

Annual Report of Local Debt Information

Fiscal Year Ended June 30, 2019

Denotes Required Information Pursuant to Local Government Code, Section 140.008

This report was posted on the District's website on December 19, 2019.



☑ Overview of Certain Financial/Bond Ratings

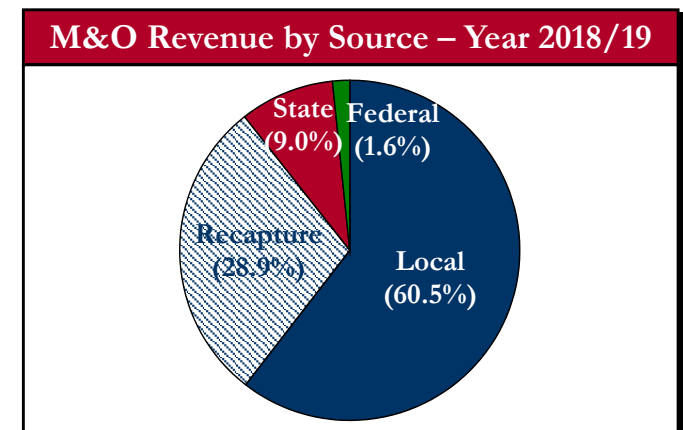
- ☐ **Overview:** Grapevine-Colleyville Independent School District (the “District”) has been assigned the following independent financial/bond ratings that indicate the relative strength of the District’s financial and debt management:
 - **School Financial Integrity Rating System of Texas (“FIRST”):** 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 2017/18, the District was assigned a 2018/19 FIRST Rating of “Superior” and the District’s score was 96 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 “Aa1” 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+”^(A) 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.”

^(A) On September 4, 2019, S&P Global Ratings upgraded the underlying credit rating of the District from “AA” to “AA+”.



Overview of State Funding System

- ❑ **State Funding System – Where Do the District’s Revenues Come From:** Grapevine-Colleyville 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 and Dallas 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.
 - ✓ As a Chapter 41 or “Robin Hood” school district, the District’s annual funds for maintenance & operation purposes primarily consist of local M&O taxes, as summarized to the right for year 2018/19. In general, the dollar amount of local M&O revenues retained in the District is determined by the District’s “Equalized Wealth per Student” (i.e. taxable value / weighted average daily attendance) as set by the State. We note that the local sources include tax collections of \$53,798,333 or 28.9% of total operating funds that are paid to the State as a “recapture” payment.





