



Review of Preliminary Financing Plan for Initial \$156.0 Million Bond Sale from 2013 Bond Program

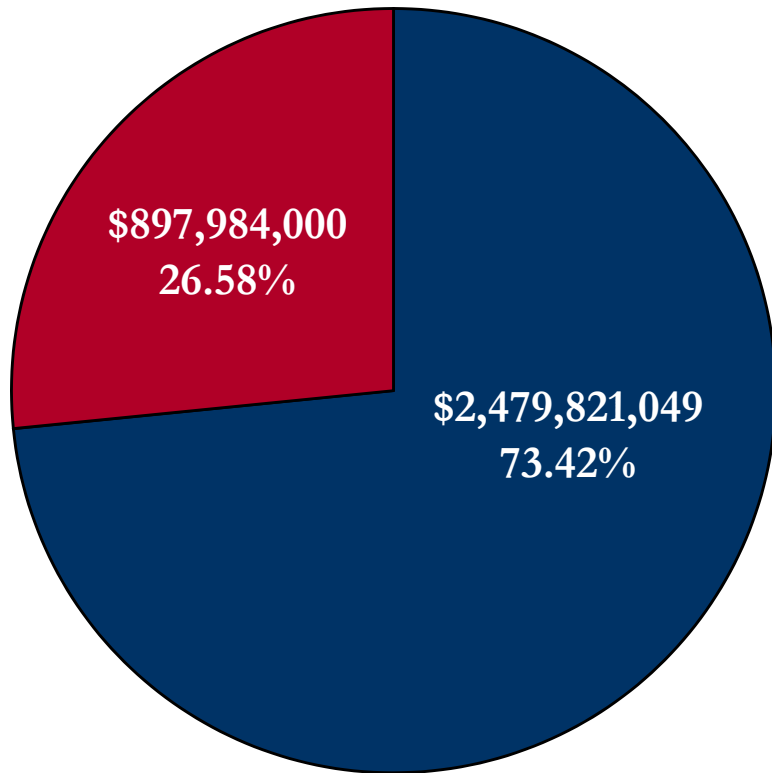
Tuesday, February 25, 2014



Texas School District Bond Elections – Summary of November 5, 2013 Results

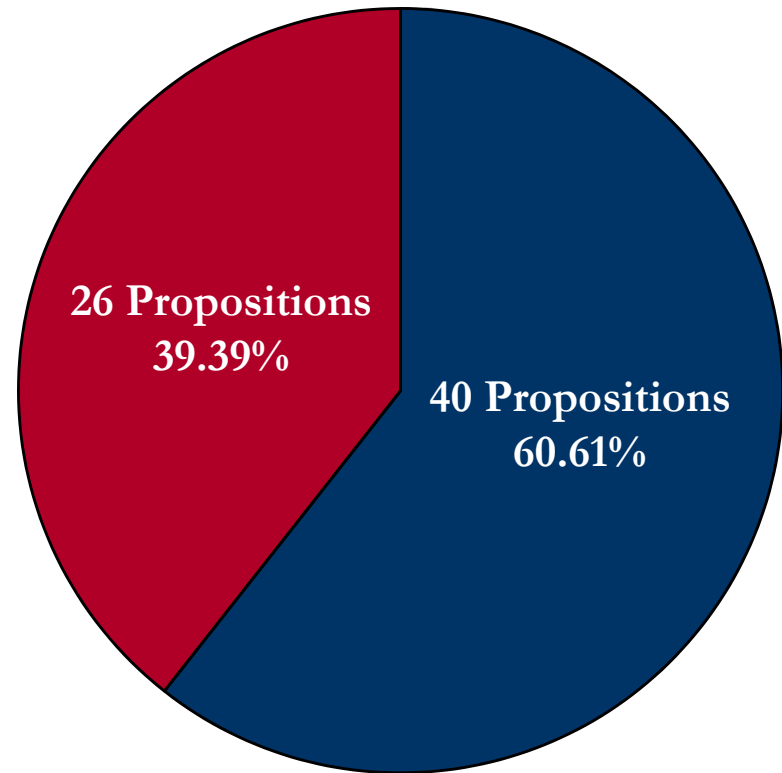
- There were \$3.4 billion of Texas school district bond elections on November 5, 2013. Denton Independent School District's (the "District") successful bond election was the 3rd largest approved by voters. The results are shown below.

**Texas School District Bond Election Results –
November 2013 – By Dollar Amount of Election**



■ Approved ■ Failed

**Texas School District Bond Election Results –
November 2013 – By Number of Propositions**



■ Approved ■ Failed



Texas School District Bond Elections – Summary of November 5, 2013 Results (Continued)

| Texas School District Bond Election Results – November 5, 2013 | | | | | | |
|--|------------------------------------|--------------------|--------------------|---------------|----------------------|--------------------------|
| No. | Issuer | Election Amount | Amount Approved | Amount Failed | Unofficial Votes For | Unofficial Votes Against |
| 1 | Abilene ISD | \$ 87,680,000 | \$ 87,680,000 | \$ - | 5,163 | 2,188 |
| 2 | Alvin ISD | 212,445,000 | 212,445,000 | - | 4,351 | 2,083 |
| 3 | Azle ISD | 20,000,000 | 20,000,000 | - | 1,299 | 803 |
| 4 | Barbers Hill ISD | 60,000,000 | 60,000,000 | - | 635 | 132 |
| 5 | Blanket ISD | 3,700,000 | - | 3,700,000 | 59 | 247 |
| 6 | Bluff Dale ISD | 4,000,000 | - | 4,000,000 | 77 | 206 |
| 7 | Buna ISD | 20,000,000 | 20,000,000 | - | 351 | 209 |
| 8 | Calhoun County ISD | 65,000,000 | 65,000,000 | - | 1,634 | 1,158 |
| 9 | Chapel Hill ISD | 31,200,000 | - | 31,200,000 | 619 | 1,054 |
| 10 | College Station ISD | 83,500,000 | 83,500,000 | - | 3,187 | 1,456 |
| 11 | Comal ISD | 451,000,000 | - | 451,000,000 | 5,115 | 5,952 |
| 12 | Cuero ISD | 76,000,000 | 76,000,000 | - | 392 | 280 |
| 13 | Denton ISD | 312,000,000 | 312,000,000 | - | 5,984 | 2,798 |
| 14 | Ezzell ISD | 4,129,000 | - | 4,129,000 | 68 | 77 |
| 15 | Fort Stockton ISD | 35,000,000 | 35,000,000 | - | 481 | 301 |
| 16 | Fort Worth ISD | | | | | |
| | Prop 1 - School Buildings & Tech. | 386,555,000 | 386,555,000 | - | 16,561 | 6,244 |
| | Prop 2 - Specialty Schools | 73,305,000 | 73,305,000 | - | 16,397 | 6,332 |
| | Prop 3 - School Buses & Equipment | 30,000,000 | 30,000,000 | - | 16,359 | 6,310 |
| 17 | Gatesville ISD | 17,900,000 | 17,900,000 | - | 1,129 | 342 |
| 18 | Gilmer ISD | | | | | |
| | Prop 1 - New High School | 30,690,000 | - | 30,690,000 | 978 | 1,464 |
| | Prop 2 - Junior High Renovations | 3,365,000 | - | 3,365,000 | 1,051 | 1,392 |
| | Prop 3 - Multipurpose Facility | 2,155,000 | - | 2,155,000 | 741 | 1,696 |
| 19 | Glasscock County ISD | 20,000,000 | 20,000,000 | - | 213 | 112 |
| 20 | Gonzales ISD | | | | | |
| | Prop 1 - School Buildings & Tech. | 21,585,000 | 21,585,000 | - | 694 | 280 |
| | Prop 2 - School Buses | 3,400,000 | 3,400,000 | - | 691 | 266 |
| 21 | Graford ISD | 7,500,000 | 7,500,000 | - | 223 | 169 |
| 22 | Granbury ISD | | | | | |
| | Prop 1 - School Buildings & Tech. | 81,972,000 | 81,972,000 | - | 3,733 | 2,838 |
| | Prop 2 - Maintenance Tax Refunding | 3,003,000 | 3,003,000 | - | 3,905 | 2,613 |
| 23 | Hallettsville ISD | 10,500,000 | - | 10,500,000 | 370 | 440 |
| 24 | Hallsburg ISD | 2,363,500 | 2,363,500 | - | 121 | 83 |
| 25 | Ira ISD | 12,200,000 | 12,200,000 | - | 76 | 49 |
| 26 | Jacksonville ISD | 22,785,000 | 22,785,000 | - | 831 | 782 |
| 27 | Jim Ned Consolidated ISD | 20,000,000 | - | 20,000,000 | 637 | 1,094 |



