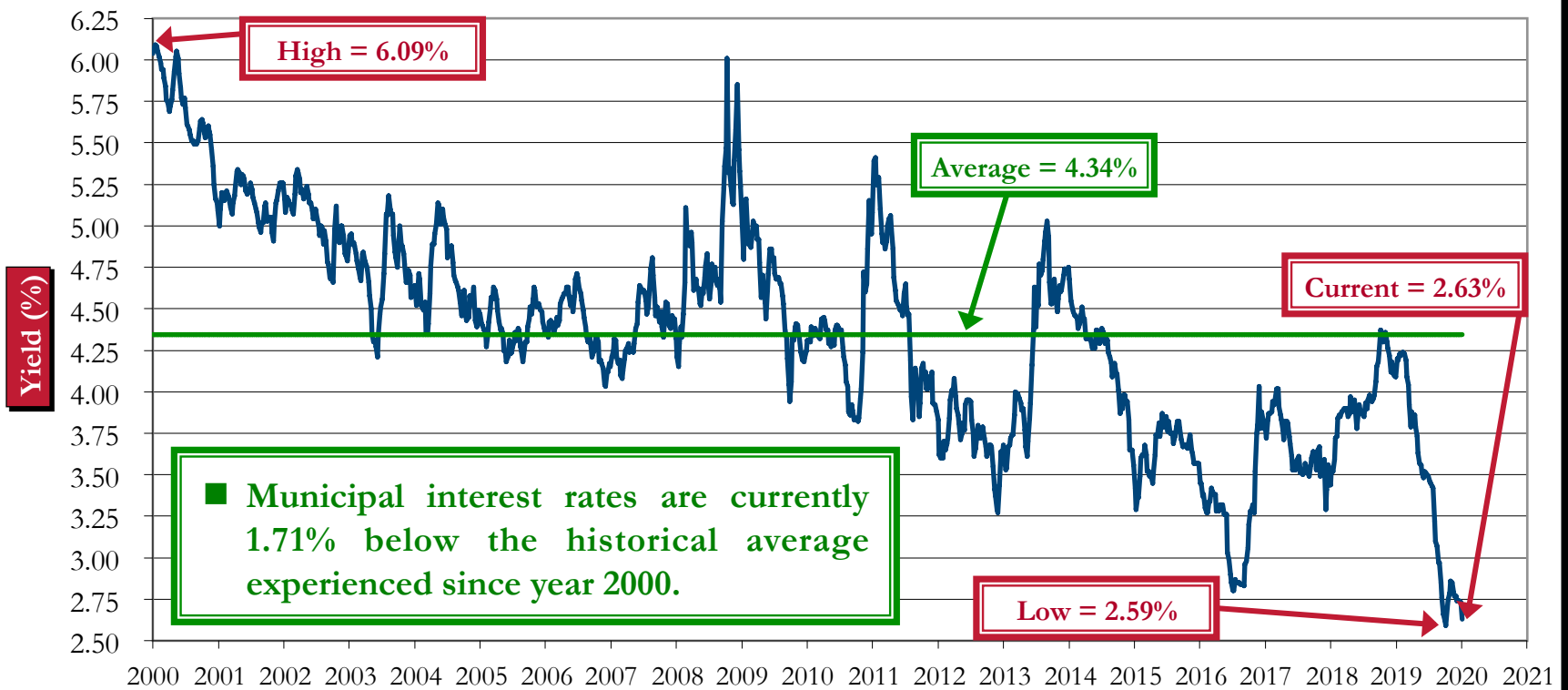




# Bond Sale Timing Considerations – 2019 Bond Program

- ❑ **Interest Rates:** As demonstrated by The Bond Buyer Index below, long-term fixed municipal rates of interest are near historical lows, making it an advantageous time for Aledo ISD to “lock-in” its long-term borrowing cost.