☑ Overview of State Funding System

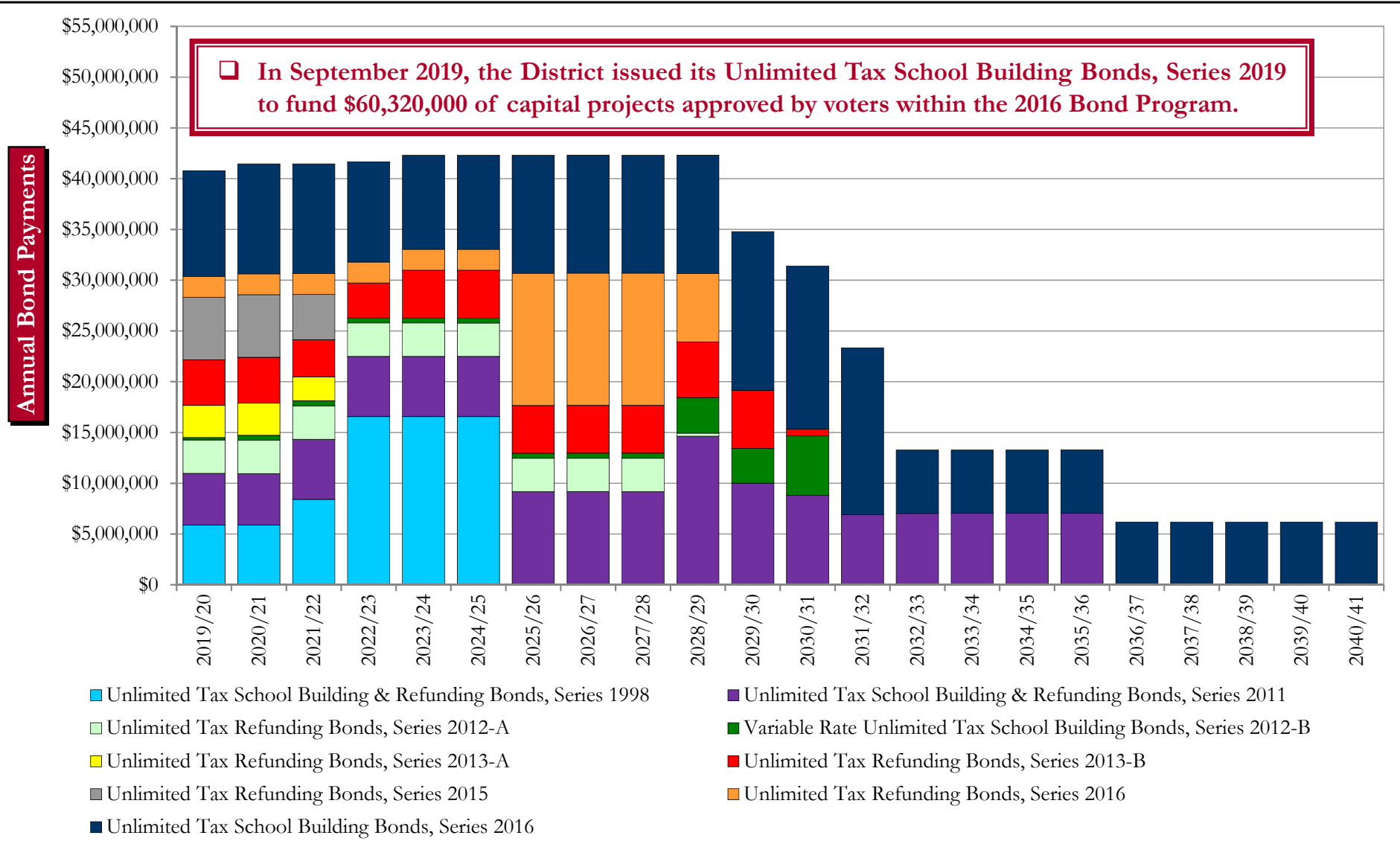
- **Interest & Sinking Fund (“I&S”) Tax Rate:** To provide funds to pay the principal and interest on bonds approved by a majority of voters for capital improvements. The District does not receive any facilities funding from the State for the payment of bonds. The following summarizes the District’s 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 Remaining To Be Issued - As of June 30, 2019	Dollar Amount Remaining To Be Issued - As of Dec. 1, 2019
September 10, 2005	Building, Renovations & Technology	\$107,910,000	\$0	\$0
May 14, 2011	Building, Renovations & Technology	\$124,500,000	\$0	\$0
May 7, 2016	Building, Renovations & Technology	\$248,975,000	\$60,320,000	\$0
Total Dollar Amount Of Authorized But Unissued Bonds:			\$60,320,000	\$0

- ✓ As of fiscal year ended June 30, 2019, the District had \$87,909,375 within its Capital Projects Fund for existing/future projects.
- ✓ In September 2019, the District issued \$60,320,000 of its authorization from the 2016 Bond Program and no authorized but unissued bonds remained.



