



Issue Paper #14: Updated Bond Financing Scenarios

1. Background

Following Bond Advisory Committee Meeting #2, District staff worked with its bond advisor (Piper Jaffray) to update the bond financing scenario being considered by the Committee. The attached tables reflect the amount the District could expect to receive given the following scenarios:

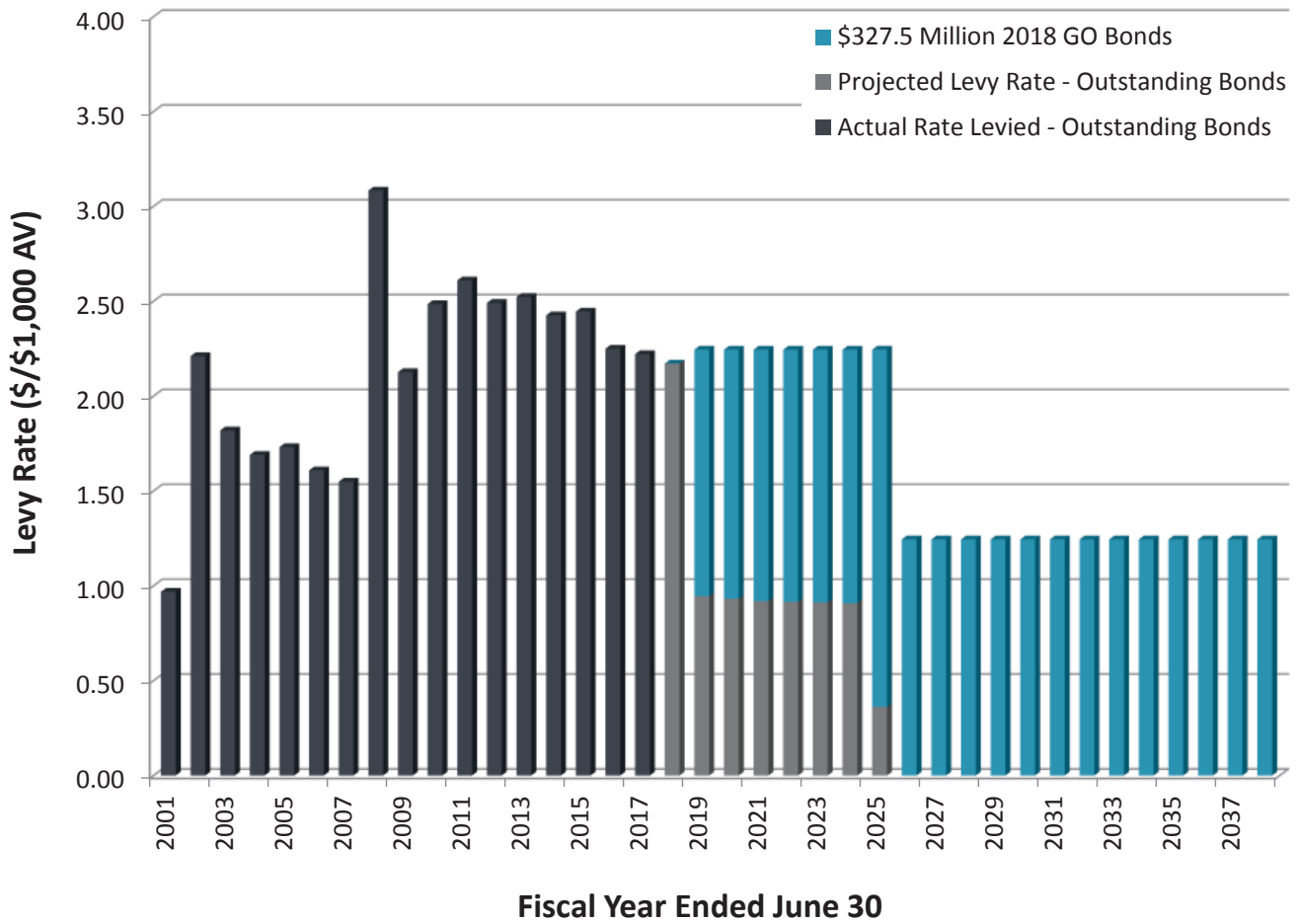
- 1) Maintain current \$2.24/\$1,000 AV through 2025, then rate drops to ~\$1.25. This would result in an overall bond program of \$327,455,000.
- 2) Maintain current \$2.24/\$1,000 AV through 2027, then rate drops to ~\$1.25. This would result in an overall bond program of \$355,635,000.
- 3) Increase to \$2.50/\$1,000 AV through 2025, then rate drops to ~\$1.50. This would result in an overall bond program of \$392,455,000.
- 4) Increase to \$2.50/\$1,000 AV through 2027, then rate drops to ~\$1.50. This would result in an overall bond program of \$420,640,000.

