



Recap of 2020 Refunding Program Results

Tuesday, December 15, 2020

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Recap of 2020 Refunding Program Results

- Based upon the favorable bond market conditions on Tuesday, November 24, 2020, Denton Independent School District (“DISD” or the “District”) successfully sold its 2020 Refunding Program at an “All-In” True Interest Rate of **2.11%** and DISD’s actual savings totaled **\$67,124,217** (net of all costs) – Which was **\$5,627,496** higher than the savings presented to the Board of Trustees at its October 13, 2020 meeting.

Summary of Savings – Final Results – 2020 Refunding Program			
Description	Estimated Results (Oct. 13, 2020)	Actual Results (Nov. 24, 2020)	Difference
Principal Amount of Bonds to be Refunded	\$ 269,445,000	\$ 269,445,000	\$ ----
Interest Rate on the Bonds to be Refunded	4.89%	4.89%	---%
“All-In” True Interest Cost on the Refunding Bonds	2.23%	2.11%	(0.12%)
Escrow Yield	0.32%	0.33%	0.01%
Total Debt Service Savings	\$ 61,496,721	\$ 67,124,217	\$ 5,627,496
Average Annual Savings (Years 2021/22 – 2044/45) (i.e. 24 Years)	2,562,363	2,796,679	234,316
Present Value Debt Service Savings (@ All-In TIC)	46,930,502	51,917,751	4,987,249
Present Value Savings as a Percentage of the Principal Amount of the Bonds to be Refunded	17.42%	19.27%	1.85%
Opportunity Cost of Advance Refunding (i.e. “Negative Arbitrage”)	\$ 18,000,289	\$ 16,632,545	(\$ 1,367,744)
“Negative Arbitrage” as a Percentage of Present Value Savings	38.36%	32.04%	(6.32%)



2020 Refunding Program – Summary of Annual Savings

- ❑ As demonstrated within the adjacent table, Denton ISD will reduce its annual bond payment requirements by approximately \$2.797 million over the next 24 years as a result of the 2020 Refunding Program.

- ❑ With the District’s annual bond payment requirements declining beginning next year, Denton ISD will be able to continue prepaying bonds, saving future interest costs and building bond capacity regardless of whether or not DISD’s tax base remains the same or increases.

2020 Refunding Program – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Bonds to be Refunded	Plus: Bond Payments – 2020 Refunding Program	Bond Payments – After Refunding Program	Savings ^(A) (Col. B – E)
2020/21	\$ 106,215,806	\$ 13,034,996	\$ 13,031,086	\$ 106,211,896	\$ 3,910
2021/22	105,236,975	13,034,996	10,240,173	102,442,151	2,794,824
2022/23	98,828,610	16,439,996	13,645,173	96,033,786	2,794,824
2023/24	98,831,061	16,439,746	13,640,173	96,031,487	2,799,574
2024/25	98,831,340	16,440,996	13,640,173	96,030,517	2,800,824
2025/26	98,833,217	16,263,246	13,465,173	96,035,144	2,798,074
2026/27	98,828,829	18,437,646	15,640,173	96,031,356	2,797,474
2027/28	98,831,638	19,978,146	17,180,173	96,033,664	2,797,974
2028/29	92,425,194	21,891,396	19,094,923	89,628,720	2,796,474
2029/30	92,425,728	18,601,903	15,807,173	89,630,998	2,794,730
2030/31	92,423,053	19,937,788	17,140,923	89,626,188	2,796,865
2031/32	92,423,455	36,701,450	33,905,611	89,627,616	2,795,839
2032/33	92,425,495	39,687,750	36,893,495	89,631,241	2,794,255
2033/34	82,607,998	22,668,750	19,875,195	79,814,443	2,793,555
2034/35	82,605,928	22,524,750	19,727,555	79,808,733	2,797,195
2035/36	82,606,750	22,411,000	19,615,361	79,811,111	2,795,639
2036/37	82,605,638	22,209,500	19,413,908	79,810,046	2,795,592
2037/38	82,607,038	15,128,000	12,330,543	79,809,580	2,797,458
2038/39	67,881,475	15,099,000	12,304,985	65,087,460	2,794,015
2030/40	67,881,775	15,100,500	12,304,372	65,085,647	2,796,128
2040/41	67,878,875	15,094,750	12,297,316	65,081,441	2,797,434
2041/42	67,880,725	14,345,750	11,548,073	65,083,048	2,797,677
2042/43	67,878,725	14,494,250	11,695,844	65,080,319	2,798,406
2043/44	53,156,700	14,495,750	11,698,006	50,358,956	2,797,744
2044/45	53,153,850	13,350,750	10,553,012	50,356,112	2,797,738
2045/46	53,155,350	---	---	53,155,350	---
2046/47	53,152,700	---	---	53,152,700	---
2047/48	53,151,850	---	---	53,151,850	---
Totals	\$ 2,284,765,777	\$ 473,812,806	\$ 406,688,589	\$ 2,217,641,560	\$ 67,124,217

