



Competitive Bond Sale Summary

General Obligation Bonds, Election of 2016, Series 2018

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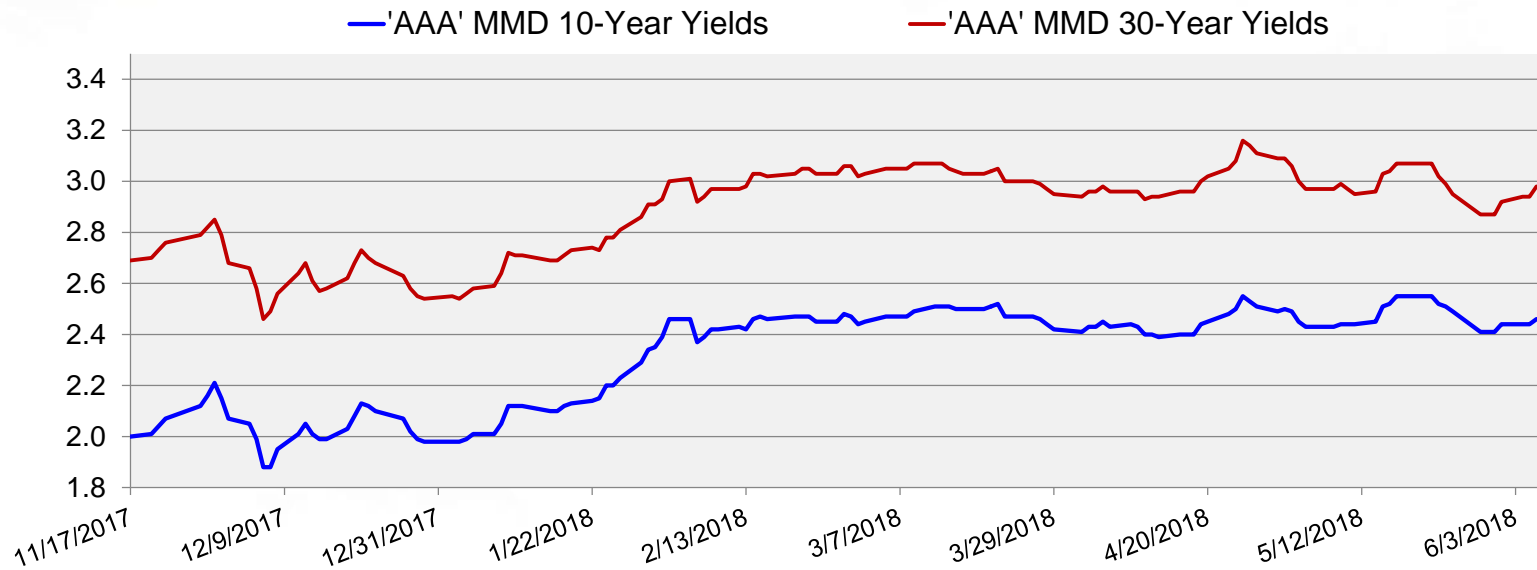
June 7, 2018



Summary of Market Conditions

- ❖ After a sharp rise in rates during the month of January, rates have remained fairly stable since February 2018
- ❖ 10-year US Treasury rate temporarily surpassed 3% in May, however both UST and MMD yields have since declined in the past few weeks

Change in 'AAA' MMD Yields (November 17, 2017 through June 7, 2018)





Orange USD Competitive Sale

- The Orange Unified School District sold its General Obligation Bonds, Election of 2016, Series 2018 (the “Bonds”) via competitive sale on June 7, 2018 in the aggregate par amount of \$188,000,000
- Credit ratings of ‘AA’ by S&P Global Ratings and “AAA” by Fitch Ratings
- Total of seven bids received on the Bonds
 - Winning bid submitted by RBC Capital Markets, LLC at a True Interest Cost (“TIC”) of 3.634733% (before re-structure)
 - Cover bid submitted by Citigroup Global Markets Inc.
 - Difference between best and worst bid only 0.7 basis points (.007%)
- Financing summary statistics:
 - Total par amount: \$188,000,000
 - Debt repayment ratio: 1.78 to 1



