

VOTER INFORMATION DOCUMENT¹
Southside Independent School District – Proposition (the “Proposition”)

Ballot Language – Southside ISD Proposition		
<input type="checkbox"/> FOR)	“THE ISSUANCE OF \$52,000,000 OF SCHOOL BUILDING BONDS FOR ACQUIRING, CONSTRUCTING, RENOVATING, IMPROVING AND EQUIPPING SCHOOL BUILDINGS IN THE DISTRICT AND THE PURCHASE OF NECESSARY SITES FOR SCHOOL BUILDINGS; AND THE PURCHASE OF NEW SCHOOL BUSES; AND THE LEVYING OF A TAX SUFFICIENT, WITHOUT LIMIT AS TO RATE OR AMOUNT, TO PAY THE PRINCIPAL OF AND INTEREST ON THE BONDS AND TO PAY THE COSTS OF ANY CREDIT AGREEMENTS EXECUTED OR AUTHORIZED IN ANTICIPATION OF, IN RELATION TO OR IN CONNECTION WITH THE BONDS. THIS IS A PROPERTY TAX INCREASE.”
<input type="checkbox"/> AGAINST)	

Information Regarding the Debt Obligations (Bonds) Proposed Under the Proposition		
Principal Amount of the Debt Obligations Proposed the Proposition	Estimated Interest on the Debt Obligations Proposed Under the Proposition ²	Estimated Combined Principal and Interest Required to Pay the Debt Obligations Proposed Under the Proposition on Time and in Full
\$52,000,000	\$37,877,354.17	\$89,877,354.17

Information Regarding the Outstanding Debt Obligations (Bonds) of the District as of August 6, 2020 ³		
Principal Amount of the Outstanding Debt Obligations of the District	Estimated Remaining Interest on the Outstanding Debt Obligations of the District	Estimated Combined Principal and Interest Required to Pay the Outstanding Debt Obligations of the District on Time and in Full
\$86,225,000.00	\$45,950,157.51	\$132,175,157.51

Information Regarding the Estimated Maximum Annual Increase in the Amount of Ad Valorem Taxes on a Residence Homestead with an Appraised Value of \$100,000 to Pay the Debt Obligations (Bonds) Proposed Under the Proposition
If the bonds authorized by the Proposition are approved, based on the assumptions set forth under “Assumptions Utilized in Calculating the Estimated Tax Impact” below, the District estimates that the maximum annual increase in the amount of ad valorem taxes on a residence homestead with an appraised value of \$100,000 to pay the bonds proposed under the Proposition would be approximately \$0.00.

Assumptions Utilized in Calculating the Estimated Tax Impact

If approved by the voters, the District intends to issue the bonds authorized by the Proposition over a period of years in a manner and in accordance with a schedule to be determined by the Board of Trustees based upon

¹ This Voter Information Document is provided in accordance with Section 1251.052 of the Texas Government Code.

² The District has assumed the bonds will bear interest at an estimated rate of 3.25% for the Series 2022 Bonds and 3.50% for the Series 2023 Bonds based on current market conditions and the amortization schedule described in the Assumptions Utilized in Calculating the Estimated Tax Impact. The interest payable on the bonds may differ based on market rates at the time the bonds are issued.

³ The information contained in this table reflects the District’s outstanding debt obligations as of August 12, 2021, the date the Board of Trustees approved an order calling the election.

a number of factors, including, but not limited to, the then current needs of the District, demographic changes, prevailing market conditions, then current market interest rates, assessed valuations of property in the District and management of the District’s short-term and long-term interest rate exposure. Actual results may vary from the assumptions shown below. For the purposes of estimating the maximum annual increase in taxes identified in this table, the District utilized the following assumptions:

(1) The District has assumed the issuance of two series of bonds over a two year period, with approximately \$23,000,000.00 issued in 2022, and \$29,000,000.00 issued in 2023. For the purposes of these projections, it has been assumed that each series of Bonds issued under the Proposition would be amortized over 30 years as shown in the following schedule. The following is an estimated pro forma amortization schedule based on these assumptions. It shows the District’s currently outstanding bonds and bonds authorized under the Proposition:

