



Joshua M. McLaughlin
 Managing Director
 Phone: (214) 576-0878
 Facsimile: (214) 576-0890
jmclaughlin@bokf.com

December 7, 2021

Dr. Jamie Wilson
 Superintendent of Schools
 Denton Independent School District
 1307 North Locust Street
 Denton, Texas 76201

Dr. Scott Niven
 Deputy Superintendent
 Denton Independent School District
 1307 North Locust Street
 Denton, Texas 76201

Re: Final Results – 2021 Taxable Refunding Program

Dear Dr. Wilson and Dr. Niven:

Introduction

On Tuesday, December 7, 2021, Denton Independent School District (“DISD” or the “District”) sold its Unlimited Tax Refunding Bonds, Taxable Series 2021 (the “Series 2021 Refunding Bonds”) to refund a portion of its existing bonds (the “Bonds to be Refunded”) at a lower interest rate. This memorandum summarizes the results of the District’s 2021 Taxable Refunding Program and, in particular, the savings realized for its taxpayers.

Summary of Savings – 2021 Taxable Refunding Program

At its October 26, 2021 meeting, the Board of Trustees adopted a “Parameters Bond Order” authorizing the sale of the Series 2021 Refunding Bonds if certain parameters were met. Based upon the favorable bond market conditions, each parameter was met, the interest rate on the District’s bonds was successfully reduced from 4.48% to 1.90% and DISD’s actual savings totaled **\$8,401,015** (net of all costs) – Which is \$2,561,372 higher than the savings presented to the Board of Trustees and \$1,401,015 higher than the established minimum savings parameter.

Based upon the successful result of the 2021 Taxable Refunding Program, Denton ISD’s prior refunding programs have generated a collective savings of \$187,852,629 for District taxpayers since year 2005 (see table below)!

Summary of District’s Savings From Refunding Programs – Since January 1, 2005			
Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2005-C	1998, 1999, 2001	\$ 50,855,000	\$ 3,251,044
Unlimited Tax Refunding Bonds, Series 2006	2002	48,329,192	12,125,000
Unlimited Tax Refunding Bonds, Series 2011	1998, 1999, 2001, 2004	24,940,000	1,838,589
Unlimited Tax Refunding Bonds, Series 2012-B	2002, 2004, 2005-C	64,614,784	13,196,404
Unlimited Tax Refunding Bonds, Taxable Series 2012-C	2004, 2005-C	25,030,000	2,551,494
Unlimited Tax Refunding Bonds, Series 2012-D	2004	40,155,000	8,937,721
Unlimited Tax Refunding Bonds, Series 2014-C	2006-A	15,010,000	1,252,934
Unlimited Tax Refunding Bonds, Series 2015	2007, 2008	125,110,000	17,203,964
Unlimited Tax Refunding Bonds, Series 2016	2006, 2007, 2008, 2009	118,749,192	51,970,247
Unlimited Tax Refunding Bonds, Taxable Series 2020-A	2012-B&D, 2014-A, 2015-A	269,445,000	67,124,217
Unlimited Tax Refunding Bonds, Taxable Series 2021	2014-A, 2015, 2015-A	89,785,000	8,401,015
Totals	---	\$ 872,023,168	\$ 187,852,629

Summary of Annual Savings – 2021 Taxable Refunding Program

The District’s savings are summarized within the table below.

