



Review of Preliminary Financing Plan – \$60.8 Million Bond Sale from 2018 Bond Program

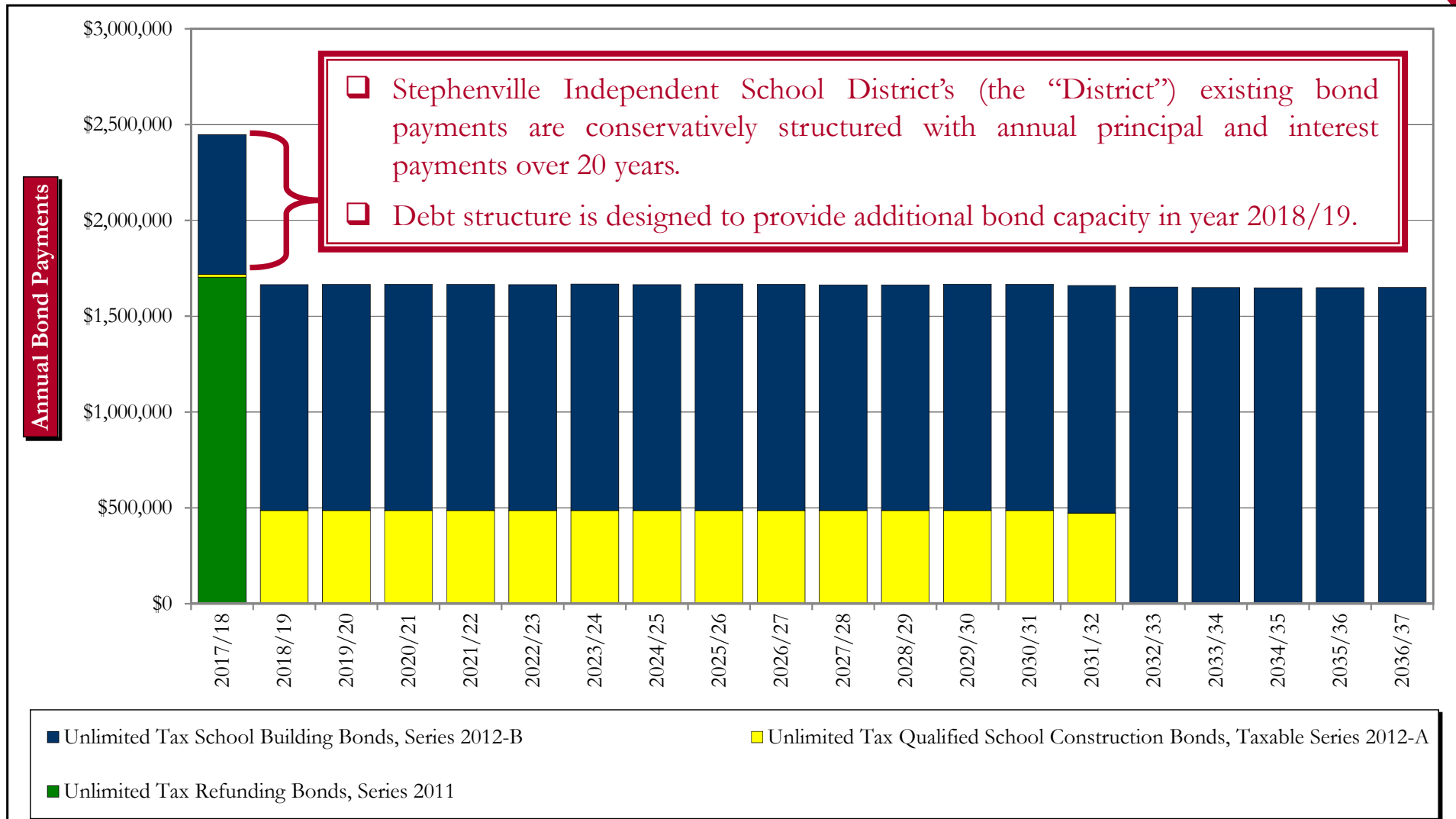
Monday, June 18, 2018

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Dollar Amount and Structure of District's Existing Bonds



