



Review of Preliminary Financing Plan – Bond Prepayment, Potential Termination of Swap Agreements and Taxable Refunding Program

Tuesday, October 26, 2021

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Savings from District's Debt Management Practices

- ❑ Denton Independent School District (“DISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided District taxpayers with more than \$274.8 million of direct 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
- ❖ \$ 10,210,166 – Use of Synthetic Debt Structures

\$274,885,098 – Total Savings to Taxpayers



Savings from District's Debt Management Practices

- Variable Rate Debt:** The District has strategically incorporated variable rate put bonds within its debt portfolio since year 2012 – lowering its borrowing cost by more than \$35.8 million in comparison to the sale of fixed rate bonds. As summarized below, the District's current interest rates on its existing variable rate bonds are 0.41% and 1.53%.

Summary of District's Existing Variable Rate Put Bonds					
Issue Description	Principal Amount Outstanding	Current Interest Rate Term	Mandatory Tender Date	Current Interest Rate	Final Maturity
Variable Rate Unlimited Tax School Building Bonds, Series 2013	\$ 21,390,000	3.0 Years	08/01/2023	0.41%	08/01/2040
Variable Rate Unlimited Tax School Building Bonds, Series 2014-B	67,925,000	5.0 Years	08/01/2024	1.53%	08/01/2044
Totals	\$ 89,315,000	---	---	---	---

- Synthetic Debt Structures (the “Swap Agreements”):** The District has implemented two “synthetic fixed rate debt structures” (i.e. Series 2005-A and 2006-B Bonds) to potentially reduce the District's interest cost – As of September 30, 2021, these structures have reduced the District's interest cost by more than \$10.21 million.



Savings from District's Debt Management Practices

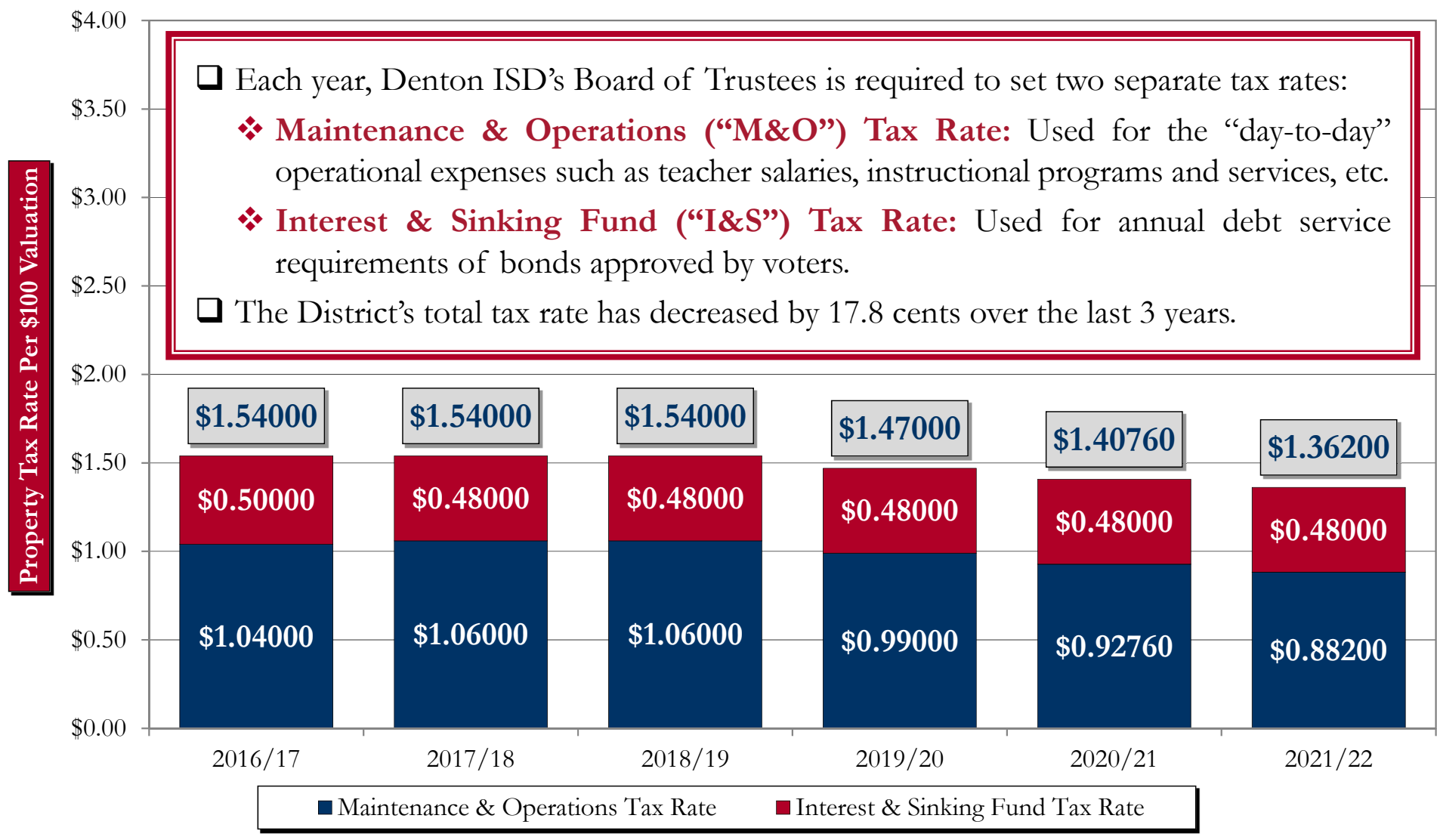
- Bond Refundings and Prepayment of Bonds:** The District has implemented 10 refunding programs and prepaid \$58.14 million of existing bonds, generating more than \$228.7 million of savings.

