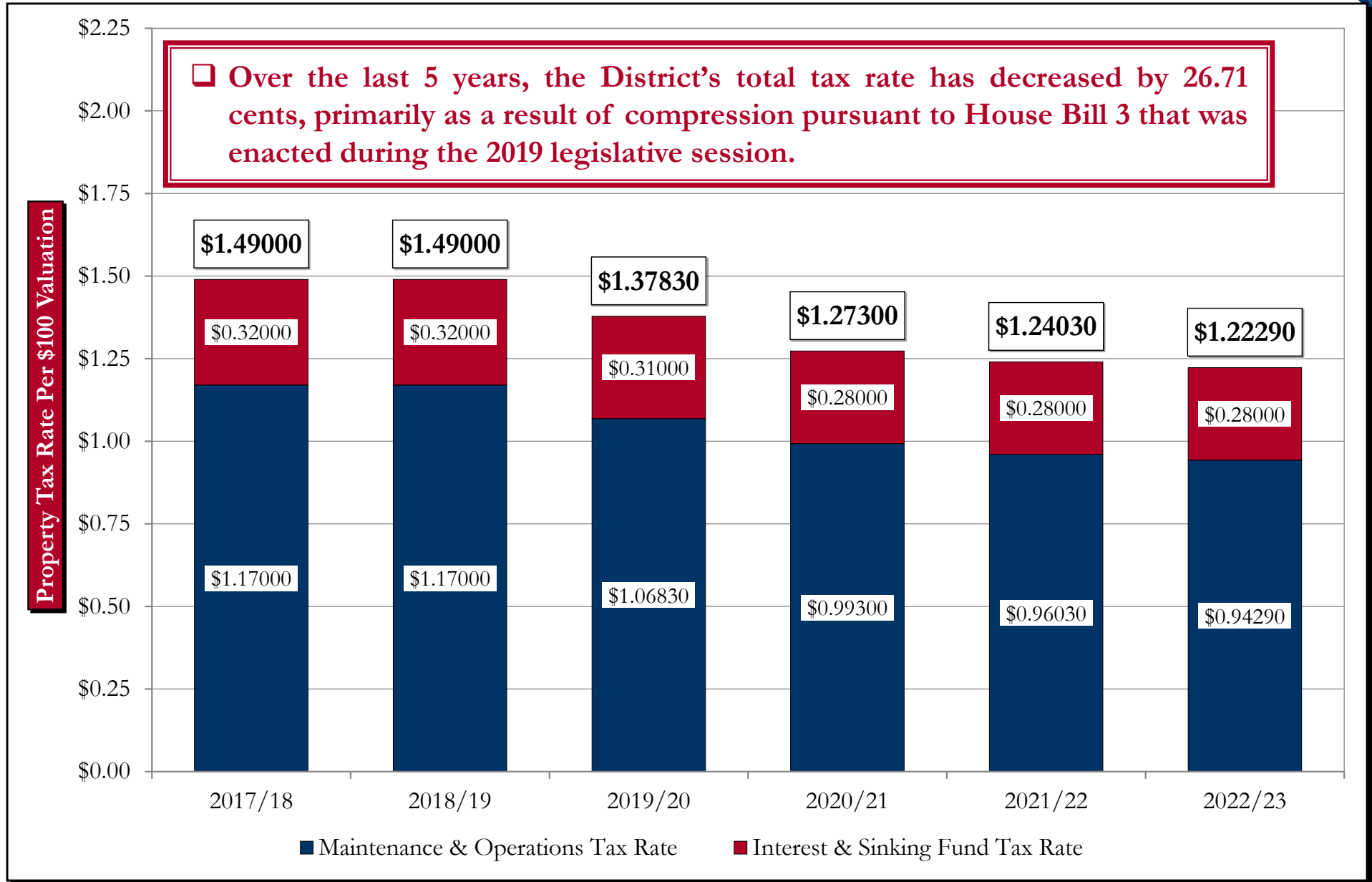


Historical Student Enrollment



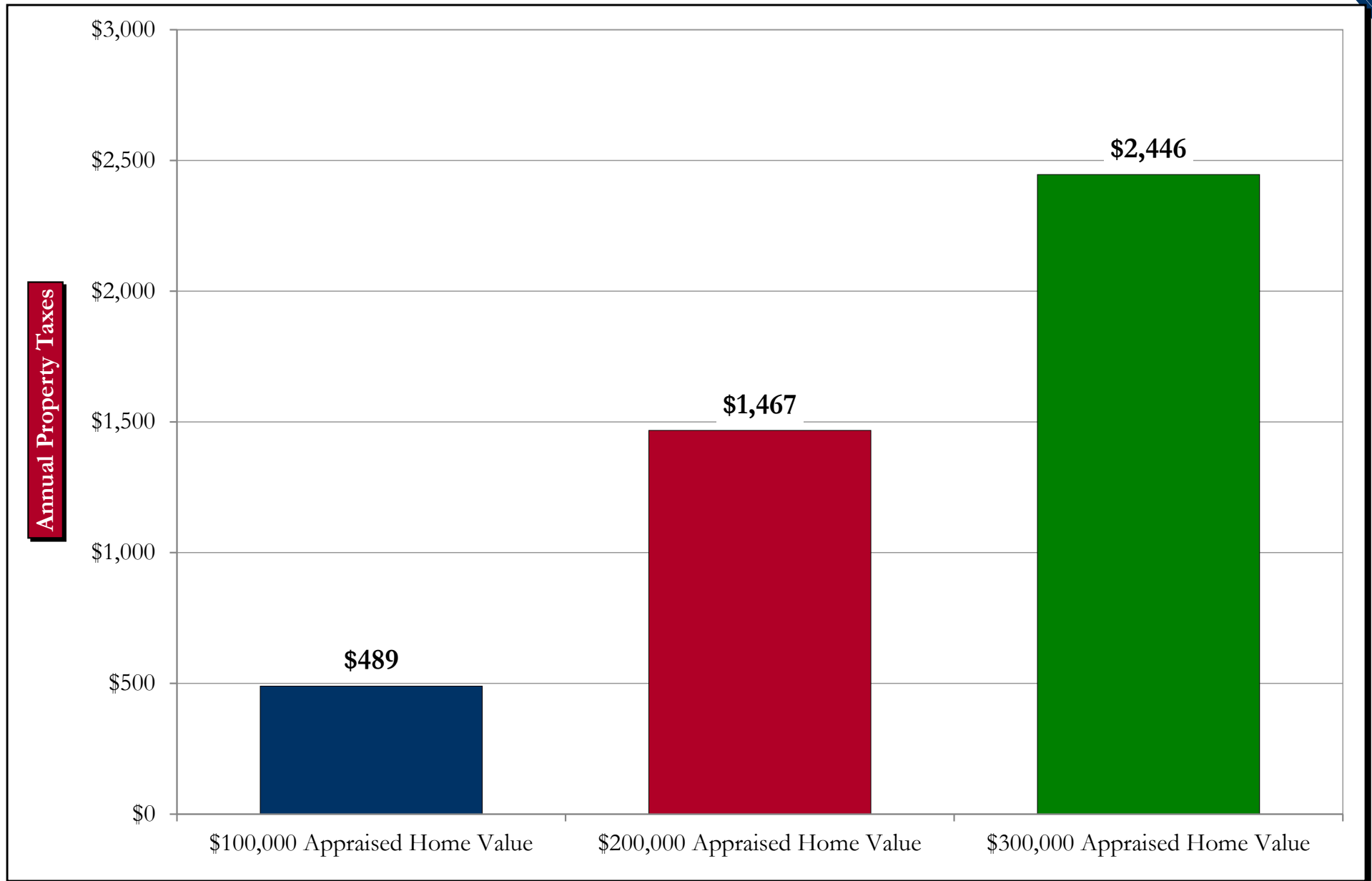


Historical Tax Rates





