



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 27, 2024.



Overview of Certain Financial/Bond Ratings

- ❑ **Overview:** Lake Dallas 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 92 out of a possible 100 points.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service and S&P Global Ratings, that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service:** Assigns a “Aa3” credit rating to the District, defined as “Judged to be of high quality and are subject to very low credit risk.”
 - ✓ **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.”

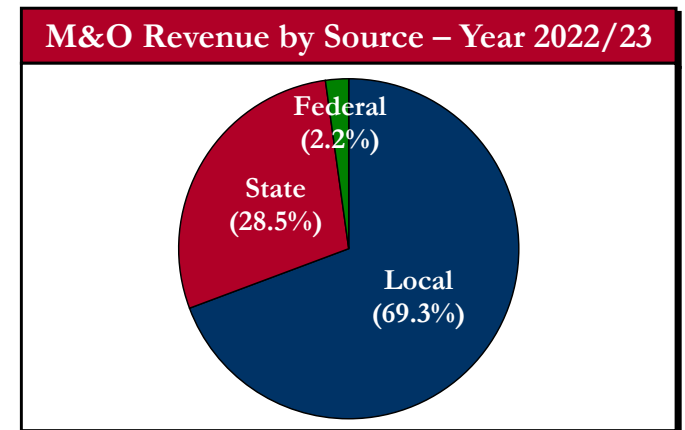


Overview of State Funding System

❑ **State Funding System – Where Do the District’s Revenues Come From:** Lake Dallas 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 Denton Central 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 4, 2008, voters approved a tax ratification election to increase the District’s M&O tax rate to \$1.17. 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

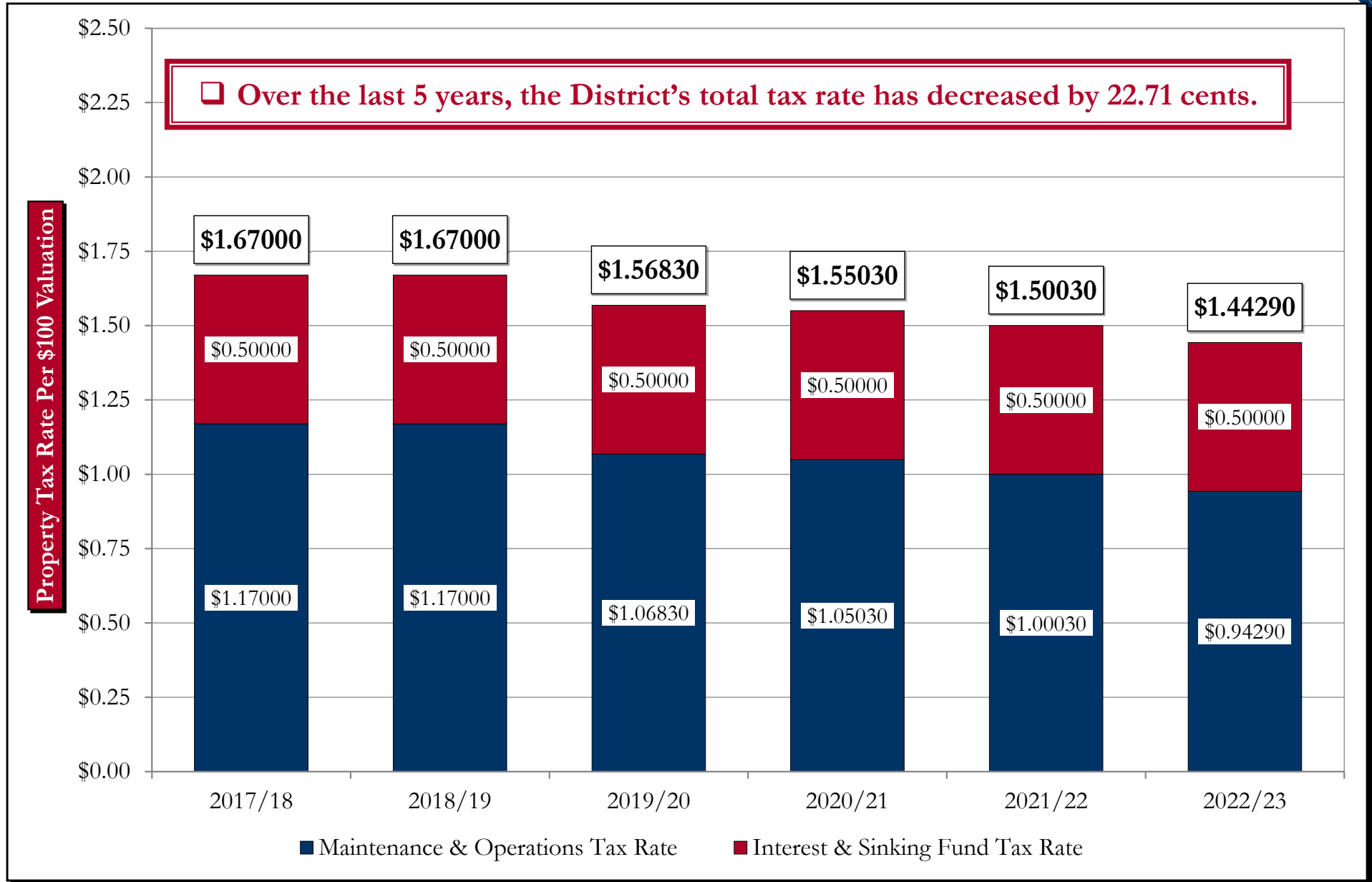
- Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s bond programs approved by voters over the last 20 years:

