

**Continuing Disclosure Report for the Fiscal Year Ending
August 31, 2022**



STERLING CITY INDEPENDENT SCHOOL DISTRICT



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****DISCLAIMER****

The information set forth herein has been obtained from the District and other sources believed to be reliable, but such information is not guaranteed as to accuracy or completeness and is not to be construed as a promise or guarantee. This Annual Continuing Disclosure Report may contain, in part, estimates and matters of opinion which are not intended as statements of fact, and no representation is made as to the correctness of such estimates and opinions, or that they will be realized. The information and expressions of opinion contained herein are subject to change without notice, and the delivery of this Annual Continuing Disclosure Report will not, under any circumstances, create any implication that there has been no change in the affairs of the District or other matters described.

STERLING CITY INDEPENDENT SCHOOL DISTRICT

Signature: _____



Printed Name: _____

Travis Grubbs

Title: _____

Superintendent

Date: _____

2/10/2023

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TABLE 1 - Valuation, Exemptions and Tax Supported Debt ⁽¹⁾

<u>District Direct Debt</u>	
2022 Tax Year Total Valuation	\$1,101,948,930
Less: Exemptions and Deductions	<u>(\$124,205,785)</u>
2022 Net Taxable Assessed Valuation	<u>\$977,743,145</u>
Unlimited Tax Bonds Outstanding ⁽²⁾	\$6,760,000
Less: Interest & Sinking Fund Balance ⁽³⁾	\$2,960,659
Estimated District Population ⁽⁴⁾	1,328
Per Capita Taxable Assessed Valuation	\$736,252
Per Capita Net G.O. Debt	\$5,090

⁽¹⁾ Source: Sterling County Appraisal District.

⁽²⁾ Excludes select principal from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

⁽³⁾ Source: The District's audited financial statements.

⁽⁴⁾ Source: The Municipal Advisory Council of Texas

TABLE 2 - Historical Net Taxable Valuation ^{(1) (2)}

	Tax Year 2022	Tax Year 2021	Tax Year 2020	Tax Year 2019	Tax Year 2018
Gross Value	\$1,101,948,930	\$981,203,500	\$807,457,689	\$898,307,600	\$953,470,300
Less: Exemptions	(124,205,785)	(117,613,830)	(7,867,980)	(7,669,920)	(7,666,510)
Total	\$977,743,145	\$863,589,670	\$799,589,709	\$890,637,680	\$945,803,790

⁽¹⁾ Source: Sterling County Appraisal District.

⁽²⁾ From Tax Year 2017 through Tax Year 2020, wind and solar farm properties in the District experienced decreases in property values.

TABLE 3 - Valuation and Tax Supported Debt History

Fiscal Year Ended 8/31	Estimated Population ⁽¹⁾	Net Taxable Assessed Valuation ⁽²⁾	Net Taxable AV Per Capita	Tax Supported Debt Outstanding	Ratio of Tax Supported Debt to Assessed Valuation
2019	1,634	\$945,803,790	\$578,827	\$12,828,636	1.36%
2020	1,315	890,637,680	677,291	10,749,091	1.21%
2021	1,305	799,589,709	612,712	8,639,545	1.08%
2022	1,328	863,589,670	650,293	7,510,000	0.87%
2023	1,356	977,743,145	721,050	5,360,000 ⁽³⁾	0.55%

⁽¹⁾ Source: The Municipal Advisory Council of Texas.

⁽²⁾ Source: Sterling County Appraisal District.

⁽³⁾ Excludes select principal from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

TABLE 4 - Tax Rate, Levy, and Collection History

Fiscal Year Ended 08/31	Total Tax Rate	Local Maintenance	I&S Fund	Tax Levy	Percent Collections ⁽²⁾	
					Current	Total
2019	\$1.2398	\$1.0400	\$0.1998	\$5,123,180	99.46%	100.43%
2020	1.2098	0.9700	0.2398	5,838,432	99.45%	100.60%
2021	1.2062	0.9664	0.2398	8,068,644	99.72%	100.03%
2022	1.2032	0.9634	0.2398	9,656,414	99.67%	99.89%
2023	1.1545	0.9147	0.2398	11,288,045	[In Process of Collection]	

⁽¹⁾ Source: Sterling County Appraisal District.

⁽²⁾ Source: The District's audited financial statements. Excludes penalties and interest.