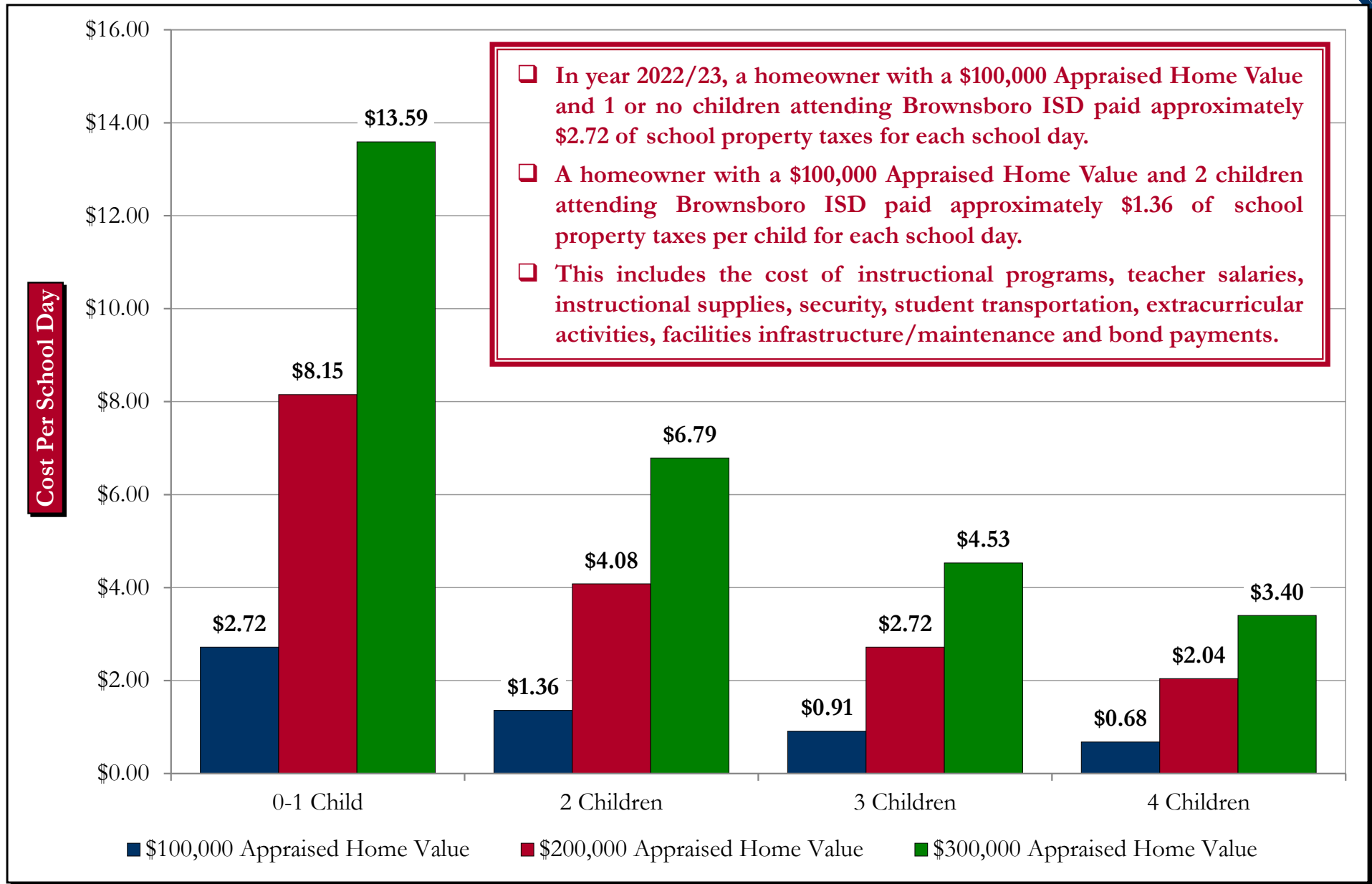
Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – Year 2022/23



Note: Taxes are net of the \$40,000 State-mandated residential homestead exemption and a 20% local option, additional homestead exemption.