Fiscal Year Ending	Outstanding Debt Service	\$23,000,000 Series 2022 Debt Service	\$29,000,000 Series 2023 Debt Service	Less: State Aid (IFA/EDA)	Less: Other Funds	Projected Total Net Debt Service	Projected I&S Tax Rate
2022	\$ 6,556,898.76	\$ -	\$ -	\$ (930,661.45)	\$ -	\$ 5,626,237.31	\$ 0.3562
2023	6,619,480.00	1,104,638.89	-	(939,544.00)	(715,000.00)	6,069,574.89	0.3562
2024	6,611,330.00	747,500.00	1,051,652.78	(1,044,484.54)	(930,000.00)	6,435,998.24	0.3563
2025	6,616,080.00	747,500.00	1,015,000.00	(1,045,158.74)	(510,000.00)	6,823,421.26	0.3564
2026	6,605,892.50	747,500.00	1,015,000.00	(1,043,712.77)	(95,000.00)	7,229,679.73	0.3562
2027	6,675,717.50	747,500.00	1,015,000.00	(1,053,623.46)	(155,000.00)	7,229,594.04	0.3562
2028	6,679,242.50	747,500.00	1,015,000.00	(1,054,123.79)	(155,000.00)	7,232,618.71	0.3564
2029	6,696,792.50	747,500.00	1,015,000.00	(1,056,614.77)	(170,000.00)	7,232,677.73	0.3564
2030	6,663,947.50	747,500.00	1,015,000.00	(1,051,952.87)	(145,000.00)	7,229,494.63	0.3562
2031	6,244,515.00	1,482,500.00	1,015,000.00	(1,096,743.33)	(415,000.00)	7,230,271.67	0.3562
2032	6,244,682.50	1,478,612.50	1,015,000.00	(1,096,215.33)	(410,000.00)	7,232,079.67	0.3563
2033	5,194,542.50	1,479,075.00	1,500,000.00	(947,228.07)	-	7,226,389.43	0.3561
2034	5,185,902.50	1,478,725.00	1,513,025.00	(945,952.06)	-	7,231,700.44	0.3563
2035	4,345,400.00	1,477,562.50	2,040,000.00	(826,489.31)	-	7,036,473.19	0.3467
2036	4,342,600.00	1,480,587.50	2,042,900.00	(826,521.25)	-	7,039,566.25	0.3469
2037	3,307,550.00	1,477,637.50	2,044,400.00	(679,191.45)	-	6,150,396.05	0.3030
2038	3,308,050.00	1,478,875.00	2,044,500.00	(679,438.06)	-	6,151,986.94	0.3031
2039	3,308,550.00	1,479,137.50	2,043,200.00	(679,546.29)	-	6,151,341.21	0.3031
2040	3,308,800.00	1,478,425.00	2,040,500.00	(679,480.64)	-	6,148,244.36	0.3029
2041	3,306,600.00	1,481,737.50	2,041,400.00	(679,638.54)	-	6,150,098.96	0.3030
2042	3,310,800.00	1,478,912.50	2,040,725.00	(679,833.71)	-	6,150,603.79	0.3031
2043	3,306,000.00	1,480,112.50	2,043,475.00	(679,322.74)	-	6,150,264.76	0.3030
2044	3,306,500.00	1,480,175.00	2,044,475.00	(679,402.58)	-	6,151,747.42	0.3031
2045	3,310,500.00	1,479,100.00	2,043,725.00	(679,817.74)	-	6,153,507.26	0.3032
2046	3,307,500.00	1,481,887.50	2,041,225.00	(679,787.58)	-	6,150,824.92	0.3031
2047	3,307,500.00	1,478,375.00	2,041,975.00	(679,289.03)	-	6,148,560.97	0.3030
2048	-	1,478,725.00	2,040,800.00	(209,884.64)	-	3,309,640.36	0.1631
2049	-	1,477,775.00	2,042,700.00	(209,749.80)	-	3,310,725.20	0.1631
2050	-	1,480,525.00	2,042,500.00	(210,140.13)	-	3,312,884.87	0.1632
2051	-	1,481,812.50	2,040,200.00	(210,322.87)	-	3,311,689.63	0.1632
2052	-	1,481,637.50	2,040,800.00	(210,298.03)	-	3,312,139.47	0.1632
2053	-	-	2,044,125.00	-	-	2,044,125.00	0.1007
	<u>\$ 127,671,373.76</u>	<u>\$38,889,051.39</u>	<u>\$50,988,302.78</u>	<u>\$ (23,484,169.56)</u>	<u>\$ (3,700,000.00)</u>	<u>\$ 190,364,558.37</u>	

(2) The District has assumed that each series of the bonds would bear interest at an estimated rate of 3.25% for the Series 2022 Bonds and 3.50% for the Series 2023 Bonds.

(3) The District has assumed that the taxable assessed value within the District will grow at a rate of 4.00% in 2023, 6.00% in 2024, 6.00% in 2025, 6.00% in 2026, and then at a rate of 0.00% for each year of the remaining life of the bonds.

(4) In calculating the tax impact on a residence homestead, the District applied the \$25,000 state mandated homestead exemption to the assessed valuation, resulting in a taxable assessed valuation of \$75,000.00 on a residence homestead with an appraised value of \$100,000. The District did not apply any other exemptions in connection with this calculation. In calculating the tax impact, the District has estimated that the District's debt service tax rate will increase by approximately \$0.00 per one hundred dollars of assessed valuation in connection with the bonds authorized under the Proposition.

(5) The estimated tax impact assumes the availability of the Permanent School Fund Guarantee for each series of bonds issued under the Proposition.

(6) In providing the estimates contained in this Voter Information Document, the District has relied on certain assumptions described herein with respect to a number of factors, including, but not limited to, the current needs of the District, demographic changes, prevailing market conditions, current market interest rates, assessed valuations of property in the District and management of the District's short-term and long-term interest rate exposure. Such factors and the estimates upon which they are based are subject to change to the extent that actual facts, circumstances and conditions prevailing at the time that the Bonds are issued differ from such assumptions and projections. The estimates, however, are provided solely in satisfaction of the requirements of Section 1251.052, Texas Government Code, and for no other purpose, and without any assurance, guarantee or promise that such estimates and projections will be realized. Further, in the event that the any one or more of the factors upon which the District has relied change or fail to materialize the District assumes no duty to update or supplement information contained herein. Finally, the estimates contained herein are not intended to, and expressly do not, limit the authority of the District to issue such bonds in accordance with the Proposition, if approved.

(7) As noted above, the estimated maximum annual increase in the amount of taxes imposed on a residence homestead with an appraised value of \$100,000 to repay the debt obligations, if approved, is expected to be \$0.00. Additionally, whenever the District issues debt obligations, additional property taxes must be levied and collected to pay debt service on the debt obligations. Consequently, Section 45.003, Texas Education Code, requires that the following statement appear on the ballot for all school district bond propositions: "THIS IS A PROPERTY TAX INCREASE," regardless of the anticipated impact on the tax rate.