



Annual Report of Local Debt Information

Fiscal Year Ended August 31, 2016

Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on Monday, March 27, 2017.



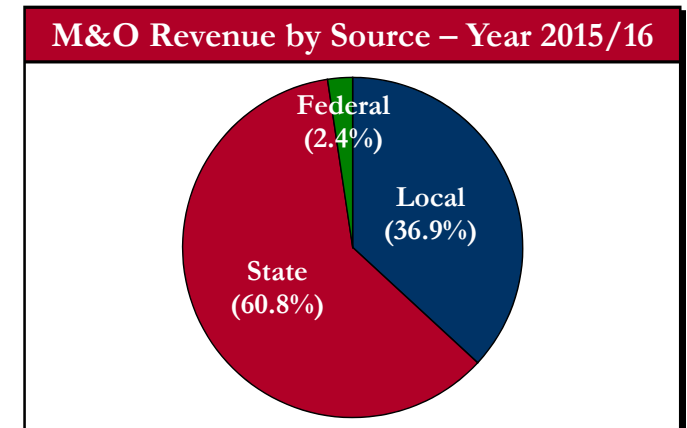
Overview of Certain Financial/Bond Ratings

- ❑ **Overview:** Odem-Edroy 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 2014/15, the District was assigned a 2015/16 FIRST Rating of “Superior”.
 - **Credit Ratings:** The District also maintains independent ratings from certain nationally recognized credit rating agencies, such as Moody’s Investors Service, that evaluate the District’s financial strength and its ability to pay its existing bonds.
 - ✓ **Moody’s Investors Service:** Assigns a “Baa2” credit rating to the District, defined as “Judged to be medium-grade and subject to moderate credit risk and as such may possess certain speculative characteristics.”



Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Odem-Edroy 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 San Patricio 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 2015/16, the District’s sources for M&O revenues are summarized to the right.
 - ✓ On November 5, 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

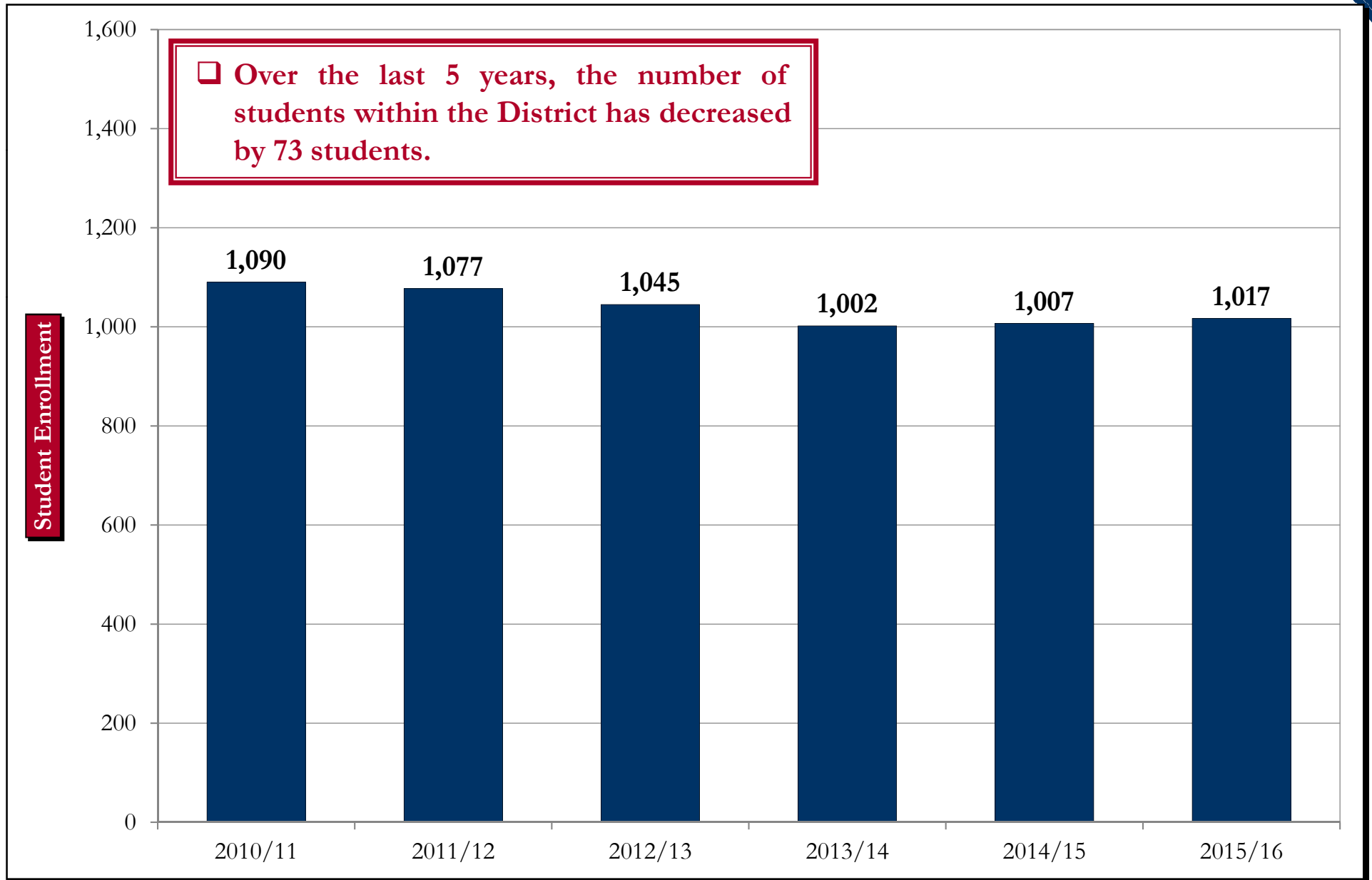
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s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

