

# Kaufman Independent School District

Updated Bond Plan

June 9, 2025



Capital  
Markets

# Current Market Review



## Economic Update

### U.S. Economic Overview (as of June 2<sup>nd</sup>)

- US shares advanced last week, with the DJIA, S&P500, and Nasdaq climbing 1.6%, 1.9%, and 2.0%, respectively.
- A re-escalation of trade tensions and geopolitical uncertainty put pressure on Treasuries and risk markets at Monday's open.
- The White House pledged to double tariffs on steel and aluminum, and the US and China traded barbs over breaches of the trade deal.
- GDP declined 0.2% in the first quarter, a slightly better reading than the initial print of -0.3%.
- The calendar includes 53 transactions sized at \$100mm or larger, and investor bandwidth is likely to be stretched thin.
- Municipal bond funds reported net inflows of \$526mm last week, marking the fifth consecutive week of positive fund flows.

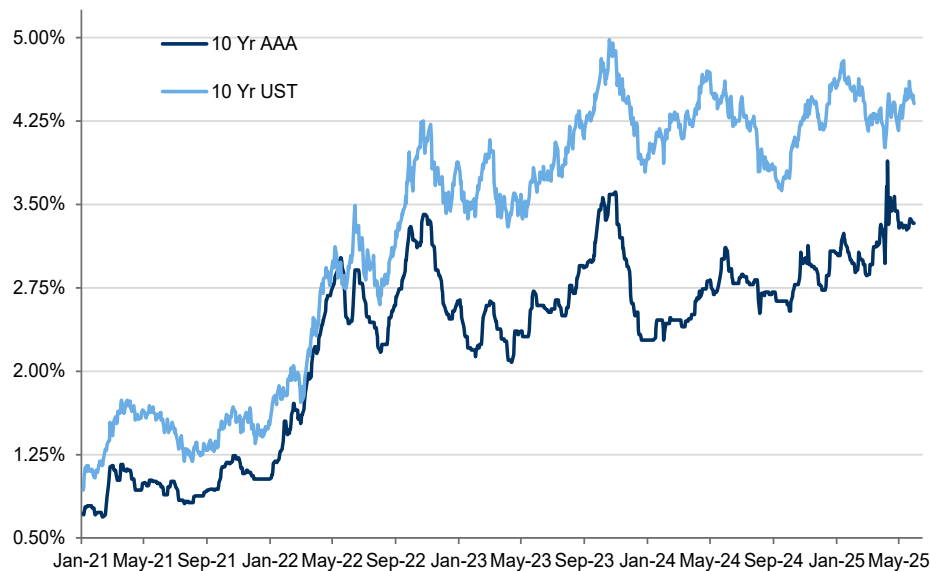
### RBC Economic Outlook and Interest Rate Forecasts<sup>(1)</sup>

	Q2'25	Q3'25	Q4'25	Q1'26	Q2'26
Real GDP (QoQ)	1.00	0.50	1.00	1.20	1.50
Core Inflation (YoY)	2.40	2.80	2.70	2.40	2.60
Fed Funds*	4.38	4.13	3.63	3.13	2.88
2-Year Notes	4.00	3.60	3.20	3.15	3.25
5-Year Notes	4.05	3.70	3.40	3.25	3.30
10-Year Notes	4.40	4.10	3.80	3.65	3.65
30-Year Bonds	4.80	4.55	4.35	4.30	4.30