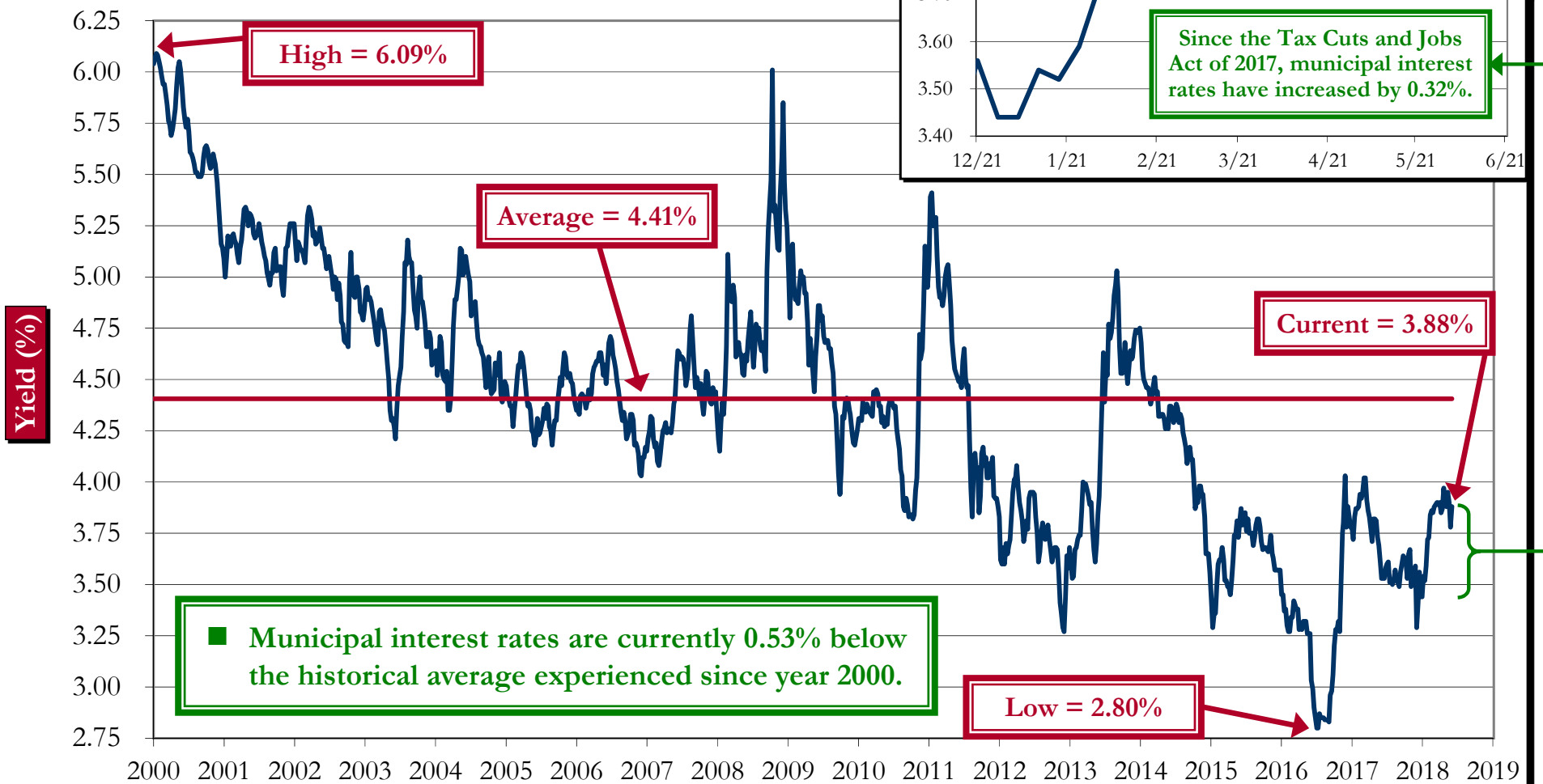
Note: Debt service payments reflect payments from September 1 through August 31. Net of Federal subsidies.