District’s Historical Bond Elections Approved By Voters			
Election Date	Purpose	Election Amount	Dollar Amount Of Bonds Remaining To Be Issued
May 9, 2015	School Building	\$24,500,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds - As of August 31, 2016:			\$0

- ✓ As of fiscal year ended August 31, 2016, the District had \$21,932,431 within its Capital Projects Fund for projects currently in progress.

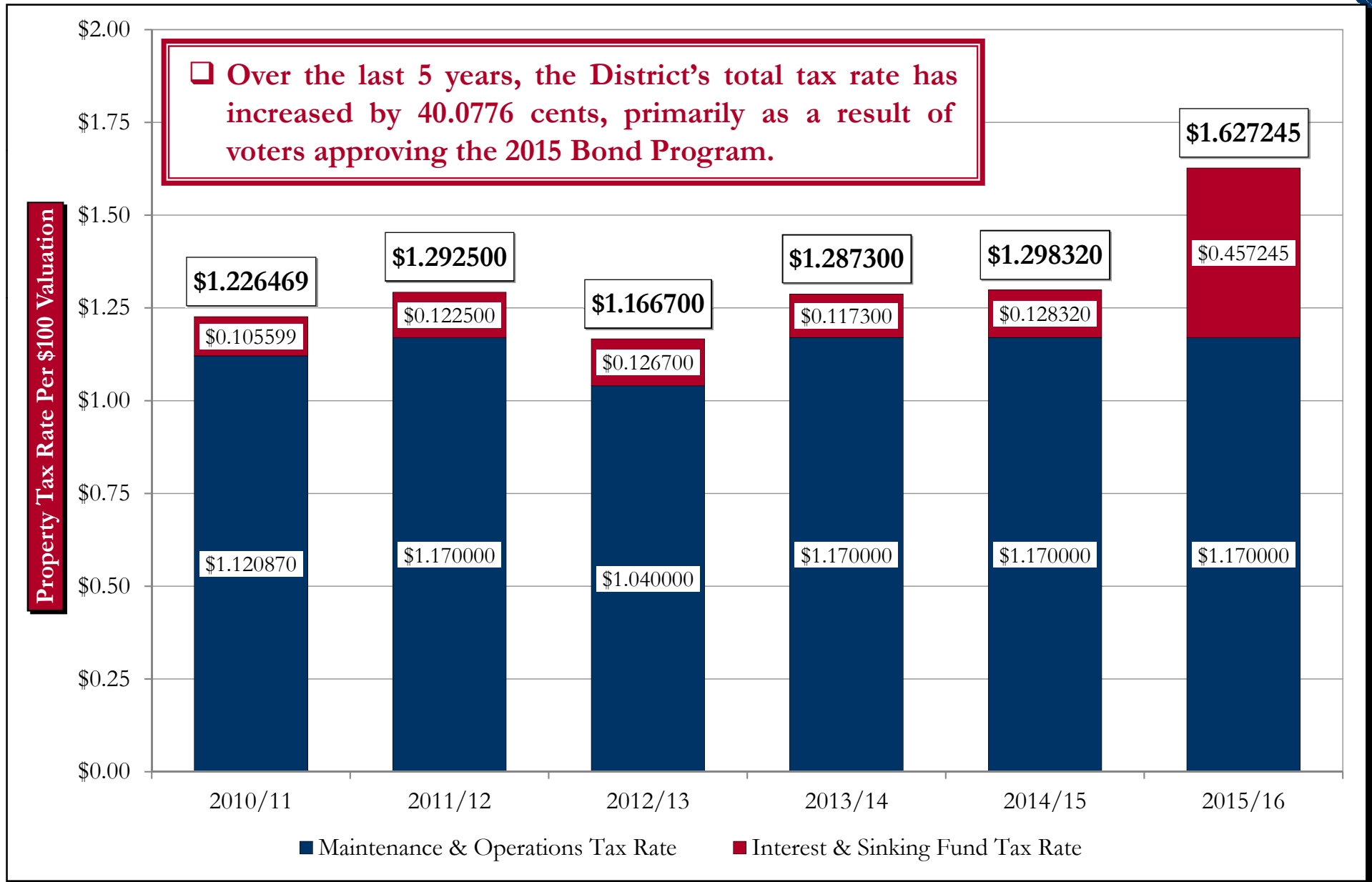


Historical Student Enrollment

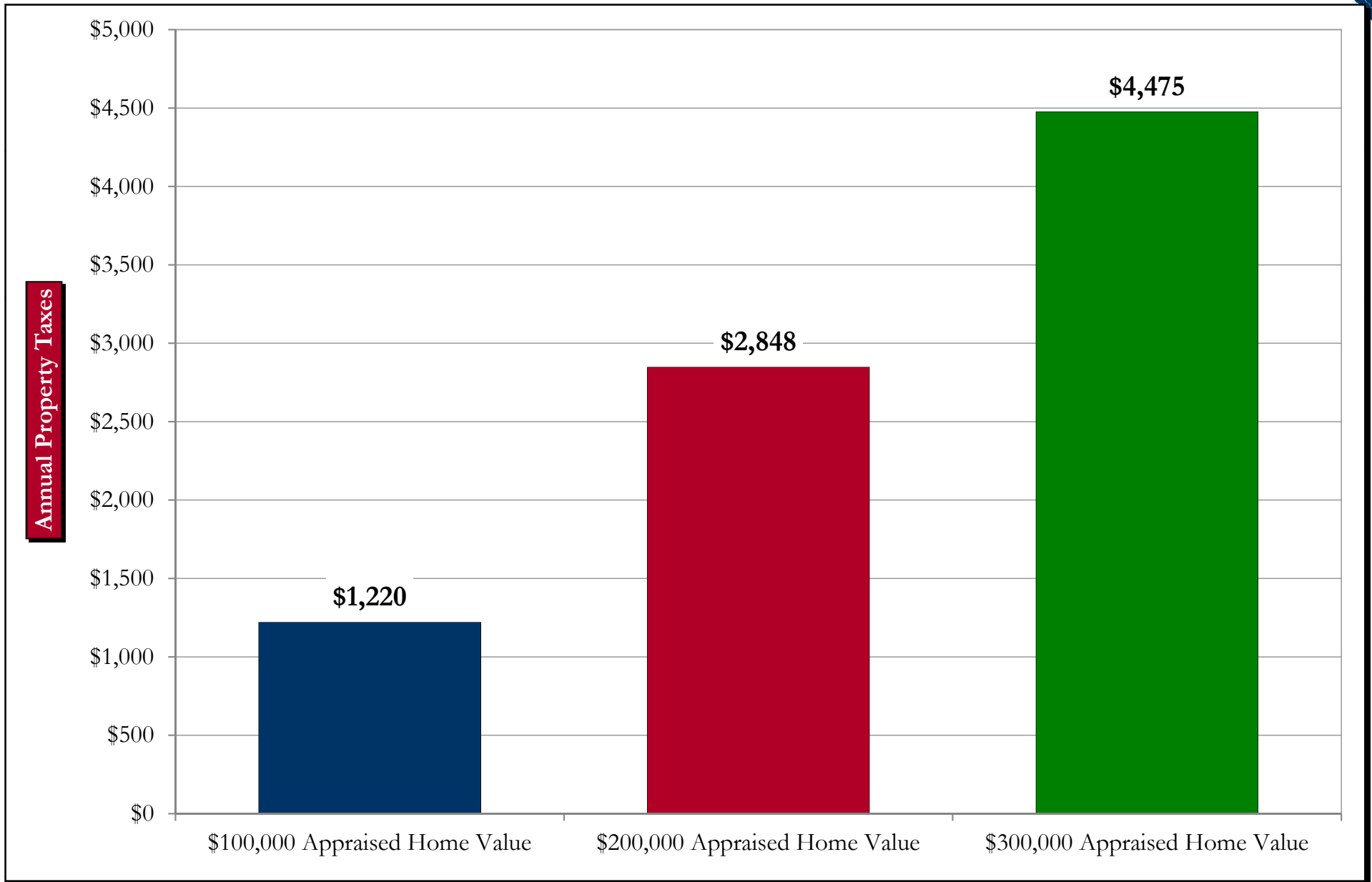