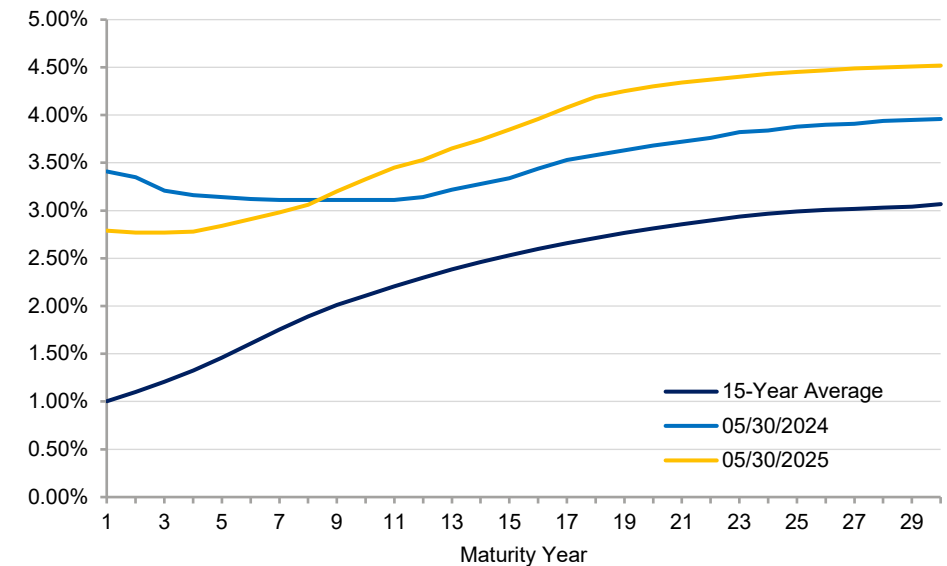
<sup>(1)</sup> RBC Rate and Economic Forecast as of May 14, 2025.

\*Midpoint of range.