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



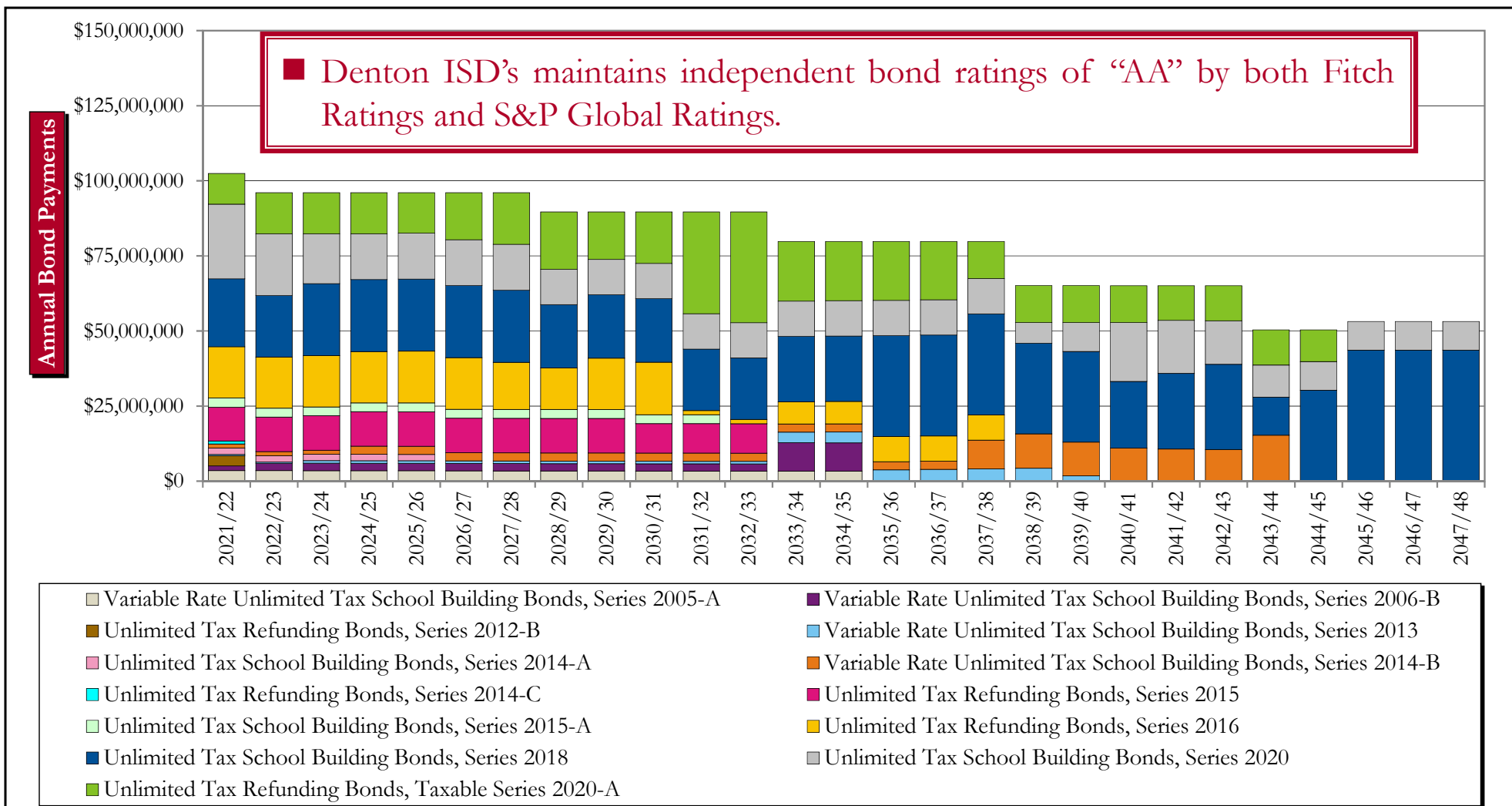
Historical Tax Rates

District's Historical Tax Rates





Dollar Amount and Structure of District's Existing Bonds



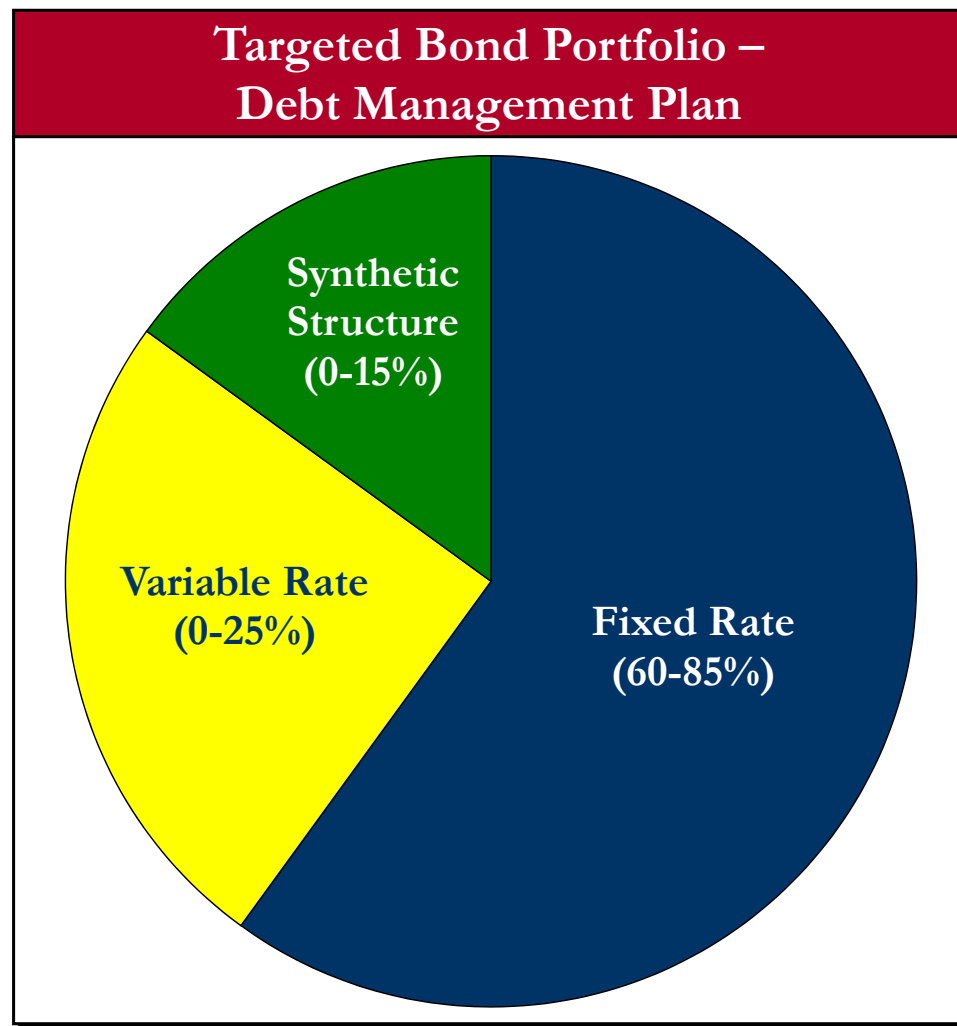
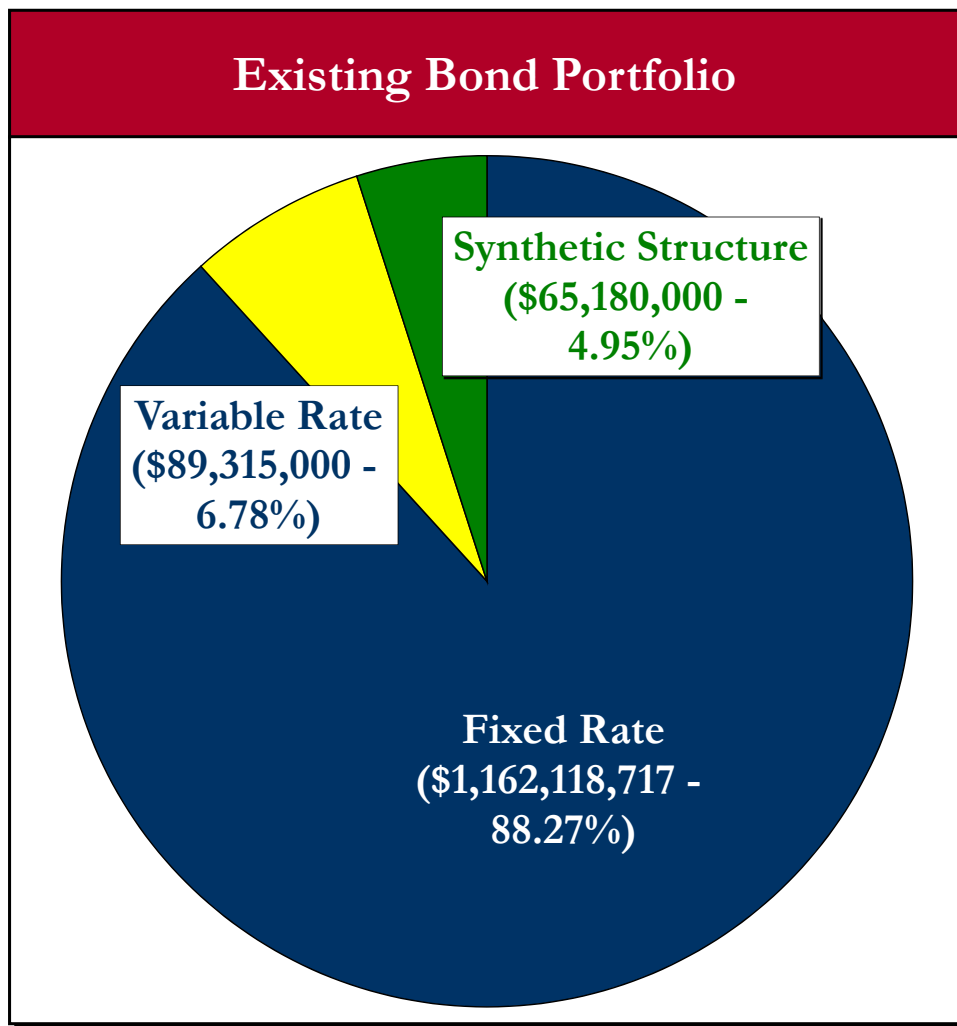
Note: Debt service payments reflect payments from September 1 through August 31. Interest on the District's Variable Rate Unlimited Tax School Building Bonds, Series 2013 and Series 2014-B is calculated at a 2.00% coupon through July 31, 2023 and July 31, 2024, respectively, and an assumed 4.00% coupon thereafter.

DISD has a total principal amount of existing bonds equal to \$1,316,613,717 as of August 31, 2021.



Composition of Existing Bond Portfolio

- Variable rate bonds currently comprise 6.78% of the District’s total bond portfolio, which remains within the expectations of the bond rating agencies and, generally speaking, prudent debt management standards.





Summary of Callable Bonds Outstanding

- As of August 31, 2021, the District has \$1,118,655,000 of existing bonds eligible to be repaid or refinanced prior to maturity, as summarized in the table below.