Historical Tax Rates



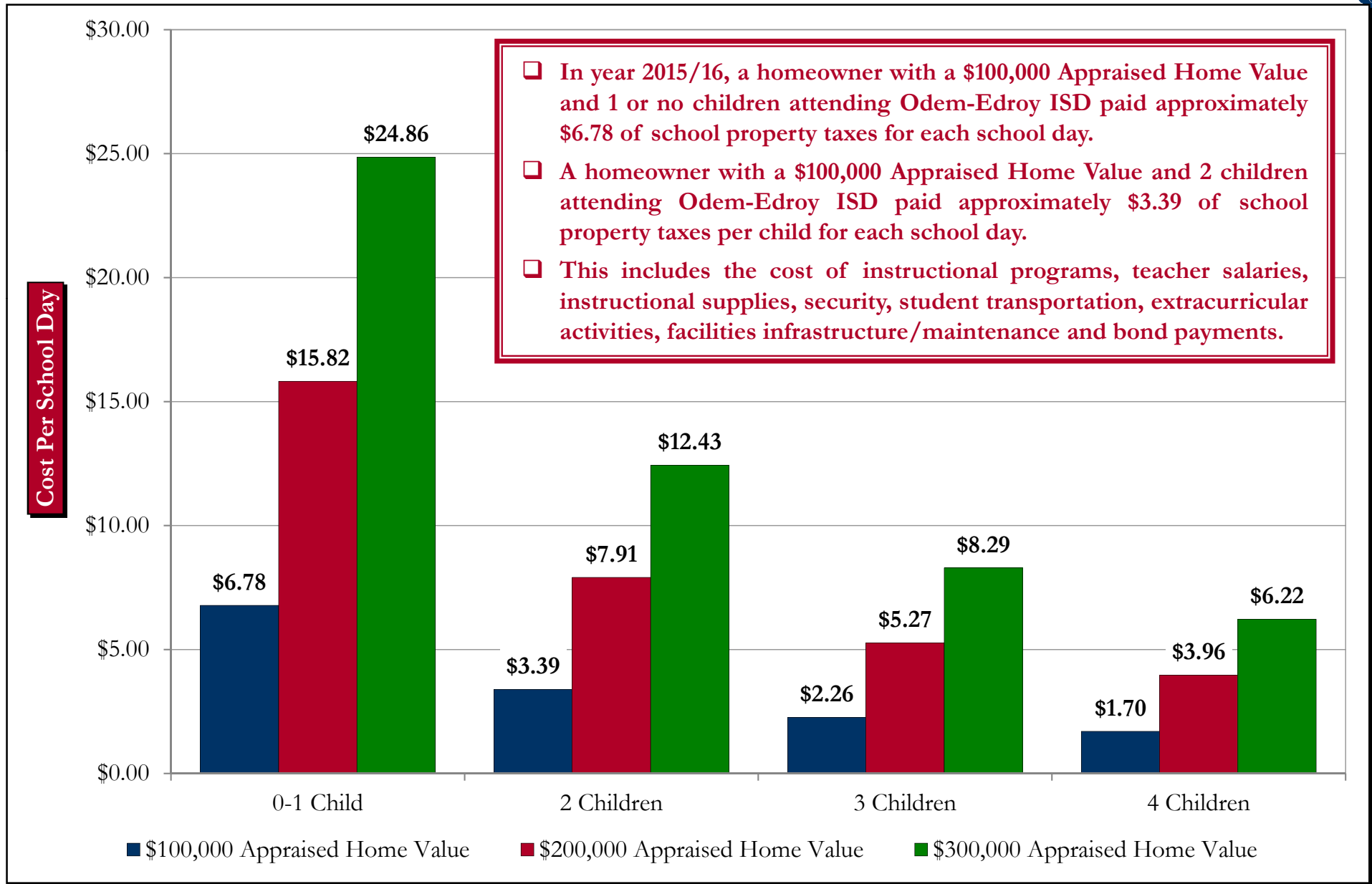
Total Property Taxes For Maintenance and Operations and Voter-Approved Bonds – Year 2015/16



Note: Taxes are net of the \$25,000 State-mandated residential homestead exemption.