Texas School District Bond Elections – Summary of November 5, 2013 Results (Continued)

| Texas School District Bond Election Results – November 5, 2013 (Continued) | | | | | | |
|--|--|------------------------|------------------------|----------------------|----------------------|--------------------------|
| No. | Issuer | Election Amount | Amount Approved | Amount Failed | Unofficial Votes For | Unofficial Votes Against |
| 28 | Katy ISD | \$ 99,000,000 | \$ - | 99,000,000 | 7,548 | 9,011 |
| 29 | Kerens ISD | 16,700,000 | - | 16,700,000 | 184 | 333 |
| 30 | Laredo ISD | | | | | |
| | Prop 1 - PFC Refunding | 47,170,000 | 47,170,000 | - | 1,944 | 716 |
| | Prop 2 - School Buildings & Tech. | 77,830,000 | 77,830,000 | - | 1,945 | 713 |
| 31 | Latexo ISD | 5,500,000 | - | 5,500,000 | 111 | 156 |
| 32 | Leon ISD | | | | | |
| | Prop 1 - Ag & Vocation Facilities | 4,200,000 | - | \$ 4,200,000 | 158 | 241 |
| | Prop 2 - Athletics | 4,200,000 | - | 4,200,000 | 93 | 303 |
| 33 | London ISD | 9,750,000 | 9,750,000 | - | 173 | 118 |
| 34 | Lovejoy ISD | 75,750,000 | - | 75,750,000 | 1,801 | 1,822 |
| 35 | Marble Falls ISD | 6,550,000 | - | 6,550,000 | 1,025 | 1,210 |
| 36 | Mercedes ISD | 20,000,000 | 20,000,000 | - | 434 | 361 |
| 37 | Merkel ISD | 14,000,000 | 14,000,000 | - | 400 | 193 |
| 38 | Mineral Wells ISD | 25,000,000 | 25,000,000 | - | 839 | 622 |
| 39 | New Home ISD | 4,800,000 | 4,800,000 | - | 114 | 75 |
| 40 | Palacios ISD | 8,000,000 | 8,000,000 | - | 247 | 58 |
| 41 | Palmer ISD | 15,200,000 | 15,200,000 | - | 369 | 320 |
| 42 | Paradise ISD | 3,250,000 | - | 3,250,000 | 188 | 255 |
| 43 | Pleasanton ISD | 65,000,000 | - | 65,000,000 | 811 | 879 |
| 44 | Reagan County ISD | 14,500,000 | 14,500,000 | - | 198 | 57 |
| 45 | Robinson ISD | 21,000,000 | - | 21,000,000 | 858 | 942 |
| 46 | Seguin ISD | 83,300,000 | 83,300,000 | - | 3,826 | 1,914 |
| 47 | Silsbee ISD | 29,900,000 | 29,900,000 | - | 845 | 782 |
| 48 | Taylor ISD | 7,000,000 | - | 7,000,000 | 589 | 778 |
| 49 | Trent ISD | | | | | |
| | Prop 1 - School Bldgs, Buses & Tech. | 550,000 | - | 550,000 | 55 | 67 |
| | Prop 2 - Track Imp., Bus Barn | 375,000 | - | 375,000 | 40 | 80 |
| | Prop 3 - Parking, Athletic Facility Imp. | 770,000 | - | 770,000 | 39 | 80 |
| 50 | Turkey-Quitaque ISD | 2,665,000 | 2,665,000 | - | 1,197 | 466 |
| 51 | United ISD | 408,712,549 | 408,712,549 | - | 5,148 | 2,643 |
| 52 | Valley View ISD (Cooke Co) | 9,800,000 | TBD | TBD | --- | --- |
| 53 | Veribest ISD | 5,900,000 | - | 5,900,000 | 30 | 242 |
| 54 | Wall ISD | 21,500,000 | - | 21,500,000 | 508 | 636 |
| 55 | Woodsboro ISD | 5,000,000 | 5,000,000 | - | 165 | 148 |
| 56 | Yoakum ISD | 50,000,000 | 50,000,000 | - | 441 | 196 |
| TOTALS: | | \$3,377,805,049 | \$2,470,021,049 | \$897,984,000 | | |



Goals of Financing Plan

- ❑ Comply with the “50-Cent Debt Test” and meet the school facility needs of the District’s growing student enrollment and the expectations of taxpayers;
- ❑ Do not use costly Capital Appreciation Bonds (“CABs”);
- ❑ Maintain bond repayment period of 30-years;
- ❑ Minimize the District’s total interest cost within approved Debt Management strategies;
- ❑ Maximize the District’s future bond capacity for capital improvements; and
- ❑ Provide flexibility to repay outstanding bonds prior to scheduled maturity, as taxable values increase in the future.

■ Incorporating debt management flexibility within the District’s bond portfolio is vital as the District is committing to future payments and the factors impacting the District’s future bond capacity and I&S tax rate are contingent upon continued growth of the District’s tax base, interest rates, etc.

