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Discussion Materials

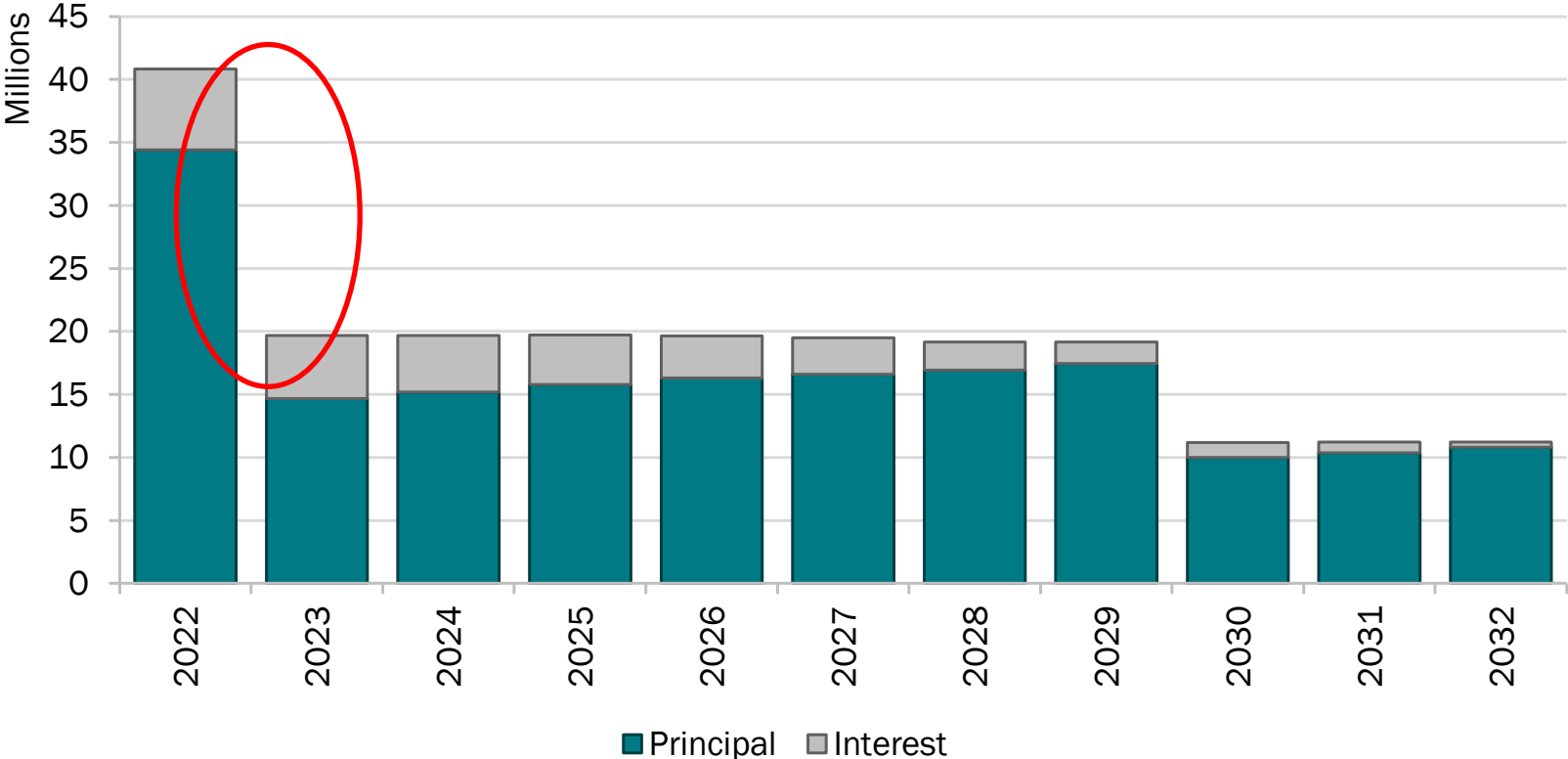
Lexington & Richland Counties School District #5

August 23, 2021

Debt outstanding (as of June 30, 2021)

General Obligation Bonds						
Series	Description	Principal Outstanding	Final Maturity	Prepayment Provision	Avg. Coupon	Purpose
Series 2010A	Taxable General Obligation Bonds (QSCB)	10,000,000	6/1/2027	Noncallable	5.250%	Seven Oaks Elementary Renovation
Series 2012B	General Obligation Bonds	76,855,000	3/1/2032	3/1/2022 @ 100%	3.512%	New Schools and School Renovations
Series 2013A	General Obligation Current Refunding Bond	23,066,000	3/1/2028	Unavailable	2.210%	Refund Series 2009B BABs
Series 2015B	General Obligation Current Refunding Bonds	48,030,000	3/1/2029	3/1/2025 @ 100%	3.962%	Refund Series 2010B-2 BABs
Series 2019B	General Obligation Bonds	10,595,000	3/1/2022	Noncallable	5.000%	Constructing New Elementary School
Series 2021	General Obligation Bond	10,000,000	3/1/2022	Unavailable	3.000%	Unavailable
Subtotal		178,546,000			3.622%	

Annual Principal and Interest Payments



Interest Rates



Notes & Observations

- Over the last 10 years, both the 10-year and 30-year tax-exempt interest rates have gradually decreased.
- Over the last year, 10-year and 30-year tax-exempt interest rates have increased slightly by 19 basis points and 3 basis points, respectively.
- The proposed refunding for the School District has an average life of approximately 6.5 years. The tax-exempt 6-year interest rate is currently 0.49%.

Refinancing Opportunity: Series 2012B G.O. Bonds

Results

- Net PV savings (\$): \$10,186,739
- Net PV savings (%): 14.43%
- Negative Arbitrage: \$150,287
- Average Annual savings: \$972,770

Notes/Assumptions

- Closing date of December 1, 2021
- Assumes underlying Aa2/AA rated G.O. Bond sold in the public market
- Tax-exempt market conditions as of August 18, 2021
- The Series 2012B Bonds have a smaller maturity of \$125,000 in FY 2027 which limits the amount of savings that can be generated in that year.