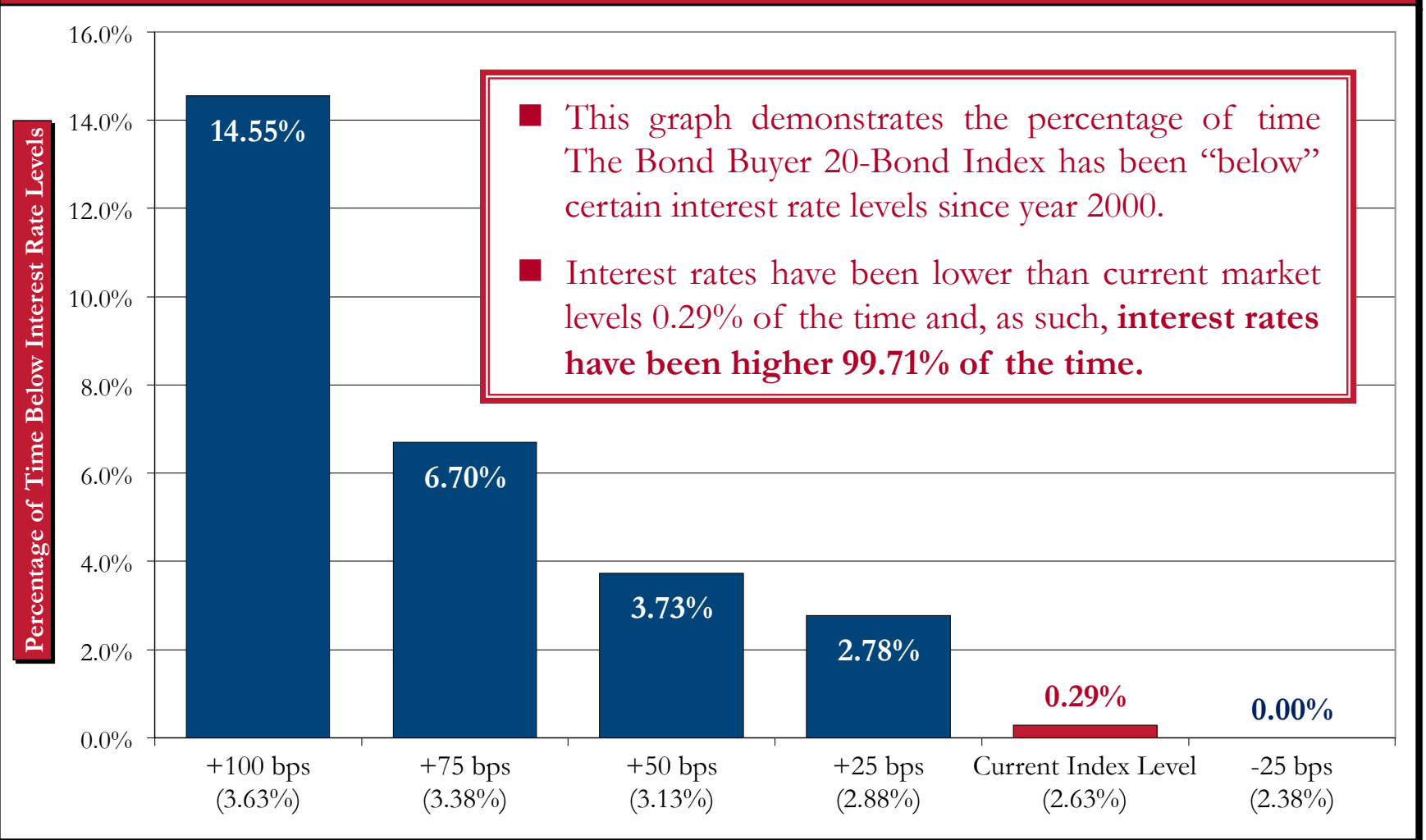
**The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index  
January 1, 2000 To The Present**