Bidders for the Series 2018 Bonds

Purchaser	Proposed True Interest Cost ("TIC")
RBC Capital Markets, LLC	3.634733%
Citigroup Global Markets Inc.	3.641977
Bank of America Merrill Lynch	3.644248
Morgan Stanley & Co., LLC	3.659198
Robert W. Baird & Co., Inc.	3.670587
J.P. Morgan Securities LLC	3.680114
Wells Fargo Bank, National Association	3.705289



Overview of the GO Bonds, Election of 2016, Series 2018

Sources & Uses

SOURCES		Series A
Bond Proceeds		
Par Amount		\$ 188,000,000.00
Premium		<u>7,120,225.50</u>
Total		\$ 195,120,225.50

USES		
Project Fund Deposits		
Project Fund		\$ 188,000,000.00
Other Fund Deposits		
Debt Service Fund		\$ 6,542,950.07
Delivery Date Expenses		
Underwriter's Discount		\$ 577,275.43
Total		\$ 195,120,225.50



Overview of the GO Bonds, Election of 2016, Series 2018

Debt Service

Date	Principal	Interest	Debt Service Fund	Net Debt Service
8/1/2019	\$7,615,000	\$8,124,472	\$6,542,950	\$9,196,521
8/1/2020	2,520,000	7,042,625	-	9,562,625
8/1/2021	-	6,916,625	-	6,916,625
8/1/2022	-	6,916,625	-	6,916,625
8/1/2023	370,000	6,916,625	-	7,286,625
8/1/2024	680,000	6,898,125	-	7,578,125
8/1/2025	1,015,000	6,864,125	-	7,879,125
8/1/2026	1,375,000	6,813,375	-	8,188,375
8/1/2027	1,770,000	6,744,625	-	8,514,625
8/1/2028	2,200,000	6,656,125	-	8,856,125
8/1/2029	2,660,000	6,546,125	-	9,206,125
8/1/2030	3,160,000	6,413,125	-	9,573,125
8/1/2031	3,700,000	6,255,125	-	9,955,125
8/1/2032	4,280,000	6,070,125	-	10,350,125
8/1/2033	4,910,000	5,856,125	-	10,766,125
8/1/2034	5,485,000	5,708,825	-	11,193,825
8/1/2035	6,095,000	5,544,275	-	11,639,275
8/1/2036	6,750,000	5,353,806	-	12,103,806
8/1/2037	7,445,000	5,142,869	-	12,587,869
8/1/2038	8,180,000	4,910,213	-	13,090,213
8/1/2039	8,965,000	4,644,363	-	13,609,363
8/1/2040	9,800,000	4,353,000	-	14,153,000
8/1/2041	10,755,000	3,961,000	-	14,716,000
8/1/2042	11,770,000	3,530,800	-	15,300,800
8/1/2043	12,855,000	3,060,000	-	15,915,000
8/1/2044	14,005,000	2,545,800	-	16,550,800
8/1/2045	15,225,000	1,985,600	-	17,210,600
8/1/2046	16,520,000	1,376,600	-	17,896,600
8/1/2047	17,895,000	715,800	-	18,610,800
	\$188,000,000	\$153,866,922	\$6,542,950	\$335,323,971



Comparison of Projected vs. Final Bonds

Category	Board Presentation 5-24-18	Actual Sale Results 6-7-18	Tax Payer Savings
True Interest Cost (TIC)	3.739524%	3.627825%	0.1117%
Net Interest	\$152,063,182	\$147,323,971	\$4,739,211
Repayment Ratio	\$1.81 to 1	\$1.78 to 1	\$0.03 per \$1 borrowed