Denton ISD - Summary of Callable Unlimited Tax Bonds Outstanding - As of August 31, 2021						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Variable Rate Unlimited Tax School Building Bonds, Series 2013	08/01/2023	\$ 21,390,000	\$ 21,390,000	2034 - 2040	2040	Variable Rate
Variable Rate Unlimited Tax School Building Bonds, Series 2014-B	08/01/2024	67,925,000	67,925,000	2038 - 2044	2044	Variable Rate
Unlimited Tax School Building Bonds, Series 2014-A	08/15/2024	9,245,000	3,960,000	2025 - 2026	2026	4.000% - 5.000%
Unlimited Tax Refunding Bonds, Series 2015	02/15/2025	101,650,000	80,560,000	2025 - 2033	2033	4.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2015-A	08/15/2025	24,750,000	17,155,000	2026 - 2032	2032	5.000%
Unlimited Tax Refunding Bonds, Series 2016	02/15/2026	117,648,717	112,705,000	2026-31; 2034-38	2038	3.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2018 [2027 Call]	08/15/2027	306,490,000	272,890,000	2028 - 2048	2048	3.000% - 5.000%
Unlimited Tax School Building Bonds, Series 2018 [2028 Call]	08/15/2028	75,000,000	75,000,000	2044 - 2048	2048	4.000%
Unlimited Tax School Building Bonds, Series 2020	08/15/2029	257,040,000	175,705,000	2030 - 2048	2048	1.750% - 5.000%
Unlimited Tax Refunding Bonds, Taxable Series 2020-A	08/15/2030	266,110,000	226,185,000	2031 - 2045	2045	1.577% - 2.556%
Variable Rate Unlimited Tax School Building Bonds, Series 2005-A	Swapped	35,180,000	35,180,000	2022 - 2035	2035	Synthetic Structure
Variable Rate Unlimited Tax School Building Bonds, Series 2006-B	Swapped	30,000,000	30,000,000	2023 - 2035	2035	Synthetic Structure
Unlimited Tax Refunding Bonds, Series 2012-B	Non-Callable	3,245,000	---	---	2022	---
Unlimited Tax Refunding Bonds, Series 2014-C	Non-Callable	940,000	---	---	2022	---
Totals	---	\$ 1,316,613,717	\$ 1,118,655,000	---	---	---

- Since Denton ISD's existing Series 2013 and Series 2014-B variable rate bonds are on the "long end" of DISD's debt portfolio and such bonds have "short" call dates, the District should "prepay" these bonds to annual manage its Interest & Sinking Fund tax rate.
- As such, Denton ISD may look at refinancing its remaining bonds at a lower interest rate if, and when, prevailing market conditions will allow a meaningful interest cost savings to occur.



Review of Preliminary Financing Plan

❑ **Component No. 1 – Prepayment of Bonds Prior to Scheduled Maturity**

- Prepay a portion of Denton ISD's existing Series 2014-B Bonds to maintain a 48-cent I&S tax rate during year 2021/22, reduce the District's future interest cost and build bond capacity for no tax rate increase.

❑ **Component No. 2 – Potential Termination of Existing Swap Agreements**

- DISD's existing Swap Agreements are based upon the 1-month and 10-year London Interbank Offered Rate ("LIBOR"), respectively, which are scheduled to be discontinued on June 30, 2023 (originally scheduled for December 31, 2021).
- As such, sometime before June 30, 2023, Denton ISD will either need to:
 - Replace LIBOR with another index; or
 - Terminate the existing agreements.
- Based upon prevailing market conditions, the District may terminate the existing Swap Agreements near breakeven levels from a "budgeted" cash flow perspective.

❑ **Component No. 3 – Potential "Taxable" Advance Refunding Opportunity**

- Advance refund a portion of DISD's Series 2014-A, Series 2015 and Series 2015-A Bonds at a lower, taxable interest rate to reduce the District's future interest cost.



Preliminary Financing Plan – Component No. 1 – Prepayment of Bonds Prior to Scheduled Maturity

- ❑ Like making an extra principal payment on a home mortgage, the benefits of “prepaying” bonds are the District’s future interest cost is eliminated on such bonds and Denton ISD’s future bond capacity, for no tax rate increase, correspondingly grows by the dollar amount of bonds prepaid.
- ❑ Pursuant to State law, DISD may annually manage its tax rate by utilizing current year debt service tax collections and other lawfully available funds to “prepay” existing bonds prior to maturity by either:
 - Repaying such bonds on their call date (if the call date is within the current fiscal year); or
 - Placing sufficient funds in an escrow account to repay such bonds on their call date (if the call date is in a subsequent fiscal year).
- ❑ Based upon the assumptions listed within the adjacent table, the District may prepay approximately \$9,190,000 of its existing Series 2014-B Bonds during fiscal year 2021/22, maintain its existing 48.0 cent I&S tax rate and reduce the District’s future interest cost by \$7,352,000.

FY 2021/22 Interest & Sinking Fund Budget	
Description	Assumption
Projected I&S Tax Collections at 48.0 Cents: ^(A)	\$ 99,429,586
Projected I&S Frozen Tax Collections: ^(B)	11,183,098
Additional State Aid for Homestead Exemption:	944,333
Delinquent Tax Collections:	400,000
Penalties & Interest:	325,000
Interest Earnings:	40,000
Total Revenues	\$ 112,322,017
Scheduled Bond Payments (With Bond Prepayment):	\$ 111,999,751
Estimated Expenses:	320,376
Total Expenditures	\$ 112,320,127
^(A) Assumes a fiscal year 2021/22 Taxable Assessed Valuation (net of frozen values) of \$20,923,734,343 and a tax collection percentage of 99%.	
^(B) Assumes a total frozen tax levy of \$32,052,565.69, an Interest & Sinking Fund tax rate of \$0.48, a Maintenance and Operations tax rate of \$0.882 and a tax collection percentage of 99%.	



Preliminary Financing Plan – Component No. 2 – Potential Termination of Existing Swap Agreements

- ❑ Based upon prevailing market conditions, the termination value of the Swap Agreements are negative, so Denton ISD would be required to pay to terminate such agreements.
 - As of October 15, 2021, the termination values of the existing Swap Agreements are as follows:
 - 2005 Swap Agreements: \$6,988,158
 - 2006 Swap Agreement: \$8,635,878
 - Pursuant to State law, DISD may issue refunding bonds to pay for the termination value of the swaps.
- ❑ In order to budget its annual bond payments associated with the Swap Agreements, the District uses an estimated rate, which is the aggregate of the fixed pay swap rate, the costs of the liquidity and remarketing agreements and an estimate of basis cost risk, which is summarized in the table below.