Refunded Bonds	
Par Amount	70,575,000
Maturities	Mar. 1, 2023 - 2032
Avg. Coupon	3.55%
Optional Redemption	3/1/2022 @ 100%
Refunding Bonds	
Par Amount	58,455,000
COI / Underwriter's Discount	542,275
True Interest Cost	0.97%
Negative Arbitrage	150,287
Savings Results	
Net PV Savings (\$)	10,186,739
Net PV Savings (%)	14.43%
Average Annual Savings	972,770

Period Ending	Cash Flow Savings
6/30/2022	596,203
6/30/2023	1,114,625
6/30/2024	1,115,713
6/30/2025	1,116,763
6/30/2026	1,113,663
6/30/2027	68,213
6/30/2028	1,114,463
6/30/2029	1,114,113
6/30/2030	1,114,513
6/30/2031	1,114,200
6/30/2032	1,118,000
Total	10,700,466

Preliminary; subject to change

Financing Calendar

Sep-21							Oct-21							Nov-21							Dec-21						
Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa	Su	Mo	Tu	We	Th	Fr	Sa
			1	2	3	4						1	2		1	2	3	4	5	6				1	2	3	4
5	6	7	8	9	10	11	3	4	5	6	7	8	9	7	8	9	10	11	12	13	5	6	7	8	9	10	11
12	13	14	15	16	17	18	10	11	12	13	14	15	16	14	15	16	17	18	19	20	12	13	14	15	16	17	18
19	20	21	22	23	24	25	17	18	19	20	21	22	23	21	22	23	24	25	26	27	19	20	21	22	23	24	25
26	27	28	29	30			24/31	25	26	27	28	29	30	28	29	30				26	27	28	29	30	31		

DATE	TASK	RESPONSIBILITY
Week of August 30	Distribute Draft of Bond Resolutions	BC
September 8	Distribute Revised Bond Resolutions	BC
September 13	Review Plan of Finance / Resolutions	SD / BC
September 27	Board Meeting – Adopt Resolutions	SD / BC
By October 1	Distribute Draft of POS	BC
October 6	Working Group Call to Review POS	Working Group
October 15	Distribute Revised Draft of POS	BC
	Send Documents to Rating Agencies	FTA
October 18	Distribute Draft of Rating Presentation	FTA
Week of October 25	Rating Calls	Working Group
By November 3	Receive Ratings	Working Group
November 4	Finalize POS	BC
November 5	Post POS	BC
By November 9	Publish Summary NOS	BC
November 16	Pricing	Working Group
Week of November 22	Distribute Closing Documents	BC
November 30	Pre-Closing	Working Group
December 1	Closing	Working Group

Board meetings are typically held on the 2nd and 4th Mondays of the month

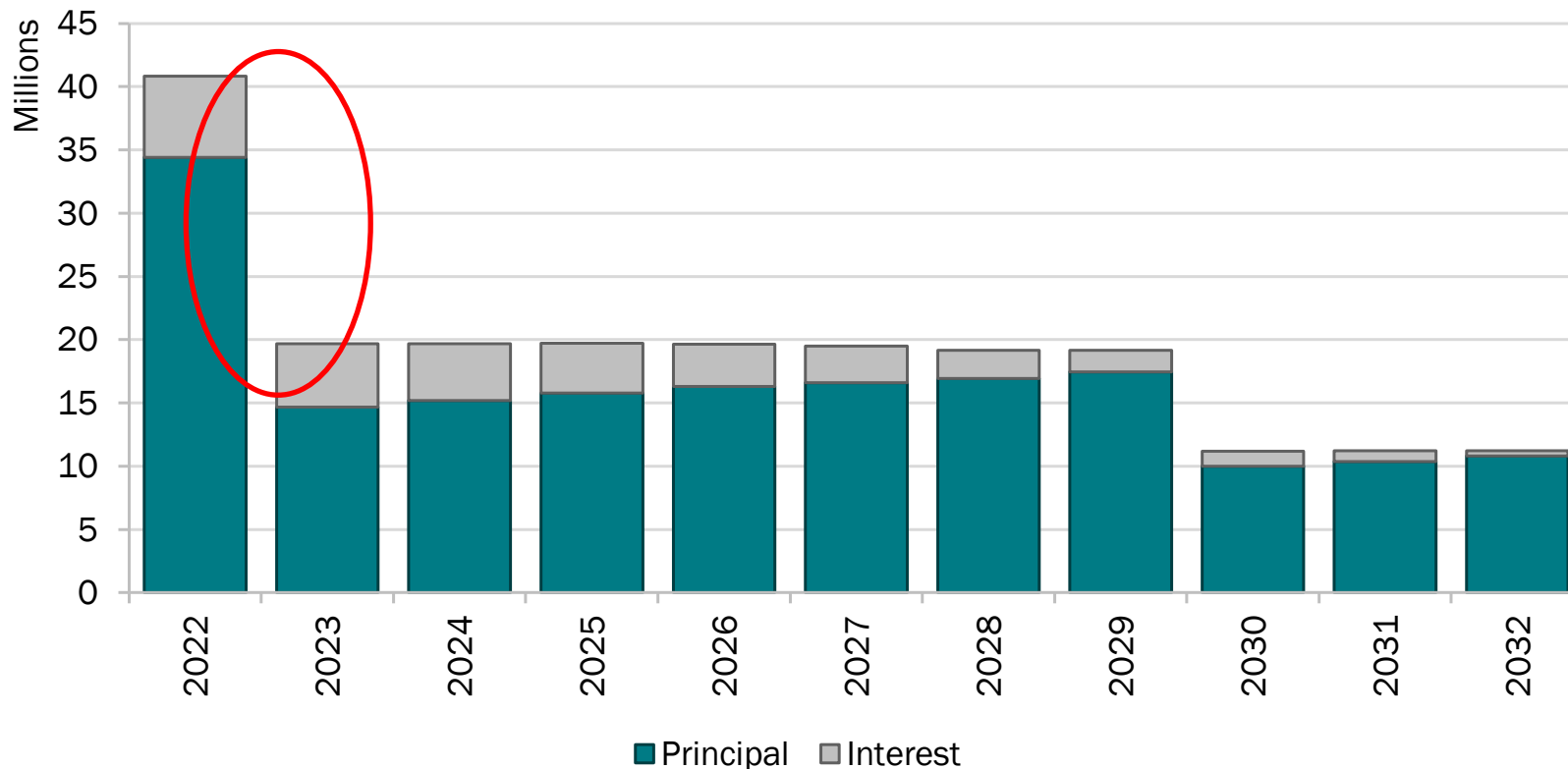
RESPONSIBILITY LEGEND:

Role	Entity	Defined
Issuer	District Five of Lexington & Richland Counties	“SD”
Bond Counsel	Burr & Forman	“BC”
Financial Advisor	First Tryon Advisors	“FTA”