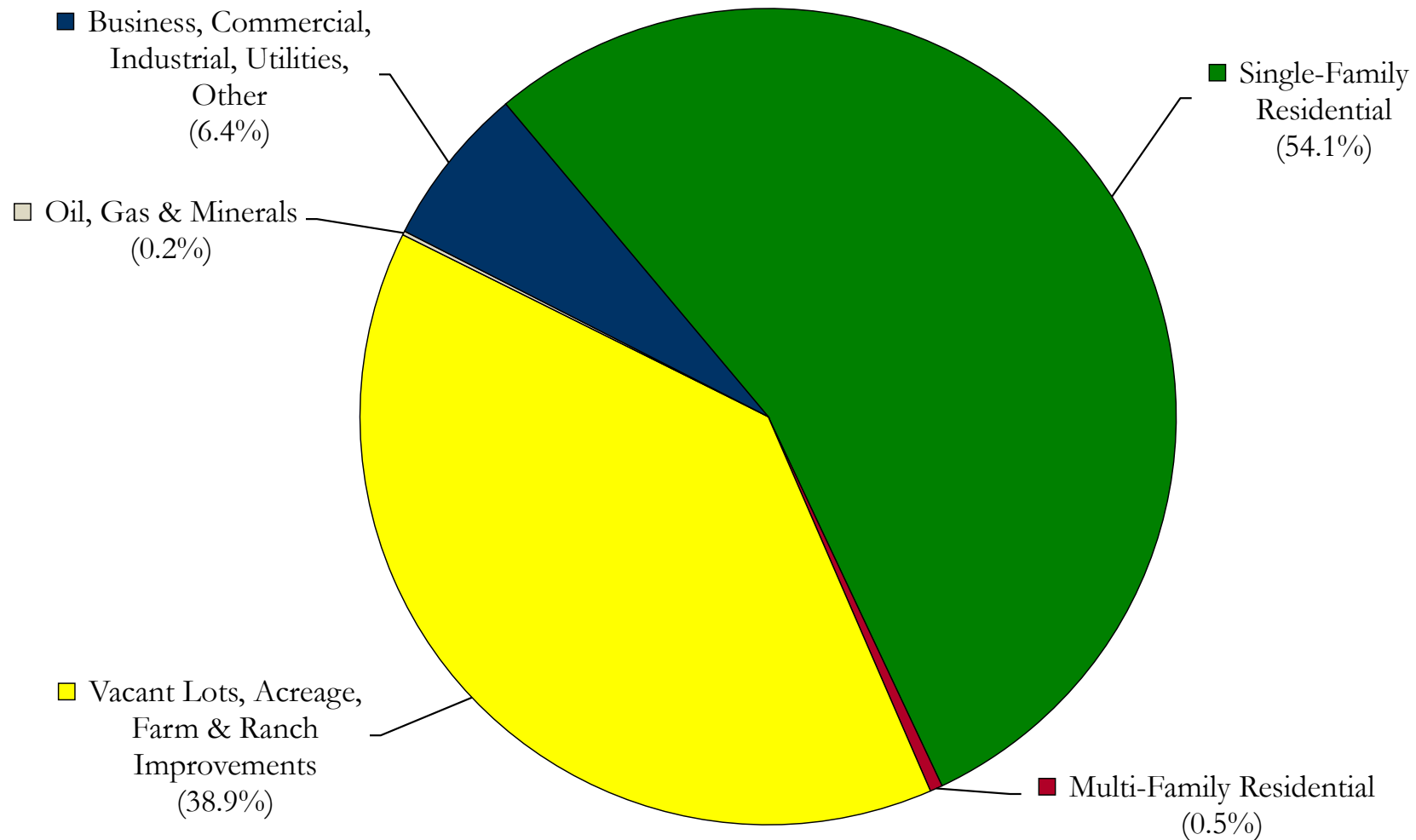
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2022/23