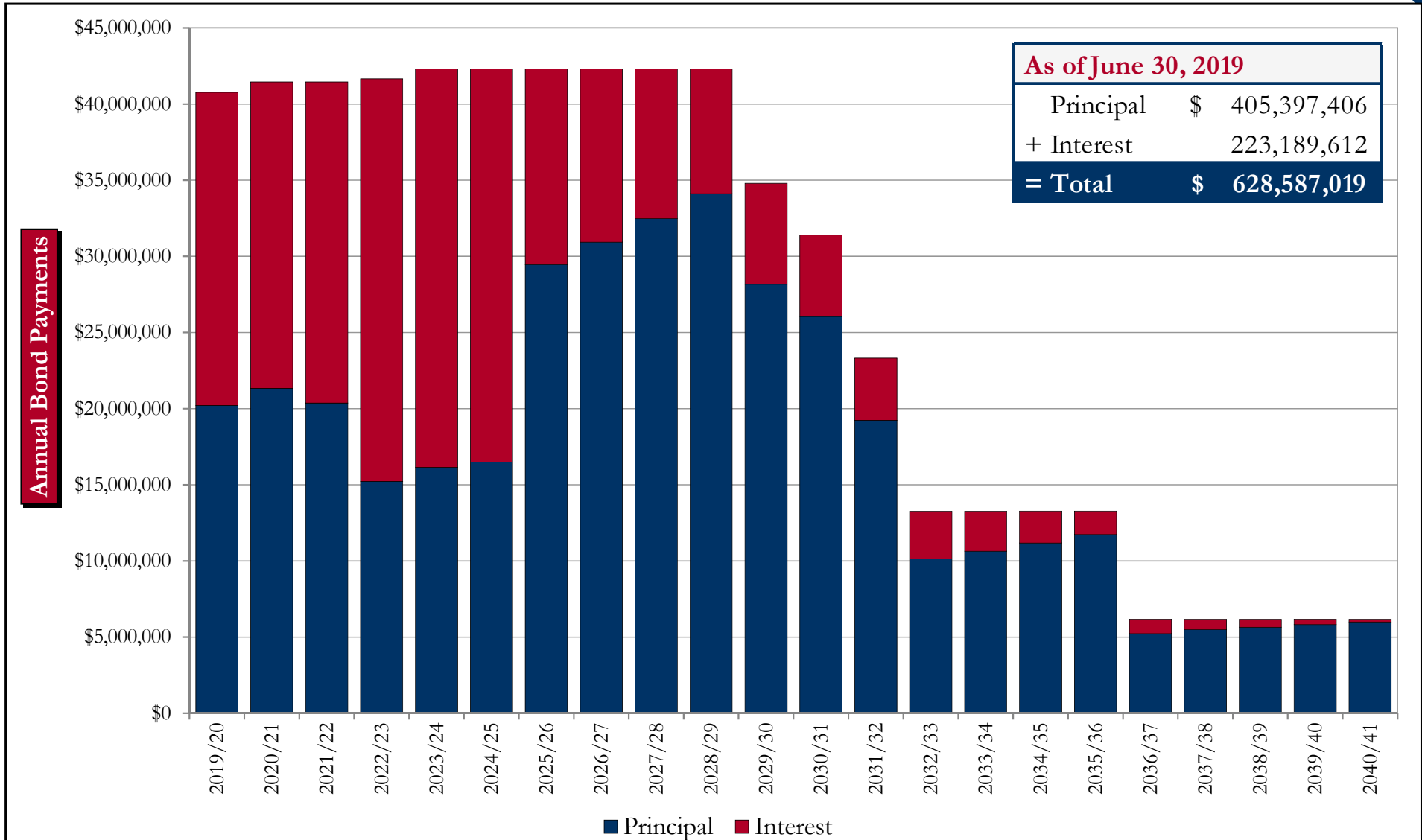
Unlimited Tax Debt Service By Series – Existing Bonds Approved By Voters



Note: Although the District’s fiscal year ends on June 30, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District’s budget. As such, the District’s August 2019 debt payments are not portrayed in the graph above.



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



Note: Although the District's fiscal year ends on June 30, debt service payments reflect payments from September 1 through August 31 to match the receipt of tax collections and the District's budget. As such, the District's August 2019 debt payments are not portrayed in the graph above.



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

- In the past 14 years, Grapevine-Colleyville ISD has implemented 8 bond refunding programs and prepaid \$33.85 million of existing bonds to reduce the cost of voter-approved bonds – Which have generated more than \$82.0 million of savings in future interest costs for District taxpayers in recent years.