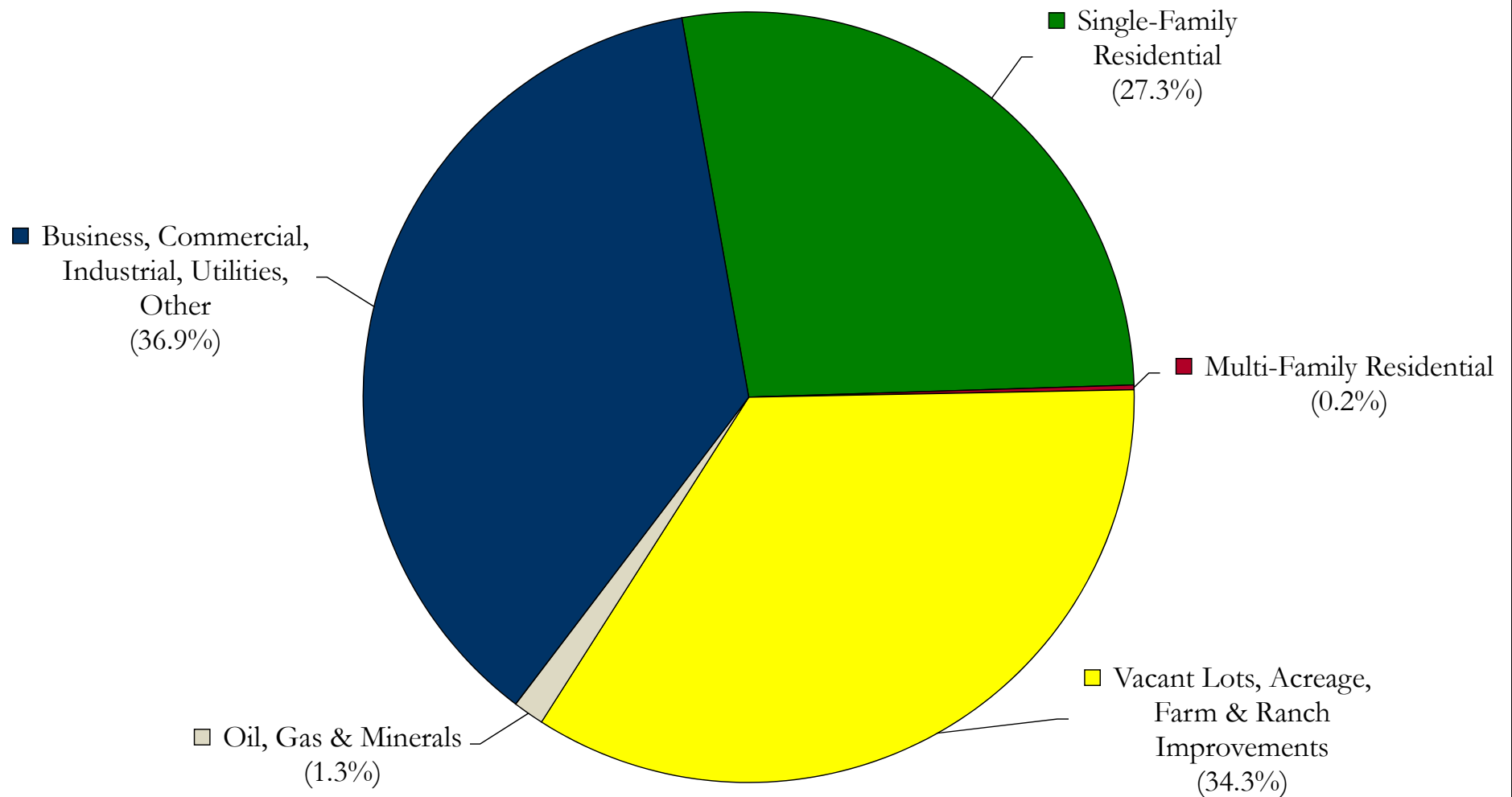
Summary of Property Tax Cost Per School Day – For Various Appraised Home Values – Year 2015/16