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Annual Principal and Interest Payments

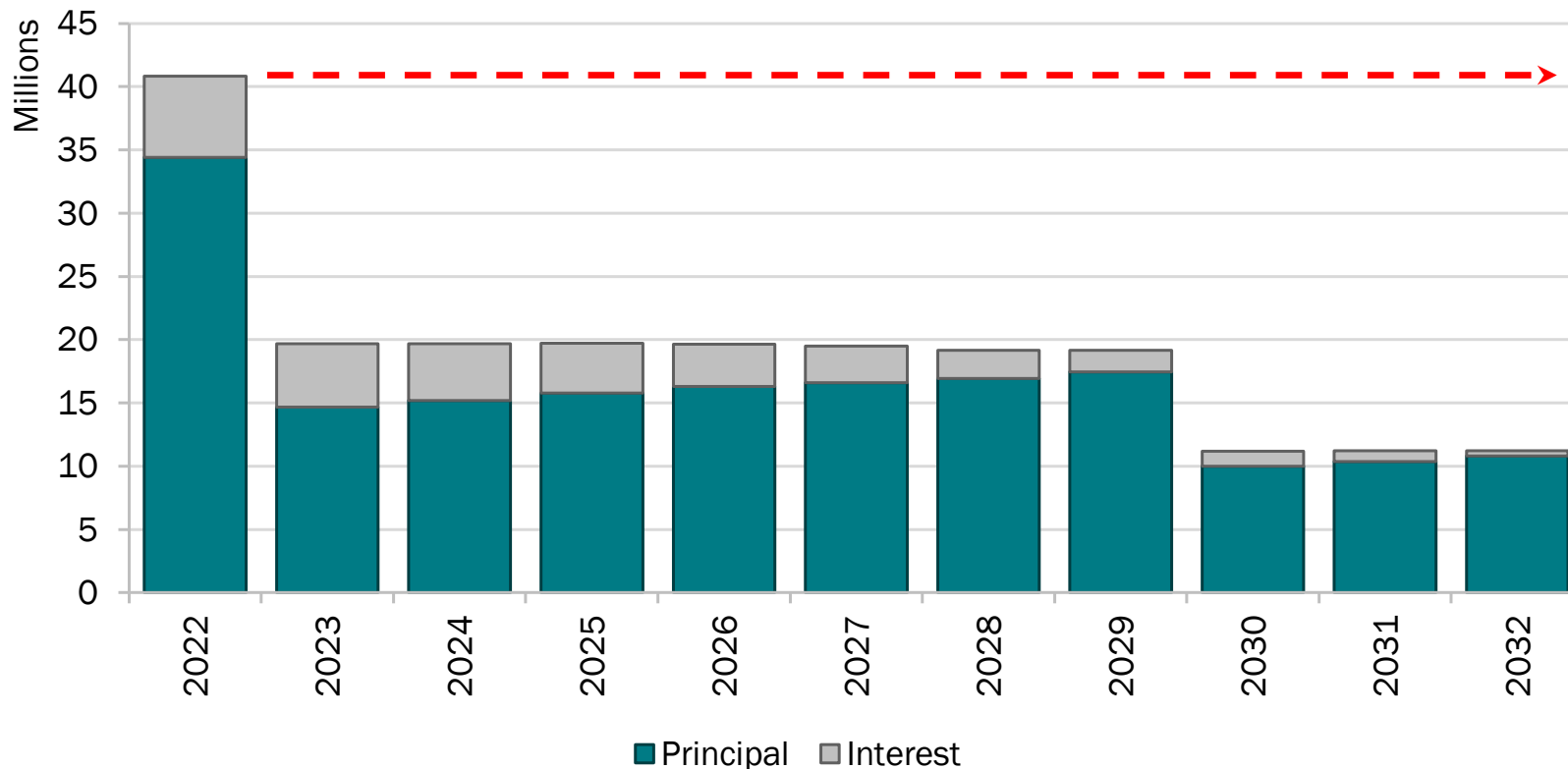


Note: If the School District did not issue any additional debt with payments in FY 2023, then the current 75.4 mill levy would be reduced to approximately 36 mills

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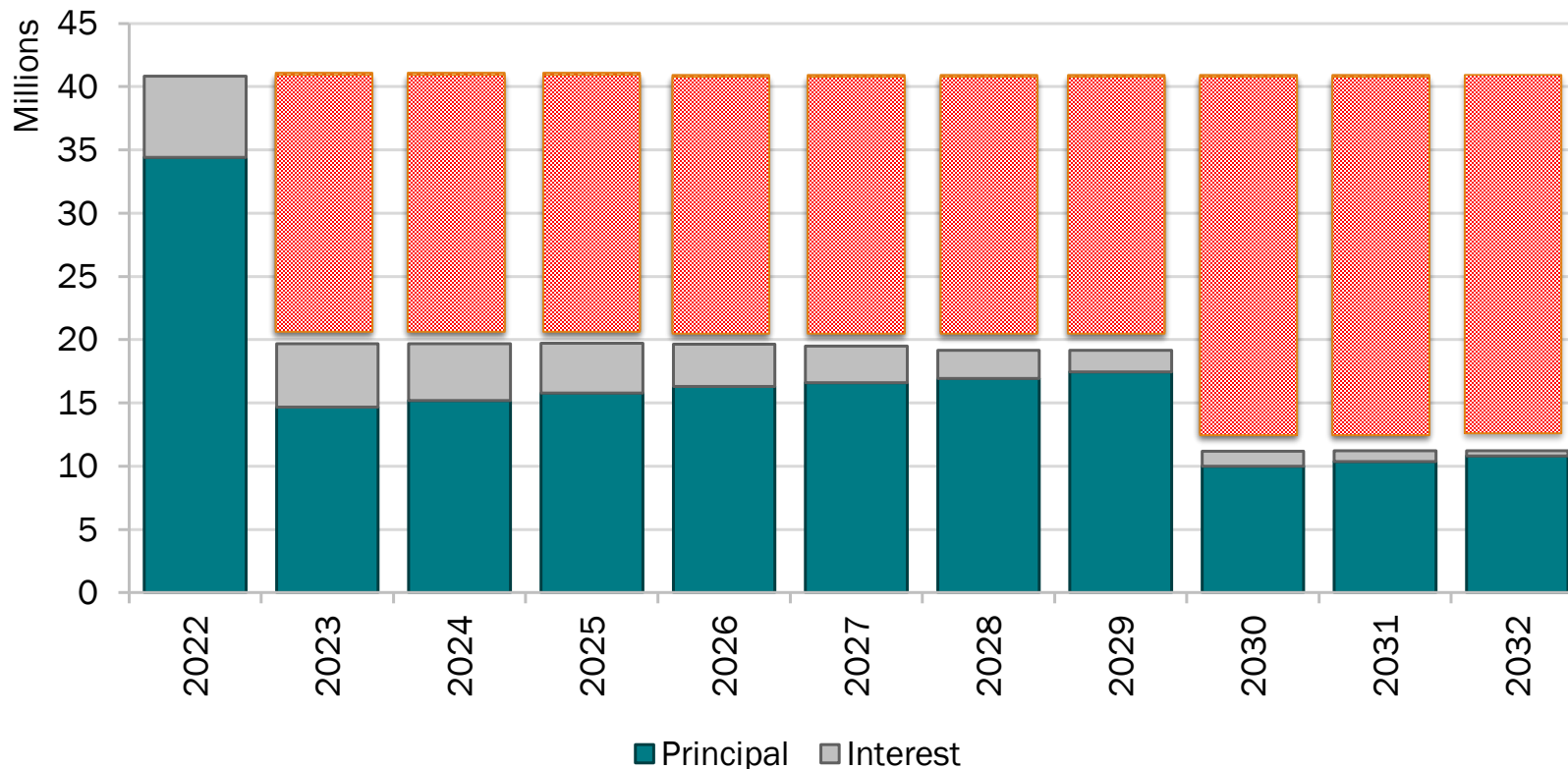
Annual Principal and Interest Payments