### Tax-Exempt and Taxable Yield Trends: January 1, 2021 - Present



### Today's MMD Yield Curve in Context

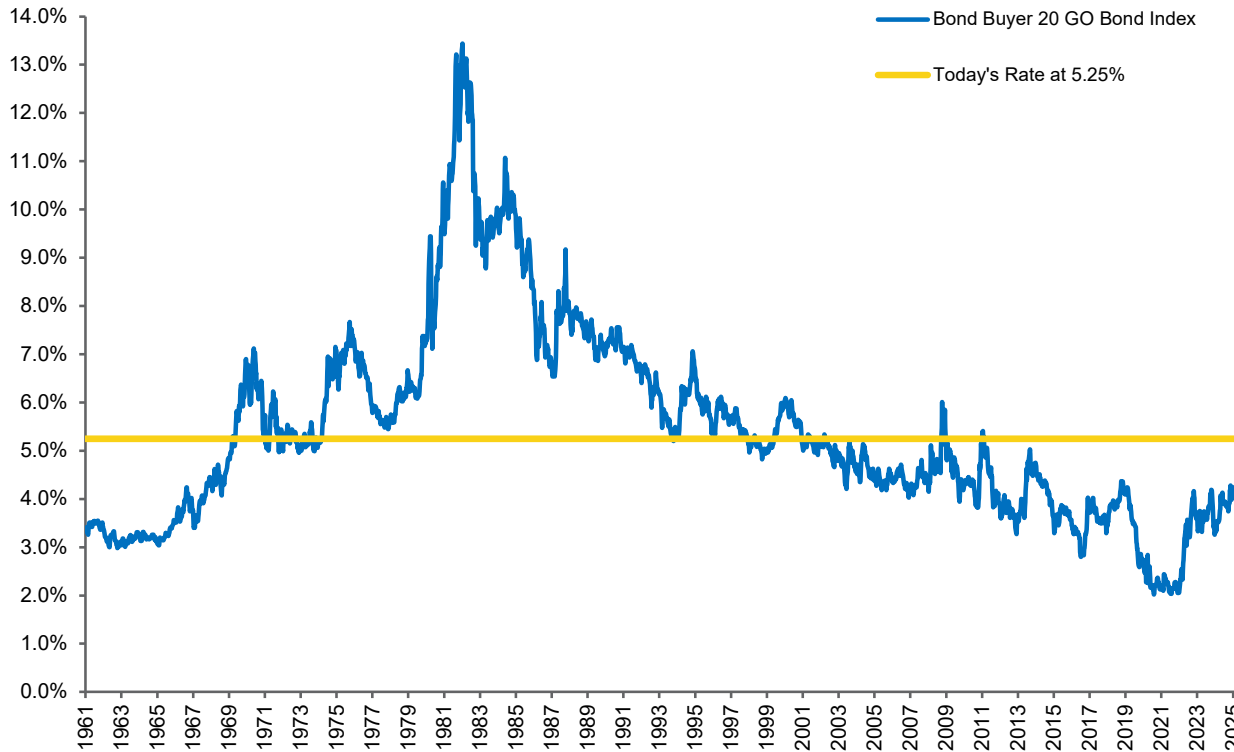


# Current Market Review



## Historical Perspective

### Bond Buyer 20 GO Index since January 1961



### % of Time in Each Range Since 1961

#### Yield Range

Less than 3.50%	14.29%	
3.50% - 4.00%	12.62%	
4.01% - 4.50%	11.40%	
4.51% - 5.00%	9.01%	
5.01% - 5.50%	12.80%	
5.51% - 6.00%	8.74%	
6.01% - 6.50%	6.77%	
6.51% - 7.00%	6.18%	
7.01% - 7.50%	5.58%	
7.51% - 8.00%	3.28%	
Greater than 8.00%	9.34%	
Total	100.00%	

Source: Bloomberg as of May 29, 2025

Weekly yields and indexes released by the Bond Buyer. Updated every Thursday at approximately 6:00pm EST. 20 Bond General Obligation Yield with 20 year maturity, rated Aa2 by Moody's Arithmetic Average of 20 bonds' yield to maturity.