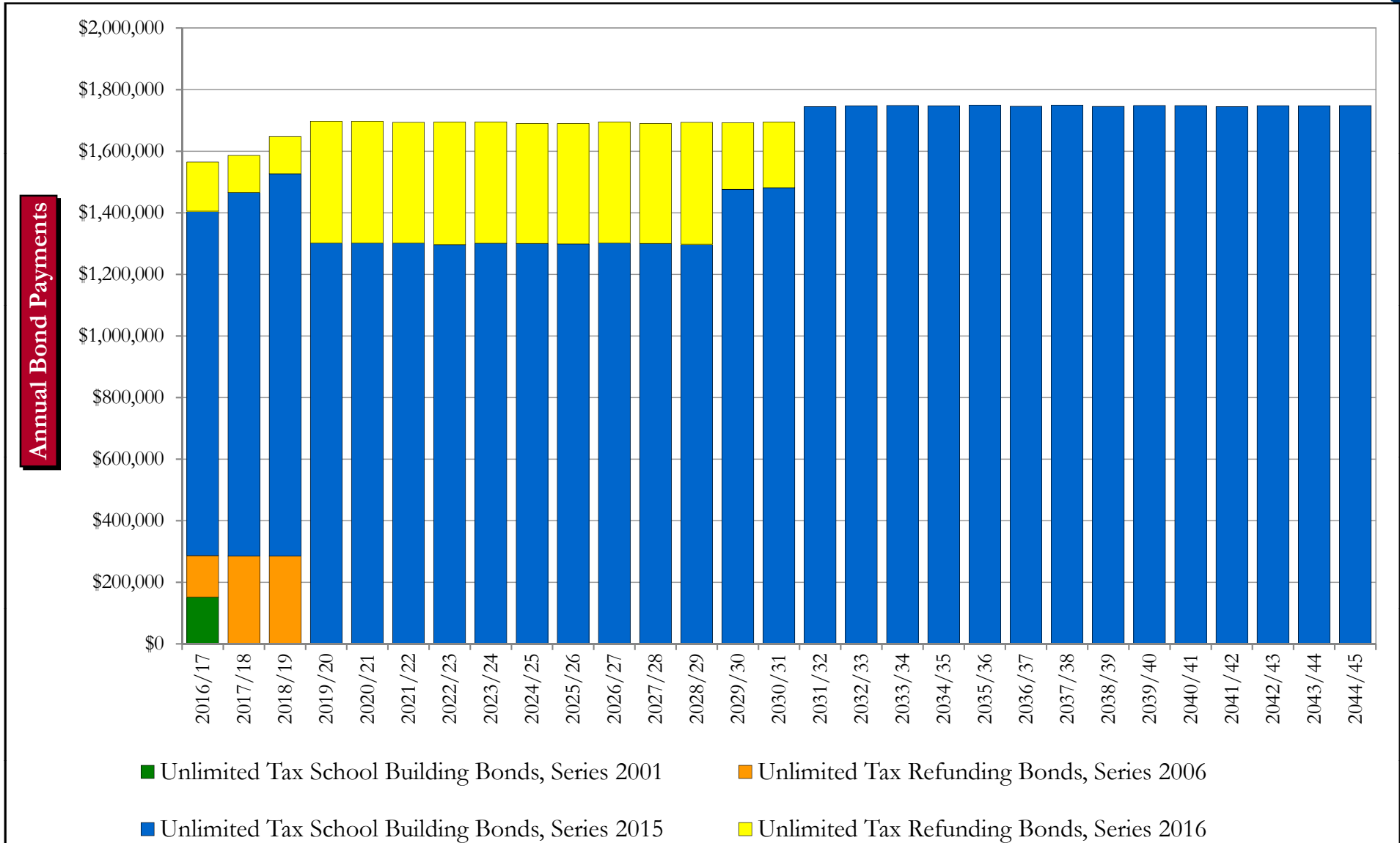
Composition of Total Assessed Valuation – Year 2015/16

For year 2015/16, Single-Family Residential properties comprised 27.3% of the District's total assessed valuation and other property categories comprised 72.7%.





