

October 18, 2021



Hidalgo County, Texas

Post Pricing Book

\$26,325,000 – Certificates of Obligation, Series 2021

ESTRADA • HINOJOSA
INVESTMENT BANKERS

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**Texas Market Update: Week of
October 18, 2021**

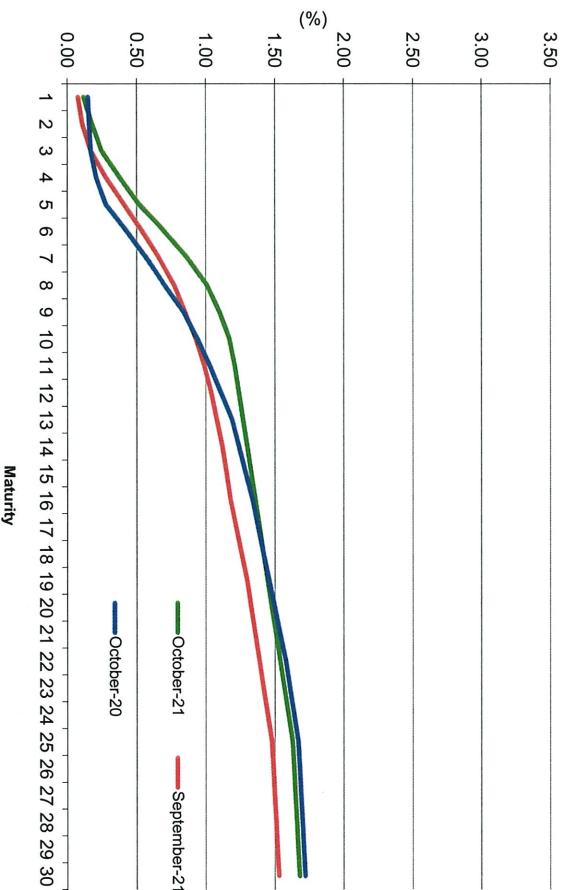
Market Update

• Commentary for the week of October 18th

- The Municipal bond market appears to have found its footing after a few weeks of weakness and volatility, AAA MMD yields remained little changed last week. Refinitiv Lipper reported inflows of \$461 million, after a mere \$37 million the previous week. Once again, municipals underperformed Treasuries, putting upward pressure on Municipal-to-U.S. Treasury ratios, particular on the longer-end of the yield curve. As of last Friday, the 10-year and 30-year AAA MMD yields stood at 1.17% and 1.68%, respectively.
- U.S. equities are mixed and there's a sell-off in the Treasury market, pushing yields higher. Potential market movers this week will be a slew of corporate earnings expected to be released this week and investors will continue to monitor the rally in commodity prices. President Biden signed legislation that temporarily raises the U.S. government borrowing limit, allowing the government to make debt payments until December 3, 2021.

- The primary calendar is estimated to be \$10.9 billion and is comprised of \$8.9 billion in negotiated deals and \$2.0 billion in competitive sales. Texas municipal issuance is estimated to be \$1.0 billion this week. The Texas primary calendar is comprised of \$601.2 million in negotiated financings and \$446.1 million in competitive sales.
- Estrada Hinojosa will participate in the following deals: a \$196.5 million Dallas Fort Worth International Airport Joint Revenue Refunding Bonds, Series 2021A (Non-AMT) issue; a \$236.5 million City of Dallas, Texas Hotel Occupancy Tax Revenue Refunding Bonds, Series 2021 issue; a \$31.0 million Midland County Fresh Water Supply District No. 1 Revenue Refunding Bonds (City of Midland Project) Taxable Series 2021 issue and a \$25.3 million Hidalgo County, Texas Certificates of Obligation, Series 2021 issue, all as Financial Advisor. A \$19.3 million Karnes City Independent School District Unlimited Tax School Building Bonds, Series 2021 issue as Co-Managing Underwriter.