2021 Taxable Refunding Program – Actual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Bond Payments – Bonds to be Refunded	Plus: Bond Payments – 2021 Taxable Refunding Program	Bond Payments – After Refunding Program	Savings^(A) (Col. B – E)
2021/22	\$ 111,999,751	\$ 4,116,700	\$ 4,115,822	\$ 111,998,873	\$ 878
2022/23	95,849,986	4,116,700	3,681,066	95,414,352	435,634
2023/24	95,847,687	4,116,700	3,681,066	95,412,053	435,634
2024/25	95,662,917	4,116,700	3,681,066	95,227,282	435,634
2025/26	95,667,544	14,336,700	13,451,066	94,781,909	885,634
2026/27	95,663,756	14,450,700	13,562,566	94,775,621	888,134
2027/28	95,666,064	14,478,450	13,589,066	94,776,680	889,384
2028/29	89,261,120	14,492,700	13,608,316	88,376,736	884,384
2029/30	89,263,398	14,467,700	13,579,316	88,375,014	888,384
2030/31	89,258,588	12,769,200	11,883,066	88,372,454	886,134
2031/32	89,260,016	12,776,200	11,891,566	88,375,382	884,634
2032/33	89,263,641	9,807,200	8,920,656	88,377,096	886,544
2033/34	79,446,843	---	---	79,446,843	---
2034/35	79,441,133	---	---	79,441,133	---
2035/36	79,443,511	---	---	79,443,511	---
2036/37	79,442,446	---	---	79,442,446	---
2037/38	79,441,980	---	---	79,441,980	---
2038/39	64,719,860	---	---	64,719,860	---
2039/40	64,718,047	---	---	64,718,047	---
2040/41	64,713,841	---	---	64,713,841	---
2041/42	64,715,448	---	---	64,715,448	---
2042/43	64,712,719	---	---	64,712,719	---
2043/44	40,801,356	---	---	40,801,356	---
2044/45	50,356,112	---	---	50,356,112	---
2045/46	53,155,350	---	---	53,155,350	---
2046/47	53,152,700	---	---	53,152,700	---
2047/48	53,151,850	---	---	53,151,850	---
Totals	\$ 2,104,077,664	\$ 124,045,650	\$ 115,644,635	\$ 2,095,676,649	\$ 8,401,015

^(A) At this time, the District receives approximately \$2,110,000 for each 1-cent of I&S tax effort.

Bonds Refunded – 2021 Taxable Refunding Program

The following table provides the District’s existing bonds that were refunded at a lower interest rate.

Series 2021 Refunding Bonds – 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%	---	---

Independent Bond Ratings

As is customary during the bond sale process, DISD took part in an independent bond rating assessment conducted by S&P Global Ratings and Fitch Ratings, Inc. This consisted of a review of the District’s financial position, debt position, future financing needs, various economic indicators and management practices. After a thorough review, which included conference calls with the District’s Administration, Denton ISD’s bond ratings of “AA” were affirmed by both S&P and Fitch.

In particular, the rating agencies cited the following credit strengths:

■ **S&P Global Ratings:**

- ✓ Very strong reserve position;
- ✓ Growing assessed value and above-average incomes; and
- ✓ Growing enrollment, which ensures steady Texas state funding.

■ **Fitch Ratings, Inc.:**

- ✓ Strong financial management practices supporting the District’s history of favorable operating performance;
- ✓ Superior financial resilience, based on solid expenditure flexibility, limited historical revenue volatility and sound operating reserves; and
- ✓ Steady expansion of economic resource base.

Updated Timeline – Swap Termination Program

At its October 26, 2021 meeting, the District's Board of Trustees also authorized the refunding of DISD's existing Series 2005-A and Series 2006-B Bonds along with the termination of the associated Swap Agreements. In order to terminate the Swap Agreements, certain regulatory requirements must be met (e.g. compliance with Dodd-Frank protocols, etc.), which has caused a slight delay in the implementation of the District's Swap Termination Program. The District's Administration and financing team are in the process of finalizing the remaining requirements and we anticipate moving forward with the Swap Termination Program in January or February 2022.

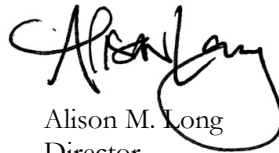
Closing

Congratulations on the successful implementation of the District's 2021 Taxable Refunding Program. The actions of the District's Administration and Board of Trustees have reduced the District's existing bond payments for Denton ISD's taxpayers. Should any questions arise or additional information is preferred, please do not hesitate to contact us. We thank you for the opportunity to be of service to DISD and hope you are pleased with the results!

Sincerely,



Joshua N. McLaughlin
Managing Director



Alison M. Long
Director