

Review of the Plan of Finance
prepared for the
WASKOM INDEPENDENT SCHOOL DISTRICT
December 14, 2015

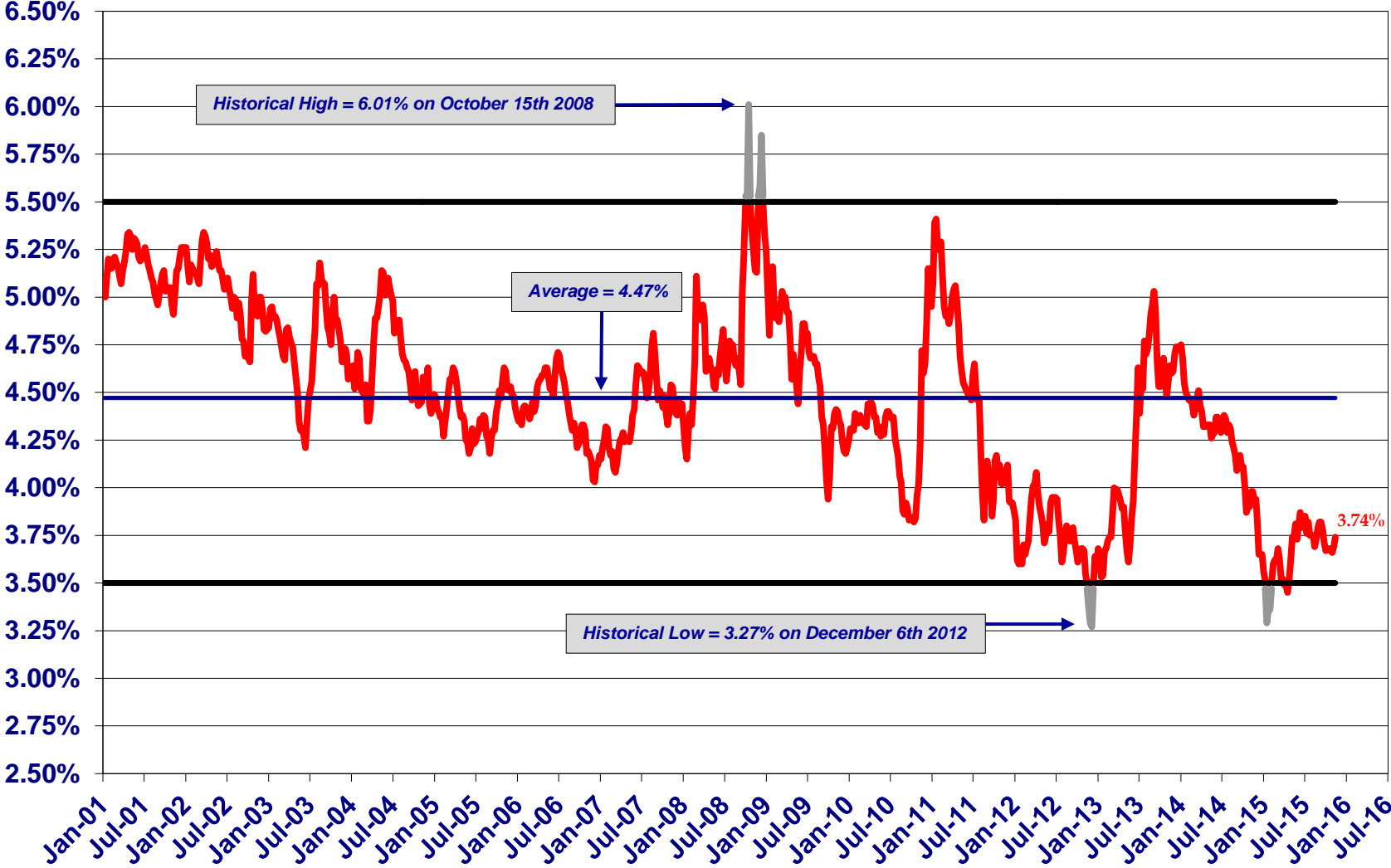
TABLE OF CONTENTS

<u>Section</u>	<u>Tab</u>
Bond Market Update	1
Summary of the Plan of Finance	2
Preliminary Schedule of Events	3