TABLE 5 - Ten Largest Taxpayers

Taxpayer Name	Type of Property	2022 Net Taxable Assessed Valuation ⁽¹⁾	% of Total 2022 Assessed Valuation ⁽²⁾
Panther Creek III Wind Farm	Wind Farm/Turbines	\$108,087,000	11.05%
Bluebell Solar 2 LLC	Wind Farm/Turbines	92,597,260	9.47%
Cap Ridge Wind I LLC	Wind Farm/Turbines	90,637,800	9.27%
Cap Ridge Wind III LLC	Wind Farm/Turbines	75,252,340	7.70%
Cap Ridge Wind II LLC	Wind Farm/Turbines	54,549,330	5.58%
Wink to Webster Pipeline	Oil & Gas Pipeline	46,154,480	4.72%
Whitehorn Pipeline LLC	Oil & Gas Pipeline	43,659,420	4.47%
Burk Royalty Co LTD	Oil & Gas	36,143,420	3.70%
Cogent M/S Westex LLC	Oil & Gas	32,517,300	3.33%
Cap Ridge Wind IV LLC	Wind Farm/Turbines	27,637,130	2.83%
		\$607,235,480	62.11%

⁽¹⁾ Source: Sterling County Appraisal District.

TABLE 6 - Estimated Overlapping Debt ⁽¹⁾

Taxing Body	Gross Dollar Amount ⁽²⁾	As Of	% Overlapping	Dollar Overlap
Sterling County	\$9,021,000	1/31/2023	100.00%	\$9,021,000
Sterling City ISD ⁽³⁾	\$6,760,000	1/31/2023		\$6,760,000
Total Direct and Estimated Overlapping Debt				\$15,781,000
Total and Overlapping Debt as a % of 2022 Certified Taxable Assessed Valuation				1.61%
Total and Overlapping Debt Per Capita				\$11,883

⁽¹⁾ Source: Municipal Advisory Council of Texas

⁽²⁾ Excludes interest accreted on any outstanding capital appreciation bonds

⁽³⁾ Excludes select principal from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

TABLE 7 - Tax Supported Debt Service Requirements ⁽¹⁾⁽²⁾

<u>Fiscal Year</u> <u>Ending 8/31</u>	<u>Principal</u>	<u>Interest</u>	<u>Total Debt Service</u>	<u>Interest Subsidy</u>	<u>Total Less</u> <u>Interest Subsidy</u>
2023	\$1,400,000	\$207,625	\$1,607,625	\$ -	\$1,607,625
2024	1,445,000	157,775	1,602,775	-	1,602,775
2025	1,495,000	110,025	1,605,025	-	1,605,025
2026	1,535,000	68,325	1,603,325	-	1,603,325
2027	805,000	36,975	841,975	-	841,975
2028	830,000	12,450	842,450	-	842,450
Total	\$7,510,000	\$593,175	\$8,103,175		\$8,103,175

Average Annual Debt Service Requirements	\$1,350,529	\$1,350,529
Maximum Annual Debt Service Requirements	\$1,607,625	\$1,607,625

⁽¹⁾ Source: The Municipal Advisory Council of Texas and the District.

⁽²⁾ Excludes select principal and interest from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

TABLE 8 - Authorized but Unissued Unlimited Tax Bonds ⁽¹⁾

None. However, the District may incur other financial obligations payable from its collection of taxes and other sources of revenue, including maintenance tax notes payable from its collection of maintenance taxes, public property finance contractual obligations, delinquent tax notes, and leases for various purposes payable from State appropriations and surplus maintenance taxes.

⁽¹⁾ Source: The Municipal Advisory Council of Texas.

TABLE 9 - Other Obligations ⁽¹⁾

As of August 31, 2022, the District has no additional debt outstanding other than obligations supported by interest and sinking fund taxes.

⁽¹⁾ Source: The District's audited financial statements.

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TABLE 10 - General Fund Revenues and Expenditure History ⁽¹⁾