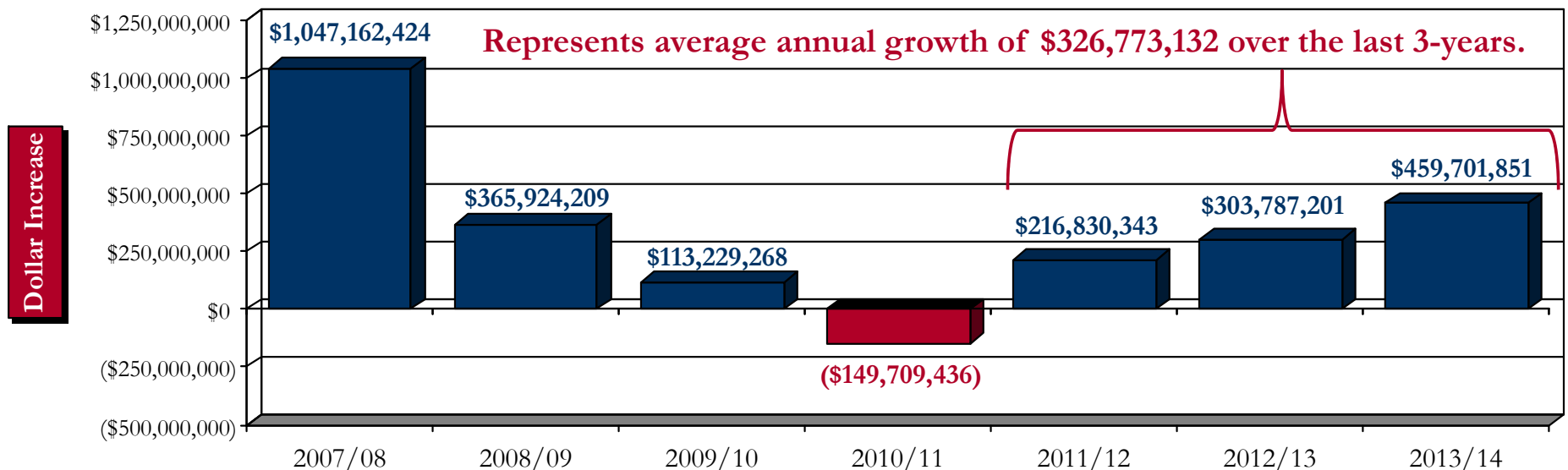


Factors Affecting District's Bond Capacity

I. Taxable Assessed Valuation

- The value of the District's tax base is the primary factor impacting the District's current and future bond capacity.
- ❖ The financing plan for 2013 Bond Program assumes District's taxable assessed valuation will increase by \$300 million per year in each of the next 5-years and remain constant thereafter.
- ❖ Only 5-years of taxable assessed valuation growth is assumed for the 2013 Bond Program to allow future growth to fund the cost of future school district capital improvements.

Historical Increase/Decrease in Taxable Assessed Valuations – Years 2006/07 – 2013/14

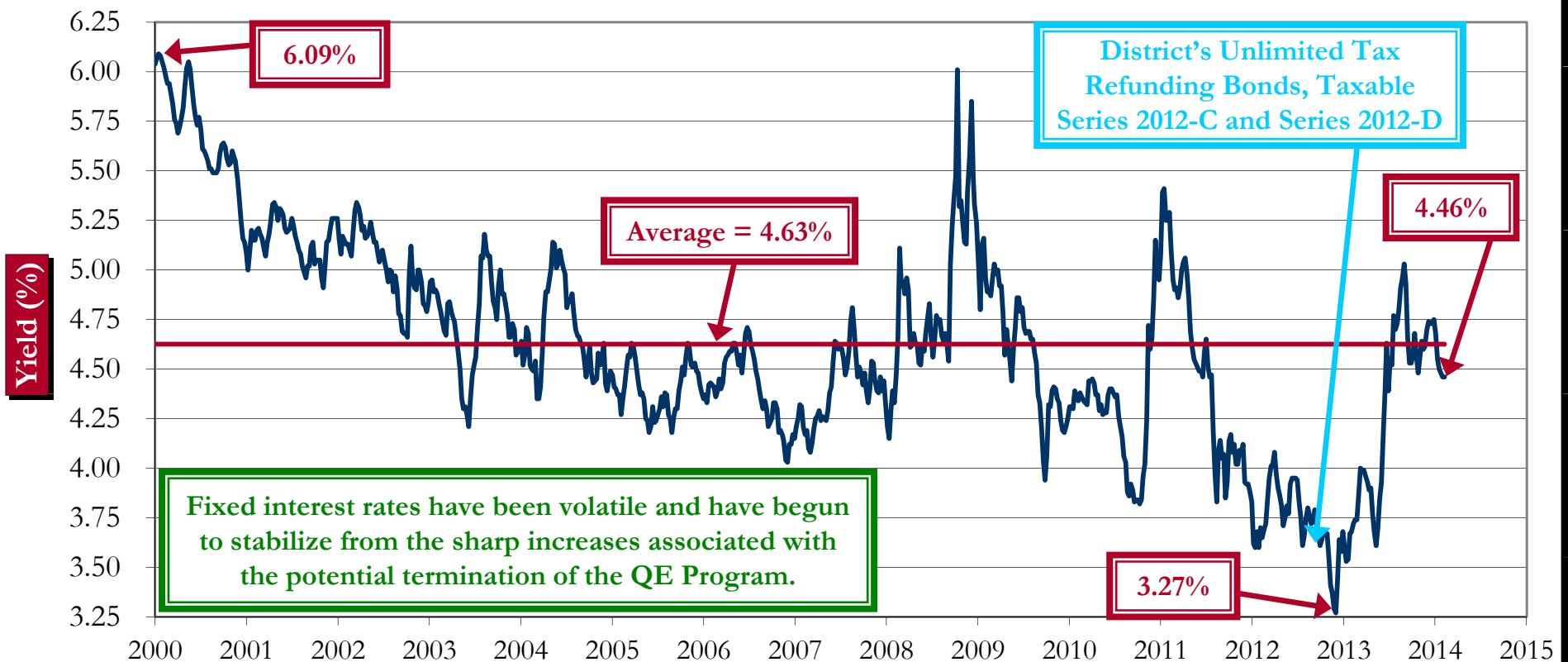




Factors Affecting District's Bond Capacity (Continued)

II. Interest Rate on the Bonds

The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index
January 1, 2000 To The Present