BOND MARKET UPDATE

BOND BUYERS INDEX OF MUNICIPAL BONDS

January 2001 - November 2015



SAMPLE OF RECENT TEXAS SCHOOL BOND SALES

Vidor ISD \$7,435,000 Bank Qualified (\$10MM or Less Tax Exempt per Calendar Year) November 10, 2015 AAA PSF A Call Date: 2/15/2025				Frisco ISD \$68,125,000 Non-Bank Qualified (Greater Than \$10MM Tax Exempt per Calendar Year) November 10, 2015 AAA/Aaa PSF AA+/Aa1 Call Date: 8/15/2025			
Year	Coupon	Yield to Call	Yield to Maturity	Year	Coupon	Yield to Call	Yield to Maturity
2016	4.000%	N/A	0.500%	2016	-	-	-
2017	4.000%	N/A	0.800%	2017	5.000%	N/A	0.740%
2018	4.000%	N/A	1.100%	2018	5.000%	N/A	0.960%
2019	4.000%	N/A	1.200%	2019	5.000%	N/A	1.180%
2020	4.000%	N/A	1.400%	2020	5.000%	N/A	1.410%
2021	4.000%	N/A	1.600%	2021	2.000%	N/A	1.630%
2022	-	-	-	2022	5.000%	N/A	1.860%
2023	-	-	-	2023	5.000%	N/A	2.050%
2024	4.000%	N/A	1.850%	2024	5.000%	N/A	2.220%
2025	4.000%	N/A	1.950%	2025	5.000%	N/A	2.340%
2026	3.000%	2.000%	2.086%	2026	5.000%	2.500%	2.684%
2027	3.000%	2.100%	2.240%	2027	5.000%	2.610%	2.932%
2028	3.000%	2.200%	2.371%	2028	3.000%	N/A	3.000%
2029	3.000%	2.300%	2.484%	2029	3.000%	N/A	3.135%
2030	3.000%	2.450%	2.618%	2030	3.000%	N/A	3.215%
2031	3.000%	2.550%	2.704%	2031	3.125%	N/A	3.310%
2032				2032	3.250%	N/A	3.408%
2033				2033	3.250%	N/A	3.478%
2034				2034	3.375%	N/A	3.559%
2035	4.000%	3.000%	3.429%	2035	3.500%	N/A	3.607%
2036				2036	3.500%	N/A	3.656%
2037				2037	3.500%	N/A	3.702%
2038				2038	3.625%	N/A	3.757%
2039				2039	3.625%	N/A	3.802%
2040				2040	-	-	(1) -
2041	4.000%	3.450%	3.729%	2041	3.750%	N/A	(1) 3.842%
2042				2042	-	-	(1) -
2043				2043	-	-	(1) -
2044				2044	-	-	(1) -
2045				2045	4.000%	3.800%	(1) 3.908%

(1) Term Bonds

SUMMARY OF THE PLAN OF FINANCE

WASKOM INDEPENDENT SCHOOL DISTRICT

Summary of the Plan of Finance

December 14, 2015

- **Review of Bond Election Parameters**

\$13,400,000 – Projected I&S Tax Rate Increase = 26.5¢ (from 12.5¢ up to 39.0¢)

- **Bank Qualified Bonds**

Pursuant to Federal Tax Law, should the District enter into less than \$10,000,000 of tax-exempt financings in a calendar year, each financing can be designated as “Bank Qualified” and as a result can receive a lower interest rate due to the “Federal Tax Incentive” available to financial institutions who own such obligations.