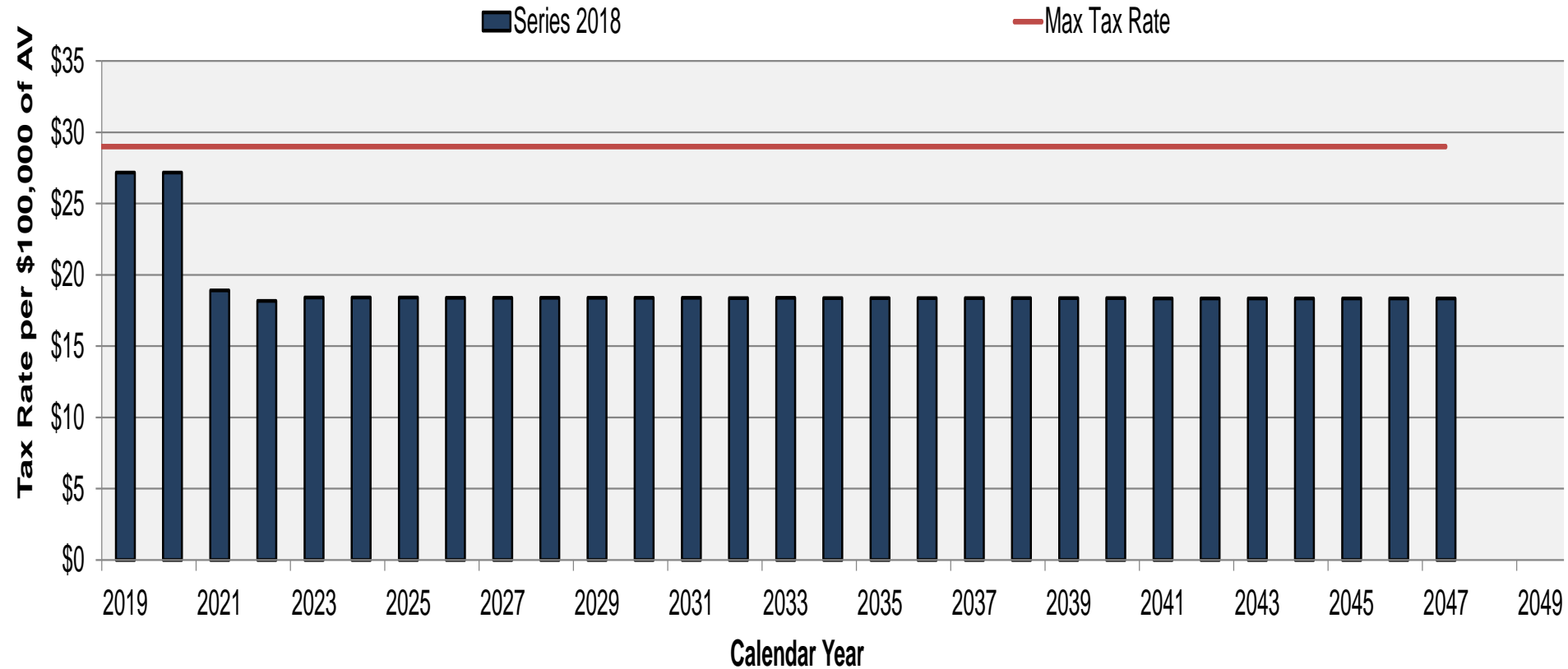
Projected Tax Rates for Election of 2016

- These Bonds are the first series of bonds to be issued under Measure S
 - Not-to-exceed authorization of \$288,000,000 approved by over 55% of voters in the School District at the November 2016 Prop 39 election
- After the issuance of the Bonds, there remains \$100,000,000 in general obligation bond authorization under Measure S
 - The Series 2018 tax rate declines in 2021 allowing for additional bonds to be issued under the Measure



Projected Tax Rates for Election of 2016

Measure S Bonding Schedule Projected Tax Rates⁽¹⁾



⁽¹⁾ Assumes 4% growth in FY 18-19 and every year thereafter.