



RUSD

RIVERSIDE UNIFIED
SCHOOL DISTRICT

Riverside USD

2021 Refunding Lease Purchase Agreement

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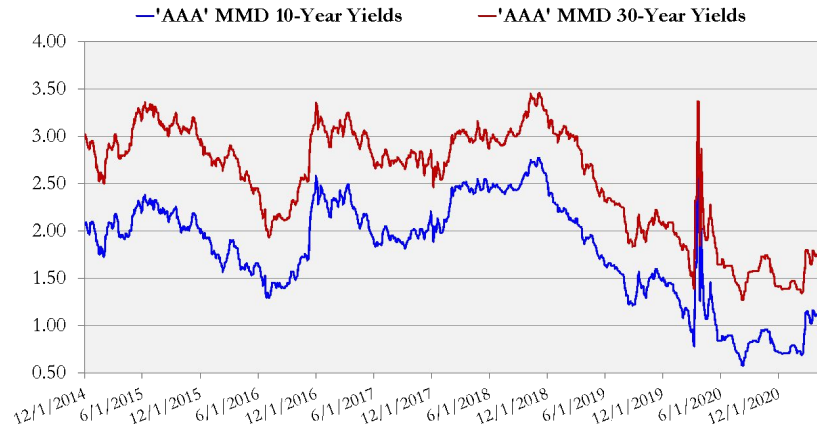
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May 11, 2021

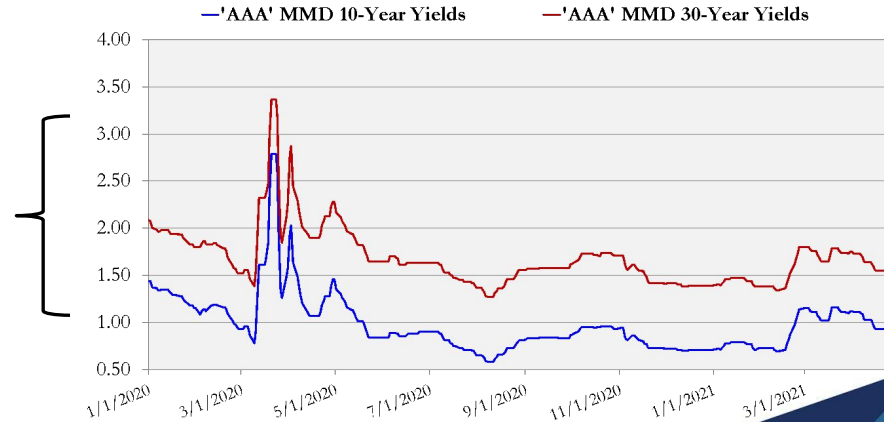
Summary of Market Conditions

- ❖ Since the beginning of the 2020 year, the coronavirus epidemic has been the focal point of market headlines. During the middle of March to early April 2020, there was extreme volatility in the financial markets, including municipal bond interest rates
- ❖ Concern over global growth concerns, COVID-19 outbreak, geopolitical events and U.S. election have kept investors in high demand of safe asset classes like Treasuries and municipal bonds. Long-term interest rate are extremely low from a historical standpoint

Historic Change in 'AAA' MMD Yields
(December 1, 2014 through April 23, 2021)



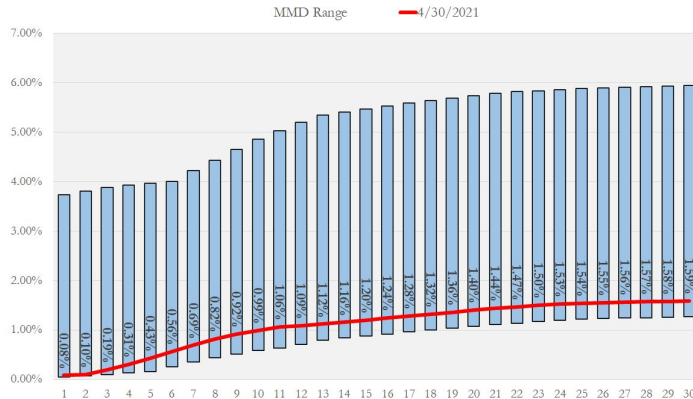
Historic Change in 'AAA' MMD Yields
(January 1, 2020 through April 23, 2021)