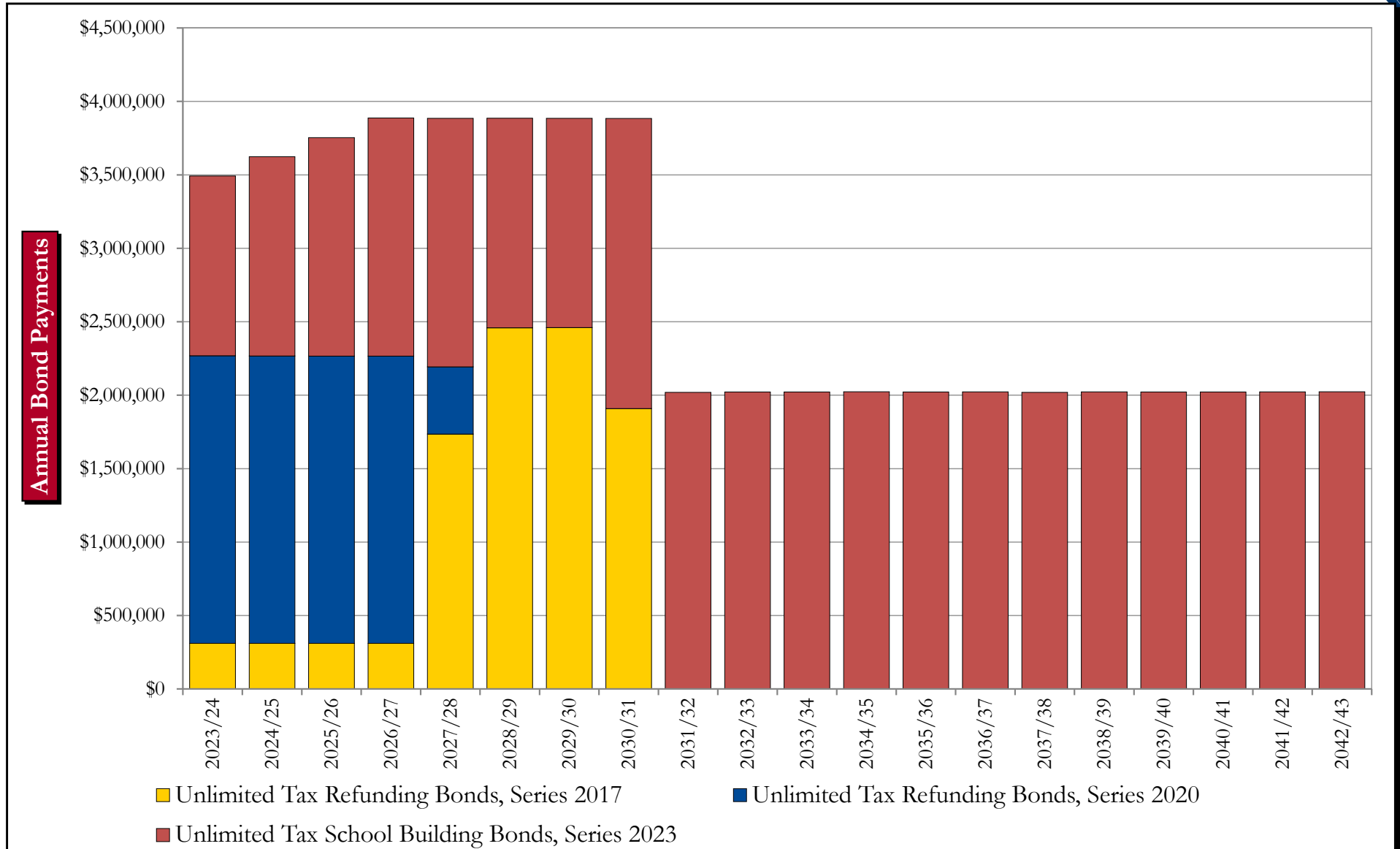
Composition of Total Assessed Valuation – Year 2022/23

For year 2022/23, Single-Family Residential properties comprised 54.1% of the District's total assessed valuation and other property categories comprised 45.9%.