The District has a total principal amount of existing bonds equal to \$22,510,000 as of June 1, 2018.



Current Market, Fixed Interest Rates

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





Preliminary Financing Plan – Series 2018 Bond Sale

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

□ Scenarios Presented

- Stephenville ISD issues \$60,800,000 of fixed rate bonds from the 2018 Bond Program (the “Series 2018 Bonds”) in August 2018.
- ❖ **Scenario 1 – 30-Year Repayment:** Series 2018 Bonds are structured with annual principal and interest payments over the next 30 years (i.e. final maturity date of February 15, 2048); and
- ❖ **Scenario 2 – 25-Year Repayment:** Series 2018 Bonds are structured with annual principal and interest payments over the next 25 years (i.e. final maturity date of February 15, 2043).



Preliminary Financing Plan – Series 2018 Bond Sale

□ Assumptions

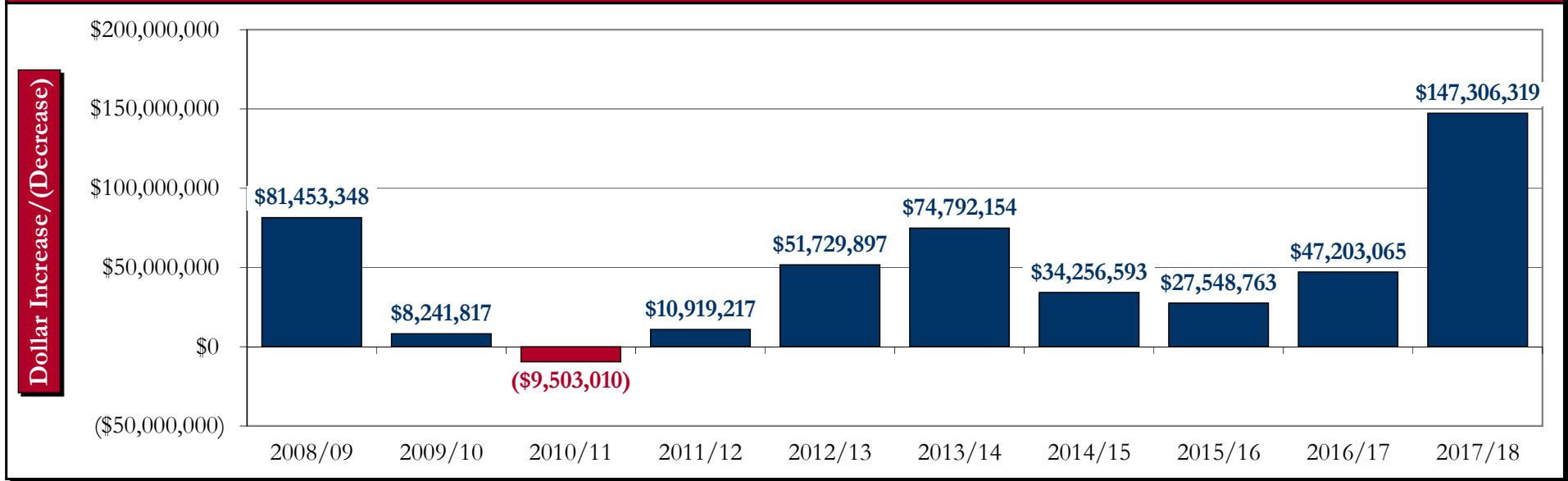
- The District's year 2017/18 Interest & Sinking Fund ("I&S") tax rate is 6.49 cents. The I&S tax rate increase associated with the 2018 Bond Program will occur in year 2018/19.
- The Series 2018 Bonds will be sold based upon current market rates of interest.
- The District will have the flexibility to prepay the Series 2018 Bonds prior to scheduled maturity, without penalty.
- District will not receive any State assistance for the repayment of bonds.
- District will annually have \$115,000 of "Other Available Revenues" available for bond payments. "Other Available Revenues" consist of frozen I&S Fund tax collections, interest earnings on I&S tax collections, delinquent tax collections and other available revenues.
- Tax collection rate of 99.0%.