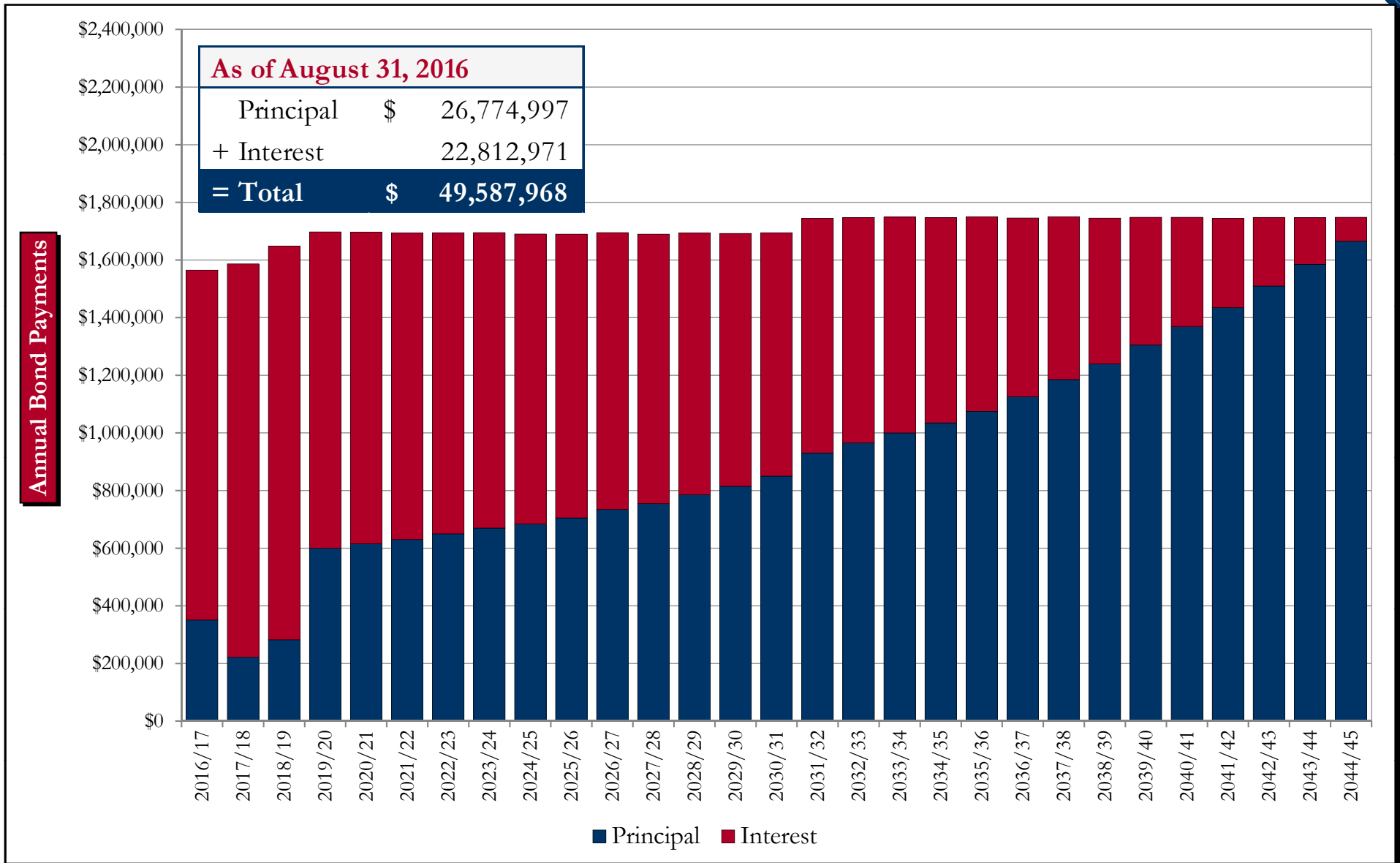
Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



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

- ❑ Odem-Edroy ISD has implemented 2 bond refunding programs to reduce the cost of voter-approved bonds – Which have generated more than \$1.2 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 2006	1999, 2001	\$ 4,835,000	\$	489,905
Unlimited Tax Refunding Bonds, Series 2016	2006	3,930,000		726,942
Totals	---	\$ 8,765,000	\$	1,216,847



Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended August 31, 2016

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 2001	Capital Improvements	\$4,500,000.00	\$145,000.00	\$151,815.00	\$31.83	\$33.33	08/15/2017	\$4,500,930.95	\$4,500,930.95	\$0.00
2	Unlimited Tax Refunding Bonds, Series 2006	Refunding at a lower interest rate, etc.	\$4,834,997.10	\$64,997.10	\$705,000.00	\$14.27	\$154.77	08/15/2019	\$5,134,544.01	\$5,134,544.01	\$0.00
3	Unlimited Tax School Building Bonds, Series 2015	Capital Improvements	\$23,080,000.00	\$22,980,000.00	\$43,965,962.54	\$5,045.01	\$9,652.24	08/15/2045	\$24,654,375.33	\$2,721,944.33	\$21,932,431.00
4	Unlimited Tax Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc.	\$3,585,000.00	\$3,585,000.00	\$4,765,190.28	\$787.05	\$1,046.14	08/15/2031	\$4,045,128.27	\$4,045,128.27	\$0.00