District’s Historical Bond Elections Approved By Voters				
Election Date	Purpose	Student Enrollment	Election Amount	Dollar Amount Of Bonds Remaining To Be Issued
May 12, 2007	School Building	3,952	\$25,000,000	\$0
May 4, 2019	School Building	4,031	\$105,000,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds - As of August 31, 2023:				\$0

- ✓ As of fiscal year ended August 31, 2023, the District had \$44,976,800 within its Capital Projects Fund for existing/future projects.

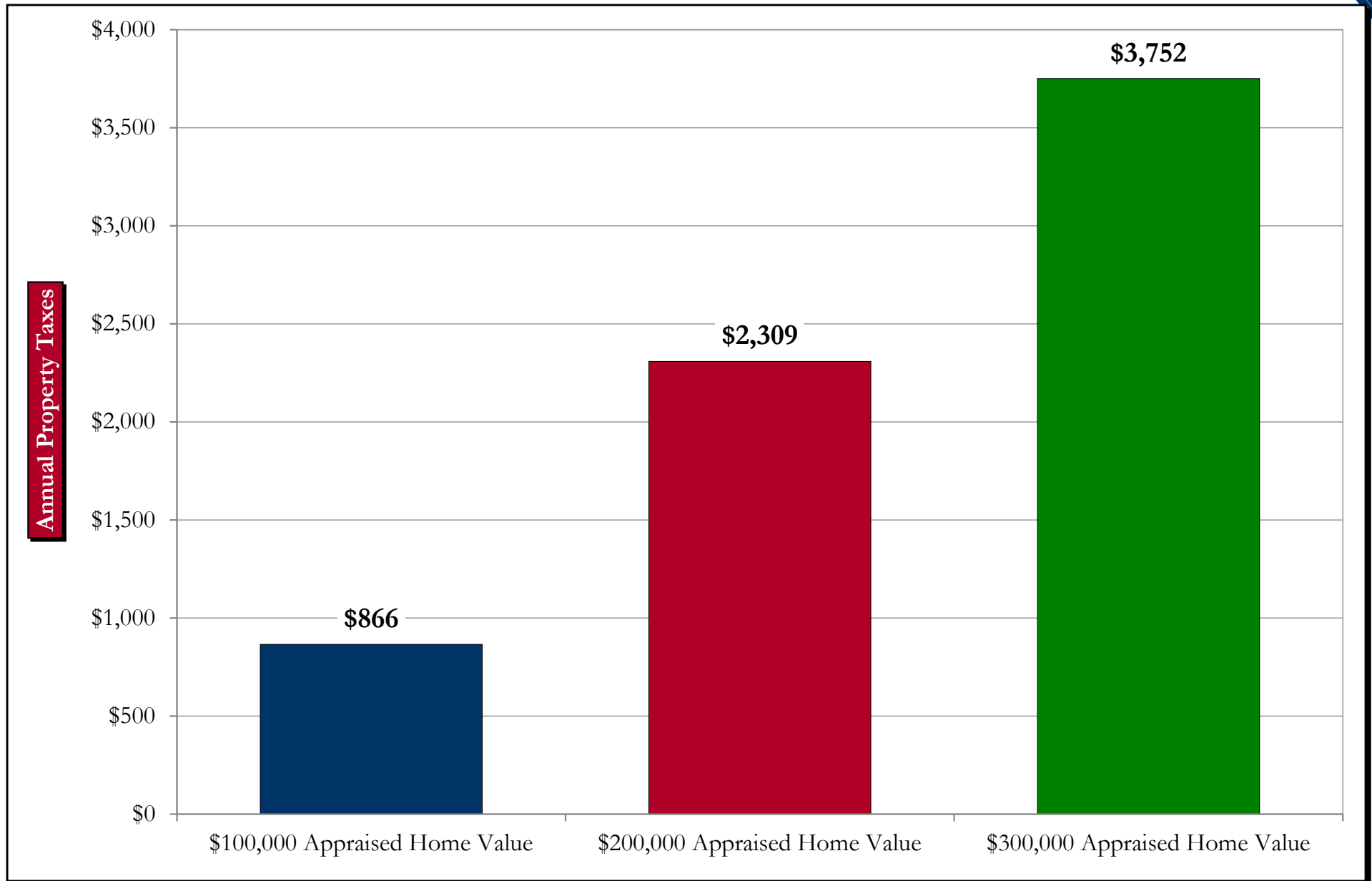


Historical Tax Rates





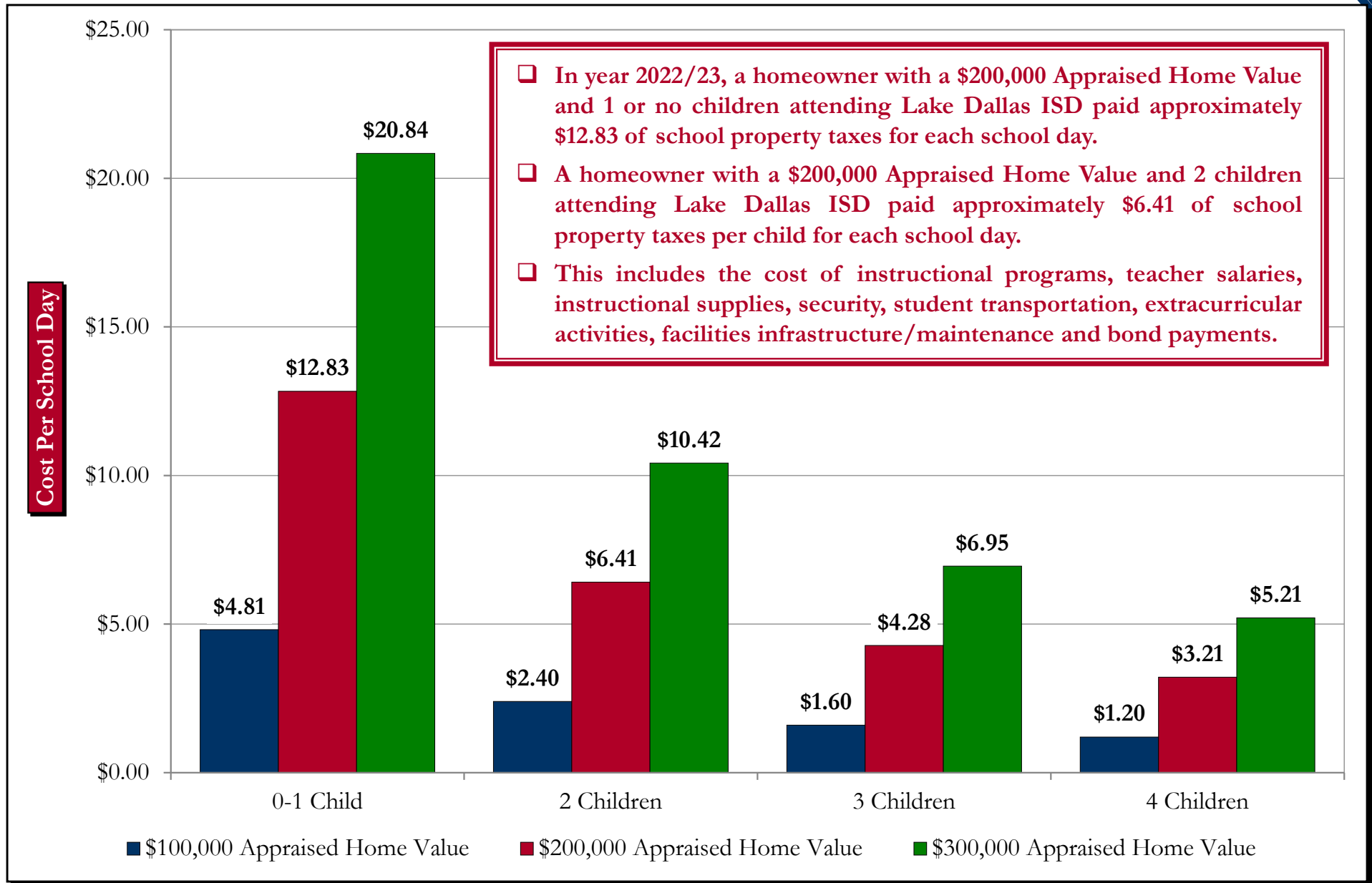
Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – Year 2022/23