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Annual Principal and Interest Payments



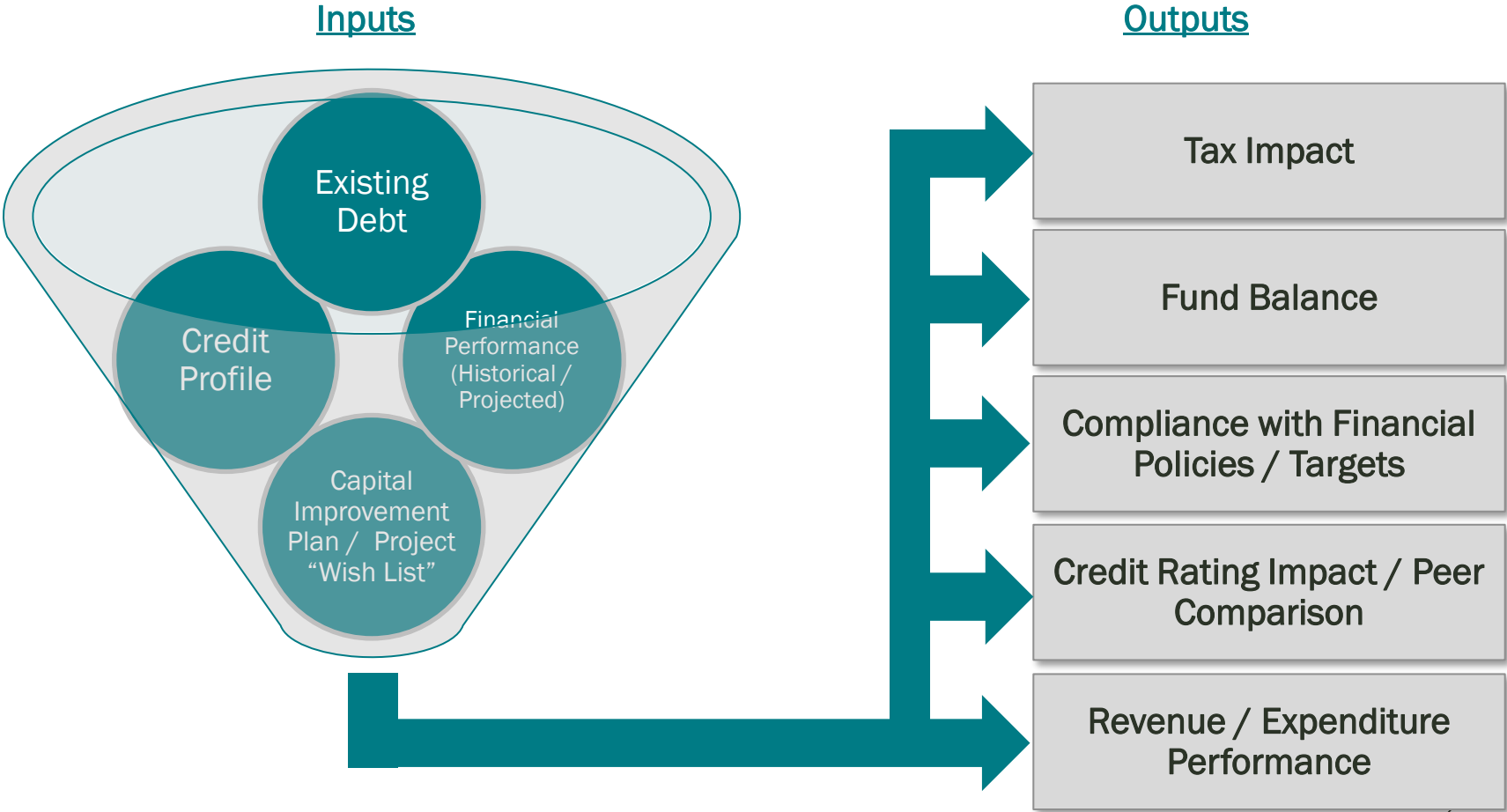
Debt Capacity

Debt Service Millage

- In 2020, the School District raised its debt service millage rate from 54.8 mills to 75.4 mills.
- In 2020 the value of a mill was estimated to be \$549k.
- The School District has capacity to issue:
 - Approximately \$21 million annually from 2023 to 2029,
 - \$30 million from 2030 to 2032, and
 - \$41 million from 2033 to 2040.
- In the event that the School District does not fully utilize this capacity, the debt service millage will need to be adjusted to generate revenues equal to existing and proposed debt service for that specific fiscal year.

Introduction to the Capital Planning Model

- First Tryon regularly works with its clients' staff and board members to understand, plan for, and implement plans of finance to address capital needs. In order to streamline this process, First Tryon has developed a proprietary Capital Planning Model ("Model").
- The Model is a tool developed by First Tryon that gives entities the ability to forecast the impact of funding proposed capital projects over both a near-term and a long-term horizon.
- The model is designed to be interactive and to allow an entity to run multiple scenarios with different assumptions in a timely manner.