- **Plan of Finance – Issuance of the \$13,400,000 as Two “Bank Qualified” Installments**

The plan of finance calls for the issuance of approximately \$9,600,000 of the \$13,400,000 through an open market transaction and approved by the Board at the regular meeting on January 11, 2016. Closing on the first installment of bonds is expected to occur on February 11, 2016. The remaining \$3,800,000 of bonds will be sold in 2017.

Series 2016 Tax Exempt Bonds

- \$9,600,000 – Bank Qualified – First Installment

- 25-Year Amortization
- 10 Year Optional Redemption Provision
- Level Annual Debt Service
- Publicly Offered Through Open Market in 2016
- Permanent School Fund Guarantee

Series 2017 Tax Exempt Bonds

- \$3,800,000 – Bank Qualified – Second Installment

- 24-Year Amortization
- Optional Redemption Provision To Be Determined
- Structure To Be Determined
- Issued in 2017
- Permanent School Fund Guarantee

- **Overview of the Timing**

- November 3, 2015 – Bond Election
- November 16, 2015 – Board Meeting: Canvass Election Results and Adopt Reimbursement Resolution
- November 18, 2015 – Staff Call: Discuss the Plan of Finance and Schedule of Events**
- November 20, 2015 – Submit Application for the Permanent School Fund Guarantee
- December 14, 2015 – Board Meeting: Review the Plan of Finance**
- December 15, 2015 – Staff Conference Call with Rating Agency**
- December 16, 2015 – 30 Day Contest Period Ends
- December 21, 2015 – Receive Permanent School Fund Guarantee
- January 11, 2016 – Board Meeting: Adopt Order Authorizing Issuance of the First Installment of Bonds**
- February 11, 2016 – Bond Closing and Transfer of Funds**
- 2017 – Issuance of Remaining Bonds

WASKOM INDEPENDENT SCHOOL DISTRICT

Historical Statistics

December 14, 2015

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)	(12)	(13)	(14)	(15)	(16)	(17)	
Fiscal Year Ending	Net Taxable Value	Taxable Value Growth	5-Year Average	ADA	ADA Growth	5-Year Average	CPTD Comptroller Value (e)	CPTD Growth	5-Year Average	Wealth per ADA	M&O Tax Rate	I&S Tax Rate	Total Tax Rate	I&S Fund Balance (Aug 31)	General Fund Balance (Aug 31)	% of Exp	
2006/07 (a)	\$ 316,358,179		(c)	697			\$ 269,216,153			\$ 38.61	\$ 1.3700	\$ 0.1800	\$ 1.5500	(f) \$ 50,752	\$ 818,219	12%	
2007/08 (a)	\$ 361,000,351	14.11%	(c)	686	-1.59%		\$ 324,832,819	20.66%		\$ 47.34	\$ 1.0400	\$ 0.1500	\$ 1.1900	(f) \$ 27,583	\$1,349,629	22%	
2008/09 (a)	\$ 432,856,760	19.90%	(c)	708	3.17%		\$ 364,020,930	12.06%		\$ 51.42	\$ 1.0400	\$ 0.1300	\$ 1.1700	(f) \$ 21,384	\$2,000,031	32%	
2009/10 (a)	\$ 447,770,056	3.45%	(c)	740	4.46%		\$ 443,839,456	21.93%		\$ 60.02	\$ 1.0400	\$ 0.1300	\$ 1.1700	(f) \$ 24,294	\$2,449,125	37%	
2010/11 (a)	\$ 446,874,231	-0.20%	(c)	730	-1.35%		\$ 458,733,193	3.36%		\$ 62.88	\$ 1.0400	\$ 0.1300	\$ 1.1700	(f) \$ 25,830	\$3,188,700	50%	
2011/12 (a)	\$ 454,638,954	1.74%	(c)	767	5.08%		\$ 457,866,639	-0.19%		\$ 59.73	\$ 1.0400	\$ 0.1250	\$ 1.1650	(f) \$ 19,121	\$4,329,671	70%	
2012/13 (a)	\$ 440,813,679	-3.04%	(c)	816	6.41%		\$ 466,141,744	1.81%		\$ 57.14	\$ 1.0400	\$ 0.1250	\$ 1.1650	(f) \$ 140,152	\$2,858,814	33%	
2013/14 (a)	\$ 488,976,082	10.93%	(c)	839	2.84%		\$ 452,192,994	-2.99%		\$ 53.90	\$ 1.0400	\$ 0.1000	\$ 1.1400	(f) \$ 104,745	\$2,400,375	29%	
2014/15 (a)	\$ 419,786,307	-14.15%	-0.95%	(c)	851	1.49%	2.89%	\$ 499,546,812	10.47%	2.49%	\$ 58.67	\$ 1.0400	\$ 0.1150	\$ 1.1550	(f) \$ 82,188	\$2,056,773	26%
2015/16 (b)	\$ 377,500,000	-10.07%		(d) 851	0.00%		\$ 430,651,301	-13.79%		\$ 50.58	\$ 1.0400	\$ 0.1250	\$ 1.1650				