Description	2005 Swap Agreements	2006 Swap Agreement
Fixed Pay Rate	3.420%	4.077%
Plus: Cost of Remarketing	0.050%	0.060%
Plus: Cost of Liquidity Facility ^(A)	0.550%	0.400%
Plus: Estimated Basis Risk	0.350%	0.700%
Total Budgeted Rate	4.370%	5.237%

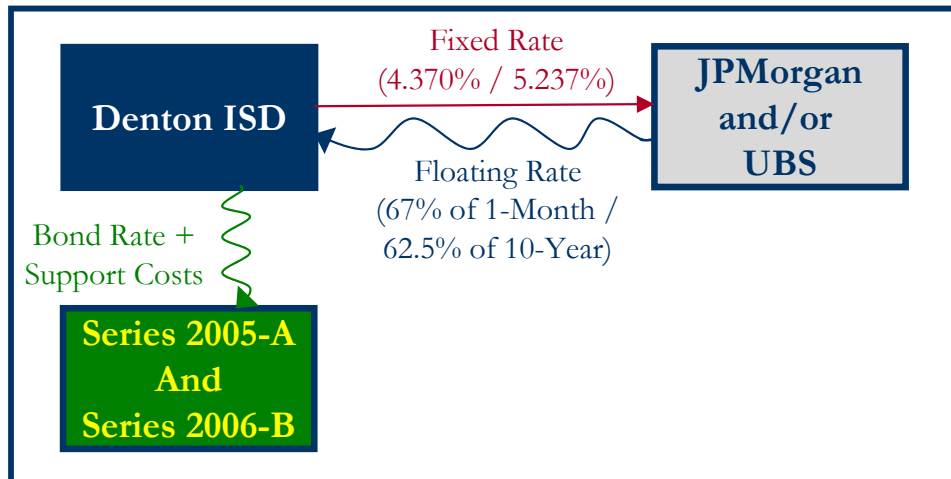
^(A) The current liquidity facility cost for both the 2005 and 2006 Swap Agreements are 0.35%.



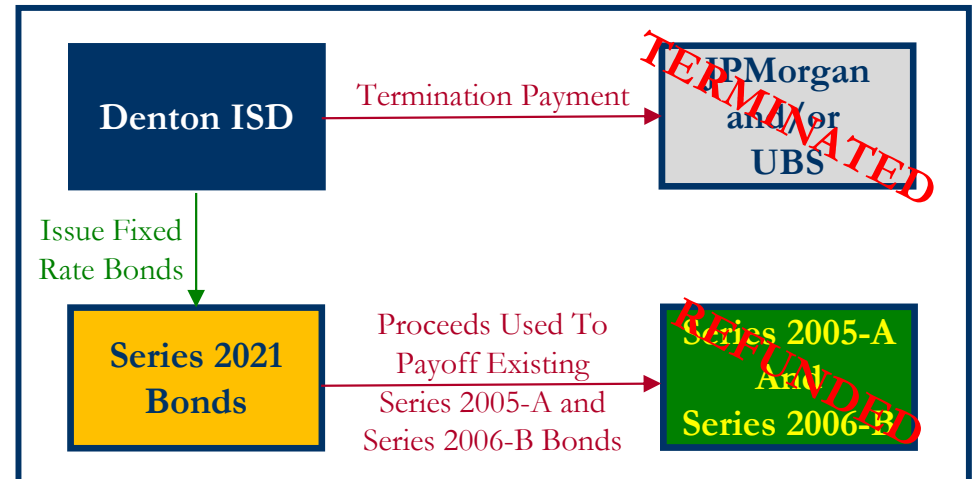
Potential Termination of Existing Swap Agreements (Continued)

- ❑ Based upon prevailing market conditions, both tax-exempt and taxable fixed rates of interest are substantially lower than the 4.37% and 5.237% rates budgeted on the existing Swap Agreements. As a result, Denton ISD may:
 - Issue tax-exempt, fixed rate bonds to refund its existing Series 2005-A Bonds at a lower interest rate and pay for the termination value of the 2005 Swap Agreements (i.e. the 2005 Swap Agreements were “integrated” under Federal tax law); and/or
 - Issue tax-exempt, fixed rate bonds to refund its existing Series 2006-B Bonds at a lower interest rate and issue taxable, fixed rate bonds to pay for the termination value of the 2006 Swap Agreement (i.e. the 2006 Swap Agreement was not “integrated” under Federal tax law).

Existing Structure – Synthetic Fixed Rate



Resulting Structure – Traditional Fixed Rate





Termination of 2005-A Swap Agreements

- ❑ Since the 2005-A Swap Agreements were “integrated” under Federal tax law, Denton ISD may fund the cost of the termination payment with tax-exempt bond proceeds.
- ❑ The refunding of the existing Series 2005-A Bonds would not qualify for the PSF guarantee, as the Series 2005-A Bonds were originally sold without the PSF guarantee.