Summary of District's Historical Taxable Assessed Valuation

- ❑ The District's taxable assessed valuation (net of frozen values) is \$1,557,199,873 for fiscal year 2017/18.
- ❑ The following summarizes certain taxable value growth statistics over the last decade:
 - Maximum tax base increase occurred in Year 2017/18: \$147,306,319;
 - Maximum tax base decline occurred in Year 2010/11: (\$9,503,010); and
 - Average tax base increase last 10 years: \$47,394,816.

Historical Increases/(Decreases) in Taxable Valuations – Years 2008/09 – 2017/18

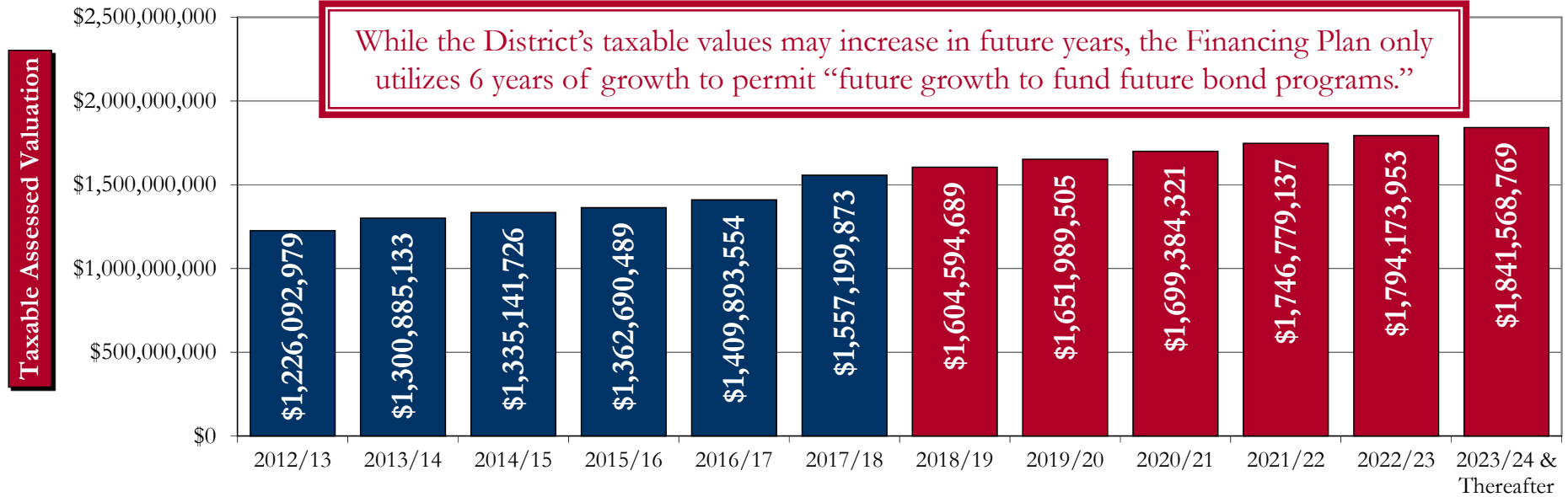


- ❑ The Financing Plan assumes the District's taxable value will increase by the historical 10-year average of \$47,394,816 in each of the next 6 years.