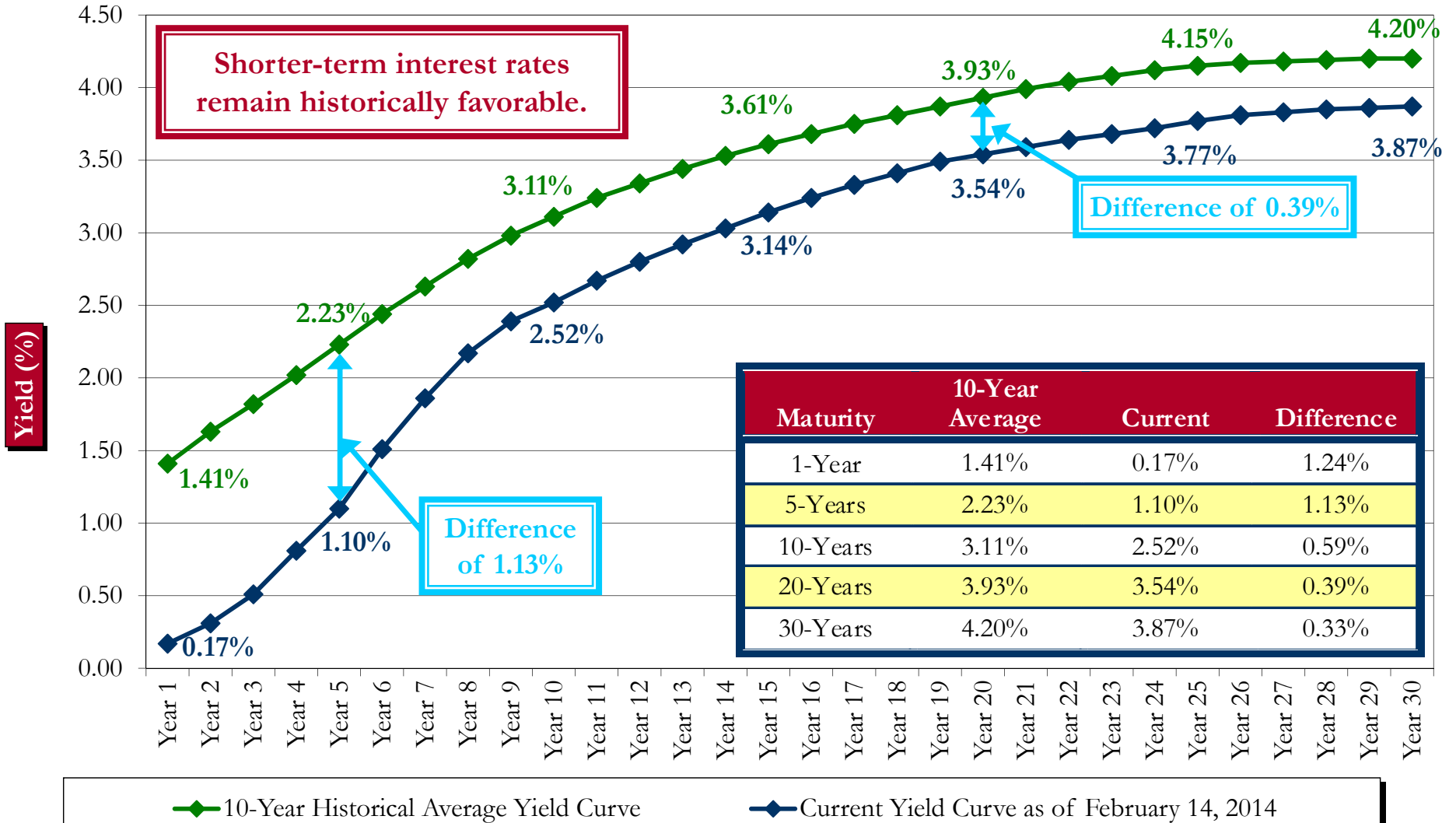


- For a \$156.0 million bond sale, a 0.25% interest rate difference increases/decreases the District's borrowing cost by approximately \$8,350,000.



Current Market Review – Interest Rates by Maturity Date

Comparison of Tax-Exempt “MMD” Interest Rates – Yield Curves



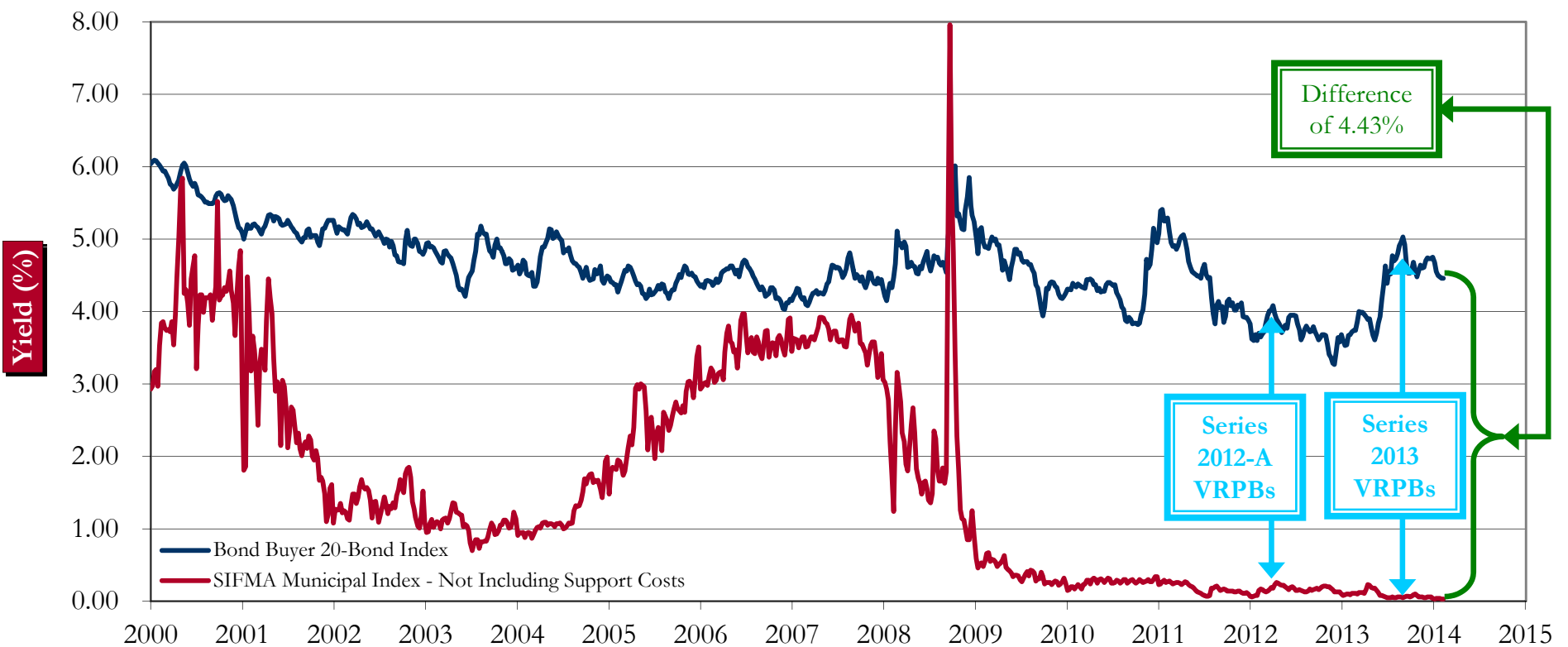


Current Market Review – Variable Rates of Interest

- Over the last 13-years variable rates have averaged 1.64% (not including support costs) and fixed rates have averaged 4.63%. Currently, the difference between short-term and long-term rates remains historically wide, making it attractive to use variable rate bonds.

Review of Fixed And Variable Rates of Interest Bond Buyer 20-Bond Index And SIFMA Municipal Index January 2000 Through The Present

| Fixed Rates | Variable Rates | Difference |
|-----------------|-----------------|-----------------|
| Current = 4.46% | Current = 0.03% | Current = 4.43% |
| Average = 4.63% | Average = 1.64% | Average = 2.99% |