Summary of Estimated Savings

Year	Series 2005-A Debt Service	Refunding Debt Service	Estimated Savings
2021/22	\$ 3,487,366	\$ 3,482,781	\$ 4,585
2022/23	3,482,151	3,933,250	(451,099)
2023/24	3,473,440	3,523,750	(50,310)
2024/25	3,461,233	3,514,000	(52,767)
2025/26	3,465,530	3,519,750	(54,220)
2026/27	3,435,457	3,490,000	(54,543)
2027/28	3,392,325	3,446,250	(53,925)
2028/29	3,376,571	3,429,000	(52,429)
2029/30	3,366,884	3,416,750	(49,866)
2030/31	3,352,827	3,404,000	(51,173)
2031/32	3,344,400	3,395,500	(51,100)
2032/33	3,341,166	3,395,750	(54,584)
2033/34	3,322,688	3,374,000	(51,312)
2034/35	3,329,403	3,381,000	(51,597)
Total	\$ 47,631,441	\$ 48,705,781	\$ (1,074,340)

Summary of Estimated Results

Assumptions	Series 2005-A
Sources of Funds:	
Par Amount	\$ 35,180,000
Premium	7,998,804
Total Sources	\$ 43,178,804
Uses of Funds:	
Cash Deposit	\$ 35,812,029
Termination Payment	6,988,158
Issuance Expenses	378,616
Total Uses	\$ 43,178,804
Key Statistics:	
Par Amount of Refunded Bonds	\$ 35,180,000
All-In TIC	1.90%
Gross Savings/(Loss)	\$ (1,074,340)
Present Value Savings	\$ (942,873)
Average Life	7.689 yrs



Termination of 2006-B Swap Agreement

- ❑ Since the 2006-B Swap Agreement was not “integrated” under Federal tax law, Denton ISD **MAY NOT** fund the cost of the termination payment with tax-exempt bond proceeds.
- ❑ In order to implement this alternative, Denton ISD would need to issue 2 series of bonds:
 - Fixed rate, PSF guaranteed tax-exempt bonds to refund the existing Series 2006-B Bonds; and
 - Fixed rate, non-PSF guaranteed taxable bonds to pay the cost of the termination payment.

Summary of Estimated Savings

Year	Series 2006-B Debt Service	Refunding Debt Service	Termination Debt Service	Estimated Savings
2021/22	\$ 1,511,100	\$ 1,340,025	\$ 168,196	\$ 2,879
2022/23	2,371,100	1,661,900	8,698,350	(7,989,150)
2023/24	2,422,782	1,717,650	-	705,132
2024/25	2,419,678	1,714,150	-	705,528
2025/26	2,409,308	1,704,150	-	705,158
2026/27	2,396,924	1,687,900	-	709,024
2027/28	2,397,524	1,690,650	-	706,874
2028/29	2,380,354	1,671,400	-	708,954
2029/30	2,371,169	1,661,150	-	710,019
2030/31	2,364,466	1,654,400	-	710,066
2031/32	2,359,993	1,650,900	-	709,093
2032/33	2,342,497	1,635,400	-	707,097
2033/34	9,462,482	8,752,800	-	709,682
2034/35	9,390,308	8,684,000	-	706,308
Total	\$ 46,599,685	\$ 37,226,475	\$ 8,866,546	\$ 506,665

Summary of Estimated Results

Assumptions	Series 2006-B	Termination
Sources of Funds:		
Par Amount	\$ 25,620,000	\$ 8,445,000
Premium	5,320,174	321,417
Total Sources	\$ 30,940,174	\$ 8,766,417
Uses of Funds:		
Cash Deposit	\$ 30,621,231	\$ -
Termination Payment	-	8,635,878
Issuance Expenses	318,943	130,539
Total Uses	\$ 30,940,174	\$ 8,766,417
Key Statistics:		
Par Amount of Refunded Bonds	\$ 30,000,000	\$ -
All-In TIC	2.14%	1.60%
Gross Savings/(Loss)	\$ 9,373,211	\$ (8,866,546)
Present Value Savings/(Loss)	\$ 8,070,314	\$ (8,639,037)
Average Life	10.837 yrs	1.664 yrs

Note: Denton ISD has a cumulative savings of \$6,046,258 on the 2006-B Swap Agreement through September 30, 2021.



Preliminary Financing Plan – Component No. 3 – Potential “Taxable” Advance Refunding Opportunity

- ❑ Based upon prevailing market conditions, DISD has an opportunity to complete a “taxable” refunding of a portion of its existing bonds at a lower interest rate.
- ❑ For purposes of this analysis, the table below summarizes the District’s outstanding bonds which generate sufficient savings based upon prevailing market conditions to be considered for a potential “taxable” refunding program.

“Taxable” Refunding Opportunity – Summary of Bonds to be Refunded

Issue Outstanding	Principal Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building Bonds, Series 2014-A	\$ 2,005,000	08/15/2026	5.00%	08/15/2024	100.0%
Unlimited Tax Refunding Bonds, Series 2015	72,730,000	08/15/2026 – 2033	4.39%	02/15/2025	100.0%
Unlimited Tax School Building Bonds, Series 2015-A	15,050,000	08/15/2027 – 2032	5.00%	08/15/2025	100.0%
Totals	\$ 89,785,000	---	4.48%	---	---



Potential “Taxable” Advance Refunding Opportunity

- ❑ The table below summarizes the savings currently available to Denton ISD by refunding a portion of its existing bonds on a “taxable” basis (net of all costs).

“Taxable” Refunding Opportunity – Summary of Potential Savings Available	
Description	Summary Of Results
Principal Amount of Bonds to be Refunded	\$ 89,785,000
Interest Rate on the Bonds to be Refunded	4.48%
“All-In” True Interest Cost on the Refunding Bonds	2.06%
Escrow Yield	0.69%
Total Debt Service Savings	\$ 5,839,643
Average Annual Savings (Years 2022/23 – 2032/33) (i.e. 11 Years)	530,503
Present Value Debt Service Savings (@ All-In TIC)	5,072,068
Present Value Savings as a Percentage of the Principal Amount of the Bonds to be Refunded	5.65%
Opportunity Cost of Advance Refunding (i.e. “Negative Arbitrage”)	\$ 3,765,627
“Negative Arbitrage” as a Percentage of Present Value Savings	74.24%
Current Refunding Alternative – Estimated Rate Movement to Provide Same Dollar Savings (February 15, 2025 Call Date – Series 2015 Bonds Only)	1.81%

Note: Each 0.01% change in the interest rate results in an approximate \$81,500 change in the anticipated savings.