**Today's 5.25% level is lower than 45.50% of historical rates since July 1961.**

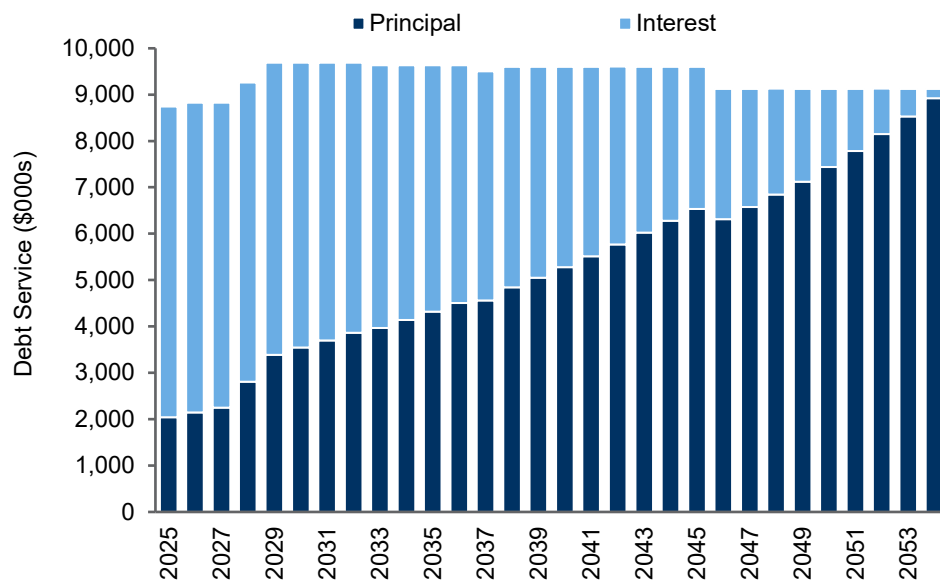
# Review of Outstanding Debt



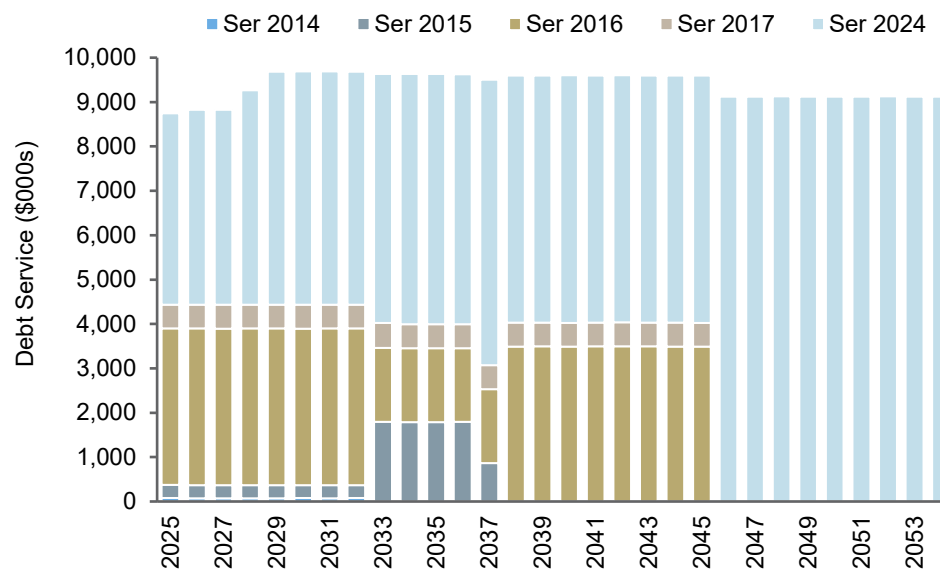
## Summary of Existing Unlimited Tax Debt ("A+" / "A1")

Issue	Issued Par Amount	Outstanding Par Amount	Callable Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure
U/L Tax Ref Bds Ser 2014	\$763,351	\$455,000	\$455,000	4.000%	08/15/2024	02/15/2032	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2015	8,295,000	7,350,000	7,350,000	4.000%	02/15/2025	02/15/2037	Fixed Rate
U/L Tax Sch Bldg & Ref Bds Ser 2016	54,750,000	42,155,000	40,305,000	3.000% - 5.000%	02/15/2026	02/15/2045	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2017	9,235,000	7,415,000	6,920,000	4.000%	02/15/2027	02/15/2045	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2024	98,775,000	98,775,000	91,385,000	4.000% - 5.000%	02/15/2034	02/15/2054	Fixed Rate
<b>Total</b>	<b>\$171,818,351</b>	<b>\$156,150,000</b>	<b>\$146,415,000</b>				

## Outstanding Unlimited Tax Debt by Principal and Interest



## Outstanding Unlimited Tax Debt by Series



Note: Debt service does not include QSC Maintenance Tax Notes, Taxable Series 2010 payable from the District's M&O tax levy.