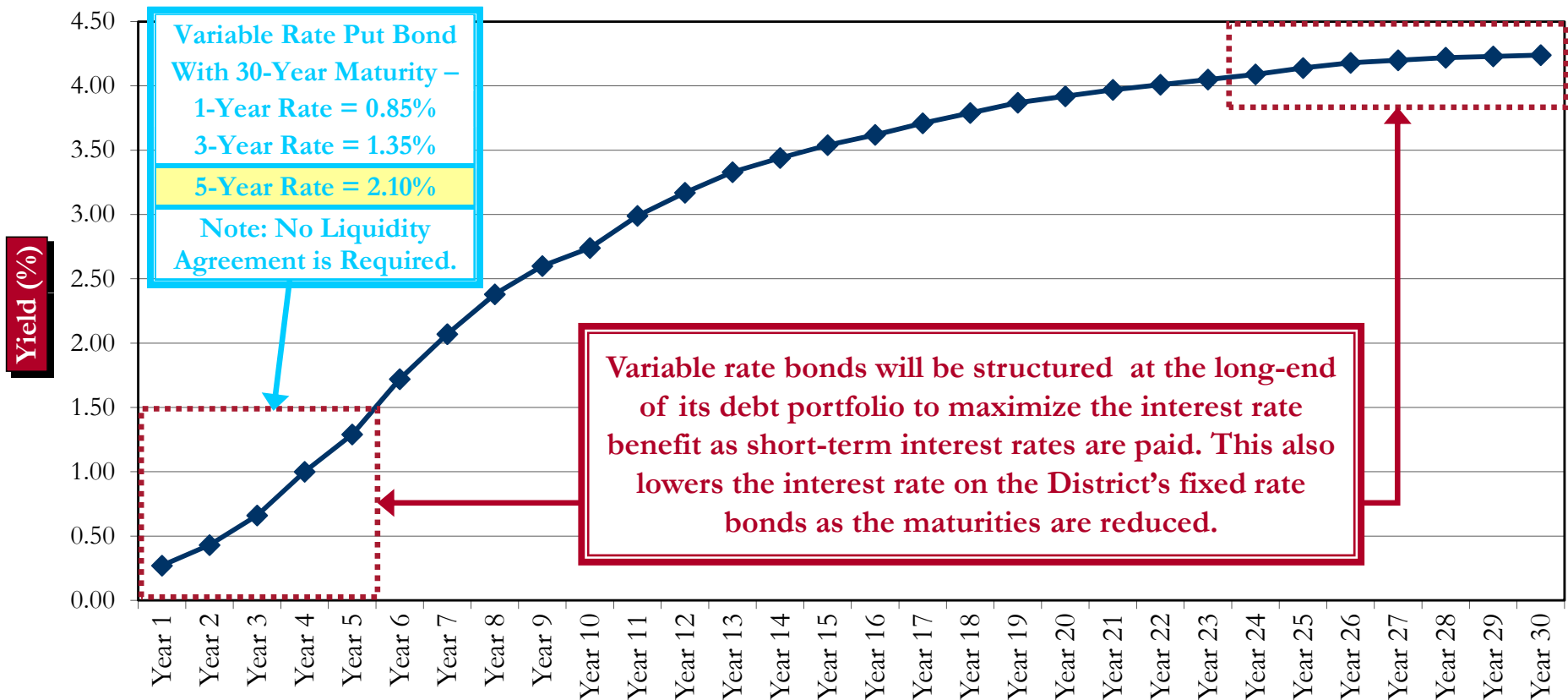




Current Municipal Interest Rate Curve and Variable Rate Put Bond Interest Rates

- At this time, a \$70.0 million Variable Rate Put Bond sale with a 30-year stated maturity that utilizes an initial 5-year interest rate term would lock-in approximately \$6,750,000 of savings (average savings of \$1,350,000 per year) in comparison to a fixed rate bond sale. The District also retains flexibility to “fix” the interest rate when market conditions are favorable.

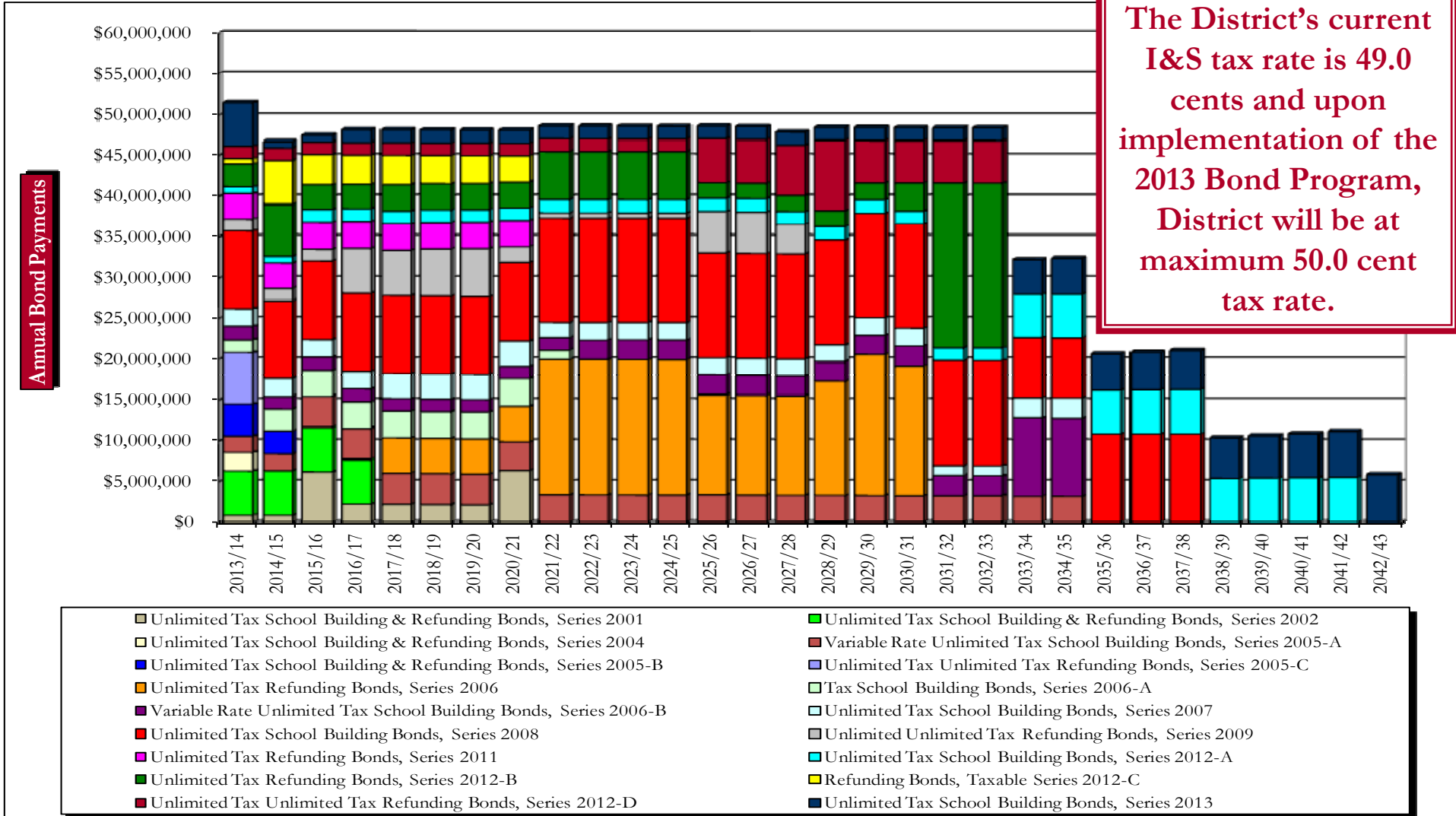
Current Interest Rate Curve – As of February 14, 2014





Factors Affecting District's Bond Capacity (Continued)

III. Dollar Amount and Structure of District's Existing Bonds



Note: Debt service payments reflect payments from September 1 through August 31.

The District has a total principal amount of existing bonds equal to \$631,577,937.



Factors Affecting District's Bond Capacity (Continued)

IV. Bond Credit Ratings

- The District's current bond ratings are:
 - ❖ "AA" – Fitch Ratings; and
 - ❖ "AA" – Standard and Poor's Ratings Services.

- As done with previous bond programs, we recommend that the District conduct formal, "face-to-face" meetings within the rating agencies at the District's Administration office.

V. Interest & Sinking Fund Reserves

- The District's I&S Fund balance was approximately \$11,250,000 as of August 31, 2013.