Municipal Market Data Yield Curve



Year	Maturity	MMD (%)	10/15/2021	Change Over Week	Change Over Month	Change Over Year
1	2022	0.12		-0.01	+0.04	-0.03
2	2023	0.18		0.00	+0.07	+0.02
3	2024	0.25		0.00	+0.08	+0.08
4	2025	0.38		0.00	+0.10	+0.17
5	2026	0.52		0.00	+0.11	+0.24
6	2027	0.70		0.00	+0.16	+0.27
7	2028	0.87		0.00	+0.21	+0.30
8	2029	1.01		0.00	+0.24	+0.31
9	2030	1.10		0.00	+0.25	+0.26
10	2031	1.17		-0.01	+0.24	+0.23
11	2032	1.21		-0.01	+0.22	+0.18
12	2033	1.24		-0.01	+0.20	+0.13
13	2034	1.27		-0.01	+0.19	+0.08
14	2035	1.30		-0.01	+0.18	+0.06
15	2036	1.33		-0.01	+0.18	+0.04
16	2037	1.36		-0.01	+0.18	+0.02
17	2038	1.39		-0.01	+0.17	+0.01
18	2039	1.42		-0.01	+0.16	0.00
19	2040	1.45		-0.01	+0.15	-0.01
20	2041	1.48		-0.01	+0.15	-0.02
21	2042	1.51		-0.01	+0.15	-0.03
22	2043	1.54		-0.01	+0.15	-0.04
23	2044	1.57		-0.01	+0.15	-0.04
24	2045	1.60		-0.01	+0.15	-0.04
25	2046	1.63		-0.01	+0.15	-0.04
26	2047	1.64		-0.01	+0.15	-0.04
27	2048	1.65		-0.01	+0.15	-0.04
28	2049	1.66		-0.01	+0.15	-0.04
29	2050	1.67		-0.01	+0.15	-0.04
30	2051	1.68		-0.01	+0.15	-0.04

Source: * Bond Buyer
Municipal Market Data
Thomson Reuters

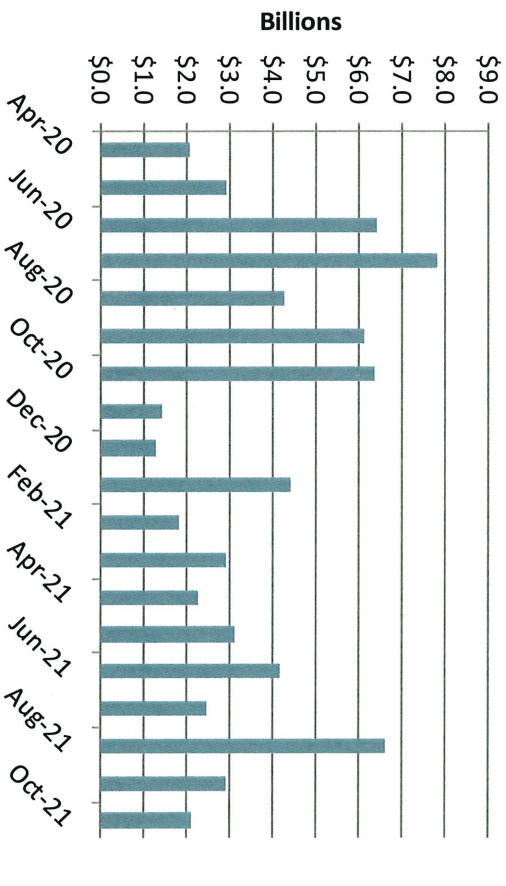
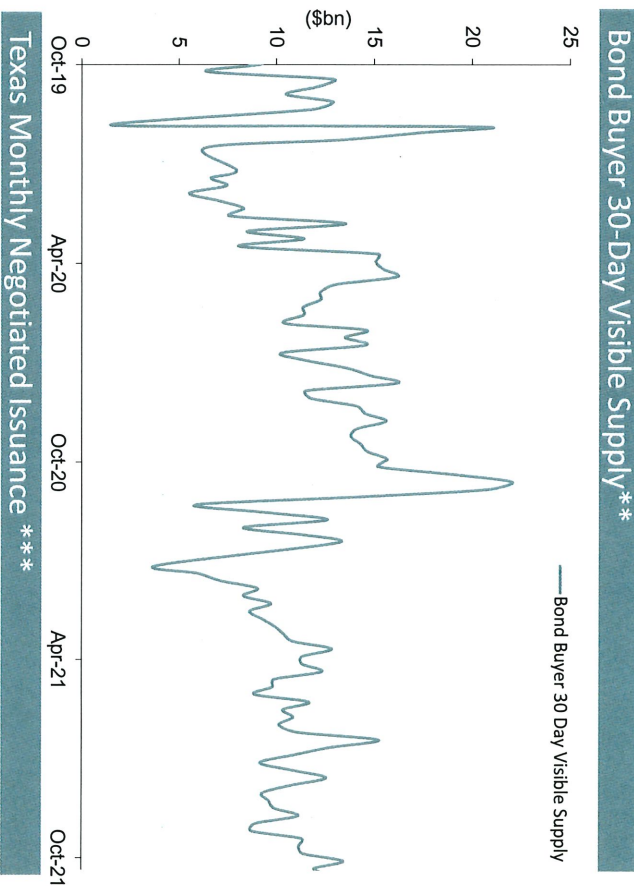
Market Supply