For Fiscal Year ended August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
REVENUES:					
Total Local and Intermediate Sources	\$7,792,677	\$6,347,616	\$4,726,216	\$4,474,995	\$4,170,186
State Program Revenues	402,022	1,659,946	4,614,500	5,687,814	1,984,911
Federal Program Revenues	-	-	-	-	4,770
Total Revenues	\$8,194,699	\$8,007,562	\$9,340,716	\$10,162,809	\$6,159,867
EXPENDITURES:					
Instruction	\$2,589,384	\$2,513,526	\$2,511,215	\$1,908,843	\$1,957,377
Instructional Resources & Media Services	43,732	27,042	24,736	13,241	38,830
Curriculum and Instructional Staff Development	36,193	40,845	35,388	32,083	54,140
Instructional Leadership	5,797	5,121	5,687	4,409	4,547
School Leadership	360,267	341,000	349,325	256,517	230,162
Guidance, Counseling, & Evaluation Services	25,677	74,661	82,146	61,388	60,462
Health Services	19,848	18,831	28,980	20,734	18,010
Student Transportation	154,708	200,276	111,836	187,357	116,430
Food Services	8,682	6,493	8,983	5,690	5,925
Extracurricular Activities	489,430	442,435	403,960	355,647	347,538
General Administration	523,706	490,517	459,040	460,141	400,099
Plant Maintenance & Operations	1,206,643	776,286	707,075	1,093,170	611,603
Security Monitoring and Services	19,331	19,462	30,318	36,136	50,148
Data Processing Services	163,977	157,800	163,893	146,558	129,754
Community Services	50,634	47,736	51,686	47,709	41,201
Capital Outlay					
Facilities, Acquisition & Construction	-	-	338,214	232,295	-
Intergovernmental					
Contracted to Instructional Services Between Schools	2,966,280	1,897,639	564,290	1,175,191	729,772
Payments to Fiscal Agents/Member Districts of SSA	266,122	161,619	216,332	141,333	148,689
Other Intergovernmental	196,590	191,578	164,764	169,593	131,266
Total Expenditures	\$9,127,001	\$7,412,867	\$6,257,868	\$6,348,035	\$5,075,953
Excess (Deficiency) of Revenues Over (Under) Expenditures	(\$932,302)	\$594,695	\$3,082,848	\$3,814,774	\$1,083,914
Other Financing Sources and (Uses):					
Sale of Real or Personal Property	\$ -	\$ -	\$8,250	\$1,500	\$1,307
Transfers In	-	-	-	-	-
Transfers Out	(77,998)	(85,301)	(75,884)	(40,255)	(424,686)
Other Uses	-	-	-	-	601
Total Other Financing Sources and (Uses)	(\$77,998)	(\$85,301)	(\$67,634)	(\$38,755)	(\$422,778)
Net Change in Fund Balances	(\$1,010,300)	\$509,394	\$3,015,214	\$3,776,019	\$661,136
Fund Balances - Beginning	\$11,069,320	\$10,422,125	\$7,406,911	\$3,659,684	\$2,998,182
Prior Period Adjustment	-	137,801	-	(28,792)	366
Fund Balances - Ending	\$10,059,020	\$11,069,320	\$10,422,125	\$7,406,911	\$3,659,684

⁽¹⁾ Source: District's Audited Financial Statements

TABLE 11 - General Operating Fund Comparative Balance Sheet ⁽¹⁾

For Fiscal Year Ended August 31,	<u>2022</u>	<u>2021</u>	<u>2020</u>	<u>2019</u>	<u>2018</u>
ASSETS:					
Cash & Cash Equivalents	\$10,703,314	\$12,140,126	\$10,924,816	\$6,997,610	\$4,109,894
Investments - Current	-	-	-	-	-
Property Taxes - Delinquent	69,304	61,441	63,632	94,532	113,111
Allowance for Uncollectible Taxes	(22,474)	(20,452)	(18,117)	(28,331)	(28,602)
Due from Other Governments	84,219	217,626	227,276	989,638	111,428
Other Receivables	274	1,494	1,120	-	16,156
Total Assets	\$10,834,637	\$12,400,235	\$11,198,727	\$8,053,449	\$4,321,987
LIABILITIES:					
Current Liabilities:					
Accounts Payable	\$102,088	\$89,746	\$58,721	\$90,549	\$88,591
Payroll Deductions and Withholdings Payable	-	-	-	1,800	-
Accrued Wages Payable	158,304	164,197	136,136	115,665	110,285
Due to Other Funds	369,904	369,904	369,904	369,904	376,634
Payable to Other Governments	95,253	-	163,513	-	-
Accrued Expenditures	3,238	3,378	2,813	2,419	2,284
Deferred/Unearned Revenue	-	662,701	-	-	-
Total Liabilities	\$728,787	\$1,289,926	\$731,087	\$580,337	\$577,794
DEFERRED INFLOWS OF RESOURCES:					
Unavailable Revenue - Property Taxes	\$46,830	\$40,989	\$45,515	\$66,201	\$84,509
Total Deferred Inflows of Resources	\$46,830	\$40,989	\$45,515	\$66,201	\$84,509
Total Liabilities and Deferred Inflows	\$775,617	\$1,330,915	\$776,602	\$646,538	\$662,303
FUND BALANCES:					
Committed Fund Balance:	\$ -	\$ -	\$ -	\$ -	\$ -
Construction	2,000,000	2,000,000	2,000,000	1,000,000	1,000,000
Unassigned Fund Balance	8,059,020	9,069,320	8,422,125	6,406,911	2,659,684
Total Fund Balances	\$10,059,020	\$11,069,320	\$10,422,125	\$7,406,911	\$3,659,684
Total Liabilities, Deferred Inflow of Resources and Fund Balances	\$10,834,637	\$12,400,235	\$11,198,727	\$8,053,449	\$4,321,987

⁽¹⁾ Source: District's Audited Financial Statements

TABLE 12 - Current Investments ⁽¹⁾

As of August 31, 2022, the District's investable funds amounted to \$13,382,454.