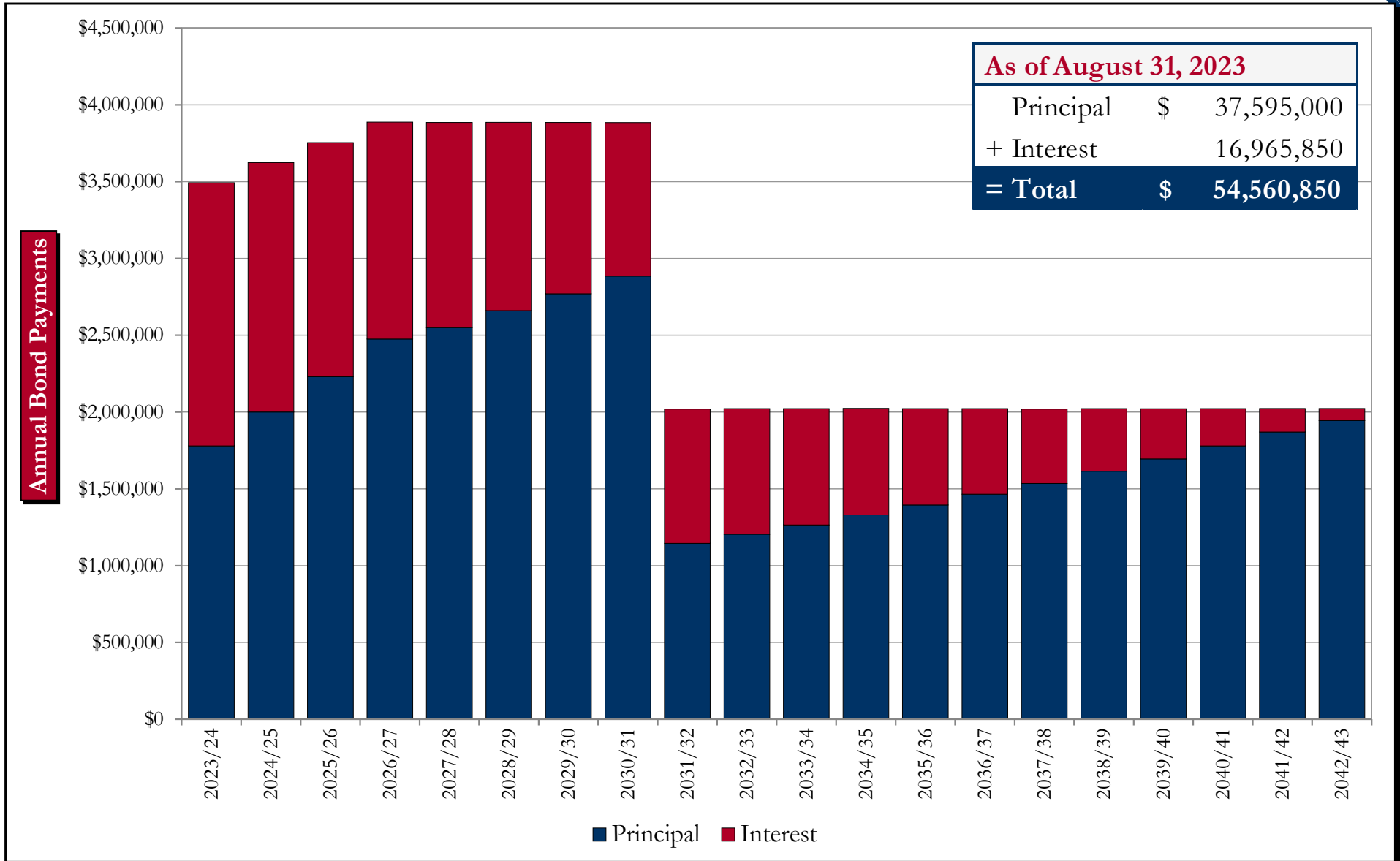
Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: Debt service payments reflect payments from September 1 through August 31.



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.



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

- Brownsboro ISD has implemented 3 bond refunding programs and prepaid \$550,000 of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$4.48 million of savings for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax School Building & Refunding Bonds, Series 2011	2000	\$ 6,660,000	\$ 825,748
Unlimited Tax Refunding Bonds, Series 2017	2011	8,745,000	1,465,100
Unlimited Tax Refunding Bonds, Series 2020	2011	13,325,000	2,099,885
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 28,730,000	\$ 4,390,733
Prepayment of the Series 2017 Bonds - August 2023	2017	\$ 550,000	\$ 99,000
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 550,000	\$ 99,000
Totals	---	\$ 29,280,000	\$ 4,489,733



Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2023

- ❑ The following debt obligations are payable from ad valorem taxes (i.e. I&S taxes) levied annually against all taxable property located within the District, without legal limit as to rate or amount.

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 Refunding Bonds, Series 2017	Refunding at a lower interest rate, etc.	\$8,710,000.00	\$7,760,000.00	\$9,804,000.00	\$449.93	\$568.45	08/15/2031	\$9,882,168.66	\$9,882,168.66	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2020	Refunding at a lower interest rate, etc.	\$12,175,000.00	\$7,480,000.00	\$8,283,650.00	\$433.70	\$480.30	08/15/2028	\$13,759,712.19	\$13,759,712.19	\$0.00
3	Unlimited Tax School Building Bonds, Series 2023	Capital Improvements	\$22,355,000.00	\$22,355,000.00	\$36,473,200.00	\$1,296.17	\$2,114.76	08/15/2043	\$24,675,887.79	\$2,817,142.79	\$21,858,745.00



Summary of Maintenance Tax Debt Outstanding – As of Fiscal Year Ended August 31, 2023