Calendar Week of October 18th

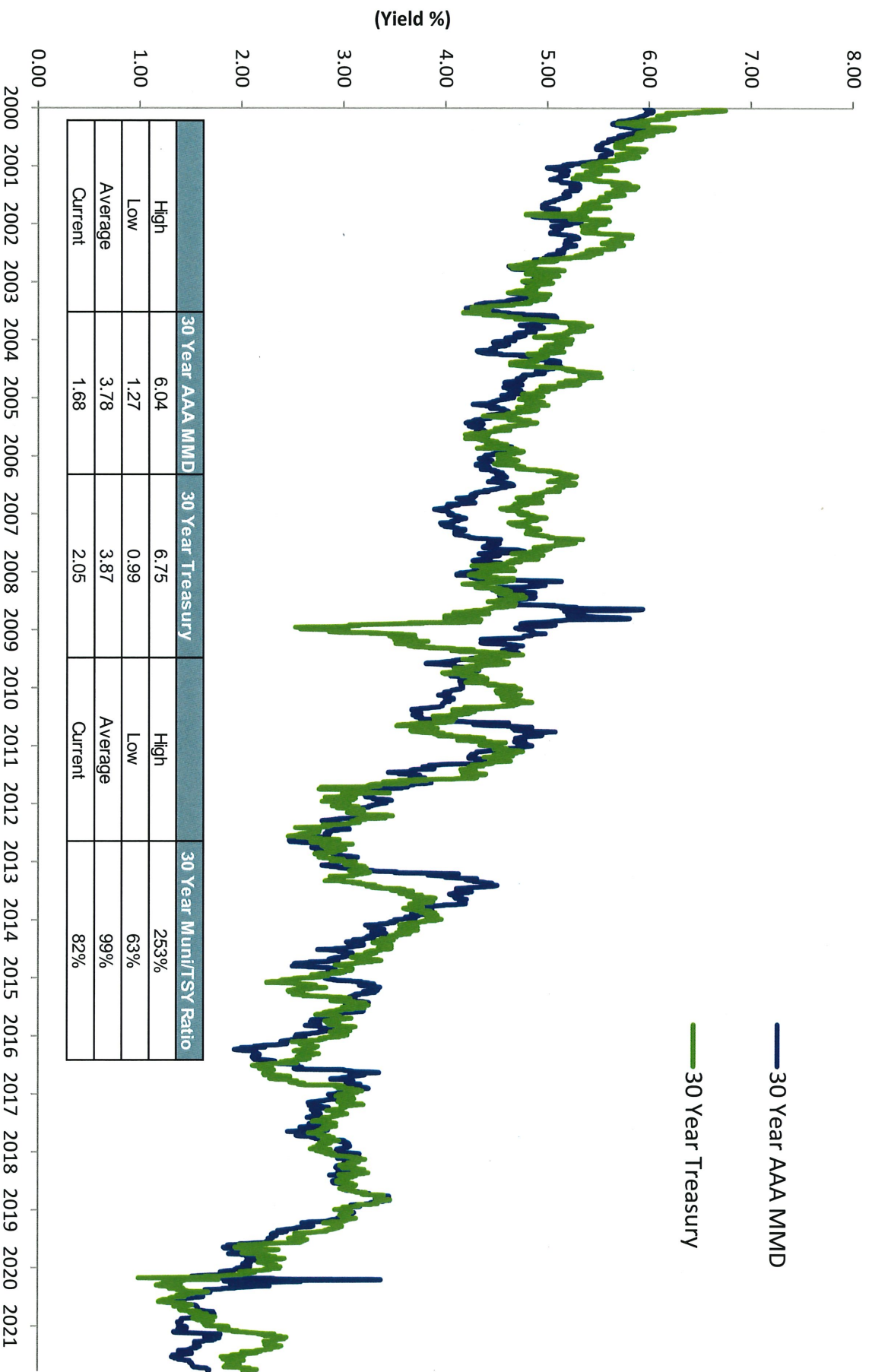
Issue Description	Par Amount (\$000)	Ratings*				Insurance
		Moody's	S&P	Fitch		
City of Dallas, TX - Hotel Occupancy Tax Rev Ref Bds, Ser. 2021	\$ 236,595	NR	A	A+	-	
Dallas-Fort Worth-Intl Airport, TX - Joint Rev Ref Bds, Ser. 2021A (Non-AMT)	\$ 196,540	A1	NR	A+	-	
Arlington Higher Ed Finance Corp (Legacy Traditional Schools - Texas Project), TX - Education Rev & Ref Bds, Ser. 2021A	\$ 49,905	NR	NR	NR	-	
Midland Co Fresh Water Supply Dist No. 1, TX - Rev Ref Bds, Taxable Ser. 2021 (City of Midland Project)	\$ 31,050	Aa3	AA-	NR	-	
Hidalgo County, TX - C/O's, Ser. 2021	\$ 25,340	Aa2	AA-	NR	-	
Karnes City Independent School District TX - U/L Tax Sch Bldg Bds, Ser. 2021	\$ 19,315	NR	AAA	NR	PSF	
City of Cedar Park, TX - GO Ref Bds, Ser. 2021	\$ 9,400	NR	AA+	NR	-	
Gilmer Independent School District, TX - U/L Tax Ref Bds, Ser. 2021	\$ 9,165	NR	AAA	NR	PSF	
Denton Co Fresh Water Supply Dist No. 7, TX - U/L Tax Road Ref Bds, Ser. 2021 (Bank-Qualified)	\$ 8,620	A2	NR	NR	-	
Prairiland Independent School District, TX - U/L Tax Sch Bldg Bds, Ser. 2021 (Bank-Qualified)	\$ 7,110	Aaa	NR	NR	PSF	
Texas Top 10 Total Negotiated Supply	\$ 593,040					
Texas Total Negotiated Weekly Supply	\$ 601,235					