The following summary itemized the District's investment portfolio by type of security:

Type of Investment	Percent	Book Value	Market Value
Money Market and FDIC Insured Accounts	66.78%	\$8,936,150	\$8,936,150
Certificates of Deposit	3.07%	411,314	411,314
Investment Pools			
TexStar	30.15%	4,034,990	4,034,990
Total Investments	100%	\$13,382,454	\$13,382,454

⁽¹⁾ Source: District's Audited Financial Statements

TABLE 13 – Tax Adequacy

2023 Net Principal and Interest Requirements	\$1,607,625	(1)
0.1678 Tax Rate at 98% Collections Produces	\$1,607,840	(2)
Average Annual Debt Service Requirements (2022-2028)	\$1,350,529	(1)
0.141 Tax Rate at 98% Collections Produces	\$1,351,045	(2)

⁽¹⁾ Excludes select principal and interest from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

⁽²⁾ Based upon 2022 Taxable Assessed Valuation of \$977,743,145 at a 98% collections rate.

TABLE 14 - Interest & Sinking Fund Budget Projection ⁽¹⁾

Interest and Sinking Fund Balance 09/01/22 (Beginning)		\$2,960,659
Estimated Tax Supported Debt Service Requirements for FYE 2023 ⁽²⁾	\$1,607,625	
Projected Interest & Sinking Fund Local Revenue	\$2,297,736	
EDA/IFA from Texas Education Agency ⁽³⁾	-	
ASAHE from Texas Education Agency ⁽³⁾	\$8,484	
Net Transfers In/(Out)	-	
Projected Interest & Sinking Fund Balance, 08/31/23 (Ending)		\$3,659,254
Net Increase/(Decrease) in Fund Balance		\$698,595

⁽¹⁾ Source: The District's Audited Financial Statements.

⁽²⁾ Excludes select principal and interest from the U/L Tax Refunding Bonds, Series 2020, that the District redeemed with cash on November 1, 2022.

⁽³⁾ Source: Texas Education Agency as of January 25, 2023.

Rule 15c2-12 Filing Cover Sheet

This cover sheet is sent with all submissions made to the Municipal Securities Rulemaking Board (MSRB) and any applicable State Information Depository (SIDs) pursuant to Securities and Exchange Commission (SEC) Rule 15c2-12 or any analogous state statute.

Issuer Name: Sterling City Independent School District

Issue(s): \$3,075,000.00 Unlimited Tax Refunding Bonds, Series 2020
 \$6,430,000.00 Unlimited Tax Refunding Bonds, Series 2019

Filing Format **electronic** **paper; If available on the Internet, give URL: __**

CUSIP Numbers to which the information filed relates (optional):

Nine-digit number(s) (attach additional sheet if necessary):

Six-digit number if information filed relates to all securities of the issuer:

* * *

Financial & Operating Data Disclosure Information

Annual Financial Report or CAFR

Financial Information & Operating Data

Other (describe) _____

Fiscal Period Covered: 9/1/2021 – 8/31/2022

Monthly Quarterly Annual Other:

* * *

I hereby represent that I am authorized by the Issuer or its agent to distribute this information publicly:

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Title: Executive Managing Director
Employer: Live Oak Public Finance, LLC
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 Austin, TX 78746
Phone Number: (512) 726-5547
Email Address: cmerritt@liveoakpf.com

DESCRIPTION OF ISSUES COVERED BY THE REPORT

Unlimited Tax Refunding Bonds, Series 2020

<u>Maturity Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/2023	\$695,000.00	859613DR9
02/15/2024	\$715,000.00	859613DS7
02/15/2025	\$735,000.00	859613DT5
	<u>\$2,145,000.00</u>	

Unlimited Tax Refunding Bonds, Series 2019

<u>Maturity Date</u>	<u>Principal</u>	<u>CUSIP</u>
02/15/2023	\$705,000.00	859613DJ7
02/15/2024	\$730,000.00	859613DK4
02/15/2025	\$760,000.00	859613DL2
02/15/2026	\$785,000.00	859613DM0
02/15/2027	\$805,000.00	859613DN8
02/15/2028	\$830,000.00	859613DP3
	<u>\$4,615,000.00</u>	