Step #1: Input District's facilities / capital needs

Turn projects on or off

Specify project description, amount, and timing

Specify funding type/
Revenue Source

Customize repayment structure

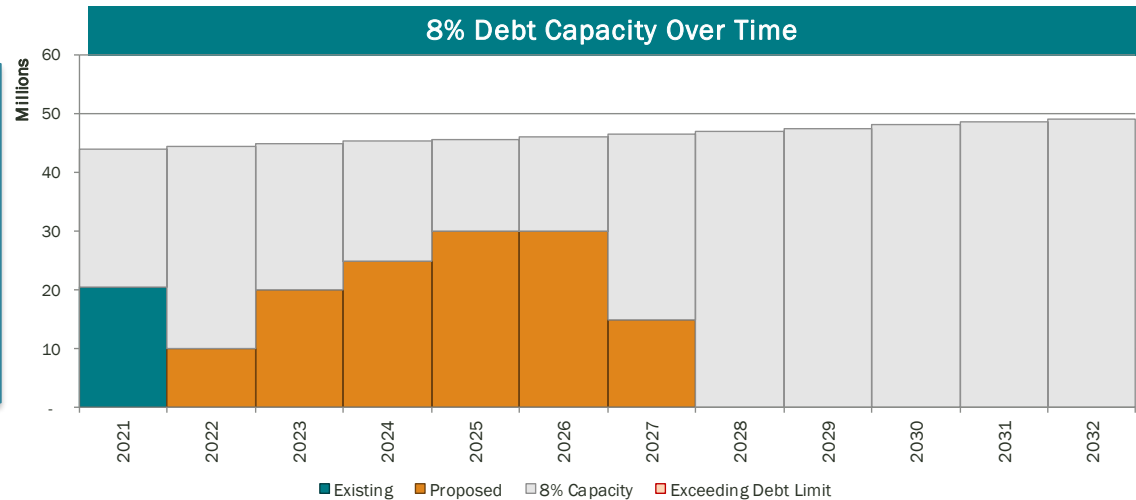
1	2	3	4	5	6	7	8	9	10	11
On/Off	Description	Amount	Project/Par Amount	Issued (CY)	Funding Type	Eight Percent / Referendum	Structure	Term	Principal Deferral	Rate
On	FY 2022 8% G.O. Bond for capital improvements, equipment, and technology	10,000,000		2022	G.O.	Eight Percent	Level D/S	1	0	1.00%
On	FY 2023 8% G.O. Bond for capital improvements, equipment, and technology	10,000,000		2023	G.O.	Eight Percent	Level D/S	1	0	2.00%
On	FY 2024 8% G.O. Bond for capital improvements, equipment, and technology	15,000,000		2024	G.O.	Eight Percent	Level D/S	1	0	2.50%
On	FY 2025 8% G.O. Bond for capital improvements, equipment, and technology	15,000,000		2025	G.O.	Eight Percent	Level D/S	1	0	2.75%
On	FY 2026 8% G.O. Bond for capital improvements, equipment, and technology	15,000,000		2026	G.O.	Eight Percent	Level D/S	1	0	3.00%
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Step #2: Use dashboards to model scenarios

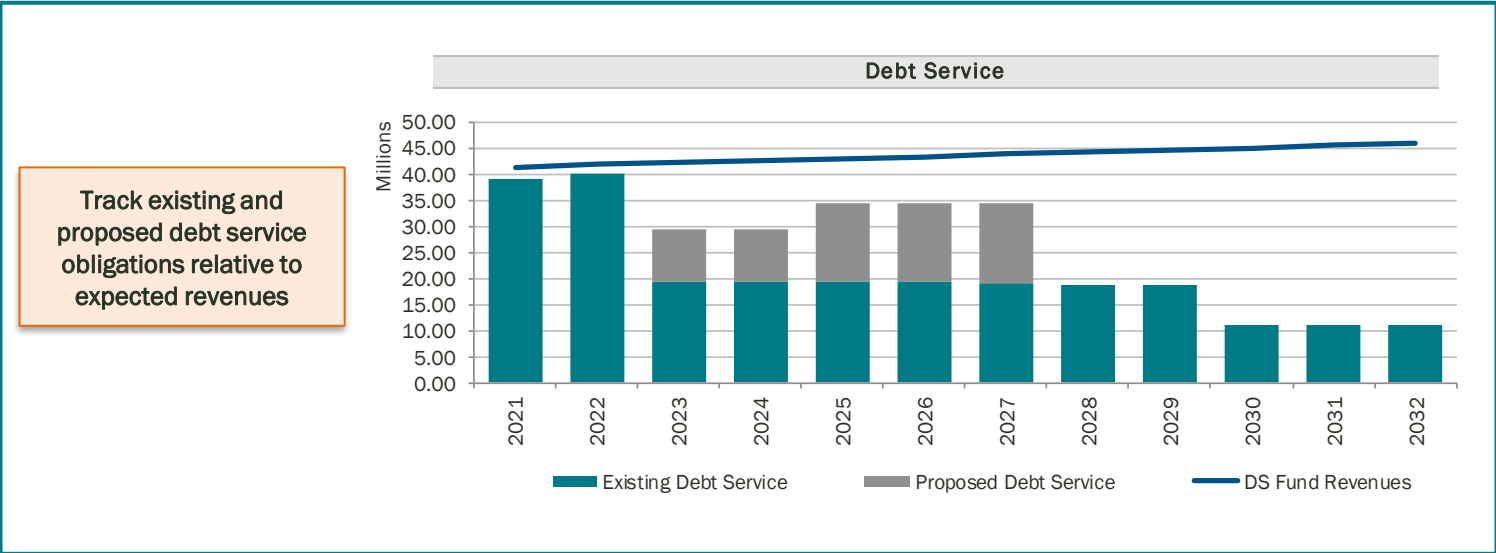
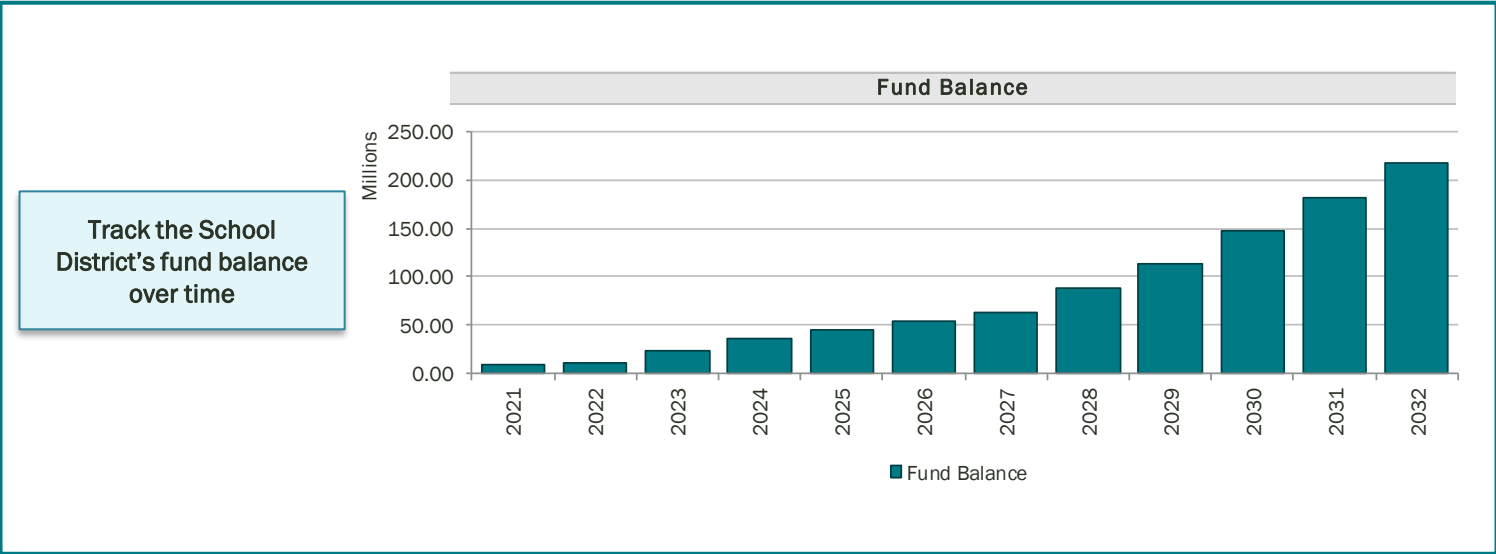
Project ongoing millage collections to establish future debt service capacity within a desired millage levy