Total Texas Issuance YTD (000s) 2021 \$ 33,332,362 2020 \$ 43,691,482 2019 \$ 33,935,210

*Rating reflects underlying or insured rating, as appropriate
 **Source: The Bond Buyer
 ***Source: Bloomberg



30 Year AAA MMD vs. 30 Year Treasury: Since 2000



Source: Thomson Reuters & Bloomberg



Sale Results and Tax Rate Impact

Hidalgo County Capital Improvement Plan (2021-2025)

PROJECT	2021	2022	2023	2024	2025
Precinct No. 1	3,700,000	3,700,000	3,700,000	3,700,000	4,000,000
Precinct No. 2	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Precinct No. 3	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Precinct No. 4	4,000,000	4,000,000	4,000,000	4,000,000	4,000,000
Law Enforcement Vehicles	3,000,000	3,000,000	3,000,000	3,000,000	3,000,000
Phase II - Demo & Parking	10,000,000	0	0	0	0
Justice Center Building - Precinct No. 4	1,000,000	0	0	0	0
Surplus Facility	0	2,850,000	0	0	0
Total	29,700,000	21,550,000	18,700,000	18,700,000	19,000,000

Projects to be funded by 2021 Certificates of Obligation.

Pricing Progression Summary

Pricing Progression Summary			
	Plan of Finance	Premarketing	Final Pricing
<i>Date</i>	8/24/2021	10/15/2021	10/18/2021
Par	\$ 25,680,000	\$ 26,275,000	\$ 26,325,000
Project Fund	29,700,000	29,700,000	29,700,000
TIC	2.394%	2.128%	2.146%
Call	8/15/2030	8/15/2030	8/15/2030
Total Interest	12,014,146	10,517,515	10,538,448
Less Premium	4,742,792	3,632,394	3,587,668
Net Interest	7,271,354	6,885,121	6,950,780
Total DS	\$ 37,694,146	\$ 36,792,515	\$ 36,863,448