(a) Source: Report of the Property Value after the "freeze adjustment" from the Comptroller of Public Accounts - Property Tax Division.

(b) Harrison CAD. The 2015/16 Certified taxable value as of July 2015 before the "freeze" adjustment totaled \$383,834,696 (\$425,198,029 Certified in 2014/15) and estimated at \$377,500,000 after the "freeze" adjustment based on historical frozen values.

(c) Source: Texas Education Agency - Summary of Finances.

(d) Estimate. Represents approximately 92% of the February 2015 enrollment figure of 930 students.

(e) The District grants a 20% Local Option Homestead Exemption.

(f) Source: Annual Financial Reports. Audited Fund Balance figures for fiscal year end August 31st.

WASKOM INDEPENDENT SCHOOL DISTRICT

Preliminary Bond Program Analysis

Scenario: \$13,400,000 Issued as Two "Bank Qualified" Installments - Series 2016 and Series 2017

December 14, 2015

(1)	(2)	(3)	(4)	(5)	(6)	(7)	(8)	(9)	(10)	(11)
Fiscal Year Ending	Outstanding Debt Service	Plus: \$9,600,000 Series 2016 @ CM + 0.25%	Plus: \$3,800,000 Series 2017 @ CM + 0.75%	Total Debt Service	Less: Use of I&S Fund Balance	Less: Use of Bond Premium	Net Debt Service	Estimated Taxable Value	Estimated Tax Rate @ 98%	Estimated Tax Rate Increase
2016	\$ 505,619	\$ 200,295	\$ -	\$ 705,914	\$ 43,181	\$ 200,295	\$ 462,438	\$ 377,500,000	\$ 0.1250	
2017	505,019	565,081	-	1,070,100			1,070,100	280,000,000	0.3900	0.265
2018	502,769	573,594	242,083	1,318,446			1,318,446	345,000,000	0.3900	
2019	504,894	572,969	242,944	1,320,806			1,320,806	345,000,000	0.3907	
2020	502,769	571,919	248,194	1,322,881			1,322,881	345,000,000	0.3913	
2021	501,569	575,338	243,206	1,320,113			1,320,113	345,000,000	0.3905	
2022	504,869	573,225	243,100	1,321,194			1,321,194	345,000,000	0.3908	
2023	502,669	575,581	242,756	1,321,006			1,321,006	345,000,000	0.3907	
2024	504,969	572,406	242,175	1,319,550			1,319,550	345,000,000	0.3903	
2025	501,769	573,700	246,238	1,321,706			1,321,706	345,000,000	0.3909	
2026	503,069	571,163	244,944	1,319,175			1,319,175	345,000,000	0.3902	
2027	503,769	569,950	244,113	1,317,831			1,317,831	345,000,000	0.3898	
2028	503,869	573,331	243,769	1,320,969			1,320,969	345,000,000	0.3907	
2029	503,369	571,306	243,238	1,317,913			1,317,913	345,000,000	0.3898	
2030	502,269	573,875	242,519	1,318,663			1,318,663	345,000,000	0.3900	
2031	505,469	571,038	241,613	1,318,119			1,318,119	345,000,000	0.3899	
2032	502,969	572,794	245,425	1,321,188			1,321,188	345,000,000	0.3908	
2033	504,769	574,063	239,050	1,317,881			1,317,881	345,000,000	0.3898	
2034	502,969	574,844	242,488	1,320,300			1,320,300	345,000,000	0.3905	
2035	502,734	575,138	240,644	1,318,516			1,318,516	345,000,000	0.3900	
2036		574,944	248,425	823,369			823,369	345,000,000	0.2435	
2037		573,650	250,738	824,388			824,388	345,000,000	0.2438	
2038		576,150	247,500	823,650			823,650	345,000,000	0.2436	
2039		573,038	248,700	821,738			821,738	345,000,000	0.2430	
2040		574,313	249,500	823,813			823,813	345,000,000	0.2437	
2041		574,888	249,900	824,788			824,788	345,000,000	0.2439	
	<u>\$ 10,072,166</u>	<u>\$ 14,528,589</u>	<u>\$ 5,873,258</u>	<u>\$ 30,474,013</u>	<u>\$ 43,181</u>	<u>\$ 200,295</u>	<u>\$ 30,230,537</u>			