Preliminary Financing Plan – Series 2018 Bond Sale

Historical and Assumed Taxable Valuations (Net of Frozen Values)



Fiscal Year	2012/13	2013/14	2014/15	2015/16	2016/17	2017/18	Average Annual Increase – Years 2013/14 – 2017/18
Taxable Assessed Valuation	\$1,226,092,979	\$1,300,885,133	\$1,335,141,726	\$1,362,690,489	\$1,409,893,554	\$1,557,199,873	---
Dollar Change	\$---	\$74,792,154	\$34,256,593	\$27,548,763	\$47,203,065	\$147,306,319	\$66,221,379
Percentage Change	---	6.10%	2.63%	2.06%	3.46%	10.45%	4.90%

Fiscal Year	2018/19	2019/20	2020/21	2021/22	2022/23	2023/24 & Thereafter	Average Annual Increase – Years 2018/19 – 2023/24
Taxable Assessed Valuation	\$1,604,594,689	\$1,651,989,505	\$1,699,384,321	\$1,746,779,137	\$1,794,173,953	\$1,841,568,769	---
Dollar Change	\$47,394,816	\$47,394,816	\$47,394,816	\$47,394,816	\$47,394,816	\$47,394,816	\$47,394,816
Percentage Change	3.04%	2.95%	2.87%	2.79%	2.71%	2.64%	2.83%



Preliminary Financing Plan – Series 2018 Bond Sale

□ Annual General Fund Transfer

- The projected I&S tax rate increase associated with the 2018 Bond Program is predicated upon the District annually transferring Maintenance & Operations (“M&O”) tax collections from the Tax Ratification Election approved by voters for the repayment of bonds during fiscal years 2018/19 through 2036/37.
- The projected annual M&O transfers, which equate to 13 cents on the District’s annual tax rate, are summarized below:
 - \$2,065,113 – Year 2018/19;
 - \$2,126,110 – Year 2019/20;
 - \$2,187,108 – Year 2020/21;
 - \$2,248,105 – Year 2021/22;
 - \$2,309,102 – Year 2022/23; and
 - \$2,370,099 – Years 2023/24 through 2036/37.



Preliminary Financing Plan – 2018 Bond Program

- Based upon the Preliminary Financing Plan “Scenario 1 – 30-Year Repayment” herein, the 2018 Bond Program is projected to be fully implemented at approximately \$5,821,475 below the original cost communicated to voters at the time of the May 2018 bond election.

Summary of Preliminary Financing Plan – 2018 Bond Program

Description	Voter Education Material	Preliminary Financing Plan	
		Scenario 1 – 30-Year Repayment	Scenario 2 – 25-Year Repayment
Total Dollar Amount of Bonds to be Issued – 2018 Bond Program	\$ 60,800,000	\$ 60,800,000	\$ 60,800,000
I&S Tax Rate – Prior to 2018 Bond Program	6.49 Cents	6.49 Cents	6.49 Cents
Plus: Projected I&S Tax Rate Increase – 2018 Bond Program	<u>10.80 Cents</u>	<u>9.72 Cents</u>	<u>11.19 Cents</u>
Anticipated I&S Tax Rate – Completion of 2018 Bond Program	17.29 Cents	16.21 Cents	17.68 Cents
Projected Interest Rate – Series 2018 Bonds (2018 Bond Program)	4.50%	4.05%	3.91%
Projected Net Bond Payments – 2018 Bond Program	\$ 109,264,875	\$ 103,443,400	\$ 94,723,621
Projected Annual I&S Tax Increase – \$100,000 Taxable Home Value	\$ 108.00	\$ 97.20	\$ 111.90
Projected Monthly I&S Tax Increase – \$100,000 Taxable Home Value	9.00	8.10	9.33
Final Maturity	2048	2048	2043



Preliminary Financing Plan – Series 2018 Bond Sale – Scenario 1 – 30-Year Repayment