HILLSBORO SCHOOL DISTRICT NO. 1J
 General Obligation Bonds, Series 2018 – Summary of Structuring Options

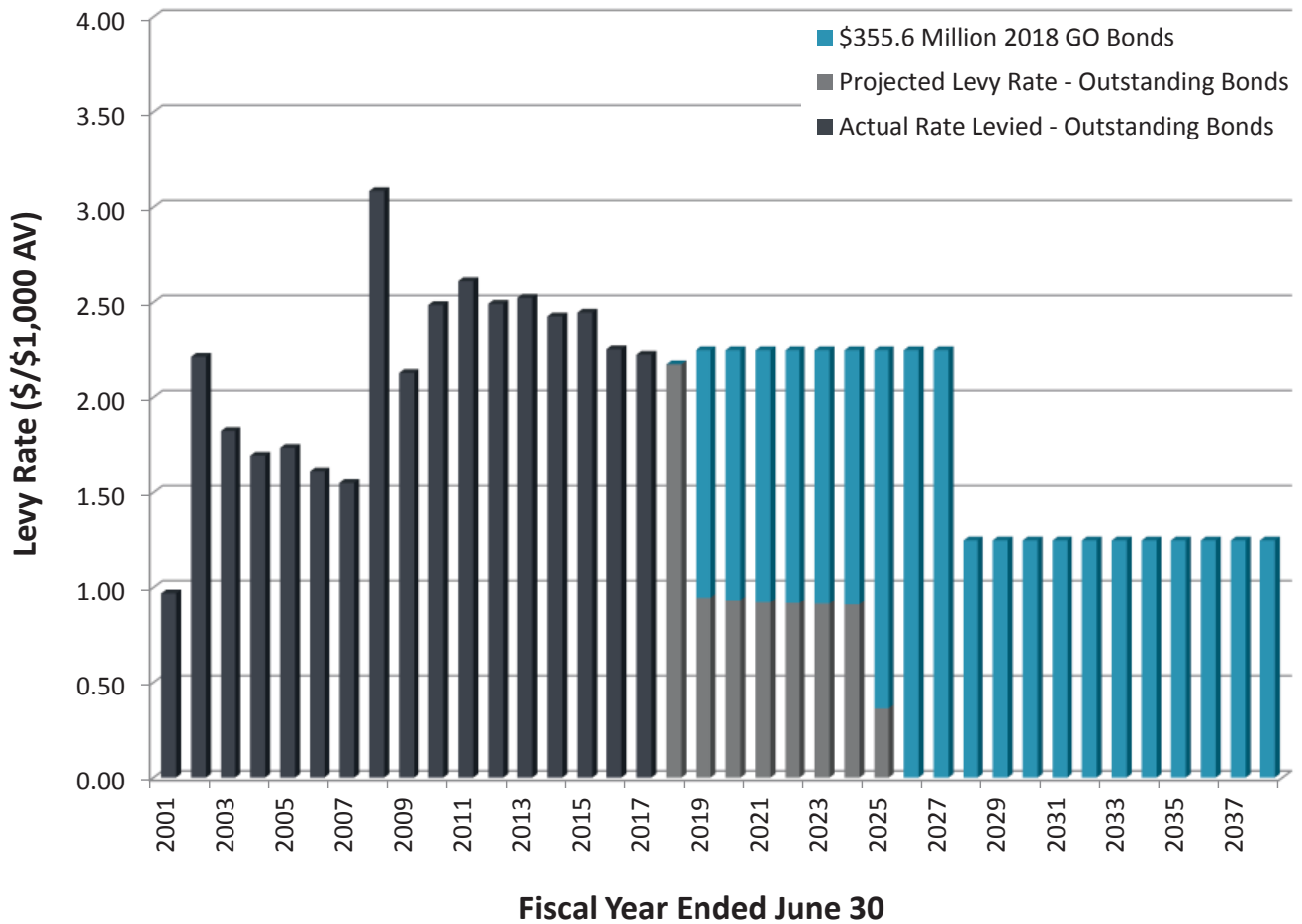
		Increase Levy Rate to \$2.24		Increase Levy Rate to \$2.24		Increase Levy Rate to \$2.50		Increase Levy Rate to \$2.50	
Structure		7-Year Step		9-Year Step		7-Year Step		9-Year Step	
Par Amount		\$327,455,000		\$355,635,000		\$392,455,000		\$420,640,000	
Dated Date		6/15/2018		6/15/2018		6/15/2018		6/15/2018	
Final Maturity		6/15/2038		6/15/2038		6/15/2038		6/15/2038	
Amortization Period		20 Years		20 Years		20 Years		20 Years	
Levy Rates*									
	Prior Debt	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined	New Bonds	Combined
2017.....	\$ 2.22	\$ -	\$ 2.22	\$ -	\$ 2.22	\$ -	\$ 2.22	\$ -	\$ 2.22
2018.....	2.17	-	2.17	-	2.17	-	2.17	-	2.17
2019-2024.....	0.92	1.32	2.24	1.32	2.24	1.58	2.50	1.58	2.50
2025.....	0.36	1.88	2.24	1.88	2.24	2.14	2.50	2.14	2.50
2026-2029.....	-	1.24	1.24	1.74	1.74	1.50	1.50	2.00	2.00
2030-2038.....	-	1.24	1.24	1.24	1.24	1.50	1.50	1.50	1.50
Interest									
Current Interest Rates		+ 1.50%		+ 1.50%		+ 1.50%		+ 1.50%	
True Interest Cost (TIC)		5.07%		5.00%		5.07%		5.02%	
Total Interest Cost		\$220,316,757		\$231,686,946		\$265,565,717		\$276,937,004	
Total Interest Cost % of Par		67%		65%		68%		66%	

* Projected levy rates are based on a variety of assumptions regarding AV growth, tax collections & interest rates. Debt service will be fixed when bonds are sold but levy rates are preliminary until the assessor certifies values each year.