Note: Taxes are net of the \$40,000 State-mandated residential homestead exemption.



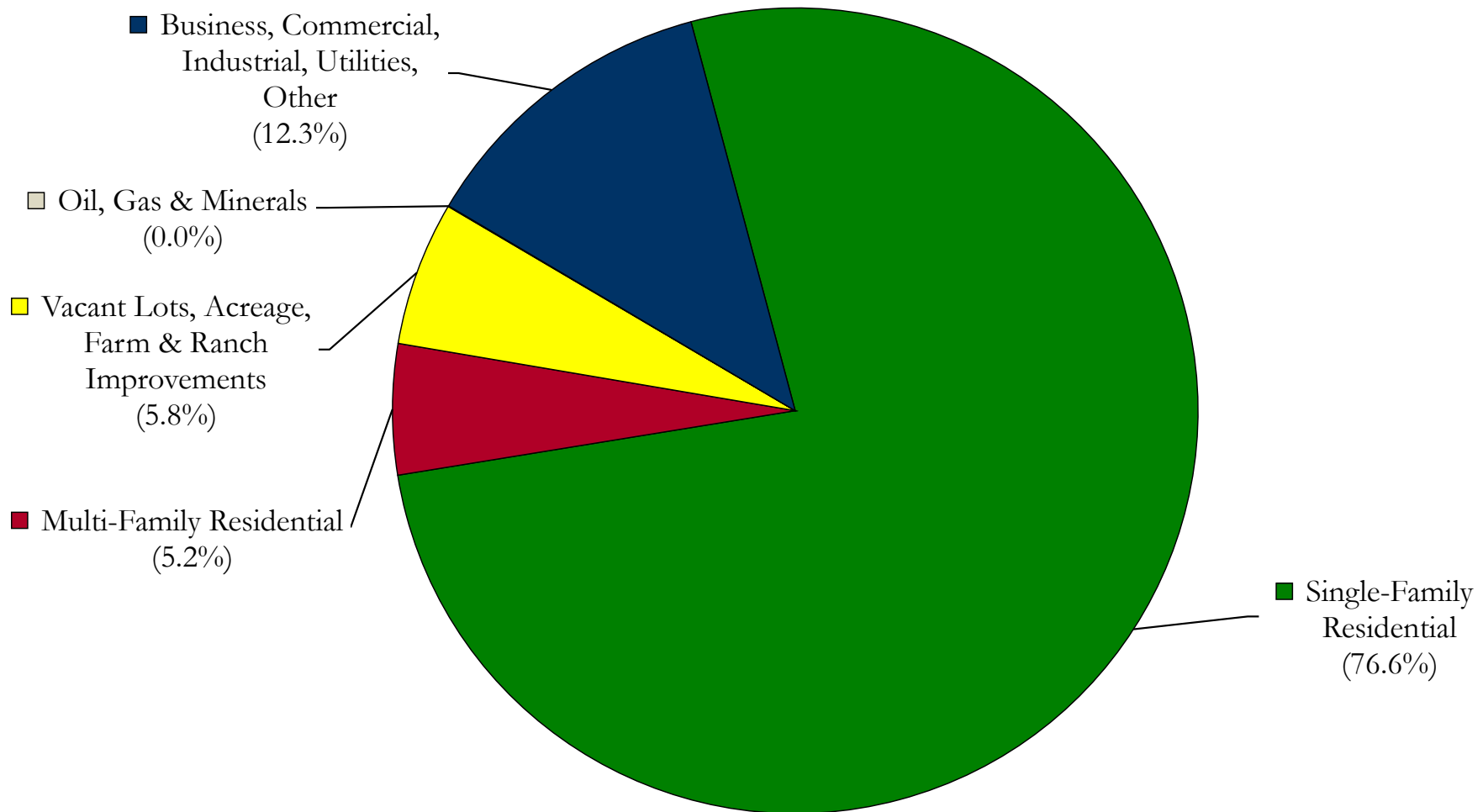
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2022/23