Preliminary Financing Plan - Series 2018 Bonds - Sale Of \$60,800,000 From The 2018 Bond Program - 30-Year Repayment										
A	B	C	D	E	F	G	H	I	J	K
Year	Total Existing Bond Payments	Plus: August-18 Fixed Rate Series 2018 \$60,800,000 @ 4.05%	Total Combined Bond Payments	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Less: Federal Subsidies	Less: General Fund Transfer	Net Combined Bond Payments	Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference
2017/18	\$2,671,838	\$0	\$2,671,838	\$115,000	\$224,148	\$1,332,173	\$1,000,516	\$1,557,199,873	\$0.0649	
2018/19	1,889,238	3,086,050	4,975,288	115,000	224,148	2,065,113	2,571,026	1,604,594,689	0.1621	\$0.0972
2019/20	1,890,438	3,225,225	5,115,663	115,000	224,148	2,126,110	2,650,404	1,651,989,505	0.1621	
2020/21	1,890,838	3,360,350	5,251,188	115,000	224,148	2,187,108	2,724,931	1,699,384,321	0.1620	
2021/22	1,890,438	3,495,750	5,386,188	115,000	224,148	2,248,105	2,798,934	1,746,779,137	0.1619	
2022/23	1,889,238	3,635,250	5,524,488	115,000	224,148	2,309,102	2,876,237	1,794,173,953	0.1619	
2023/24	1,892,138	3,771,375	5,663,513	115,000	224,148	2,370,099	2,954,265	1,841,568,769	0.1620	
2024/25	1,889,138	3,771,000	5,660,138	115,000	224,148	2,370,099	2,950,890	1,841,568,769	0.1619	
2025/26	1,892,063	3,772,250	5,664,313	115,000	224,148	2,370,099	2,955,065	1,841,568,769	0.1621	
2026/27	1,890,563	3,770,000	5,660,563	115,000	224,148	2,370,099	2,951,315	1,841,568,769	0.1619	
2027/28	1,887,563	3,774,000	5,661,563	115,000	224,148	2,370,099	2,952,315	1,841,568,769	0.1619	
2028/29	1,887,938	3,774,000	5,661,938	115,000	224,148	2,370,099	2,952,690	1,841,568,769	0.1620	
2029/30	1,891,438	3,770,000	5,661,438	115,000	224,148	2,370,099	2,952,190	1,841,568,769	0.1619	
2030/31	1,890,988	3,771,750	5,662,738	115,000	224,148	2,370,099	2,953,490	1,841,568,769	0.1620	
2031/32	1,772,144	3,778,750	5,550,894	115,000	112,074	2,370,099	2,953,721	1,841,568,769	0.1620	
2032/33	1,652,000	3,785,625	5,437,625	115,000	0	2,370,099	2,952,526	1,841,568,769	0.1619	
2033/34	1,649,375	3,787,250	5,436,625	115,000	0	2,370,099	2,951,526	1,841,568,769	0.1619	
2034/35	1,648,375	3,788,500	5,436,875	115,000	0	2,370,099	2,951,776	1,841,568,769	0.1619	
2035/36	1,648,750	3,789,125	5,437,875	115,000	0	2,370,099	2,952,776	1,841,568,769	0.1620	
2036/37	1,650,250	3,788,875	5,439,125	115,000	0	2,370,099	2,954,026	1,841,568,769	0.1620	
2037/38	0	3,066,000	3,066,000	115,000	0	0	2,951,000	1,841,568,769	0.1619	
2038/39	0	3,066,125	3,066,125	115,000	0	0	2,951,125	1,841,568,769	0.1619	
2039/40	0	3,066,375	3,066,375	115,000	0	0	2,951,375	1,841,568,769	0.1619	
2040/41	0	3,066,500	3,066,500	115,000	0	0	2,951,500	1,841,568,769	0.1619	
2041/42	0	3,066,250	3,066,250	115,000	0	0	2,951,250	1,841,568,769	0.1619	
2042/43	0	3,070,250	3,070,250	115,000	0	0	2,955,250	1,841,568,769	0.1621	
2043/44	0	3,068,250	3,068,250	115,000	0	0	2,953,250	1,841,568,769	0.1620	
2044/45	0	3,070,000	3,070,000	115,000	0	0	2,955,000	1,841,568,769	0.1621	
2045/46	0	3,070,125	3,070,125	115,000	0	0	2,955,125	1,841,568,769	0.1621	
2046/47	0	3,068,200	3,068,200	115,000	0	0	2,953,200	1,841,568,769	0.1620	
2047/48	0	3,070,200	3,070,200	115,000	0	0	2,955,200	1,841,568,769	0.1621	
Total	\$37,264,744	\$103,443,400	\$140,708,144	\$3,565,000	\$3,250,151	\$45,449,097	\$88,443,896			