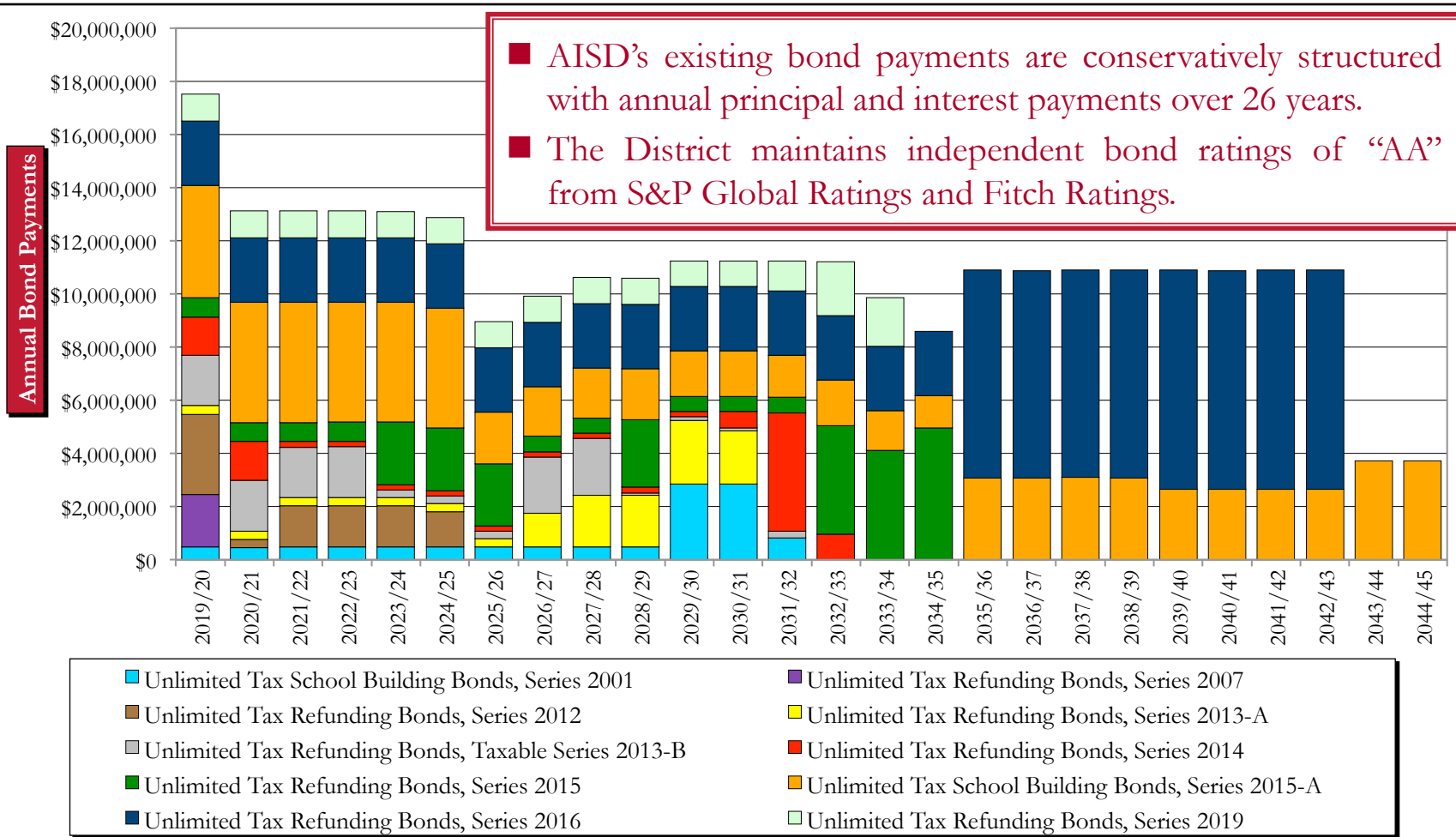
# Percentage of Time The Bond Buyer 20-Bond Index Has Been “Below” Current Level Since January 1, 2000

## The Bond Buyer 20-Bond Index – Percentage Time “Below” Current Level Since January 1, 2000





# Dollar Amount and Structure of District's Existing Bonds



Note: Debt service payments reflect payments from September 1 through August 31.

**The District has a total principal amount of existing bonds equal to \$162,844,869.**



## Goals of Financing Plan – 2019 Bond Program

- ❑ Meet or exceed expectations of taxpayers – Fully implement the 2019 Bond Program within the projected cost communicated to voters at the time of the November 5, 2019 bond election;
  - Interest & Sinking Fund (“I&S”) tax rate will remain at its current level of 42.5 cents – No I&S tax rate increase.
- ❑ Maximize the District’s future bond capacity for capital improvements;
- ❑ Maintain a bond repayment period of 30 years or less;
- ❑ **Short-Term Projects:** Fully repay bonds issued for certain short-term projects over their useful lives (e.g. devices – 5 years and infrastructure, buses, etc. – 10 years);
- ❑ Incorporate ongoing flexibility to prepay outstanding bonds to reduce the interest cost of taxpayers; and
- ❑ Structure repayment of bonds to comply with the State-mandated “50-Cent Debt” limitation and do not use costly Capital Appreciation Bonds (“CABs”).