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2005	1994, 1995	\$ 55,295,000	\$ 5,258,073
Unlimited Tax Refunding Bonds, Series 2006	1998	51,160,000	2,361,979
Unlimited Tax School Building & Refunding Bonds, Series 2011	1998	7,965,000	1,406,606
Unlimited Tax Refunding Bonds, Series 2012-A	2007	37,980,000	11,107,500
Unlimited Tax Refunding Bonds, Series 2013-A	2005	16,750,000	2,131,035
Unlimited Tax Refunding Bonds, Series 2013-B	2005-A	51,240,000	7,800,523
Unlimited Tax Refunding Bonds, Series 2015	2005	33,675,000	4,954,988
Unlimited Tax Refunding Bonds, Series 2016	2006	50,322,451	14,647,747
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 304,387,451	\$ 49,668,451
Prepayment of Series 1998 Bonds - February 2008	1998	\$ 5,000,000	\$ 5,106,250
Prepayment of Series 1998 Bonds - April 2009	1998	1,500,000	1,525,000
Prepayment of Series 1998 Bonds - February 2010	1998	5,000,000	4,627,000
Prepayment of Series 2005-A Bonds - August 2015	2005-A	1,830,000	881,608
Prepayment of Series 2012-B Bonds - August 2017	2012-B	10,000,000	15,019,000
Prepayment of Series 2012-B Bonds - February 2019	2012-B	10,520,000	5,246,838
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 33,850,000	\$ 32,405,696
Totals	---	\$ 338,237,451	\$ 82,074,147



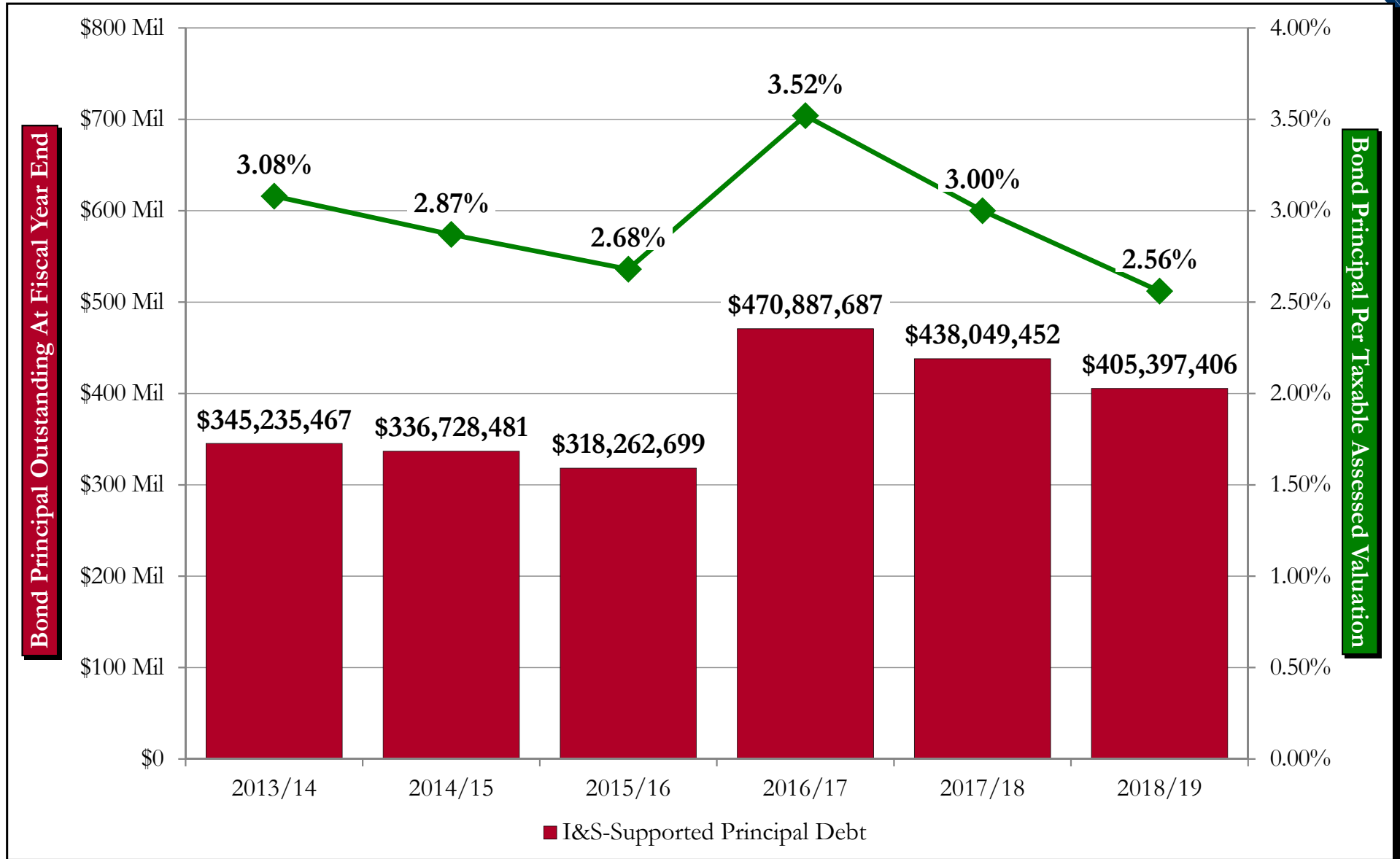
☑ Summary of Unlimited Tax Debt Outstanding By Series – As of Fiscal Year Ended June 30, 2019