Recap of Preliminary Financing Plan

- ❑ Based upon prevailing market conditions, the Preliminary Financing Plan produces a net positive cash flow impact to Denton ISD's debt portfolio.
- **Component No. 1 – Bond Prepayment:** DISD prepays \$9,190,000 of its Variable Rate Unlimited Tax School Building Bonds, Series 2014-B on February 1, 2022, saving taxpayers \$7,352,000 in future interest costs.
- **Component No. 2 – Termination of Existing Swap Agreements**
 - **Issuance of Series 2021-A Bonds:** Refunds existing Series 2005-A Bonds and terminates the associated 2005 Swap Agreements – Increases DISD's future bond payments by \$1,074,340, but the District still achieves a total estimated cash flow savings of \$3,089,568 since the inception of the 2005 Swap Agreements.
 - **Issuance of Series 2021-B Bonds and Taxable Series 2021-C Bonds:** Refunds existing Series 2006-B Bonds and terminates the 2006 Swap Agreement – Results in a \$506,665 reduction in the District's future bond payments, with the District achieving a total estimated cash flow savings of \$6,552,923 since the inception of the 2006 Swap Agreement.
 - With the termination of the Swap Agreements, Denton ISD is no longer subject to counterparty risk, termination risk, basis risk, tax event risk, etc. as the District would be left with traditional fixed rate bonds.



Recap of Preliminary Financing Plan (Continued)

- **Component No. 3 – Potential “Taxable” Advance Refunding Opportunity:** Refunds certain of DISD’s existing Series 2014-A, Series 2015 and Series 2015-A Bonds at a lower interest rate, which would produce a savings of \$5,839,643 based upon prevailing market conditions.
- Since Denton ISD only has one opportunity to complete this particular refunding program, we would recommend a minimum debt service savings of \$7,000,000 be achieved before moving forward with this opportunity.

Preliminary Financing Plan Recap – Estimated Savings

Component	Estimated Savings	Cumulative Savings
No. 1 – Bond Prepayment	\$ 7,352,000	\$ 7,352,000
No. 2 – Termination of Existing Swaps	(\$ 567,675)	\$ 6,784,325
No. 3 – Potential Taxable Refunding Opportunity	\$ 7,000,000	\$ 13,784,325



Preliminary Financing Plan – Tax Impact: Components No. 1 and 2 Only

- As summarized below, Denton ISD would still be able to prepay additional bonds during year 2022/23 to maintain its current 48-cent I&S tax rate.

Preliminary Financing Plan - \$9.19 Million Prepayment in February 2022 Plus Termination of Existing Swap Agreements													
A	B	C	D	E	F	G	H	I	J	K	L	M	N
Year	Total Existing Bond Payments	Less: Series 2014-B Bonds To Be Prepaid On 2-1-2022	Less: Series 2005-A Bonds To Be Refunded	Less: Series 2006-B Bonds To Be Refunded	Plus: Termination of 2005 Swap Agreements @ 1.74%	Plus: Series 2021-B & Taxable 2021-C Termination of 2006 Swap Agreement @ 2.11%	Summary of Estimated Savings / (Cost) Including 2-1-2022 Prepayment	Total Combined Bond Payments	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Net Combined Bond Payments	Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference
2021/22	\$102,442,151	(\$9,557,600)	\$3,487,366	\$1,511,100	\$3,482,781	\$1,508,221	(\$9,550,135)	\$111,992,286	\$12,572,055	\$99,420,231	\$20,923,734,343	\$0.4800	
2022/23	96,033,786	183,800	3,482,151	2,371,100	3,933,250	10,360,250	(8,256,449)	104,290,235	11,627,722	92,662,513	20,923,734,343	0.4473	(\$0.0327)
2023/24	96,031,487	183,800	3,473,440	2,422,782	3,523,750	1,717,650	838,622	95,192,865	11,627,722	83,565,143	20,923,734,343	0.4034	
2024/25	96,030,517	367,600	3,461,233	2,419,678	3,514,000	1,714,150	1,020,361	95,010,155	11,627,722	83,382,433	20,923,734,343	0.4025	
2025/26	96,035,144	367,600	3,465,530	2,409,308	3,519,750	1,704,150	1,018,538	95,016,605	11,627,722	83,388,883	20,923,734,343	0.4026	
2026/27	96,031,356	367,600	3,435,457	2,396,924	3,490,000	1,687,900	1,022,081	95,009,275	11,627,722	83,381,553	20,923,734,343	0.4025	
2027/28	96,033,664	367,600	3,392,325	2,397,524	3,446,250	1,690,650	1,020,549	95,013,115	11,627,722	83,385,393	20,923,734,343	0.4025	
2028/29	89,628,720	367,600	3,376,571	2,380,354	3,429,000	1,671,400	1,024,125	88,604,595	11,627,722	76,976,873	20,923,734,343	0.3716	
2029/30	89,630,998	367,600	3,366,884	2,371,169	3,416,750	1,661,150	1,027,753	88,603,245	11,627,722	76,975,523	20,923,734,343	0.3716	
2030/31	89,626,188	367,600	3,352,827	2,364,466	3,404,000	1,654,400	1,026,493	88,599,695	11,627,722	76,971,973	20,923,734,343	0.3716	
2031/32	89,627,616	367,600	3,344,400	2,359,993	3,395,500	1,650,900	1,025,593	88,602,024	11,627,722	76,974,302	20,923,734,343	0.3716	
2032/33	89,631,241	367,600	3,341,166	2,342,497	3,395,750	1,635,400	1,020,113	88,611,128	11,627,722	76,983,406	20,923,734,343	0.3716	
2033/34	79,814,443	367,600	3,322,688	9,462,482	3,374,000	8,752,800	1,025,970	78,788,473	11,627,722	67,160,751	20,923,734,343	0.3242	
2034/35	79,808,733	367,600	3,329,403	9,390,308	3,381,000	8,684,000	1,022,311	78,786,422	11,627,722	67,158,700	20,923,734,343	0.3242	
2035/36	79,811,111	367,600	0	0	0	0	367,600	79,443,511	11,627,722	67,815,789	20,923,734,343	0.3274	
2036/37	79,810,046	367,600	0	0	0	0	367,600	79,442,446	11,627,722	67,814,724	20,923,734,343	0.3274	
2037/38	79,809,580	367,600	0	0	0	0	367,600	79,441,980	11,627,722	67,814,258	20,923,734,343	0.3274	
2038/39	65,087,460	367,600	0	0	0	0	367,600	64,719,860	11,627,722	53,092,138	20,923,734,343	0.2563	
2039/40	65,085,647	367,600	0	0	0	0	367,600	64,718,047	11,627,722	53,090,325	20,923,734,343	0.2563	
2040/41	65,081,441	367,600	0	0	0	0	367,600	64,713,841	11,627,722	53,086,119	20,923,734,343	0.2563	
2041/42	65,083,048	367,600	0	0	0	0	367,600	64,715,448	11,627,722	53,087,726	20,923,734,343	0.2563	
2042/43	65,080,319	367,600	0	0	0	0	367,600	64,712,719	11,627,722	53,084,997	20,923,734,343	0.2563	
2043/44	50,358,956	9,557,600	0	0	0	0	9,557,600	40,801,356	11,627,722	29,173,634	20,923,734,343	0.1408	
2044/45	50,356,112	0	0	0	0	0	0	50,356,112	11,627,722	38,728,390	20,923,734,343	0.1870	
2045/46	53,155,350	0	0	0	0	0	0	53,155,350	11,627,722	41,527,628	20,923,734,343	0.2005	
2046/47	53,152,700	0	0	0	0	0	0	53,152,700	11,627,722	41,524,978	20,923,734,343	0.2005	
2047/48	53,151,850	0	0	0	0	0	0	53,151,850	11,627,722	41,524,128	20,923,734,343	0.2005	
Total	\$2,111,429,664	\$7,352,000	\$47,631,441	\$46,599,685	\$48,705,781	\$46,093,021	\$6,784,325	\$2,104,645,339	\$314,892,827	\$1,789,752,512			