# Preliminary Financing Alternatives – 2019 Bond Program

These Preliminary Financing Alternatives are based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to Aldo ISD will correspondingly change.

## □ Alternatives Presented

- **Alternative 1:** Aldo ISD issues \$149,950,000 of fixed rate bonds from the 2019 Bond Program in April 2020.
- **Alternative 2:** Aldo ISD issues \$74,975,000 of fixed rate bonds in April 2020 (the “Series 2020 Bonds”) and \$74,975,000 of fixed rate bonds in August 2021 (the “Series 2021 Bonds”).
- **Alternative 3:** Aldo ISD issues \$100,000,000 of fixed rate bonds in April 2020 and \$49,950,000 of fixed rate bonds in August 2021.



# Preliminary Financing Alternatives – 2019 Bond Program

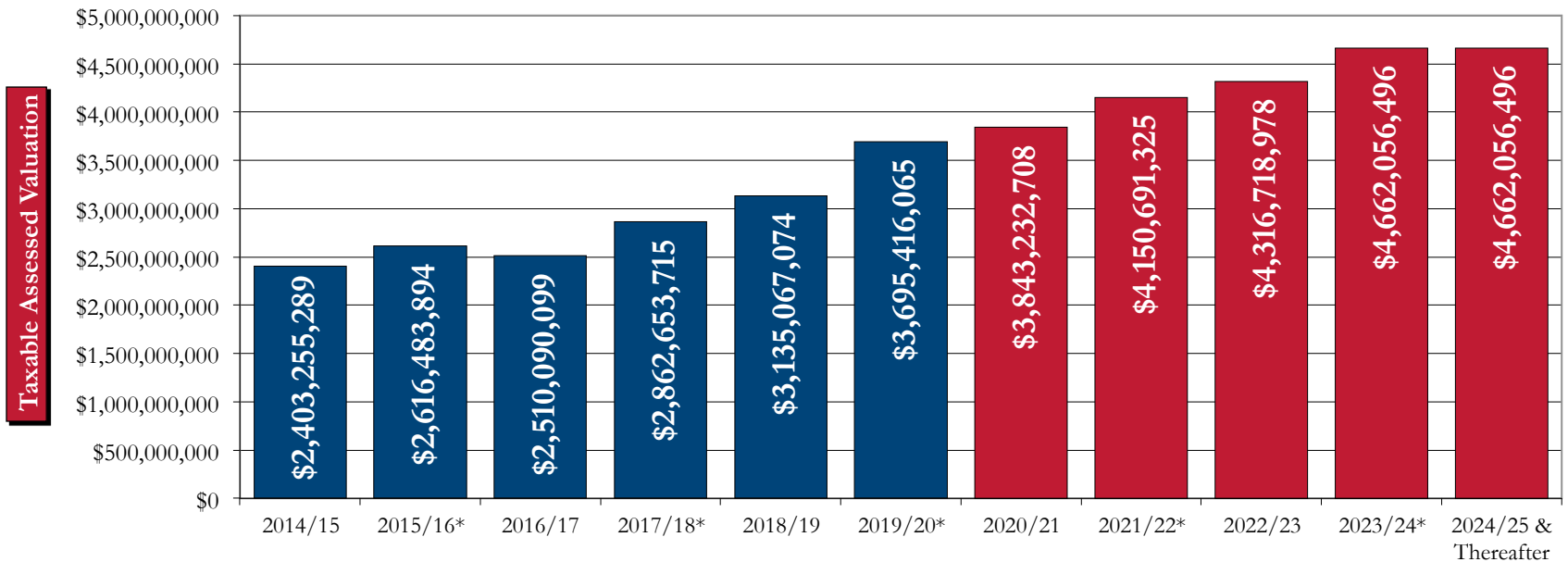
## □ Assumptions

- Bonds will be issued without an I&S tax rate increase.
- Assumes current market, fixed rates of interest plus 0.25%.
- Bonds will initially be structured over the next 30 years. However, the District will have the flexibility to prepay the bonds prior to scheduled maturity, without penalty.
- District will annually have \$1,700,000 of “Other Available Revenues” available for bond payments. “Other Available Revenues” consist of frozen I&S Fund tax collections (\$1,510,000), interest earnings on I&S tax collections (\$55,000), delinquent I&S tax collections (\$85,000), and penalties and interest (\$50,000).
- Aledo ISD will not receive any State assistance for the repayment of bonds.
- Tax collection rate of 99.0%.
- Note: While the District’s taxable values may increase in future years, the Preliminary Financing Plan only utilizes 4 years of growth to permit “future growth to fund future bond programs for capital improvements.”