Preliminary Financing Plan – Series 2018 Bond Sale – Scenario 2 – 25-Year Repayment

Preliminary Financing Plan - Series 2018 Bonds - Sale Of \$60,800,000 From The 2018 Bond Program - 25-Year Repayment

A	B	C	D	E	F	G	H	I	J	K
Year	Total Existing Bond Payments	Plus: August-18 Fixed Rate Series 2018 \$60,800,000 @ 3.91%	Total Combined Bond Payments	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Less: Federal Subsidies	Less: General Fund Transfer	Net Combined Bond Payments	Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference
2017/18	\$2,671,838	\$0	\$2,671,838	\$115,000	\$224,148	\$1,332,173	\$1,000,516	\$1,557,199,873	\$0.0649	
2018/19	1,889,238	3,324,246	5,213,483	115,000	224,148	2,065,113	2,809,222	1,604,594,689	0.1768	\$0.1119
2019/20	1,890,438	3,463,600	5,354,038	115,000	224,148	2,126,110	2,888,779	1,651,989,505	0.1766	
2020/21	1,890,838	3,609,875	5,500,713	115,000	224,148	2,187,108	2,974,456	1,699,384,321	0.1768	
2021/22	1,890,438	3,750,900	5,641,338	115,000	224,148	2,248,105	3,054,084	1,746,779,137	0.1766	
2022/23	1,889,238	3,897,100	5,786,338	115,000	224,148	2,309,102	3,138,087	1,794,173,953	0.1767	
2023/24	1,892,138	4,040,600	5,932,738	115,000	224,148	2,370,099	3,223,490	1,841,568,769	0.1768	
2024/25	1,889,138	4,041,475	5,930,613	115,000	224,148	2,370,099	3,221,365	1,841,568,769	0.1767	
2025/26	1,892,063	4,038,100	5,930,163	115,000	224,148	2,370,099	3,220,915	1,841,568,769	0.1767	
2026/27	1,890,563	4,040,225	5,930,788	115,000	224,148	2,370,099	3,221,540	1,841,568,769	0.1767	
2027/28	1,887,563	4,042,475	5,930,038	115,000	224,148	2,370,099	3,220,790	1,841,568,769	0.1767	
2028/29	1,887,938	4,044,600	5,932,538	115,000	224,148	2,370,099	3,223,290	1,841,568,769	0.1768	
2029/30	1,891,438	4,041,475	5,932,913	115,000	224,148	2,370,099	3,223,665	1,841,568,769	0.1768	
2030/31	1,890,988	4,037,975	5,928,963	115,000	224,148	2,370,099	3,219,715	1,841,568,769	0.1766	
2031/32	1,772,144	4,048,475	5,820,619	115,000	112,074	2,370,099	3,223,446	1,841,568,769	0.1768	
2032/33	1,652,000	4,052,475	5,704,475	115,000	0	2,370,099	3,219,376	1,841,568,769	0.1766	
2033/34	1,649,375	4,054,850	5,704,225	115,000	0	2,370,099	3,219,126	1,841,568,769	0.1766	
2034/35	1,648,375	4,060,225	5,708,600	115,000	0	2,370,099	3,223,501	1,841,568,769	0.1768	
2035/36	1,648,750	4,058,350	5,707,100	115,000	0	2,370,099	3,222,001	1,841,568,769	0.1767	
2036/37	1,650,250	4,054,100	5,704,350	115,000	0	2,370,099	3,219,251	1,841,568,769	0.1766	
2037/38	0	3,335,475	3,335,475	115,000	0	0	3,220,475	1,841,568,769	0.1766	
2038/39	0	3,337,850	3,337,850	115,000	0	0	3,222,850	1,841,568,769	0.1768	
2039/40	0	3,338,350	3,338,350	115,000	0	0	3,223,350	1,841,568,769	0.1768	
2040/41	0	3,336,725	3,336,725	115,000	0	0	3,221,725	1,841,568,769	0.1767	
2041/42	0	3,338,700	3,338,700	115,000	0	0	3,223,700	1,841,568,769	0.1768	
2042/43	0	3,335,400	3,335,400	115,000	0	0	3,220,400	1,841,568,769	0.1766	
Total	\$37,264,744	\$94,723,621	\$131,988,365	\$2,990,000	\$3,250,151	\$45,449,097	\$80,299,117			