Summary of Maintenance Tax Debt Outstanding – As of Fiscal Year Ended August 31, 2016

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 Notes, Series 2012	Maintenance & Equipment	\$295,000.00	\$60,000.00	\$61,302.00	\$13.17	\$13.46	08/15/2017	\$295,000.00	\$295,000.00	\$0.00

As of August 31, 2016

Principal	\$	60,000
+ Interest		1,302
= Total	\$	61,302

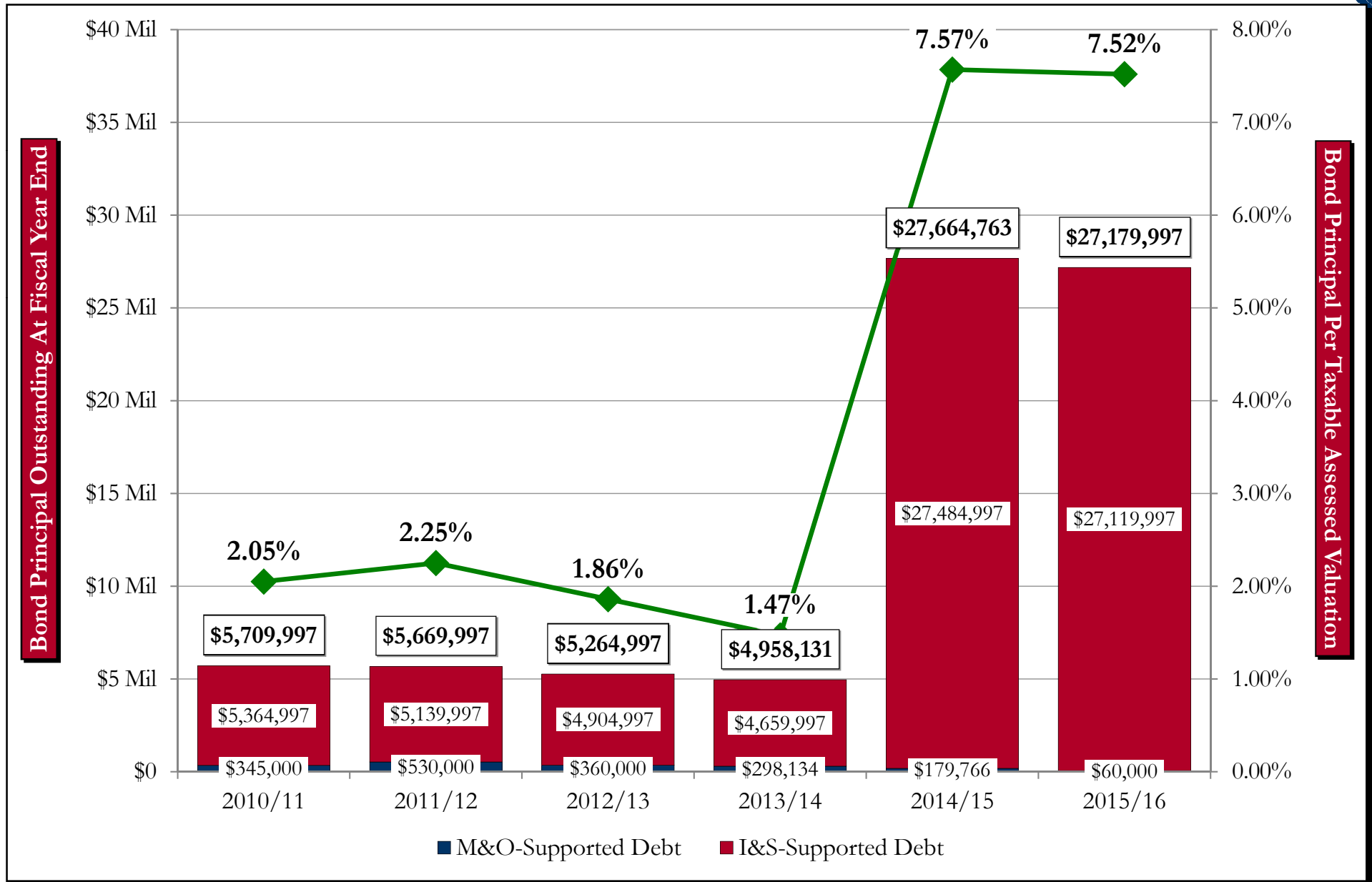
Annual Bond Payments



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

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