# Preliminary Financing Alternatives – 2019 Bond Program

## Historical and Assumed Taxable Valuations (Net of Frozen Values)



Fiscal Year	2014/15	2015/16*	2016/17	2017/18*	2018/19	2019/20*	Average Annual Increase – Years 2015/16 – 2019/20
Taxable Assessed Valuation	\$2,403,255,289	\$2,616,483,894	\$2,510,090,099	\$2,862,653,715	\$3,135,067,074	\$3,695,416,065	---
Dollar Change	\$---	\$213,228,605	(\$106,393,795)	\$352,563,616	\$272,413,359	\$560,348,991	\$258,432,155
Percentage Change	---%	8.87%	(4.07%)	14.05%	9.52%	17.87%	8.99%

Fiscal Year	2020/21	2021/22*	2022/23	2023/24*	2024/25	2025/26* & Thereafter	Average Annual Increase – Years 2020/21 – 2023/24
Taxable Assessed Valuation	\$3,843,232,708	\$4,150,691,325	\$4,316,718,978	\$4,662,056,496	\$4,662,056,496	\$4,662,056,496	---
Dollar Change	\$147,816,643	\$307,458,617	\$166,027,653	\$345,337,518	\$---	\$---	\$241,660,108
Percentage Change	4.00%	8.00%	4.00%	8.00%	---%	---%	6.65%

Historical values are provided by Parker County Appraisal District and Tarrant Appraisal District. \*Denotes a “Reappraisal Year”.



# Preliminary Financing Alternatives – 2019 Bond Program

## Summary of Preliminary Financing Alternatives – 2019 Bond Program

Description	Alternative 1: One Bond Sale In April 2020	Alternative 2: Two Bond Sales – \$74.975 Million In April 2020 & \$74.975 Million In August 2021	Alternative 3: Two Bond Sales – \$100.0 Million In April 2020 & \$49.95 Million In August 2021
Dollar Amount of Bonds to be Issued – Series 2020 Bonds – April 2020	\$ 149,950,000	\$ 74,975,000	\$ 100,000,000
Dollar Amount of Bonds to be Issued – Series 2021 Bonds – August 2021	---	74,975,000	49,950,000
<b>Total Dollar Amount of Bonds to be Issued – 2019 Bond Program</b>	<b>\$ 149,950,000</b>	<b>\$ 149,950,000</b>	<b>\$ 149,950,000</b>
Year 2019/20 I&S Tax Rate	42.5 Cents	42.5 Cents	42.5 Cents
<b>Plus: Projected I&amp;S Tax Rate Increase</b>	<b>0.0 Cents</b>	<b>0.0 Cents</b>	<b>0.0 Cents</b>
Anticipated Maximum I&S Tax Rate Upon Completion of the 2019 Bond Program	42.5 Cents	42.5 Cents	42.5 Cents
Projected True Interest Cost (“All-In TIC”) – Series 2020 Bonds	3.24%	3.24%	3.24%
Projected True Interest Cost (“All-In TIC”) – Series 2021 Bonds	---	3.34%	3.33%
Projected Net Bond Payments – 2019 Bond Program	\$ 243,135,189	\$ 239,137,465	\$ 240,541,169
Plus: Investment Income Forgone (Assuming a 1.50% Investment Rate)	---	1,487,004	990,675
Projected Net Borrowing Cost – 2019 Bond Program	\$ 243,135,189	\$ 240,624,469	\$ 241,531,844
Projected Borrowing Cost Savings in Comparison to Alternative 1	---	\$ 2,510,720	\$ 1,603,345
Interest Rate Breakeven Analysis – April 2020 to August 2021	---	0.30%	0.29%
Final Maturity – 2019 Bond Program	02/15/2050	02/15/2050	02/15/2050





# Questions