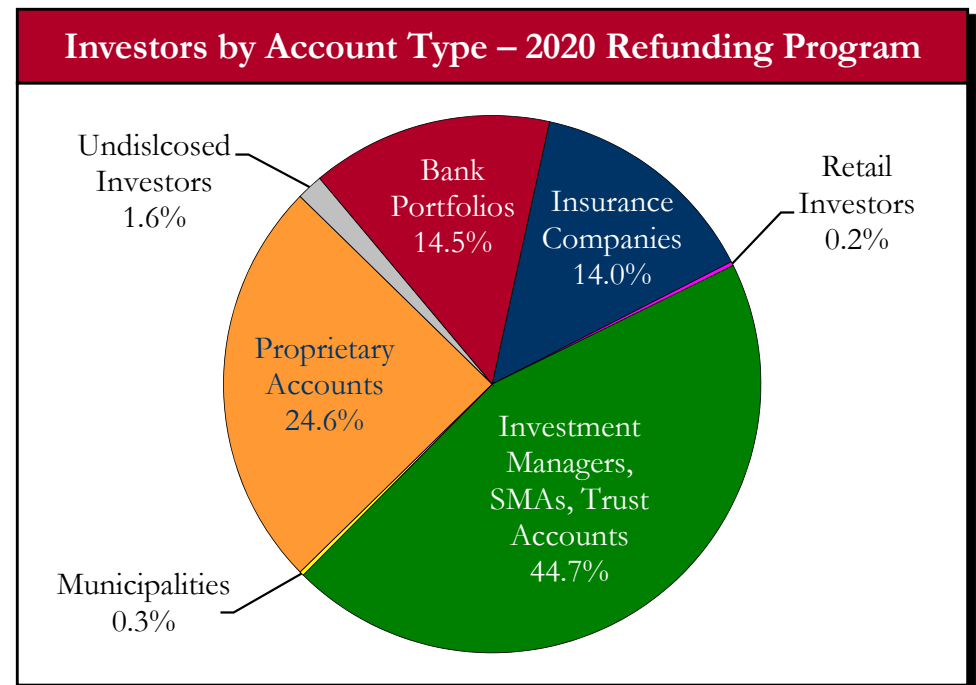
^(A) At this time, the District receives approximately \$1,925,000 for each 1-cent of I&S tax effort.



Significant Investor Interest in the 2020 Refunding Program

- ❑ There was significant institutional investor interest in DISD's 2020 Refunding Program, as demonstrated by the approximately **\$1.54 BILLION** of orders submitted by 77 investors.
- ❑ Such demand allowed the interest rates in certain maturities to be **reduced** by as much as **0.10%** after the order period.
- ❑ Investors submitting orders for more than \$50 million included:

- Eaton Vance (\$109,665,000)
- State Farm Insurance Companies (\$107,665,000)
- Northern Trust Corporation (\$95,280,000)
- Pacific Western Bank (\$78,620,000)
- PIMCO (\$64,675,000)
- Wellington Management Company (\$63,005,000)
- Bluefin Trading, LLC (\$60,155,000)
- Old Orchard Capital Management (\$60,000,000)
- First Republic Bank (\$53,905,000)
- Wells Fargo Securities, LLC (\$53,905,000)





Savings from District's Debt Management Practices – Bond Refundings and Prepayment of Bonds

- Since year 2005, DISD has now implemented 10 refunding programs and prepaid \$58.14 million of existing bonds, generating more than \$228.79 million of savings.

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-C [March 2005]	1998, 1999, 2001	\$ 50,855,000	\$ 3,251,044
Unlimited Tax Refunding Bonds, Series 2006 [July 2006]	2002	48,329,192	12,125,000
Unlimited Tax Refunding Bonds, Series 2011 [June 2011]	1998, 1999, 2001, 2004	24,940,000	1,838,589
Unlimited Tax Refunding Bonds, Series 2012-B [May 2012]	2002, 2004, 2005-C	64,614,784	13,196,404
Unlimited Tax Refunding Bonds, Taxable Series 2012-C [November 2012]	2004, 2005-C	25,030,000	2,551,494
Unlimited Tax Refunding Bonds, Series 2012-D [November 2012]	2004	40,155,000	8,937,721
Unlimited Tax Refunding Bonds, Series 2014-C [December 2014]	2006-A	15,010,000	1,252,934
Unlimited Tax Refunding Bonds, Series 2015 [April 2015]	2007, 2008	125,110,000	17,203,964
Unlimited Tax Refunding Bonds, Series 2016 [May 2016]	2006, 2007, 2008, 2009	118,749,192	51,970,247
Unlimited Tax Refunding Bonds, Taxable Series 2020-A [December 2020]	2012-B, 2012-D, 2014-A, 2015-A	269,445,000	67,124,217
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 782,238,168	\$ 179,451,614
Prepayment of Series 1995 Bonds [November 2005]	1995	\$ 1,315,000	\$ 362,625
Prepayment of Series 2000 Bonds [February 2009]	2000	625,000	609,375
Prepayment of Series 2012-A Bonds [August 2015]	2012-A	5,120,000	5,529,600
Prepayment of Series 2013 Bonds [August 2016]	2013	7,000,000	7,507,600
Prepayment of Series 2012-A Bonds [February 2017]	2012-A	8,800,000	7,937,000
Prepayment of Series 2012-A Bonds [February 2018]	2012-A	17,700,000	13,962,000
Prepayment of Series 2012-A Bonds [August 2018]	2012-A	7,860,000	5,216,800
Prepayment of Series 2013 Bonds [February 2020]	2013	9,720,000	8,213,600
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 58,140,000	\$ 49,338,600
Totals	---	\$ 840,378,168	\$ 228,790,214



Congratulations Denton ISD Community!



- ❑ As a direct result of the debt management actions taken by Denton ISD's Board of Trustees and Administrative Team, DISD has reduced the cost of voter-approved bonds and provided District taxpayers with more than \$274 million of savings since year 2005!
 - ❖ \$228,790,214 – Bond Refundings/Prepayment of Bonds
 - ❖ \$ 35,884,718 – Lower Interest Rates from Prudent Use of Variable Rate Put Bonds
 - ❖ \$ 9,693,313 – Use of Synthetic Debt Structures
 - \$274,368,245 – Total Savings to Taxpayers**