Tax Levy	Debt Service		Value of a Mill	Assumed Growth Rate	Collection Percentage	Millage Collections
	Paid	Millage Rate				
Total						
2021	2022	75.40	534,930	1.00%	98.00%	39,527,017
2022	2023	75.40	540,279	1.00%	98.00%	39,922,264
2023	2024	75.40	545,682	1.00%	98.00%	40,321,507
2024	2025	75.40	551,139	1.00%	98.00%	40,724,746
2025	2026	75.40	556,650	1.00%	98.00%	41,131,982
2026	2027	75.40	562,217	1.00%	98.00%	41,543,289
2027	2028	75.40	567,839	1.00%	98.00%	41,958,743
2028	2029	75.40	573,517	1.00%	98.00%	42,378,344
2029	2030	75.40	579,253	1.00%	98.00%	42,802,092
2030	2031	75.40	585,045	1.00%	98.00%	43,230,138
2031	2032	75.40	590,896	1.00%	98.00%	43,662,406
2032	2033	75.40	596,804	1.00%	98.00%	44,099,047

Track the School District's existing and proposed General Obligation Bonds outstanding relative to its eight percent debt capacity



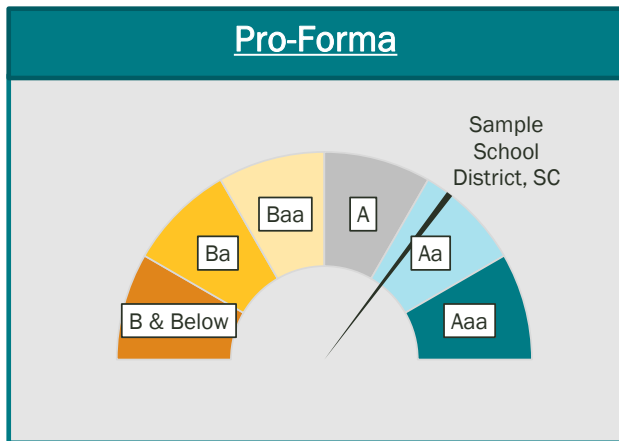
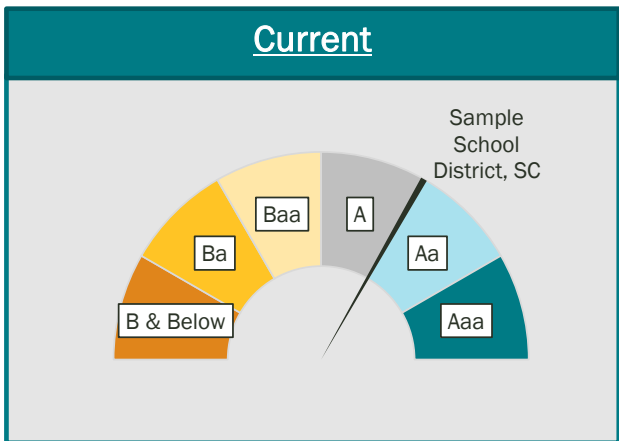
Dashboards are customized to each client



Step #3: Monitor credit rating

Observe the immediate and future credit impact of a proposed financing in real time as you develop the optimal plan of finance

Track future credit performance to ensure you are on track to meet credit goals



Broad Rating Factors	Factor Weighting	Rating Subfactors	Subfactor Weighting	Value	Score	Weighted Scale	Implied Rating
Economy	30%	Resident Income	10%	92.40	5.64	0.56	A2
		Full Value Per Capita	10%	92,338	5.07	0.51	A1
		Enrollment Trend	10%	0.00	4.49	0.45	Aa3
Financial Performance	30%	Available Fund Balance Ratio	20%	10.58	7.27	1.45	A3
		Net Cash Ratio	10%	16.83	4.77	0.48	A1
Management	10%	Institutional Framework	10%	SC	3.00	0.30	Aa2
Leverage	30%	Long-Term Liabilities Ratio	20%	2.65	4.79	0.96	A1
		Fixed-Costs Ratio	10%	0.10	1.16	0.12	Aaa
Total	100%		100%			4.83	A1