Tax Rate Impact with 2021 Issuance

FYE	Taxable Assessed	TAV	Gr.	Existing Net Debt	A		B		C		Court Filing Fees ⁽³⁾	D			E			F			G			Total Debt	Required I&S Tax Rate ⁽⁵⁾	FYE
					Par Amount:	Project Fund:	2021 CIP	2022-2025 CIP	2022-2025 COS	County Contributions		Normal	M&O ⁽⁴⁾	Additional	Service	Rate ⁽⁵⁾										
2019	35,119,393,117	5.1%		26,086,720	\$ 28,297,005																				2019	
2020	36,919,216,451	5.3%		28,354,459							(1,250,000)	(1,000,000)													2020	
2021	38,864,509,193	7.6%		29,590,008							(1,250,000)	(1,000,000)													2021	
2022	41,834,185,649	3.0%		29,846,624							(1,250,000)	(1,000,000)	(2,800,000)												2022	
2023	43,089,211,218	3.0%		29,845,286							(1,250,000)	(1,000,000)													2023	
2024	44,381,887,555	3.0%		29,849,093							(1,250,000)	(1,000,000)													2024	
2025	45,713,344,182	3.0%		29,849,093							(1,250,000)	(1,000,000)													2025	
2026	46,627,611,065	2.0%		29,170,925							(1,250,000)	(1,000,000)													2026	
2027	47,560,163,287	2.0%		29,170,925							(1,250,000)	(1,000,000)													2027	
2028	48,511,366,552	2.0%		29,170,925							(1,250,000)	(1,000,000)													2028	
2029	48,996,480,218	1.0%		29,170,925							(1,250,000)	(1,000,000)													2029	
2030	49,486,445,020	1.0%		29,170,925							(1,250,000)	(1,000,000)													2030	
2031	49,981,309,470	1.0%		29,170,925							(1,250,000)	(1,000,000)													2031	
2032	50,481,122,565	1.0%		29,170,925							(1,250,000)	(1,000,000)													2032	
2033	50,481,122,565	0.0%		25,723,175							(1,250,000)	(1,000,000)													2033	
2034	50,481,122,565	0.0%		25,721,450							(1,250,000)	(1,000,000)													2034	
2035	50,481,122,565	0.0%		24,055,800							(1,250,000)	(1,000,000)													2035	
2036	50,481,122,565	0.0%		24,052,300							(1,250,000)	(1,000,000)													2036	
2037	50,481,122,565	0.0%		21,507,650							(1,250,000)	(1,000,000)													2037	
2038	50,481,122,565	0.0%		19,256,300							(1,250,000)	(1,000,000)													2038	
2039	50,481,122,565	0.0%		17,237,150							(1,250,000)	(1,000,000)													2039	
2040	50,481,122,565	0.0%		15,323,550							(1,250,000)	(1,000,000)													2040	
2041	50,481,122,565	0.0%		11,249,000							(1,250,000)	(1,000,000)													2041	
2042	50,481,122,565	0.0%		11,247,800							(1,250,000)	(1,000,000)													2042	
2043	50,481,122,565	0.0%		11,250,100							(1,250,000)	(1,000,000)													2043	
2044	50,481,122,565	0.0%		-							-	-													2044	
2045	50,481,122,565	0.0%		-							-	-													2045	
Total					\$ 610,743,926			\$ 36,863,448			\$ (30,000,000)	\$ (25,000,000)	\$ (2,800,000)	\$ (730,237)											Total	
					Project Funds:			\$ 29,700,000			\$ 77,950,000															

(1) 2019-2022 TAV values provided by County. All others projected.
 (2) Final rates from 10/18/2021 sale.
 (3) Assumes \$1,250,000 per year and that legislation is reauthorized so that fees are levied for the life of the 2018A COS.
 (4) A Internal transfer that the County has budgeted for 2022.
 (5) Bolded Tax Rates set by County, all others calculated.

Collections Rate: 96.00%	
Fund Balances	
I&S Fund (12/31/2020)	\$ 8,788,154
Total	8,788,154
Funds Used (Post 2020)	(730,237)
Balance	\$ 8,057,917

Tax Rate Impact with 2021 sale and Future CIP (growth and .0707 tax)

FYE	Taxable Assessed Valuation (1)	TAV Gr.	Existing Net Debt Service	2021 CIP		2022-2025 CIP		Defeasance (7)	County Contributions				Total Debt Service	Required I&S Tax Rate (5)	FYE
				Par Amount:	Project Fund:	2021 CIP	2022-2025 CIP		Par: \$6,005,000	Cost: \$9,535,000	Court Filing Fees (4)	Normal			
2019	36,119,393,117	5.1%	28,086,720	\$ 26,325,000	\$ 76,000,000									0.0700	2019
2020	36,919,216,451	5.1%	28,297,005	\$ 29,700,000	\$ 77,950,000									0.0714	2020
2021	36,864,509,193	5.3%	28,354,459											0.0707	2021
2022	41,834,185,649	7.6%	29,590,008											0.0618	2022
2023	45,089,211,218	3.0%	29,846,624											0.0707	2023
2024	44,381,887,555	3.0%	29,845,286											0.0707	2024
2025	45,713,344,182	3.0%	29,849,093											0.0707	2025
2026	46,627,611,065	2.0%	29,167,343											0.0707	2026
2027	47,560,163,287	2.0%	29,490,093											0.0707	2027
2028	48,511,366,552	2.0%	29,175,490											0.0707	2028
2029	48,996,480,218	1.0%	29,165,203											0.0707	2029
2030	49,486,445,020	1.0%	29,170,678											0.0707	2030
2031	49,981,309,470	1.0%	29,170,925											0.0707	2031
2032	50,481,122,565	1.0%	29,910,724											0.0657	2032
2033	50,481,122,565	0.0%	25,723,175											0.0632	2033
2034	50,481,122,565	0.0%	25,721,450											0.0632	2034
2035	50,481,122,565	0.0%	24,055,800											0.0598	2035
2036	50,481,122,565	0.0%	24,052,300											0.0598	2036
2037	50,481,122,565	0.0%	21,507,650											0.0545	2037
2038	50,481,122,565	0.0%	19,256,300											0.0499	2038
2039	50,481,122,565	0.0%	17,237,150											0.0457	2039
2040	50,481,122,565	0.0%	15,323,550											0.0417	2040
2041	50,481,122,565	0.0%	11,249,000											0.0333	2041
2042	50,481,122,565	0.0%	11,247,800											0.0296	2042
2043	50,481,122,565	0.0%	11,250,100											0.0269	2043
2044	50,481,122,565	0.0%	-											0.0014	2044
2045	50,481,122,565	0.0%	-											-	2045
Total				\$ 610,743,926	\$ 36,863,448	\$ 107,389,011	\$ (10,059,000)	\$ (31,250,000)	\$ (25,000,000)	\$ (2,800,000)	\$ (5,470,557)	\$ 680,416,828	Total		
			Project Funds:	\$ 29,700,000	\$ 77,950,000										