# Review of Outstanding Debt



## Credit Rating Report

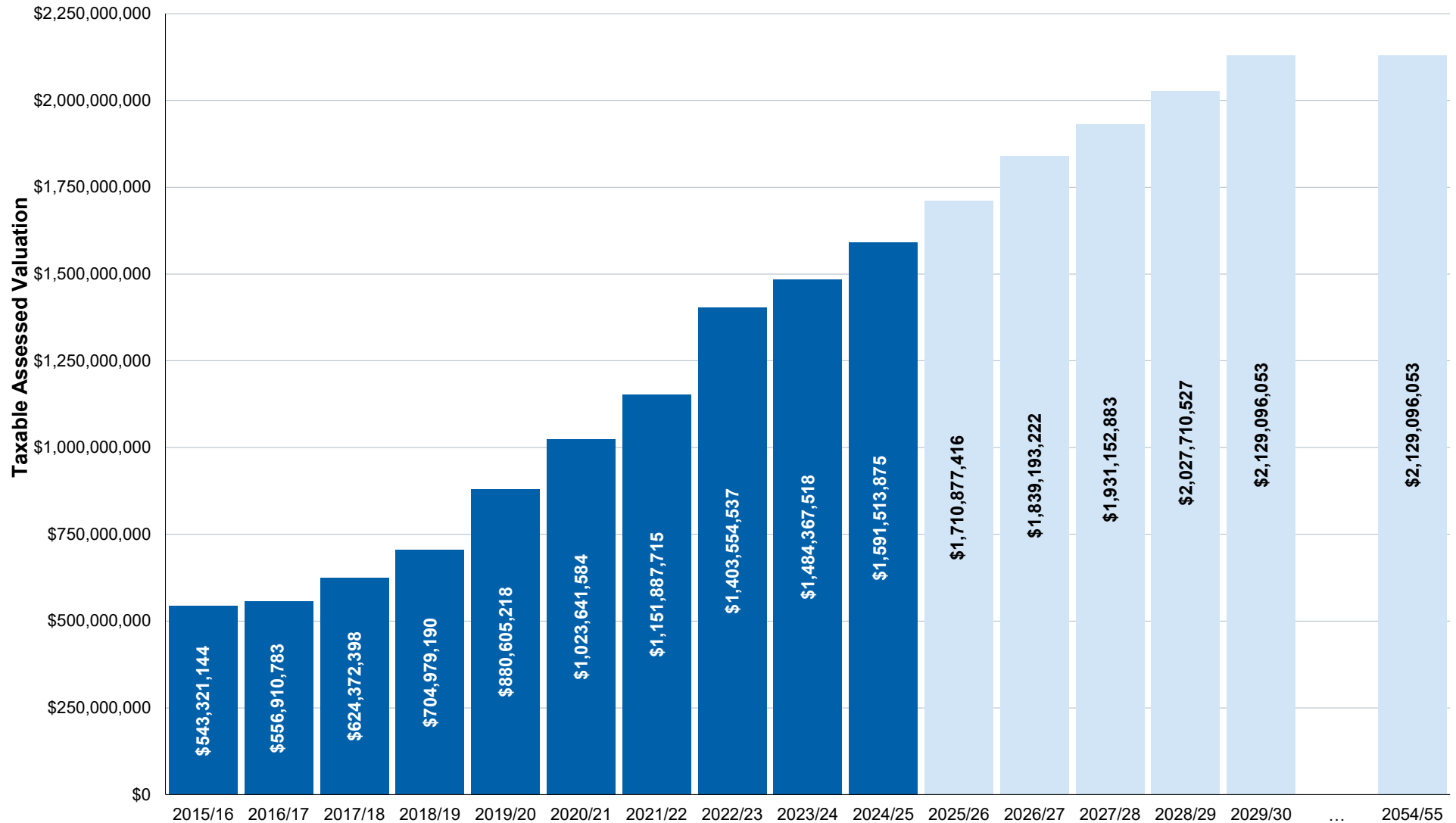
- On July 16, 2024, S&P Global Ratings (“S&P”) affirmed the District’s underlying credit rating of “A+”.
- S&P’s rating reflects the following opinions regarding the District:
  - Very diverse and growing economy benefitting from proximity to Dallas, resulting in residential and enrollment growth;
  - Very strong financial performance, resulting in growing reserves and the flexibility to absorb costs associated with the loss of Elementary & Secondary School Emergency Relief (ESSER) funds;
  - High debt profile, with high overall net debt per capita, slow amortization, and no near-term plans for future issuances; and
  - Low pressure from pension and other postemployment benefits (OPEB) as the district participates in the Teacher Retirement system (TRS), which assists with contributions and the unfunded liability, and participation in the Texas Public School Retired Employees Group Insurance Plan (TRS-Care).
- All of the District’s outstanding debt, with the exception of the Series 2010 maintenance tax notes, is insured by the Permanent School Fund Guarantee program and carries its “AAA” credit rating.

S&P Global Ratings		
Highest Quality (Lowest Default Risk)	AAA	← PSF
High Grade / High Quality	AA+	
	AA	
	AA-	
Upper Medium Grade	A+	←
	A	
	A-	
Minimum Investment Grade	BBB+	
	BBB	
	BBB-	
Speculative Grade	BB (+,-)	
	B (+,-)	
Highly Speculative Grade	CCC (+,-)	
	CC	
	C	
Imminent Default or In Default	SD	
	D	

# Updated Bond Plan



## Historical and Projected Net Taxable Assessed Valuation Growth



Note: Taxable assessed valuation is shown net of \$100,000 Residential Homestead Exemption.