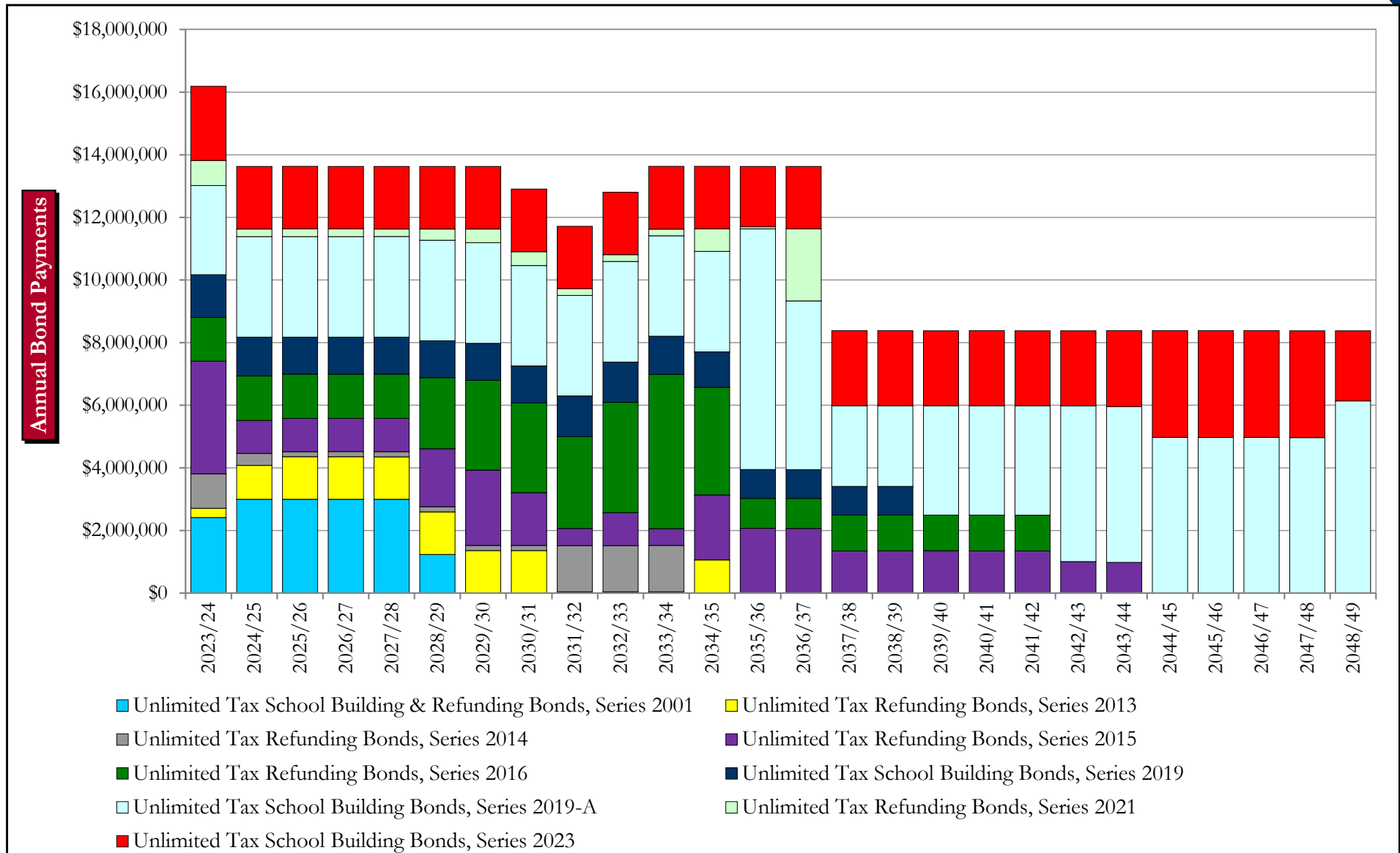
Composition of Total Assessed Valuation – Year 2022/23

For year 2022/23, Single-Family Residential properties comprised 76.6% of the District's total assessed valuation and other property categories comprised 23.4%.