(1) 2019-2022 TAV values provided by County. All others projected.
 (2) Final rates from 10/18/2021 sale.
 (3) Assumed current market rate for illustration purposes. Preliminary, subject to change.
 (4) Assumes \$1,250,000 per year and that legislation is reauthorized so that fees are levied for the life of the 2018A COs.
 (5) Bolded Tax Rates set by County, all others calculated.
 (6) Contemplated defeasance in 2022. Portions of the CO2014, CO2015A, CO2015B bonds.

Fund Balances	
18S Fund (12/31/2020)	\$ 8,788,154
Total	8,788,154
Funds Used (Post 2020)	(5,470,557)
Balance	\$ 3,317,597

Collections Rate: 96.00%

Hidalgo County Debt Outstanding

General Obligation Debt Outstanding

Series	Par Outstanding	Amount Callable	Call Date
C/O Ser 2021	\$ 28,490,000	\$ 16,460,000	8/15/2030
C/O Ser 2020	28,490,000	23,370,000	8/15/2029
C/O Ser 2019A	23,225,000	16,500,000	8/15/2028
Ltd Tax Ref Bds Ser 2019B	19,845,000	4,580,000	8/15/2028
CH C/O Ser 2018A	118,790,000	114,040,000	8/15/2028
C/Os Ser 2018B	23,030,000	15,770,000	8/15/2028
Ltd Tax Ref Bds Txble Ser 2018C	23,200,000	17,055,000	8/15/2028
C/O Ser 2017	25,145,000	17,880,000	8/15/2027
C/O Ser 2016	28,095,000	20,835,000	8/15/2026
C/O Ser 2015A	15,030,000	12,735,000	8/15/2025
Ltd Tax Ref Bds Ser 2015B	14,760,000	7,920,000	8/15/2025
Ltd Tax Ref Bds Txble Ser 2015C	6,475,000	-	Non-Callable
C/O Ser 2014	15,205,000	13,305,000	8/15/2024
Ltd Tax Ref Bds Ser 2014C	13,330,000	5,725,000	8/15/2024
Total	\$ 383,110,000	\$ 286,175,000	