Variable Rate Bond Capacity

- ❑ Pursuant to the District's Debt Management Policy, variable rate bonds may comprise up to 25% of its debt portfolio.

❑ The District has a variable rate bond capacity of approximately \$159.5 million at this time.

Calculation of Variable Rate Bond Capacity

| Description | Summary |
|---|-----------------------|
| Existing Bonds | \$ 631,577,937 |
| Plus: Authorized But Unissued Bonds | 343,745,000 |
| Total Bond Portfolio | \$ 975,322,937 |
| Variable Rate Capacity at 25% of Debt Portfolio | \$ 243,830,734 |
| Less: Existing Variable Rate Bonds | 84,300,000 |
| Total Variable Rate Bond Capacity | \$ 159,530,734 |

- ❑ The following provides a summary of the District's variable rate bonds outstanding.

Review of the District's Existing Variable Rate Put Bonds

| Issue Description | Par Amount Outstanding | Interest Rate Term | Expiration Date of Rate Period | Stated Maturities | Current Interest Rate | Estimated Fixed Rate Alternative | Estimated Savings – 3-Years |
|--|------------------------|--------------------|--------------------------------|-------------------|-----------------------|----------------------------------|-----------------------------|
| Variable Rate Unlimited Tax School Building Bonds, Series 2012-A | \$40,000,000 | 3-Years | 07/31/2015 | 2034 – 2042 | 1.10% | 4.32% | \$ 3,299,687 |
| Variable Rate Unlimited Tax School Building Bonds, Series 2013 | 44,300,000 | 3-Years | 07/31/2016 | 2034 – 2043 | 1.15% | 4.83% | 3,427,223 |



Preliminary Financing Plan – 2014 Bond Sales

The remainder of this Preliminary Financing Plan is based upon the assumptions detailed herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to the District will correspondingly change.

□ Scenario Presented

- Fund the construction of High School No. 4 and Elementary School No. 23, the purchase of land and other projects with the issuance of \$156.0 million of bonds from the 2013 Bond Program.
- Upon the sale, the District will have \$187,745,000 of bonds remaining to be sold:
 - ❖ \$31,745,000 – 2007 Bond Program
 - ❖ \$156.0 million – 2013 Bond Program
- The remaining bonds will be sold in the future as the District's taxable assessed valuation increases to permit the District to cost-effectively comply with the "50.0 Cent Debt Test."



Preliminary Financing Plan – 2014 Bond Sales (Continued)

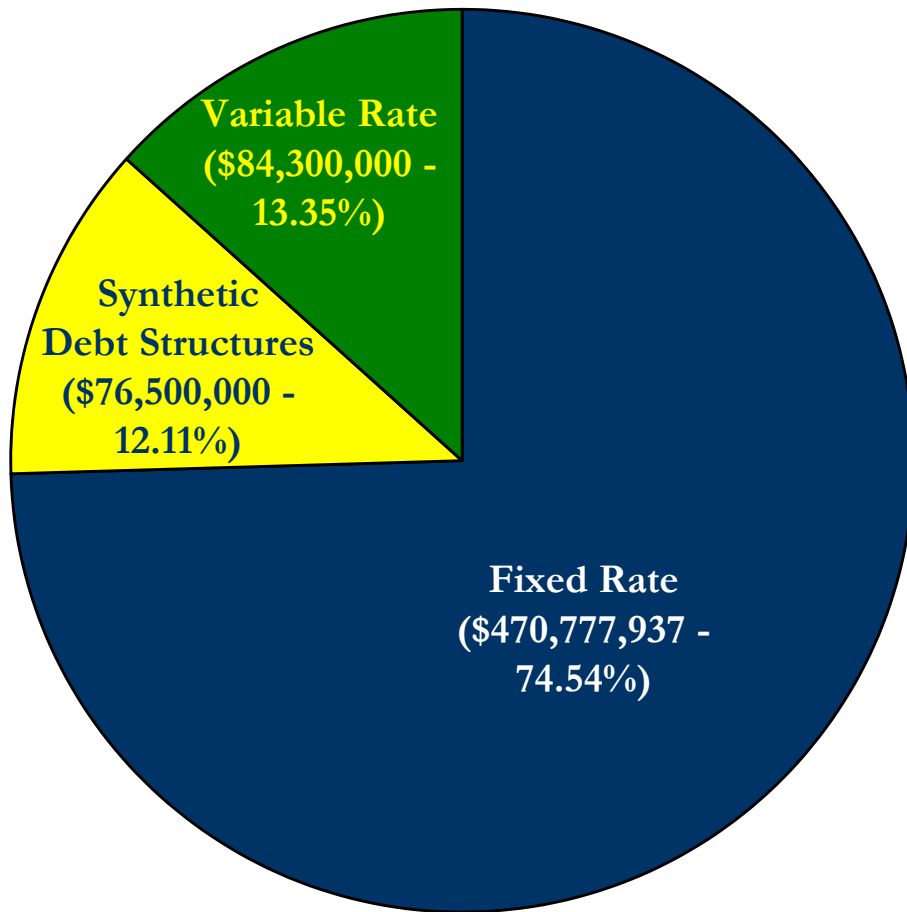
□ Financing Components

- Bonds will be sold utilizing a combination of fixed and variable rates of interest.
 - ❖ **\$86.0 Million – Fixed Rate Bond Sale (the “Series 2014-A Bonds”)**
 - ❖ **\$70.0 Million – Variable Rate Bond Sale (the “Series 2014-B Bonds”)**
 - ✓ \$70.0 million of variable rate bonds are anticipated to be sold with an initial 5-year interest rate term – Interest rate fixed through fiscal year 2018/19.
 - ✓ Based upon current market conditions, we estimate the District’s initial variable interest rate to be 2.10%. Based upon the current difference between variable and fixed rates of interest, the Series 2014-B Bonds will lower the District’s borrowing cost by approximately \$6.75 million over the next 5-years (average of \$1,350,000 per year).