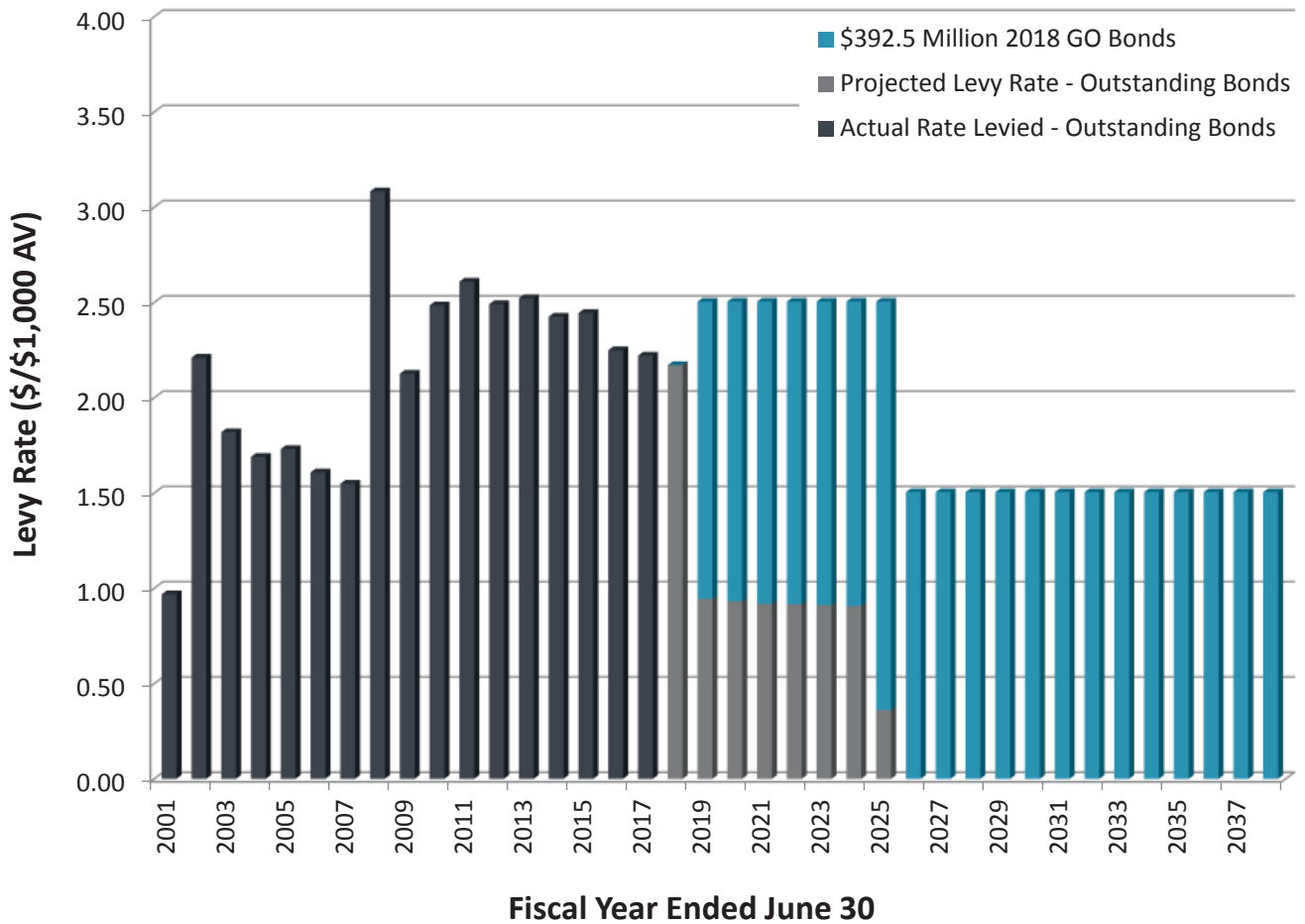
HILLSBORO SCHOOL DISTRICT NO. 1J
 General Obligation Bonds, Series 2018 – \$2.24 Levy Rate, 7-Year Step



HILLSBORO SCHOOL DISTRICT NO. 1J
 General Obligation Bonds, Series 2018 – \$2.24 Levy Rate, 9-Year Step



HILLSBORO SCHOOL DISTRICT NO. 1J
 General Obligation Bonds, Series 2018 – \$2.50 Levy Rate, 7-Year Step



HILLSBORO SCHOOL DISTRICT NO. 1J
 General Obligation Bonds, Series 2018 – \$2.50 Levy Rate, 9-Year Step