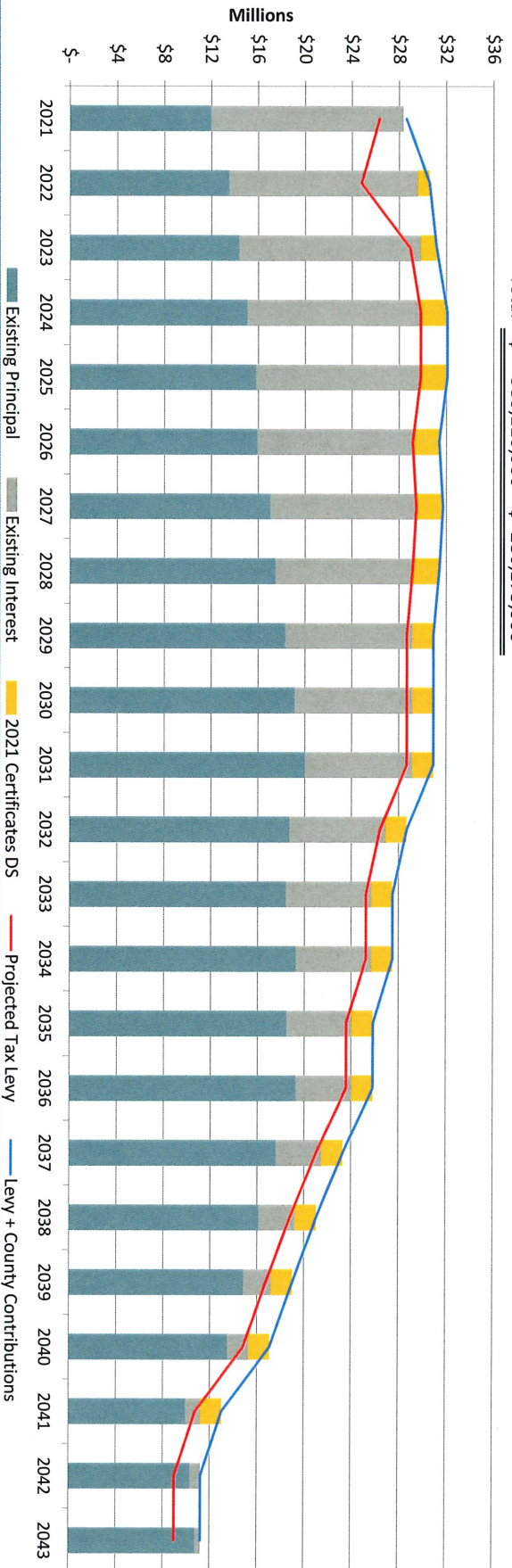
Historical Tax Rate and Taxable Assessed Value

Fiscal Year	2019	2020	2021	2022
M&O	\$ 0.5100	\$ 0.5036	\$ 0.5043	\$ 0.5132
I&S	0.0700	0.0714	0.0707	0.0618
Total	\$ 0.5800	\$ 0.5750	\$ 0.5750	\$ 0.5750
TAV (\$bn)	\$ 35.11	\$ 36.91	\$ 38.86	\$ 41.83
Levy (\$mm)*	202.25	210.86	222.47	240.52

*Estimated

Ratings

Moody's	Aa2
S&P	AA-



Timetable of Events

AUGUST 2021						
S	M	T	W	T	F	S
	1	2	3	4	5	6
	7	8	9	10	11	12
	13	14	15	16	17	18
	19	20	21	22	23	24
	25	26	27	28	29	30
	31					

SEPTEMBER 2021						
S	M	T	W	T	F	S
					1	2
					3	4
				5	6	7
				8	9	10
				11	12	13
				14	15	16
				17	18	19
				20	21	22
				23	24	25
				26	27	28
				29	30	

OCTOBER 2021						
S	M	T	W	T	F	S
					1	2
					3	4
				5	6	7
				8	9	10
				11	12	13
				14	15	16
				17	18	19
				20	21	22
				23	24	25
				26	27	28
				29	30	31

NOVEMBER 2021						
S	M	T	W	T	F	S
					1	2
					3	4
					5	6
					7	8
					9	10
					11	12
					13	14
					15	16
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					25	26
					27	28
					29	30
					31	