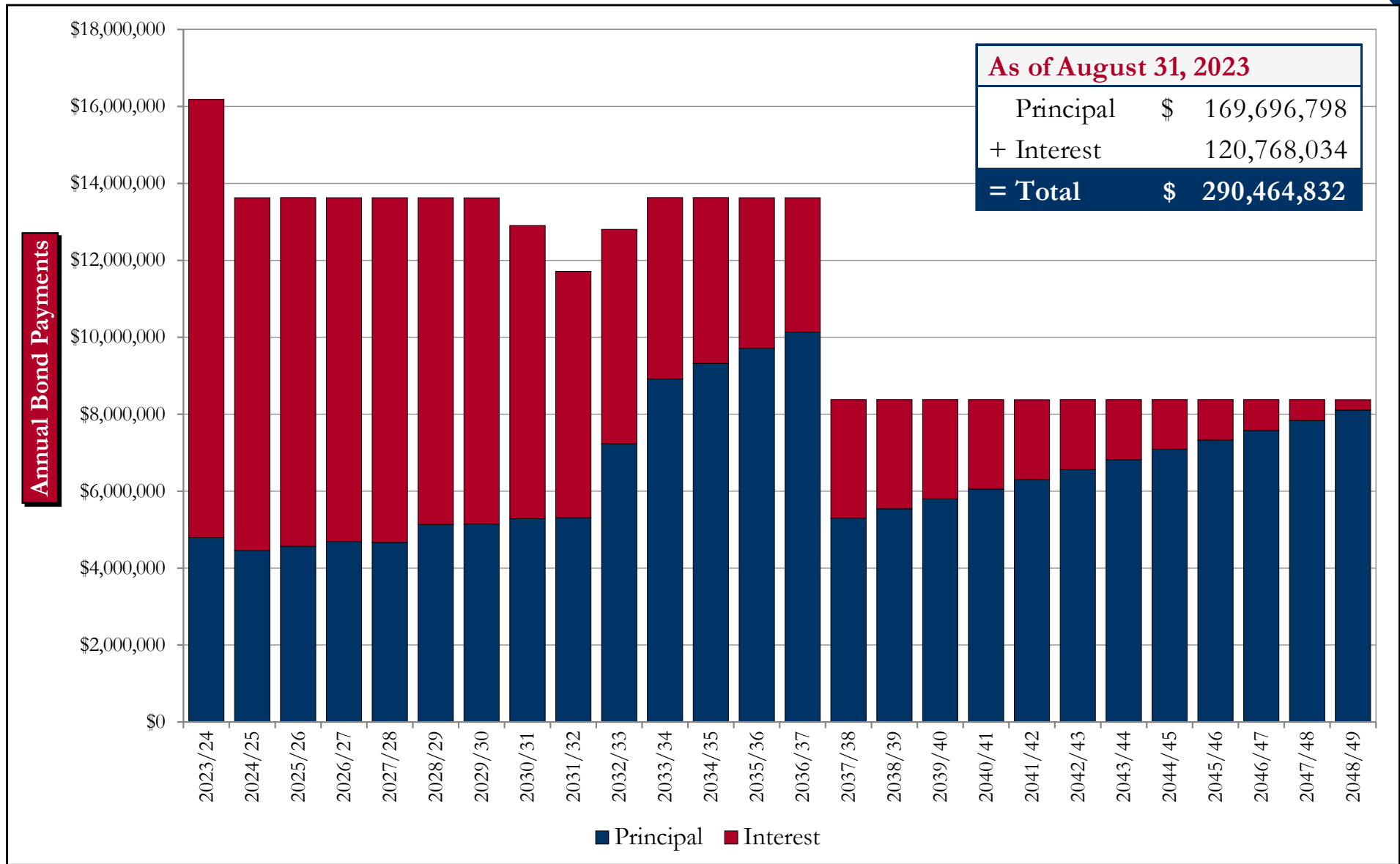
Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