Summary of Market Conditions

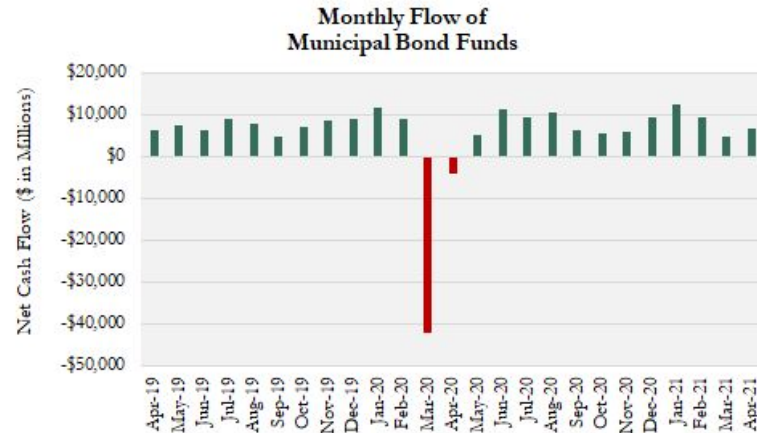
- ❖ **Municipal Market Data (MMD): 'AAA' rated yield curve index published daily by Thomsen Reuters. All tax-exempt municipal bonds price based on a spread to MMD**

Historical MMD Yield Curve Range: 2005 to Present Day



- ❖ **The MMD yield curve throughout all maturities as of April 23 is still considered historically low over the past fifteen years**

- ❖ **New municipal issuance has retreated to its historical level down from the pre-election volume**
- ❖ **U.S. Municipal fund flows also reported \$1.9 billion of inflows for the week ended April 23**



2021 Refunding Lease Purchase Agreement

- ❖ **In 2015 and 2016, the District entered into two separate private leases with Capital One Public Funding (“COPF”)**
 - **2015 Certificates of Participation issued June 16, 2015, for \$10,000,000 at 3.69% rate**
 - **2016 Lease/Purchase issued March 4, 2016, for \$3,673,026 at 2.80% rate**
- ❖ **As a result of the low interest rate environment, the District has an opportunity to refinance both leases at the same time with COPF at a new 2.30% interest rate**
- ❖ **The new 2021 lease will not extend the term of the original 2015 and 2016 loans and will be callable June 1, 2031, at par value on any interest payment date**
- ❖ **The leased properties of the 2021 lease will be Hawthorne ES and Patricia Beatty ES, which originally secured the 2015 lease. Arlington HS which originally secured the 2016 lease will be released.**

2021 Lease Purchase Refinancing Overview*



2021 Refunding Lease Savings*

Date	Existing Debt Service	Refunding Debt Service	Savings	Net Present Value Savings
6/30/2022	\$1,051,855	\$997,434	\$54,421	\$59,766
6/30/2023	1,056,941	1,002,243	54,698	58,827
6/30/2024	1,055,710	1,000,935	54,775	57,642
6/30/2025	1,053,195	999,225	53,970	55,678
6/30/2026	1,049,453	995,146	54,307	54,784
6/30/2027	875,570	830,631	44,939	46,321
6/30/2028	703,282	667,497	35,785	36,689
6/30/2029	699,002	662,882	36,121	36,203
6/30/2030	699,076	663,048	36,029	35,410
6/30/2031	698,412	661,903	36,509	35,075
6/30/2032	701,918	665,471	36,447	34,367
6/30/2033	699,593	663,660	35,934	33,268
6/30/2034	696,531	660,607	35,924	32,596
6/30/2035	1,394,003	1,322,425	71,578	55,075
Total	\$12,434,542	\$11,793,104	\$641,438	\$631,701

Key Refunding Highlights	
Call Date	6/22/2021
Call Price	100%
Gross Savings	\$641,438
NPV Savings (\$)	\$631,701
NPV Savings (%)	6.41%
Annual Savings	\$45,817

* Preliminary, subject to change.

2021 Lease Purchase Financing Schedule*



Date	Description
Tuesday, May 11, 2021	Finance Committee Meeting
Thursday, June 17, 2021	District Board/Financing Corporation Meeting - Consider Resolution of Issuance
Friday, June 18, 2021	Execute Term Sheet with COPF
Tuesday, June 22, 2021	Closing

* Preliminary, subject to change.