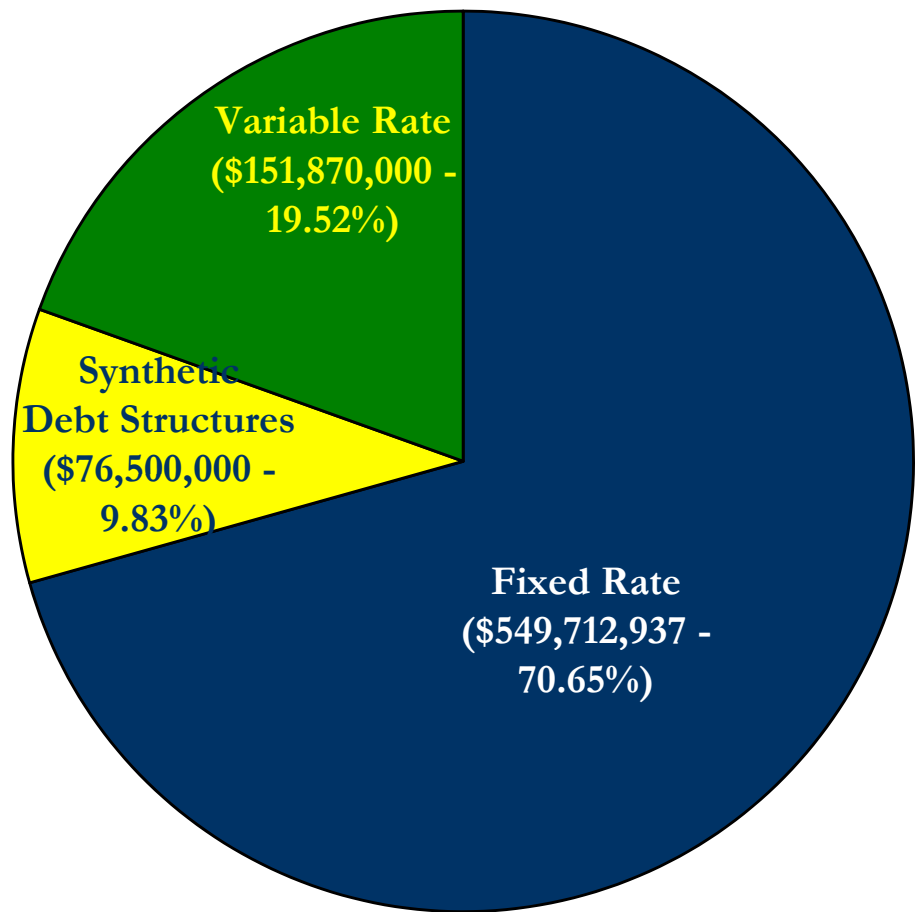


Composition of Debt Portfolio

Existing Bond Portfolio



Updated Bond Portfolio – Upon 2014 Bond Sales





Preliminary Financing Plan – 2014 Bond Sales

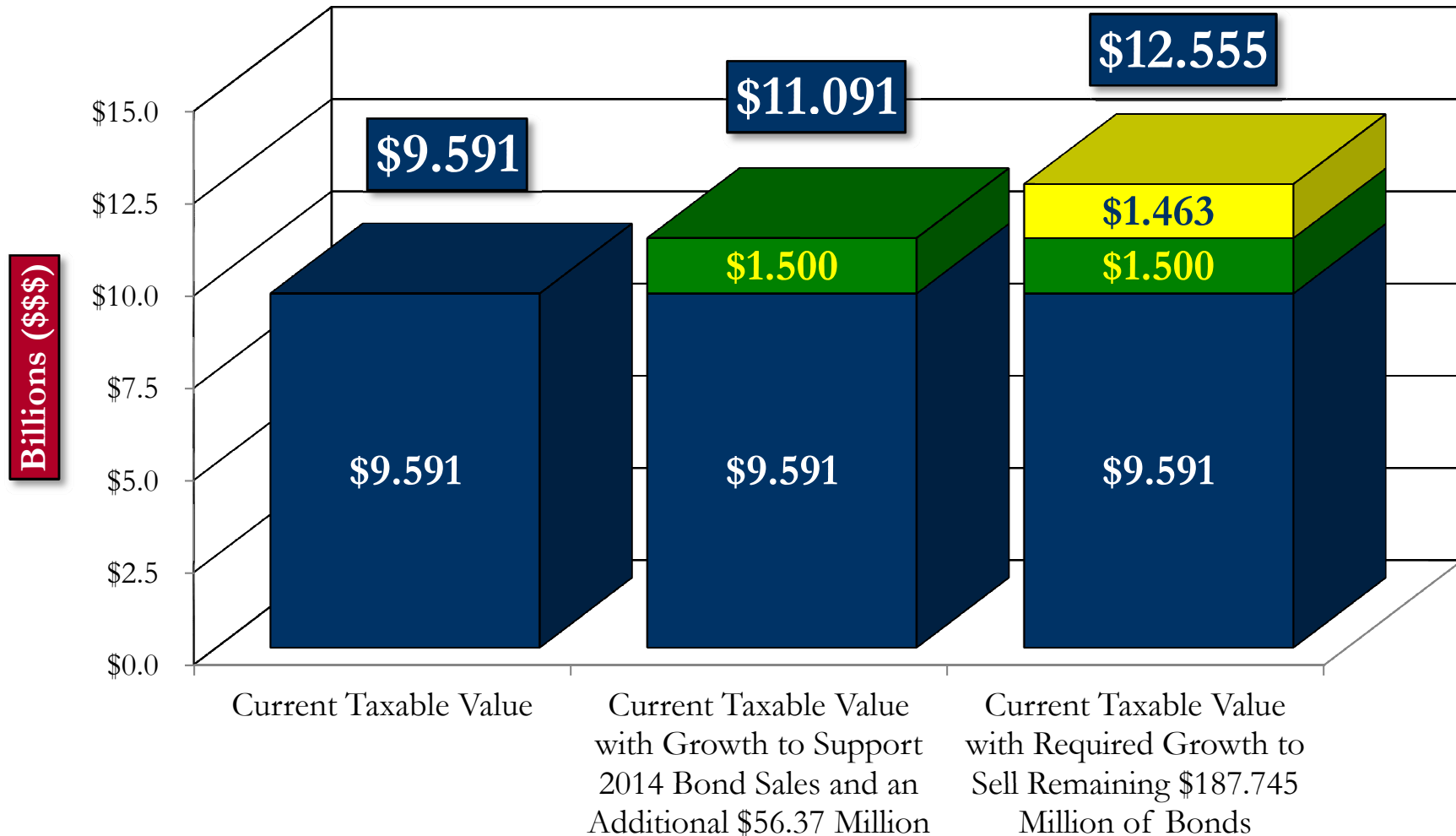
| Preliminary Financing Plan - 2014 Bond Sales - Projected Results | | | | | | | | | |
|--|----------------------------------|---|--|------------------------------|---|----------------------------|--|------------------------|-------------------------|
| A | B | C | D | E | F | G | H | I | J |
| Year | Total Outstanding Bonds Payments | Plus: Fixed Rate Series 2014-A \$86,000,000 @ 4.16% | Plus: Variable Rate Series 2014-B \$70,000,000 @ 3.51% | Total Combined Bond Payments | Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings, & Capitalized Interest | Net Combined Bond Payments | Taxable Assessed Valuation (Net of Frozen) | Projected I&S Tax Rate | I&S Tax Rate Difference |
| 2013/14 | \$51,438,853 | \$0 | \$0 | \$51,438,853 | \$5,023,765 | \$46,415,088 | \$9,591,174,581 | \$0.4900 | |
| 2014/15 | 46,748,630 | 4,779,953 | 2,376,212 | 53,904,794 | 5,058,765 | 48,846,030 | 9,891,174,581 | 0.5000 | \$0.0100 |
| 2015/16 | 47,499,680 | 5,821,750 | 2,027,100 | 55,348,530 | 5,023,765 | 50,324,765 | 10,191,174,581 | 0.5000 | |
| 2016/17 | 48,204,468 | 6,598,000 | 2,027,100 | 56,829,568 | 5,023,765 | 51,805,803 | 10,491,174,581 | 0.5000 | |
| 2017/18 | 48,191,235 | 4,895,750 | 2,027,100 | 55,114,085 | 5,023,765 | 50,090,320 | 10,791,174,581 | 0.4700 | (\$0.0300) |
| 2018/19 | 48,173,280 | 6,306,750 | 2,027,100 | 56,507,130 | 5,023,765 | 51,483,365 | 11,091,174,581 | 0.4700 | |
| 2019/20 | 48,149,900 | 5,654,250 | 2,702,800 | 56,506,950 | 5,023,765 | 51,483,185 | 11,091,174,581 | 0.4700 | |
| 2020/21 | 48,142,026 | 5,662,750 | 2,702,800 | 56,507,576 | 5,023,765 | 51,483,811 | 11,091,174,581 | 0.4700 | |
| 2021/22 | 48,659,655 | 5,145,500 | 2,702,800 | 56,507,955 | 5,023,765 | 51,484,190 | 11,091,174,581 | 0.4700 | |
| 2022/23 | 48,653,090 | 5,153,500 | 2,702,800 | 56,509,390 | 5,023,765 | 51,485,625 | 11,091,174,581 | 0.4700 | |
| 2023/24 | 48,642,091 | 5,161,500 | 2,702,800 | 56,506,391 | 5,023,765 | 51,482,626 | 11,091,174,581 | 0.4700 | |
| 2024/25 | 48,636,390 | 5,169,250 | 2,702,800 | 56,508,440 | 5,023,765 | 51,484,676 | 11,091,174,581 | 0.4700 | |
| 2025/26 | 48,664,817 | 5,141,500 | 2,702,800 | 56,509,117 | 5,023,765 | 51,485,353 | 11,091,174,581 | 0.4700 | |
| 2026/27 | 48,599,892 | 5,204,750 | 2,702,800 | 56,507,442 | 5,023,765 | 51,483,677 | 11,091,174,581 | 0.4700 | |
| 2027/28 | 47,911,700 | 5,894,250 | 2,702,800 | 56,508,750 | 5,023,765 | 51,484,986 | 11,091,174,581 | 0.4700 | |
| 2028/29 | 48,494,006 | 5,313,250 | 2,702,800 | 56,510,056 | 5,023,765 | 51,486,292 | 11,091,174,581 | 0.4700 | |
| 2029/30 | 48,476,291 | 5,328,250 | 2,702,800 | 56,507,341 | 5,023,765 | 51,483,576 | 11,091,174,581 | 0.4700 | |
| 2030/31 | 48,470,216 | 5,335,500 | 2,702,800 | 56,508,516 | 5,023,765 | 51,484,751 | 11,091,174,581 | 0.4700 | |
| 2031/32 | 48,458,243 | 5,345,000 | 2,702,800 | 56,506,043 | 5,023,765 | 51,482,278 | 11,091,174,581 | 0.4700 | |
| 2032/33 | 48,445,033 | 5,361,250 | 2,702,800 | 56,509,083 | 5,023,765 | 51,485,318 | 11,091,174,581 | 0.4700 | |
| 2033/34 | 32,188,410 | 9,018,500 | 2,702,800 | 43,909,710 | 5,023,765 | 38,885,946 | 11,091,174,581 | 0.3550 | |
| 2034/35 | 32,328,541 | 8,879,250 | 2,702,800 | 43,910,591 | 5,023,765 | 38,886,826 | 11,091,174,581 | 0.3550 | |
| 2035/36 | 20,696,450 | 9,558,750 | 2,702,800 | 32,958,000 | 5,023,765 | 27,934,235 | 11,091,174,581 | 0.2550 | |
| 2036/37 | 20,895,850 | 9,355,500 | 2,702,800 | 32,954,150 | 5,023,765 | 27,930,385 | 11,091,174,581 | 0.2550 | |
| 2037/38 | 21,107,300 | 2,646,000 | 9,202,800 | 32,956,100 | 5,023,765 | 27,932,335 | 11,091,174,581 | 0.2550 | |
| 2038/39 | 10,428,400 | 0 | 11,572,800 | 22,001,200 | 5,023,765 | 16,977,435 | 11,091,174,581 | 0.1550 | |
| 2039/40 | 10,671,800 | 0 | 11,327,600 | 21,999,400 | 5,023,765 | 16,975,635 | 11,091,174,581 | 0.1550 | |
| 2040/41 | 10,941,600 | 0 | 11,057,600 | 21,999,200 | 5,023,765 | 16,975,435 | 11,091,174,581 | 0.1550 | |
| 2041/42 | 11,230,800 | 0 | 10,768,600 | 21,999,400 | 5,023,765 | 16,975,635 | 11,091,174,581 | 0.1550 | |
| 2042/43 | 5,917,600 | 0 | 10,056,200 | 15,973,800 | 5,023,765 | 10,950,035 | 11,091,174,581 | 0.1000 | |
| 2043/44 | 0 | 0 | 15,397,200 | 15,397,200 | 5,023,765 | 10,373,435 | 11,091,174,581 | 0.0947 | |
| Total | \$1,145,066,245 | \$142,730,703 | \$138,517,812 | \$1,426,314,759 | \$155,771,703 | \$1,270,543,056 | | | |