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



As of August 31, 2023	
Principal	\$ 169,696,798
+ Interest	120,768,034
= Total	\$ 290,464,832

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



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

- Lake Dallas ISD has implemented 9 bond refunding programs and prepaid \$13.935 million (maturity value) of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$35.3 million of savings for District taxpayers.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax School Building & Refunding Bonds, Series 2005	1995	\$ 5,210,000	\$ 434,245
Unlimited Tax School Building & Refunding Bonds, Series 2007	2001, 2002	11,362,680	2,198,034
Unlimited Tax Refunding Bonds, Series 2010	1998	6,565,000	846,823
Unlimited Tax Refunding Bonds, Series 2012	2001, 2002	9,340,000	2,169,081
Unlimited Tax Refunding Bonds, Series 2013	2002, 2004	9,149,072	3,235,108
Unlimited Tax Refunding Bonds, Series 2014	2004	9,625,000	2,049,609
Unlimited Tax Refunding Bonds, Series 2015	2004, 2007, 2008	19,073,048	8,498,416
Unlimited Tax Refunding Bonds, Series 2016	2005, 2007	24,882,715	7,000,445
Unlimited Tax Refunding Bonds, Series 2021	2010, 2012	7,125,000	1,363,806
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 102,332,515	\$ 27,795,567
Prepayment of Series 2012 Bonds - February 2017	2012	\$ 910,000 ^(A)	\$ 411,296
Prepayment of Series 2012 Bonds - February 2018	2012	3,010,000 ^(A)	1,360,442
Prepayment of Series 2012 Bonds - February 2019	2012	2,265,000 ^(A)	1,388,492
Prepayment of Series 2015 Bonds - August 2022	2015	870,000	756,900
Prepayment of Series 2015 Bonds - August 2023	2015	3,420,000	2,746,300
Prepayment of Series 2015 Bonds - August 2024*	2015	3,460,000 ^(A)	905,856
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 13,935,000	\$ 7,569,286
Totals	---	\$ 116,267,515	\$ 35,364,853

^(A) Represents maturity value. *Pursuant to an order adopted by the District's Board of Trustees on August 28, 2023. Source: District records.



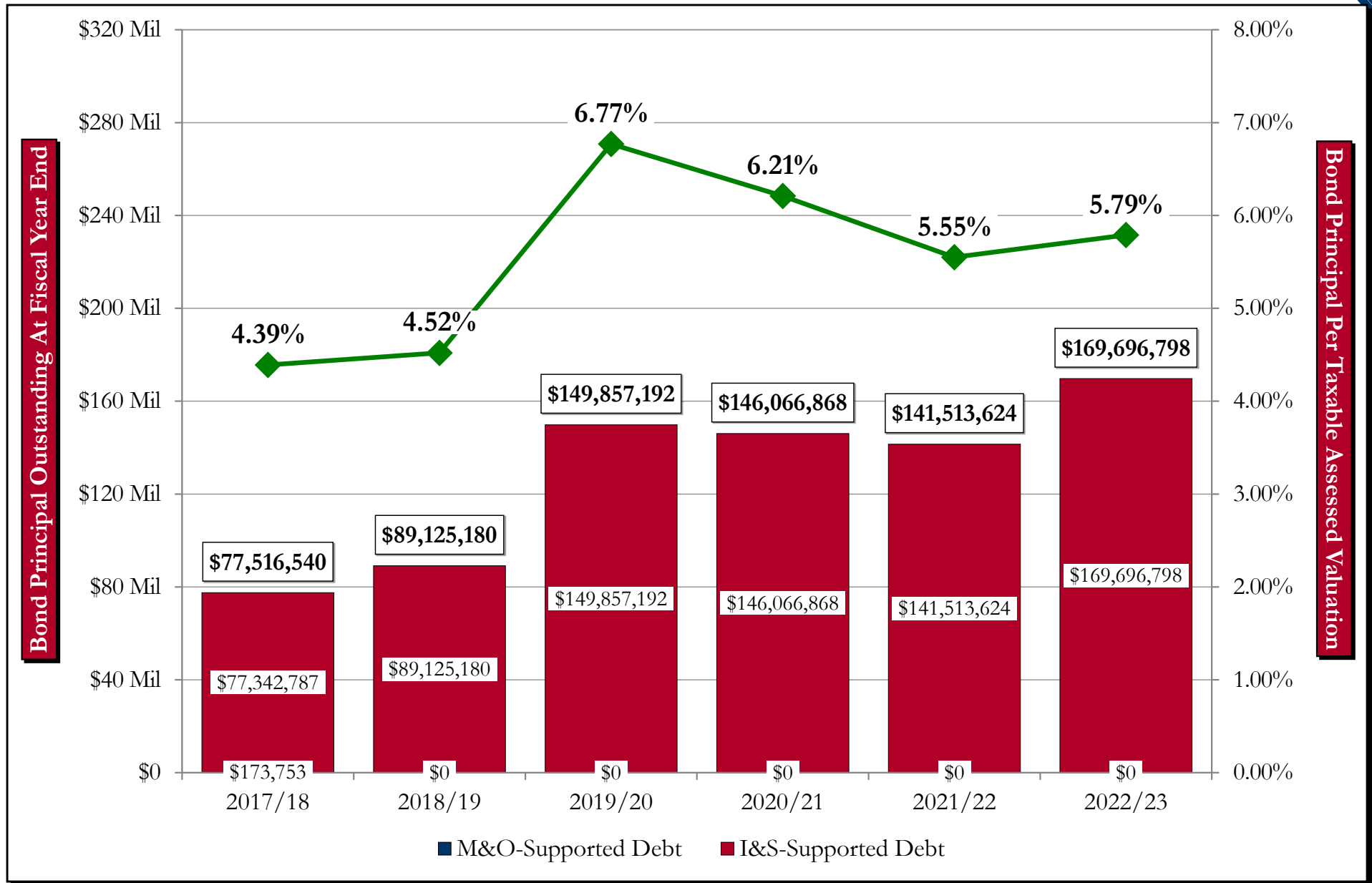
Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2023