Preliminary Financing Plan – Use of a “Parameters Bond Order” for Approval

- ❑ As utilized for Denton ISD’s prior bond sales, the District’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of refunding bonds to the District’s Administration, if each of the established parameters is met.
- ❑ The Board of Trustees could potentially consider a “Parameters Bond Order” at its Tuesday, October 26, 2021 Board Meeting and the following is a representative listing of the primary parameters we would currently recommend:

Parameters for Potential Swap Termination and Refunding Programs				
Parameter	Series 2021-A Bonds (2005-A Swap Termination & Refunding Program)	Series 2021-B Bonds (2006-B Refunding Program)	Taxable Series 2021-C Bonds (2006-B Swap Termination Program)	Taxable Series 2021-D Bonds (“Taxable” Refunding Program For Savings)
1.) Minimum Savings Amount (Net of All Costs):	N/A	N/A	N/A	\$ 7,000,000
2.) Maximum Principal Amount:	\$ 35,180,000	\$ 30,000,000	\$ 12,000,000	\$ 89,785,000
3.) True Interest Rate (“All-In” TIC) – Not to Exceed:	2.50%	2.50%	2.50%	2.00%
4.) Final Maturity – Must Not Exceed:	Aug. 15, 2035	Aug. 15, 2035	Aug. 15, 2023	Aug. 15, 2033
5.) Expiration Date (i.e. 1 Year):	Oct. 26, 2022	Oct. 26, 2022	Oct. 26, 2022	Oct. 26, 2022

- ❑ Unless each parameter listed above can be achieved, the proposed bond sales will not be issued until additional direction is received from the District.



Preliminary Financing Plan – Preliminary Timetable

- The preliminary timetable for the implementation of the proposed bond prepayment, swap termination and Taxable Refunding Program is summarized below.

Timetable – Bond Prepayment, Swap Termination and Taxable Refunding Program	
Date*	Action Necessary
October 26, 2021	Board Meeting – Review Denton ISD’s Existing Debt Portfolio and Consider a Redemption Order Authorizing the Prepayment of \$9,190,000 of its Variable Rate Unlimited Tax School Building Bonds, Series 2014-B on February 1, 2022. Discuss and Consider “Parameters Bond Order” Authorizing the Issuance of DISD’s Unlimited Tax Refunding Bonds, Series 2021-A (the “Series 2021-A Bonds”), Unlimited Tax Refunding Bonds, Series 2021-B (the “Series 2021-B Bonds”), Unlimited Tax Refunding Bonds, Taxable Series 2021-C (the “Taxable Series 2021-C Bonds”) and Unlimited Tax Refunding Bonds, Taxable Series 2021-D (the “Taxable Series 2021-D Bonds”) to Complete the Proposed Swap Termination and Refunding Programs.
November 19, 2021	Completion of All Items Necessary to Sell the Series 2021-A&B and Taxable Series 2021-C&D Bonds (i.e. Preliminary Official Statements Completed, Permanent School Fund Guarantees Received, Ratings Received, etc.).
To Be Determined.	Bond Sale – Pricing of the Series 2021-A&B and Taxable Series 2021-C&D Bonds Pursuant to Specified Parameters and District’s Administration Approves the Legal Documents and Interest Rates to Complete the Sale.
December 16, 2021	Closing – Denton ISD’s Existing Series 2005-A and 2006-B Bonds are Refunded, the Swap Agreements are Terminated and DISD Begins Paying the Lower Interest Rate on the Taxable Series 2021-D Bonds.
February 1, 2022	\$9,190,000 of DISD’s Series 2014-B Bonds are Prepaid and Future Interest Payments are Eliminated.
* Preliminary, subject to change.	



Questions