\$400,000

\$350,000

\$300,000

\$250,000

\$200,000

\$150,000

\$100,000

\$50,000

\$0

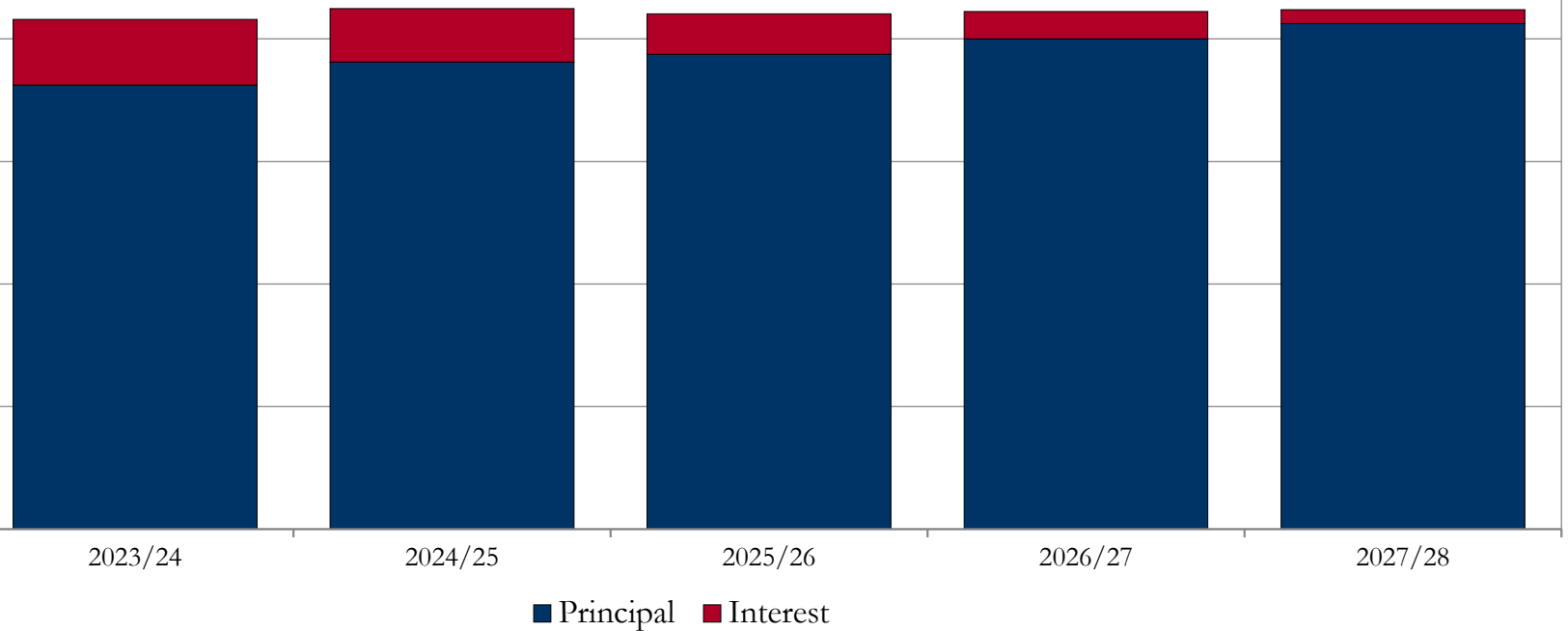
No.	Issue Description	Purpose	Original Principal Amount	Outstanding Principal	Total Outstanding Debt Service	Outstanding Principal Per Capita	Outstanding Debt Service Per Capita	Final Maturity Date	Total Proceeds Received	Spent Proceeds	Unspent Proceeds
1	Maintenance Tax Note, Series 2013	Maintenance & Equipment	\$2,500,000.00	\$971,875.00	\$1,053,687.50	\$56.35	\$61.09	08/15/2028	\$2,500,000.00	\$2,500,000.00	\$0.00

As of August 31, 2023

Principal	\$	971,875
+ Interest		81,813
= Total	\$	1,053,688

The debt obligations herein are payable from any available funds of the District, including but in no way limited to the ad valorem taxes levied for maintenance purposes (i.e. M&O taxes) by the District, within the limitations of the District's maintenance tax authority.