- ❑ 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 School Building and Refunding Bonds, Series 2001	Capital Improvements & Refunding at a lower interest rate, etc.	\$13,264,870.90	\$3,693,539.25	\$15,650,000.00	\$147.56	\$625.25	08/15/2029	\$13,429,986.35	\$13,429,986.35	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2013	Refunding at a lower interest rate, etc.	\$8,955,000.00	\$8,855,000.00	\$10,704,500.00	\$353.78	\$427.67	08/15/2035	\$9,932,325.29	\$9,932,325.29	\$0.00
3	Unlimited Tax Refunding Bonds, Series 2014	Refunding at a lower interest rate, etc.	\$9,295,000.00	\$5,210,000.00	\$6,900,800.00	\$208.15	\$275.70	08/15/2034	\$9,939,769.69	\$9,939,769.69	\$0.00
4	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$19,063,026.95	\$12,965,558.45	\$30,871,156.75	\$518.00	\$1,233.37	08/15/2044	\$28,074,918.91	\$28,074,918.91	\$0.00
5	Unlimited Tax Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc.	\$24,877,700.20	\$21,987,700.20	\$37,472,250.00	\$878.45	\$1,497.09	08/15/2042	\$30,712,766.90	\$30,712,766.90	\$0.00
6	Unlimited Tax School Building Bonds, Series 2019	Capital Improvements	\$16,130,000.00	\$13,375,000.00	\$18,322,250.00	\$534.36	\$732.01	08/15/2039	\$17,980,225.50	\$17,506,453.50	\$473,772.00
7	Unlimited Tax School Building Bonds, Series 2019-A	Capital Improvements	\$63,900,000.00	\$63,525,000.00	\$102,824,900.00	\$2,537.95	\$4,108.07	08/15/2049	\$70,378,145.73	\$61,897,775.22	\$8,480,370.51
8	Unlimited Tax Refunding Bonds, Series 2021	Refunding at a lower interest rate, etc.	\$6,540,000.00	\$5,210,000.00	\$6,741,800.00	\$208.15	\$269.35	08/15/2037	\$7,228,574.22	\$7,228,574.22	\$0.00
9	Unlimited Tax School Building Bonds, Series 2023	Capital Improvements	\$34,875,000.00	\$34,875,000.00	\$60,977,175.26	\$1,393.33	\$2,436.16	08/15/2049	\$35,774,106.49	\$0.00	\$35,774,106.49



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





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