# Updated Bond Plan



## Historical and Projected Net Taxable Assessed Valuation Growth

Fiscal Year	2015/16	2016/17	2017/18	2018/19	2019/20
Taxable Assessed Valuation	\$543,321,144	\$556,910,783	\$624,372,398	\$704,979,190	\$880,605,218
Percentage Change	1.25%	2.50%	12.11%	12.91%	24.91%
Dollar Change	\$6,713,564	\$13,589,639	\$67,461,615	\$80,606,792	\$175,626,028

Fiscal Year	2020/21	2021/22	2022/23	2023/24	2024/25
Taxable Assessed Valuation	\$1,023,641,584	\$1,151,887,715	\$1,403,554,537	\$1,484,367,518	\$1,591,513,875
Percentage Change	16.24%	12.53%	21.85%	5.76%	7.22%
Dollar Change	\$143,036,366	\$128,246,131	\$251,666,822	\$80,812,981	\$107,146,357

Fiscal Year	2025/26	2026/27	2027/28	2028/29	2029/30
Taxable Assessed Valuation	\$1,710,877,416	\$1,839,193,222	\$1,931,152,883	\$2,027,710,527	\$2,129,096,053
Percentage Change	7.50%	7.50%	5.00%	5.00%	5.00%
Dollar Change	\$119,363,541	\$128,315,806	\$91,959,661	\$96,557,644	\$101,385,526

Historical Average Annual Increase - Years 2015/16-2024/25 (10-Years)	Historical Average Annual Increase - Years 2020/21-2024/25 (5-Years)	Historical Average Annual Increase - Years 2022/23-2024/25 (3-Years)	Projected Average Annual Increase - Years 2025/26-2029/30 (5-Years)
11.73%	12.72%	11.61%	6.00%
\$105,490,630	\$142,181,731	\$146,542,053	\$107,516,436

Note: Taxable assessed valuation is shown net of \$100,000 Residential Homestead Exemption.



## Financing Scenario and Summary of Assumptions

We present the following scenario for the District's consideration:

### Financing Scenario:

Issue **\$20,000,000** of remaining authorization in August 2025, structured to produce a maximum 50-cent I&S tax rate, utilizing all current interest bonds over a 30-year amortization. Remaining authorization of \$50,000,000 is to be issued as capacity allows.

The financing scenario is based on the assumptions summarized below:

- Assumes the Series 2025 Bonds will be sold via a negotiated sale on July 17, 2025. (Subject to change.)
- Assumes the first interest payment date on the Bonds will be August 15, 2025.
- Assumes a tax collection rate of 96.0%.
- Assumes current market interest rates plus 50 basis points (0.50%). (Subject to change.)
- Assumes the District receives the Permanent School Fund ("PSF") guarantee for the bonds. (PSF approval has not been confirmed by TEA.)
- Assumes the District utilizes up to \$1,777,000 in I&S fund balance to be used through fiscal year 2028/29. (Subject to change.)
- Assumes the Bonds are sold with a 10-year optional redemption provision. (Subject to change.)
- Assumes the District receives a combination Existing Debt Allotment ("EDA") funding, Instructional Facilities Allotment ("IFA") and/or Additional State Aid for Homestead Exemption ("ASAHE") to offset tax revenue losses related to the State-Mandated Homestead Exemption. Assumes the District will be held harmless for any lost tax revenue associated with an increase to the Homestead Exemption.
- The District must be able to demonstrate at the time of issuance of new bonds that it can levy an Interest & Sinking Fund tax rate of no more than \$0.50 for all Bonds issued after September 1, 1992, based upon its current taxable assessed valuation. Note the District's current year EDA, IFA, the Subchapter B portion of its Tier I funds and ASAHE may be used to comply with this test. **It is currently estimated that the District would need to pledge up to \$1,818,669 of its Tier I funds to pass the test for the scenario shown herein (subject to change).** The District would need to use that amount of its Tier I funds prior to ever levying an I&S rate above \$0.50, if the District couldn't meet its debt service requirements in any given year with a \$0.50 levy.





