

EXHIBIT D



TAX INFORMATION

No Change to the Tax Rate

STATE LAW REQUIRES “PROPERTY TAX INCREASE” LANGUAGE ON BALLOT FOR BOND PROPOSITIONS DESPITE NISD’S I&S TAX RATE NOT INCREASING.

In compliance with a new state law, bond ballot propositions must include the following statement: THIS IS A PROPERTY TAX INCREASE. As a result of this new requirement, voters in NISD will see this language on all four bond propositions; however, the NISD tax rate will not increase as a result of the 2021 bond election. In fact, the NISD Board of

Fiscal Management

Highlights

- Bond **interest rates are at an all-time low** in the 41-year history of Bond Buyer Index.
- NISD has historically taken advantage of

Trustees voted on August 10, 2020 to lower the I&S rate by \$0.03.

HOW IS THE DISTRICT ABLE TO ISSUE NEW BONDS WITHOUT RAISING THE RATE?

The main factor that allows NISD to issue new bonds without raising the Interest & Sinking (I&S) tax rate is growth in the district's Taxable Assessed Value (TAV). The amount of taxes levied by NISD are calculated by multiplying the tax rate set by the district by the taxable value of the property within the district. The taxable values are set by the county appraisal districts. The district's TAV increases each year as new commercial and residential development takes place. This additional tax base will generate more tax revenue, even if the tax rate remains the same.

THEN WHY IS THIS "PROPERTY TAX INCREASE" LANGUAGE REQUIRED?

State law requires this language on all school bond referendums. If economic conditions in the district became adverse, the district would be legally required to levy an I&S tax rate sufficient to repay the bonds.

opportunities and has completed **three refundings** since Nov. 2019 resulting in over **\$50 million in savings.**

- The \$745.7 million won't be sold all at once and would not be spent until necessary growth occurs. Once bonds are authorized by voters they are **sold in increments over time as needed to fund the projects.**
- State law allows for bonds to be financed up to 40 years. NISD **finances bonds for 25 years**, and with refunding opportunities and tax base growth has **paid off past bonds in 15-20 years.**
- NISD maintains its **high credit ratings** from two

from Fitch and
Aa2 from
Moody's.

Understanding the Tax Rate

Public school taxes involve two figures, which divide the school district budget into two “buckets.” The first bucket is the Maintenance and Operations budget (**M&O**), which funds daily costs and recurring or consumable expenditures such as teacher and staff salaries, supplies, food, gas and utilities. Approximately 84 percent of the district’s M&O revenue goes to teacher and staff salaries. The second bucket is the Interest and Sinking budget (**I&S**), also known as Debt Service, and that is used to repay debt for longer-term capital improvements approved by voters through bond elections.

Proceeds from a bond issue can be used for the construction and renovation of facilities, the acquisition of land and the purchase of capital items such as equipment, technology and transportation. I&S funds cannot by law be used to pay M&O expenses, which means that voter-approved bonds cannot be used to increase teacher salaries or pay rising costs for utilities and services.

General Operating Fund (Maintenance & Operations)

Day-to-day operations and expenses

FOR SCHOOL DISTRICTS, THIS INCLUDES:

- Staff Salaries
- Utilities
- Supplies
- Repairs
- Fuel



FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

- Groceries
- Utilities
- Minor home repairs
- Routine services
- Car fuel

Debt Services Fund (Interest & Sinking)

Principal and interest payments on debt issued

FOR SCHOOL DISTRICTS, THIS INCLUDES:

- New construction
- Renovations
- HVAC Systems
- Roofing
- Technology



FOR THE AVERAGE CITIZEN, THIS IS SIMILAR TO:

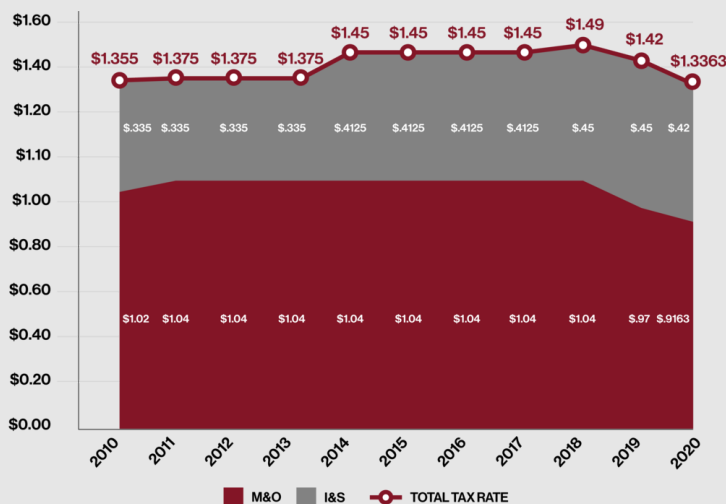
- Mortgage
- Home renovation
- Major appliances
- Land
- Car

This bond election will not increase the I&S rate. The rate was lowered by \$0.03 on August 10, 2020.

Tax Rate History

The current total tax rate in NISD is the lowest it has been in over 10 years. The decrease shown in the M&O rate in 2019 and 2020 is a result of the compression from House Bill 3, the state's property tax relief bill. In 2020, the NISD Board of Trustees also voted to lower the I&S rate by \$0.03. Even with voter approval of the May 1 bond election, the I&S rate will remain at \$0.42.

	M&O	+	I&S	=	TOTAL
2015	\$1.04		\$0.4125		\$1.4525
2016	\$1.04		\$0.4125		\$1.4525
2017	\$1.04		\$0.45		\$1.49
2018	\$1.04		\$0.45		\$1.49
2019	\$0.97		\$0.45		\$1.42
2020	\$0.9163		\$0.42		\$1.3363



NISD Compared to Fast-Growth Districts in North Texas

SCHOOL DISTRICT	ENROLLMENT	TOTAL TAX RATE	% OF DISTRICT BUILT OUT	SIZE OF DISTRICT (SQ. MILES)
Northwest	25,399	\$1.3363	27%	234
Celina	2,958	\$1.48	25%	95
Denton	31,500	\$1.41	40%	169
Princeton	5,863	\$1.47	40%	63
Prosper	19,517	\$1.49	60%	58
Little Elm	8,113	\$1.49	65%	40
Eagle Mountain-Saginaw	21,018	\$1.50	65%	73

Compared to these other fast-growth school districts, Northwest ISD has the:

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