Incorporated Future Bond Capacity



Review of District's Bond Capacity – Upon 2014 Bond Sales

Taxable Assessed Valuation Necessary to Permit Sale of Remaining Bonds from 2007 and 2013 Bond Programs





Preliminary Timetable – 2014 Bond Sales

| February 2014 | | | | | | |
|---------------|----|----|----|----|----|----|
| 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 | |

| March 2013 | | | | | | |
|------------|----|----|----|----|----|----|
| 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 | | | | | |

| April 2014 | | | | | | |
|------------|----|----|----|----|----|----|
| 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 | | | |

| May 2014 | | | | | | |
|----------|----|----|----|----|----|----|
| 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 |

Board Meeting
 Closing – Receipt of Funds

| Preliminary Timetable | |
|-----------------------|---|
| Date* | Action Necessary |
| February 25, 2014 | Board Meeting – Discuss Preliminary Financing Plan For Sale Of \$156.0 Million Of Bonds From The 2013 Bond Program. |
| March 25, 2014 | Board Meeting – Consider “Parameters Bond Order” Authorizing Issuance Of Series 2014-A And Series 2014-B Bonds. |
| April 2014 | Bond Rating Presentation – Fitch Ratings And Standard & Poor’s Ratings Services. |
| April 25, 2014 | Completion Of All Actions Necessary To Sell Series 2014-A And 2014-B Bonds. |
| To Be Determined | Pricing – Sale Of The Series 2014-A And 2014-B Bonds Within The Specified Parameters – Interest Rates Locked-In At This Time. |

* Preliminary, subject to change.



Approval of Parameters Order – 2014 Bond Sales – \$156.0 Million Bond Sale from the 2013 Bond Program

- ❑ Pursuant to a “Parameters Bond Order” to be considered by the District’s Board of Trustees on March 25, 2014, the following is a representative listing of the parameters to be used for the District’s 2014 Bond Sales.

| Parameters for Sales of Series 2014-A and Series 2014-B Bonds | | |
|--|--|---|
| Parameter | Series 2014-A Bonds (“Fixed Rate”) | Series 2014-B Bonds (“Variable Rate”) |
| 1) Maximum Principal Amount | \$86,000,000 | \$70,000,000 |
| 2) True Interest Rate – Must Not Exceed: | 5.00% | The Highest Lawful Rate (Anticipated Rate of 2.10%) |
| 3) Final Maturity – Must Not Exceed | August 15, 2044 | August 1, 2044 |
| 4) Completion of Bond Sales (i.e. Within 180 Days): | September 21, 2014 | September 21, 2014 |

- ❑ Unless the parameters detailed above can be achieved, the Bonds would not be issued unless additional direction was received from the District.



BOSC, Inc.'s Specialized Texas School District Finance Team



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