Summary of Callable Bonds – Scenario 1 – 30-Year Repayment

- ❑ Assuming the Preliminary Financing Plan “Scenario 1 – 30-Year Repayment” herein, upon completion of the Series 2018 Bond sale, the District is estimated to have \$66,790,000 of bonds eligible to be repaid prior to maturity beginning in year 2022.
- ❑ Pursuant to State law, the District 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 placing sufficient funds in an escrow account to repay such bonds on their call date.

Summary of District's Callable Bonds – Upon Completion of Series 2018 Bond Sale

Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Final Maturity
Unlimited Tax School Building Bonds, Series 2012-B	02/15/2022	\$ 15,935,000	\$ 13,975,000	2037
Unlimited Tax Qualified School Construction Bonds, Taxable Series 2012-A	02/15/2022	6,575,000	6,575,000	2032
Unlimited Tax School Building Bonds, Series 2018 (2048 Maturity)	08/15/2022	5,900,000	5,900,000	2048
Unlimited Tax School Building Bonds, Series 2018	02/15/2027	49,690,000	40,340,000	2046
Totals	---	\$ 78,100,000	\$ 66,790,000	---



Recap of Preliminary Financing Plan – Scenario 1 – 30-Year Repayment

- ❑ Based upon the District's projected cash flow needs for capital improvements, the District will issue all \$60.8 million of the bonds from the 2018 Bond Program in one fixed rate sale in August 2018:
 - Interest Rate of 4.05% – Voter education material assumed 4.50%.
- ❑ 2018 Bond Program is projected to be fully implemented below the original cost communicated to voters:
 - Net bond payments are \$5,821,475 lower; and
 - Maximum tax rate increase of 9.72 cents versus the 10.8 cents anticipated.
- ❑ On an annual basis and based upon Stephenville ISD's tax base, the Board of Trustees may either:
 - Adopt the minimum I&S tax rate necessary to service its annual bond payment requirements;
 - Adopt a 17.29-cent I&S tax rate (i.e. the maximum tax rate increase communicated to voters) and either prepay bonds or reduce the dollar amount of the annual General Operating Fund transfer; or
 - Any combination of the above.



Preliminary Timetable – Series 2018 Bond Sale

- ❑ The following is the preliminary timetable for the sale of the Series 2018 Bonds.

June 2018						
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

July 2018						
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				

August 2018						
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 – Sale of the Series 2018 Bonds	
Date*	Action Necessary
June 18, 2018	Regular Board Meeting – Discuss Preliminary Financing Plan for the Sale of Unlimited Tax School Building Bonds, Series 2018 (the “Series 2018 Bonds”).
July 23, 2018	Completion of All Items Necessary to Sell the Series 2018 Bonds (i.e. Preliminary Official Statement Completed, Permanent School Fund Guarantee Received, Ratings Received, etc.).
July 30, 2018	Pricing – Sale of the Series 2018 Bonds – Interest Rates Locked-In.
July 30, 2018	Special Board Meeting – Board of Trustees Approves Sale of the Series 2018 Bonds.
On or Prior to August 30, 2018	Closing – Proceeds of the Series 2018 Bonds are Delivered to the District.
* Preliminary, subject to change.	



Questions