- ☐ 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 1998	Capital Improvements & Refunding at a lower interest rate, etc.	\$164,143,333.33	\$21,592,406.45	\$75,795,000.00	\$284.54	\$998.83	08/15/2025	\$167,121,517.68	\$167,121,517.68	\$0.00
2	Unlimited Tax School Building and Refunding Bonds, Series 2011	Capital Improvements & Refunding at a lower interest rate, etc.	\$92,000,000.00	\$84,540,000.00	\$132,744,425.00	\$1,114.07	\$1,749.31	08/15/2036	\$101,795,287.23	\$101,795,287.23	\$0.00
3	Unlimited Tax Refunding Bonds, Series 2012-A	Refunding at a lower interest rate, etc.	\$33,835,000.00	\$25,675,000.00	\$32,616,331.25	\$338.35	\$429.82	08/15/2029	\$38,888,974.19	\$38,888,974.19	\$0.00
4	Variable Rate Unlimited Tax School Building Bonds, Series 2012-B	Capital Improvements	\$32,500,000.00	\$11,680,000.00	\$17,105,962.50	\$153.92	\$225.42	08/01/2031	\$34,180,861.42	\$13,705,174.42	\$20,475,687.00
5	Unlimited Tax Refunding Bonds, Series 2013-A	Refunding at a lower interest rate, etc.	\$16,130,000.00	\$10,745,000.00	\$11,625,075.00	\$141.60	\$153.20	08/15/2022	\$18,819,862.78	\$18,819,862.78	\$0.00
6	Unlimited Tax Refunding Bonds, Series 2013-B	Refunding at a lower interest rate, etc.	\$50,110,000.00	\$42,630,000.00	\$55,075,375.00	\$561.78	\$725.78	08/15/2031	\$57,457,955.19	\$55,264,739.19	\$2,193,216.00
7	Unlimited Tax Refunding Bonds, Series 2015	Refunding at a lower interest rate, etc.	\$31,830,000.00	\$21,030,000.00	\$22,526,350.00	\$277.13	\$296.85	08/15/2022	\$34,661,574.28	\$34,661,574.28	\$0.00
8	Unlimited Tax Refunding Bonds, Series 2016	Refunding at a lower interest rate, etc.	\$41,765,000.00	\$41,035,000.00	\$59,175,125.00	\$540.76	\$779.81	08/15/2029	\$51,966,206.07	\$51,966,206.07	\$0.00
9	Unlimited Tax School Building Bonds, Series 2016	Capital Improvements	\$161,155,000.00	\$146,470,000.00	\$221,923,375.00	\$1,930.18	\$2,924.51	08/15/2041	\$189,200,190.41	\$107,481,405.41	\$81,718,785.00



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



Note: The District has no outstanding debt payable from M&O taxes.



Contact Information and Links to Additional Resources

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Links to Additional Resources:

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

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