PRELIMINARY SCHEDULE OF EVENTS

WASKOM INDEPENDENT SCHOOL DISTRICT
Unlimited Tax School Building Bonds, Series 2016

Preliminary Schedule of Events

Date	Event	Parties
11/03/15	Bond Election	WISD
11/05/15	Request Data Required for Bond Documents and IFA Application Schedule 1	SCM
11/12/15	Submit Data Required for Bond Documents and IFA Application Schedule 1	WISD
11/16/15	Regular Board Meeting – Canvass Election Results and Adopt Resolution Allowing for Reimbursement	WISD
11/18/15	Conference Call – Discuss the Plan of Finance and Schedule of Events	WISD, SCM
11/20/15	Submit Application for Permanent School Fund Guarantee	SCM
12/07/15	Confirm the Conference Calls	SCM
12/07/15	Submit Draft of the Notice of Sale and the Preliminary Official Statement	SCM
12/07/15	Submit Data to Rating Agency and IFA Application to the TEA	SCM
12/14/15	Receive Comments on the Notice of Sale and the Preliminary Official Statement	SCM, MPH
12/14/15	Regular Board Meeting – Review the Plan of Finance	WISD, SCM
12/15/15	Conference Calls – Rating Agency Interview	WISD, SCM
12/16/15	30 Day Contest Period Ends	N/A
12/21/15	Receive Permanent School Fund Guarantee Letter	WISD, SCM
12/28/15	Receive Ratings on the Bonds	SCM
01/04/16	Provide the District with Agenda Language	SCM
01/04/16	Electronically Distribute the Notice of Sale and the Preliminary Official Statement	SCM
01/11/16	Bond Sale (lock in interest rate)	SCM
01/11/16	Board Meeting – Review the Bond Sale Results and Adopt Order Authorizing Issuance of the Bonds	WISD, SCM
01/12/16	Submit Draft of Final Official Statement	SCM
01/12/16	Submit Documents to the Texas Attorney General's Office	MPH
01/13/16	Receive Comments on Final Official Statement	MPH
01/14/16	Print and Mail Final Official Statement	SCM
02/01/16	Notify Parties of Closing Instructions and Submit IFA Amendment	WISD, SCM
02/11/16	Bond Closing – Transfer of Funds	All Parties

Legend

WISD – Waskom Independent School District – Issuer
SCM – SAMCO Capital Markets, Inc. – Financial Advisor - C
NRF – Norton Rose Fulbright US L.L.P. – Bond Counsel