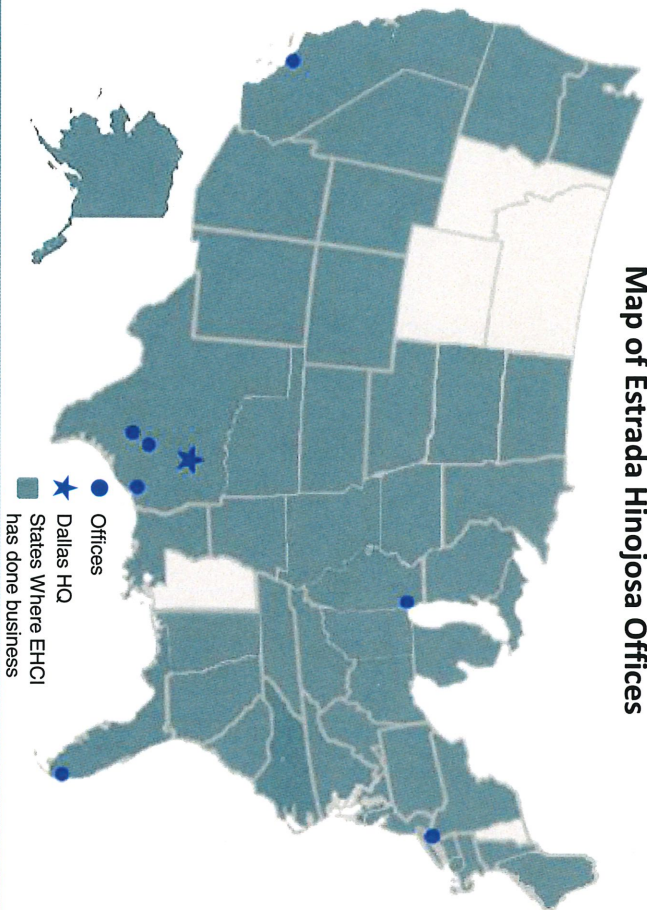
■ Denotes holiday

Date	Day	Event
August 24, 2021	(Tuesday)	Financial Advisor presents Plan of Finance. Commissioners' Court adopts a resolution to publish notice of intent to issue Certificates of Obligation.
Week of September 27th		Calls with Rating Agencies
October 12, 2021	(Tuesday)	Receive Ratings. Post Preliminary Official Statement.
October 18, 2021	(Monday)	Price the Certificates.
October 19, 2021	(Tuesday)	Commissioners' Court adopts order selling the Obligations.
November 18, 2021	(Thursday)	Closing.

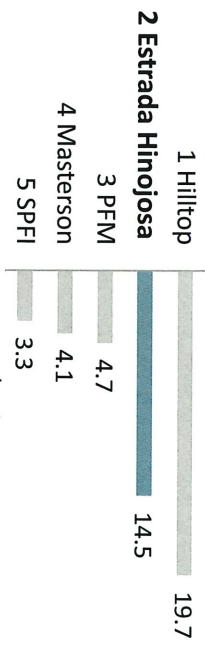
Estrada Hinojosa is a Leader with a Growing National Footprint...

- **In 29 years, the Firm has completed:**
 - ✓ 6,147 transactions totaling \$564 billion.
 - ✓ #2 FA Firm in TX and #5 in the Nation.
- **In calendar year 2020, OUR BEST EVER the Firm completed:**
 - ✓ Financial Advisory 145 financings totaling \$17.9 billion
 - ✓ Negotiated Underwriting 97 financings totaling \$16.5 billion
 - ✓ Competitive Underwriting 124 financings totaling \$10.4 billion
 - ✓ 366 transactions totaling \$44.8 billion

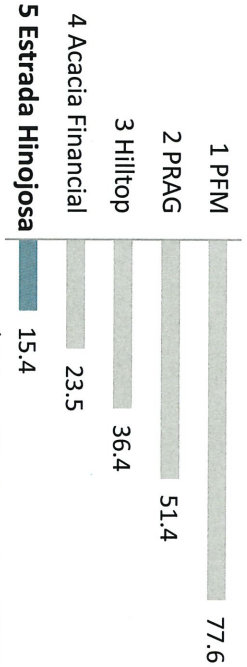
Map of Estrada Hinojosa Offices



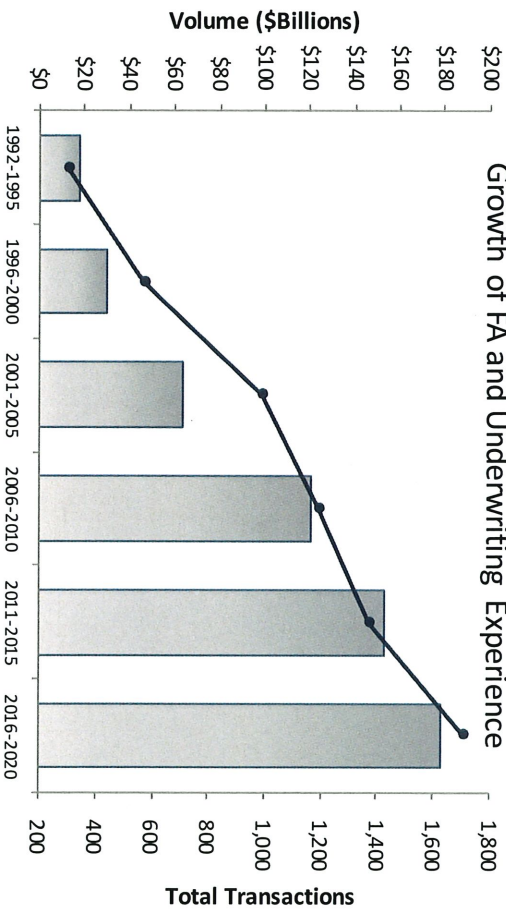
2020 Texas Financial Advisory Rankings (Par Amount)



2020 U.S. Financial Advisory Rankings (Par Amount)



Growth of FA and Underwriting Experience



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