



**Pine-Richland
School District**

Current Market Update

**PNC Capital Markets LLC
Public Finance**

April 2020



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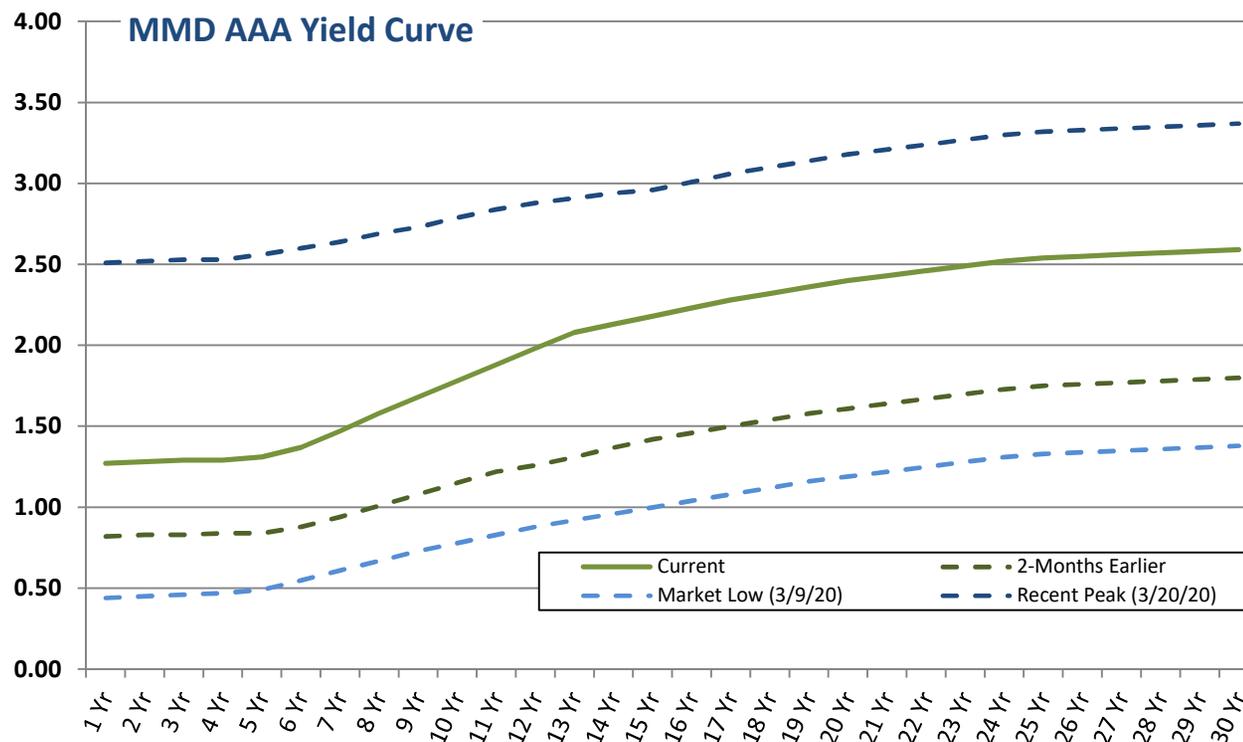
Market Update

Section I

Tax-Exempt Interest Rate Movement – AAA MMD Yield Curve

- Thomson Reuters Municipal Market Data (MMD) produces the tax-exempt yield curve daily from trading and market activity to reflect the offer-side of the market.
- As determined by the MMD analyst team, the AAA MMD curve is derived from trading activity of the highest-grade AAA rated state general obligation bonds.
- The curve represents the yield to call (YTC) of 5.00% coupon bonds that have a 10 year optional redemption feature.
- The current AAA MMD curve remains below the 10 year average curve in the mid- to long-term.