Source: Moody's Investors Service

Step #4: Review peer comparisons

	Lexington & Richland Counties School District 5, SC	Anderson County School District 5, SC	Florence County School District 1, SC	Lexington County School District 1, SC	Oconee County School District, SC	Richland County School District 2, SC	Rock Hill School District 3 (York County), SC
	2020	2020	2020	2020	2020	2020	2020
1 Rating	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2	Aa2
2 Financial Statistics & Ratios							
3 Total General Fund Revenues (\$000)	199,538	124,709	154,618	287,517	104,414	304,209	168,967
4 General Fund Balance as % of Revenues	23.3	27.7	24.5	22.9	20.3	26.7	23.1
5 Total General Fund Balance (\$000)	46,519	34,531	37,929	65,933	21,211	81,238	39,092
6 Unassigned Fund Balance (General Fund)	43,344	34,266	37,547	60,865	21,042	81,238	34,465
7 Unassigned Fund Balance as % of Revenue (General Fund)	21.7	27.5	24.3	21.2	20.2	26.7	20.4
8 Governmental Activities Statistics and Ratios							
9 Cash & Investments (\$000)	59,325	124,439	53,379	238,734	31,939	240,019	93,309
10 Debt Statistics & Ratios							
11 Direct Net Debt as % of Full Value	1.9	2.8	0.5	4.3	0.5	3.2	1.9
12 Direct Net Debt Per Capita (\$)	1,945	2,141	468	4,056	624	2,625	1,404
13 Debt Service as % of Operating Expenditures	11.3	8.8	6.9	31.0	13.6	26.3	8.1
14 Tax Base Statistics and Ratios*							
15 Total Full Value (\$000)	10,272,513	6,496,688	7,236,490	11,907,332	10,140,729	11,085,464	9,178,433
16 Full Value Per Capita (\$)	99,182	78,653	72,762	84,446	130,801	77,365	77,170
17 Top Ten TaxPayers as % of Total	10.8	7.4	6.8	13.6	25.5	7.6	6.4
18 Enrollment/Attendance	16,979	12,606	15,390	25,999	10,059	27,598	16,985
19 Demographic Statistics*							
20 Population (ACS Data)	103,572	82,599	99,454	141,006	77,528	143,288	118,938
21 Per Capita Income (ACS Data)	38,127	27,397	28,043	32,390	29,844	31,952	29,899
22 Median Family Income (ACS Data)	87,126	60,601	63,211	80,904	62,488	79,000	68,098

*Note: FY2019 statistics used when FY2020 data is unavailable

Source: Moody's Investors Service

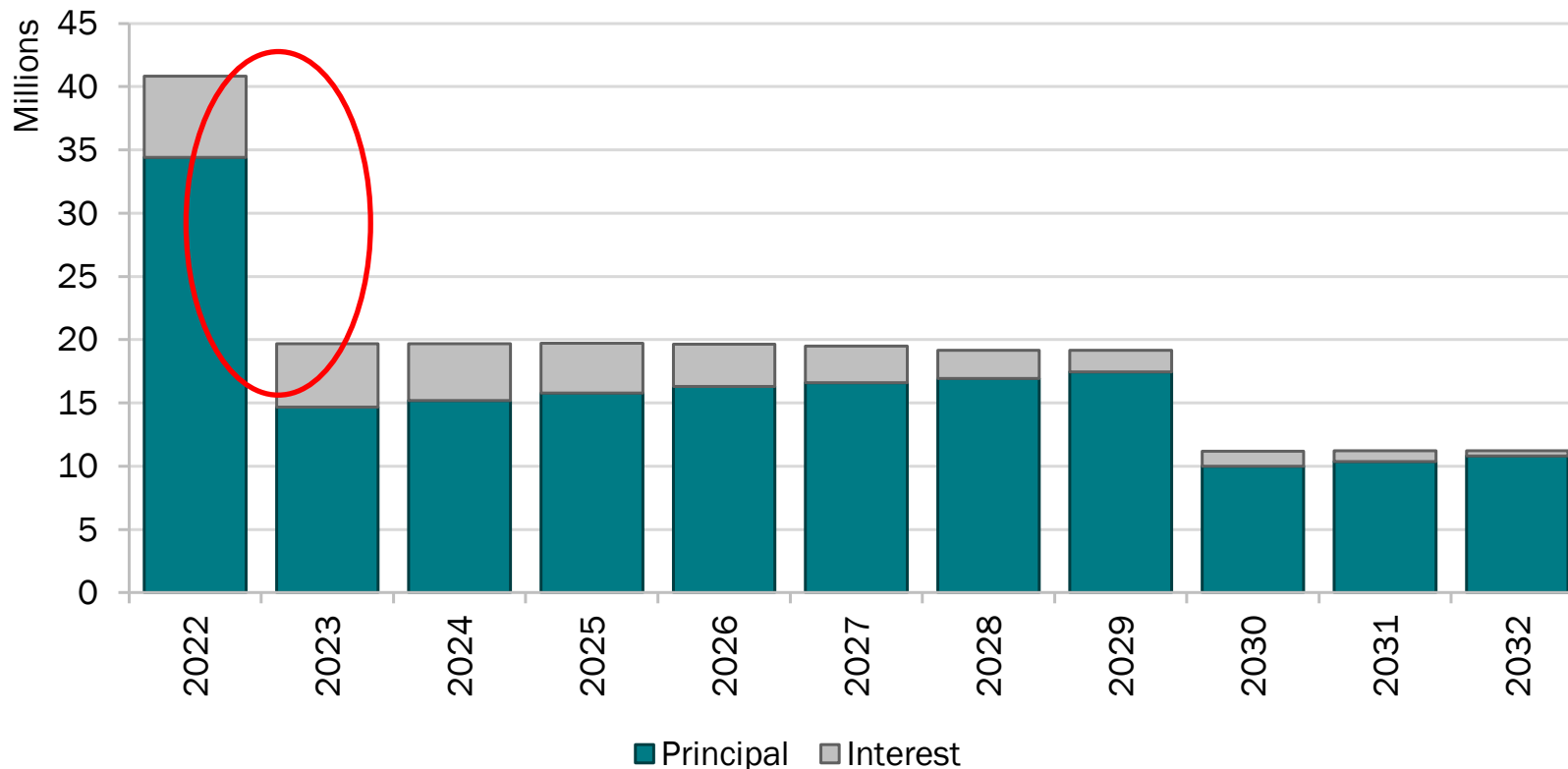
Observations

- General Fund Balance as % of Revenues is in line with those of peers.
- Liquidity (Cash & Investments) is weaker than most peers.
- Wealth Levels (Per Capita Income and Median Family Income) are stronger than peers.