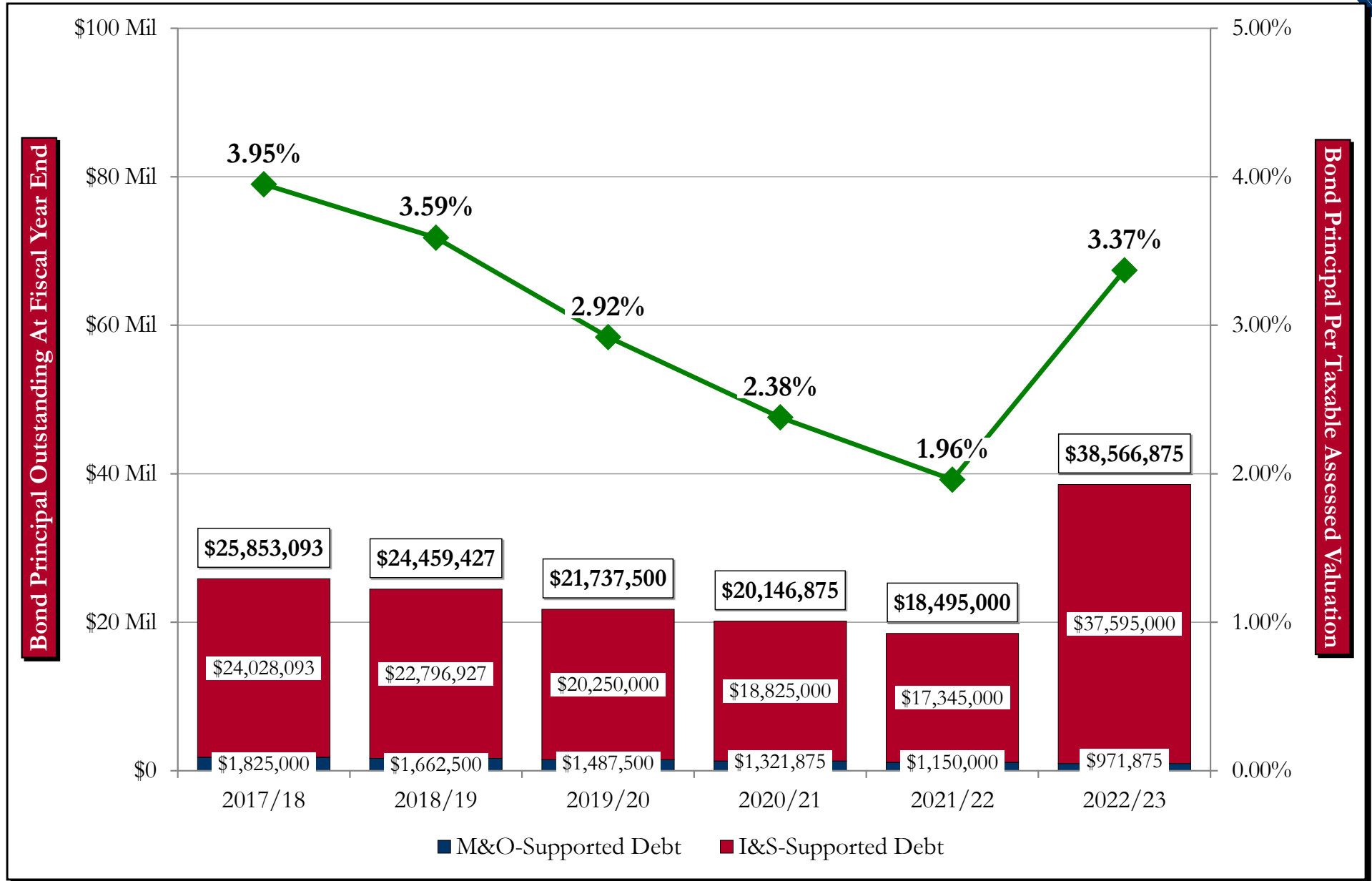
Annual Bond Payments



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



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





Contact Information

Main Office Contact Information:

Physical and Mailing Address:
14134 State Highway 31 East
Brownsboro, Texas 75756

Phone: (903) 852-3701
Fax: (903) 852-3957

For additional information regarding this report, please contact:

Mr. Jonathan Lundmark
Executive Director of Finance
Phone: (903) 852-3701
Email: lundmarkj@gobearsgo.net