## Summary of Findings

Financing Scenario	
Amount of Bond Proceeds to the District	\$20,000,000
Amortization Period	30 Years
Current I&S Fund Tax Rate	\$0.500
<b>Maximum I&amp;S Fund Tax Rate</b>	<b>\$0.500</b>
Net Outstanding Unlimited Tax Debt Service	\$281,329,755
Plus: Projected New Bond Debt Service	46,354,878
Less: Projected State Assistance	(10,709,394)
Less: I&S Fund Balance	(1,777,000)
Less: Projected Frozen Levy Revenues	(9,240,000)
<b>Total Net Projected Outstanding Debt Service</b>	<b>\$305,958,239</b>

# Updated Bond Plan



## Financing Scenario - \$20,000,000

Scenario: Issue \$20,000,000 of Unlimited Tax Bonds in August 2025, Utilizing a 30-Year Amortization, Certified 2024/25 TAV to Grow 7.5% for 2 Years and 5% for 2 Years.																
A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Fiscal Year Ending	Total Outstanding Debt Service	Series 2025 \$20,000,000 @ 5.39%	Total Projected Debt Service	Less: State Assistance	Less: I&S Fund Balance	Less: Capitalized Interest	Less: Frozen Levy Revenue	Net Combined Debt Service	Gross Taxable Assessed Valuation	Net Taxable Assessed Valuation	TAV Growth	Tax Rate Impact Analysis -			Tier I Funds Analysis	
												Current Tax Rate	Projected Tax Rate	Tax Rate Difference	Max Tier I Funds Needed for 50-Cent Test <sup>(A)</sup>	Tier I Funds Needed For Debt Service <sup>(B)</sup>
2025	\$8,743,204	\$27,003	\$8,770,207	\$562,265	\$332,000	\$0	\$240,000	\$7,635,942	\$1,770,236,191	\$1,591,513,875	8.75%	\$0.500	\$0.500		0	0
2026	8,827,988	1,080,100	9,908,088	562,191	835,000	0	300,000	8,210,896	1,903,003,905	1,710,877,416	7.50%		0.500		0	0
2027	8,826,163	1,080,100	9,906,263	562,008	220,000	0	300,000	8,824,254	2,045,729,198	1,839,193,222	7.50%		0.500		0	0
2028	9,262,863	1,080,100	10,342,963	562,310	215,000	0	300,000	9,265,652	2,148,015,658	1,931,152,883	5.00%		0.500		0	0
2029	9,686,313	1,080,100	10,766,413	562,082	175,000	0	300,000	9,729,331	2,255,416,441	2,027,710,527	5.00%		0.500		0	0
2030	9,687,738	1,265,350	10,953,088	562,367	0	0	300,000	10,090,721	2,368,187,263	2,129,096,053	5.00%		0.494		1,818,669	0
2031	9,688,088	1,260,725	10,948,813	562,253	0	0	300,000	10,086,559	2,368,187,263	2,129,096,053	0.00%		0.493		0	0
2032	9,686,638	1,265,600	10,952,238	562,257	0	0	300,000	10,089,981	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2033	9,630,538	1,264,850	10,895,388	508,554	0	0	300,000	10,086,834	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2034	9,629,413	1,263,600	10,893,013	505,542	0	0	300,000	10,087,471	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2035	9,630,538	1,261,850	10,892,388	505,160	0	0	300,000	10,087,228	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2036	9,628,738	1,263,838	10,892,575	505,553	0	0	300,000	10,087,022	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2037	9,500,178	1,269,263	10,769,441	378,709	0	0	300,000	10,090,732	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2038	9,600,119	1,263,863	10,863,981	475,895	0	0	300,000	10,088,086	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2039	9,597,519	1,267,638	10,865,156	476,261	0	0	300,000	10,088,895	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2040	9,600,969	1,260,588	10,861,556	475,458	0	0	300,000	10,086,098	2,368,187,263	2,129,096,053	0.00%		0.493		0	0
2041	9,599,094	1,267,575	10,866,669	476,403	0	0	300,000	10,090,266	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2042	9,601,494	1,263,463	10,864,956	476,687	0	0	300,000	10,088,270	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2043	9,597,669	1,268,250	10,865,919	476,309	0	0	300,000	10,089,610	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2044	9,599,819	1,261,938	10,861,756	475,848	0	0	300,000	10,085,908	2,368,187,263	2,129,096,053	0.00%		0.493		0	0
2045	9,598,519	1,264,525	10,863,044	475,281	0	0	300,000	10,087,763	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2046	9,121,519	1,265,738	10,387,256	0	0	0	300,000	10,087,256	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2047	9,123,719	1,265,575	10,389,294	0	0	0	300,000	10,089,294	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2048	9,125,319	1,264,038	10,389,356	0	0	0	300,000	10,089,356	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2049	9,121,019	1,265,988	10,387,006	0	0	0	300,000	10,087,006	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2050	9,122,772	1,266,288	10,389,059	0	0	0	300,000	10,089,059	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2051	9,123,859	1,264,938	10,388,797	0	0	0	300,000	10,088,797	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2052	9,125,200	1,261,938	10,387,138	0	0	0	300,000	10,087,138	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2053	9,121,278	1,267,013	10,388,291	0	0	0	300,000	10,088,291	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
2054	9,121,475	1,265,025	10,386,500	0	0	0	300,000	10,086,500	2,368,187,263	2,129,096,053	0.00%		0.493		0	0
2055		10,388,025	10,388,025	0	0	0	300,000	10,088,025	2,368,187,263	2,129,096,053	0.00%		0.494		0	0
Total	\$281,329,755	\$46,354,878	\$327,684,632	\$10,709,394	\$1,777,000	\$0	\$9,240,000	\$305,958,239								