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First Tryon's Recommendations

Recommendation #1 RFP for financial advisor (estimated timeline to complete = 2 weeks)

Recommendation #2 Take advantage of low interest rates for refinancing:

Recommendation #3 Develop long term capital plan

First Tryon Competitive Advantage

Experience	Resources	Accessibility	Enthusiasm
<ul style="list-style-type: none">▪ Tremendous experience in South Carolina:<ul style="list-style-type: none">▪ Berkeley County School District▪ Spartanburg County School District #6▪ Dillon County Board of Education▪ Richland County▪ Lexington County▪ Charleston County▪ Orangeburg County▪ Fairfield County▪ City of West Columbia▪ City of Charleston▪ City of Greenville▪ City of Rock Hill	<ul style="list-style-type: none">▪ Expertise with quantitative modeling (DBC and Excel) for both debt and credit analysis▪ Sales and Trading desk providing live market information▪ In-house proprietary models include:<ul style="list-style-type: none">▪ Capital Planning Model▪ Rating scorecard analysis▪ Enhanced refunding model and debt profile maintenance	<ul style="list-style-type: none">▪ Office in Charlotte, NC will serve the School District▪ Available for the School District meetings with short notice with headquarters located just 1.5 hours away▪ Frequent travel to the midlands area of the State for meetings with clients	<ul style="list-style-type: none">▪ Passionate about serving clients▪ Client service embedded into our mission statement

First Tryon Advisors

History

- Founded twenty-four years ago
- Headquartered in Charlotte, NC
- Independent, privately owned securities firm
- Registered with MSRB and SEC
- 28 Employees

Financial Advisory Services

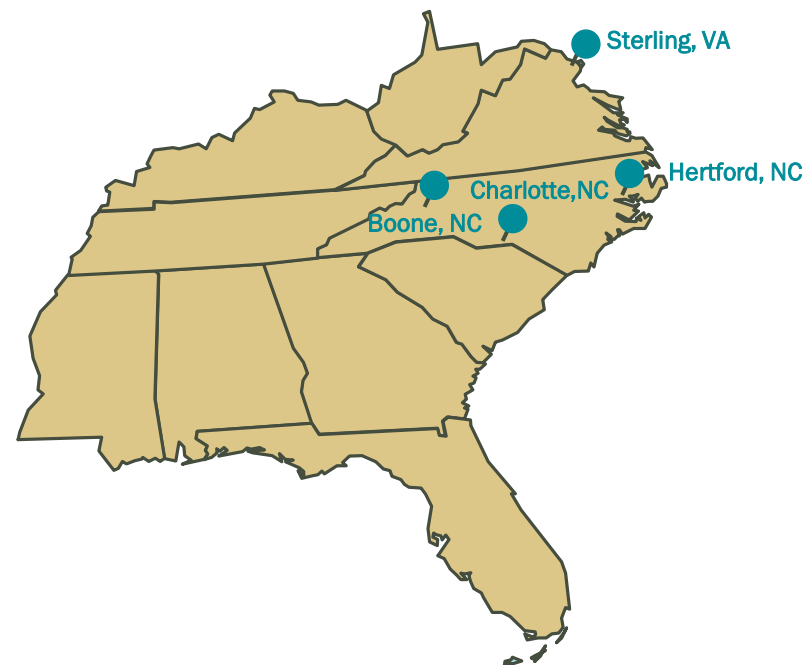
- Full service financial advisory firm
- Regionally focused in NC, SC, GA, and VA
- Over 200 clients
- Serves as financial advisor to School Districts, Cities, Counties, Utilities, Higher Education Institutions, Not-For-Profits, and Hospitals among others

Municipal Sales & Trading Desk

- Tax-exempt and taxable securities trading platform
- Access to real-time market information
- Annual trade volume exceeds \$2 billion in par amount
- Secondary market only, First Tryon does not serve as an underwriter

Office Locations

- First Tryon maintains offices in the follow locations:



Financial Advisory Team

Financial Advisory Team					
Walter Goldsmith Managing Director		David Cheatwood Managing Director		Robert Hobson Managing Director	
<ul style="list-style-type: none"> 23 Years Experience City of Greenville, SC City of Charleston, SC Town of Mount Pleasant, SC Charleston County, SC Florence County, SC 		<ul style="list-style-type: none"> 15 Years Experience Berkeley County School District Spartanburg County School District #6 Richland County, SC City of West Columbia, SC City of Rock Hill, SC 		<ul style="list-style-type: none"> 21 Years Experience Dorchester County, SC Berkeley County, SC City of Anderson, SC City of North Charleston, SC Greenwood CPW (SC) 	
Amy Vitner Managing Director		<ul style="list-style-type: none"> 22 Years Experience Horry County, SC City of Florence, SC City of North Charleston, SC Town of Mount Pleasant, SC 			
Don Ubell Managing Director		Josh Lassiter Director		Kristin Drummond Director	
Greg Lovins Director		Rob Ketner Director			
Chazzo Habliston Vice President		Jordan Keysor Associate		Brandon Decoste Associate	
Will Cuthbertson Analyst		Ryann Evans Analyst		Anthea van Rensburg Analyst	

Team Resumes



Walter Goldsmith
Managing Director

Biography

- 23 years public finance experience
- Direct experience in NC, SC and GA
- Head of First Tryon’s advisory practice
- Prior experience as the manager of Davenport’s Charlotte, NC office

Representative South Carolina Experience

- City of Greenville, SC
- City of Charleston, SC
- Town of Mount Pleasant, SC
- Charleston County, SC
- Florence County, SC

Education / Licenses

- B.S. Clemson University
- General Securities Representative License (Series 7)
- Uniform Securities Agent License (Series 63)
- General Principals License (Series 24)
- Municipal Securities Representative (Series 52)
- Municipal Advisor Representative (Series 50)

Team Resumes



David Cheatwood
Managing Director

Biography

- 15 years public finance experience
- Direct experience in NC, SC, and GA
- Prior public finance experience at Wells Fargo and Bank of America

Representative South Carolina Experience

- Berkeley County School District, SC
- Spartanburg County School District #6, SC
- Richland County, SC
- City of West Columbia, SC
- City of Rock Hill, SC

Education / Licenses

- B.S. UNC Chapel Hill
- J.D. UNC Chapel Hill
- General Securities Representative License (Series 7)
- Uniform Securities Agent License (Series 63)
- Municipal Advisor Representative (Series 50)

Disclaimer

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