(A) Based upon the District's taxable assessed valuation in fiscal year 2024/25.  
 (B) Based upon the District's annual projected taxable assessed valuation in each respective fiscal year.

# Preliminary Timetable\*



## Unlimited Tax School Building Bonds, Series 2025

Jun-2025							Jul-2025							Aug-2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
1	2	3	4	5	6	7			1	2	3	4	5						1	2
8	9	10	11	12	13	14	6	7	8	9	10	11	12	3	4	5	6	7	8	9
15	16	17	18	19	20	21	13	14	15	16	17	18	19	10	11	12	13	14	15	16
22	23	24	25	26	27	28	20	21	22	23	24	25	26	17	18	19	20	21	22	23
29	30						27	28	29	30	31			24	25	26	27	28	29	30
														31						

<b>Financing Team Members</b>	KISD - Kaufman Independent School District (Issuer)
	RBC - RBC Capital Markets (Financial Advisor)
	NRF - Norton Rose Fulbright US LLP (Bond Counsel)
	UW - Underwriter(s)

Date	Action	Responsibility
29-May-25	Submit Application for PSF Guarantee	RBC
29-May-25	Request Information for Preliminary Official Statement ("POS")	RBC
09-Jun-25	Regular Board Meeting - Review Preliminary Financing Plan and Formally Approve Parameters Order	KISD, RBC, NRF
10-Jun-25	Request for Information Returned to RBC	KISD
10-Jun-25	Send Draft POS and Credit Info to Rating Agency	RBC
20-Jun-25	Conference Call with Credit Rating Agency	KISD, RBC
23-Jun-25	Receive Notice Regarding PSF Guarantee	All Parties
23-Jun-25	Distribute Draft POS for Comments	RBC
01-Jul-25	Deadline for Comments to Draft POS	All Parties
02-Jul-25	Receive Credit Ratings	KISD, RBC
10-Jul-25	Distribute POS to Potential Purchasers	KISD, RBC
17-Jul-25	Negotiated Bond Sale - Pricing of the Bonds	KISD, RBC, UW
17-Jul-25	District Official Approves Pricing Certificate for the Bonds (Interest Rates Locked In)	KISD, RBC, NRF
18-Jul-25	Submit Documents to Attorney General for Approval	NRF
18-Jul-25	Distribute Draft of Final Official Statement ("OS") for Comments	RBC
23-Jul-25	Receive Comments, Finalize & Distribute OS	All Parties
07-Aug-25	Closing - Transfer of Funds and Bonds Delivered	All Parties

\*Preliminary, subject to change as market conditions warrant. As of June 2, 2025.



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