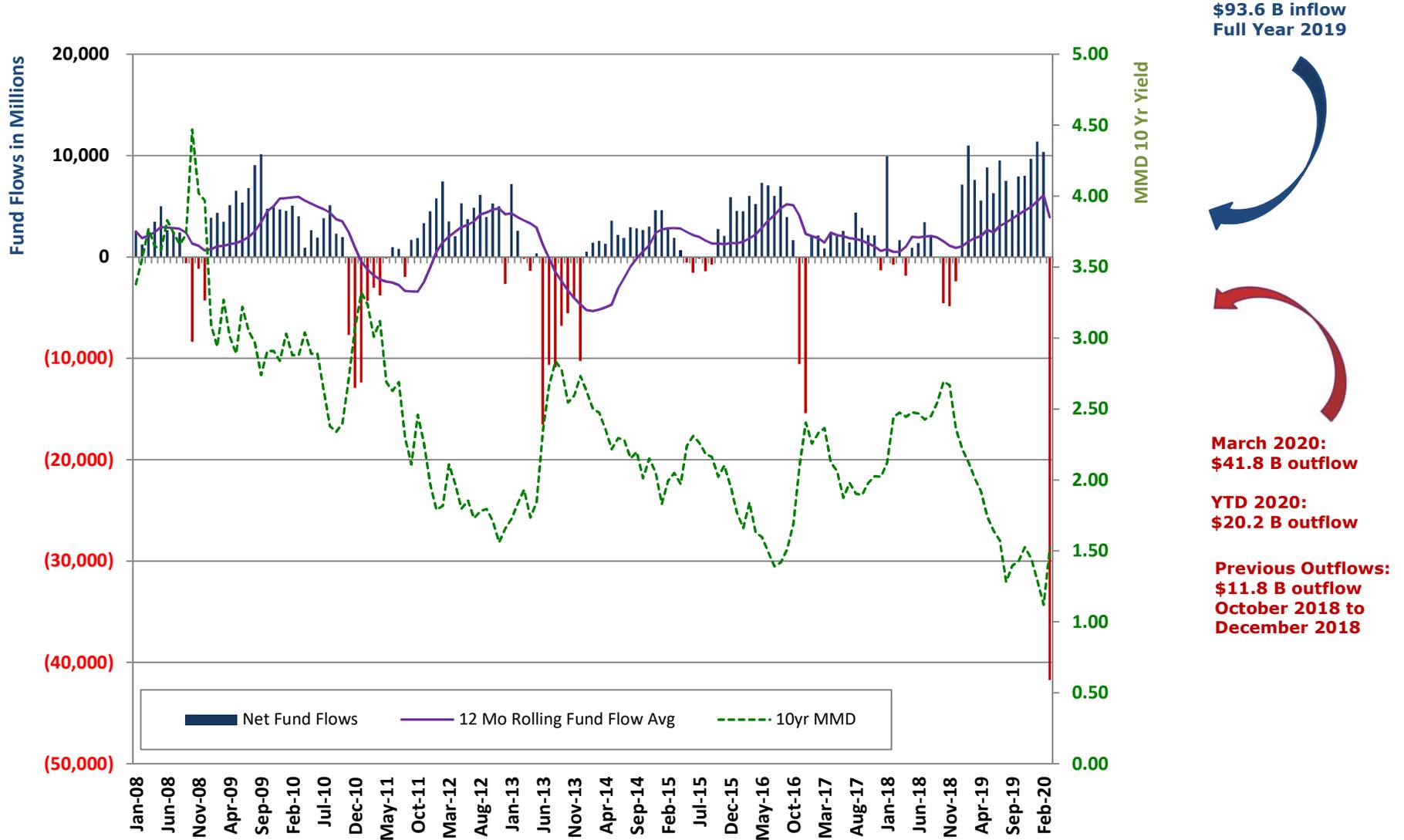
AAA MMD Yield Curves



Change:	Low (3/9) to Current	2/3/20 to Current	Peak (3/20) to Current
2 Yr.	83 bps	45 bps	-124 bps
5 Yr.	82 bps	47 bps	-125 bps
10 Yr.	100 bps	63 bps	-101 bps
20 Yr.	121 bps	79 bps	-78 bps
30 Yr.	121 bps	79 bps	-78 bps

Source: Thomson Reuters Municipal Market Monitor: Rates as of April 2, 2020

Demand Volatility: Municipal Bond Fund Cash Flows



Source: ICI Investment Research as of April 1, 2020

Refinancing Summary

Section II

Note: All figures are based on market conditions as of April 2020 utilizing applicable credit ratings for each issue presented (AA- (s)). Rates, credit spreads, pricing structure demand, and interest rate proxies are subject to change until date of actual pricing. The interest rates used in the above analysis are hypothetical and reflect the midpoint in a range of market rates. There is no guarantee that these rates or level of resulting debt service savings can be achieved.

Refunding Overview: Series of 2015 A, Shorten Term

Summary of Refunding Issuance

Refunded Issue Detail	
Refunded Issue	Series of 2015 A
Use of Proceeds	Refunding(s) (05)
Par Amount Outstanding	\$9,050,000
Call Date	07/15/20
90-Day Period	04/16/20
Final Maturity	07/15/34
Remaining Avg Rate	3.489%

Refunding Issue Detail

Est. Settlement Date	05/15/20
Par Amount Refunded	\$9,050,000
Est. Par New Amount	\$8,960,000
New Call Date	07/15/25
Final Maturity	07/15/34
Est. Bond Yield	2.572%

Refunding Results (Current Market)

Est. NPV Savings	\$688,307
as % of Refunded	7.606%
Est. Cash Flow Savings	\$986,588
as % of Refunded	10.902%
Escrow Arbitrage	(\$38,814)
Escrow Arbitrage Ratio	5.6%

Series of 2015 A Refunding Cash Flow Comparison

FYE	Existing Net D/S	Proposed Net D/S	Cash Flow Savings	NPV Savings
2021	\$436,494	\$434,441	\$2,054	\$1,847
2022	\$437,997	\$436,415	\$1,583	\$1,317
2023	\$434,706	\$433,408	\$1,298	\$989
2024	\$435,726	\$433,682	\$2,044	\$1,614
2025	\$436,642	\$432,543	\$4,100	\$3,383
2026	\$437,246	\$435,390	\$1,856	\$1,293
2027	\$437,098	\$435,435	\$1,663	\$1,085
2028	\$436,392	\$432,953	\$3,439	\$2,528
2029	\$435,549	\$434,820	\$729	\$254
2030	\$434,570	\$431,928	\$2,642	\$1,752
2031	\$437,940	\$433,385	\$4,555	\$3,174
2032	\$435,800	\$434,570	\$1,230	\$591
2033	\$437,223	\$435,481	\$1,742	\$950
2034	\$438,305	\$436,118	\$2,186	\$1,241
2035	\$5,856,193	\$4,900,725	\$955,468	\$665,238

NPV Savings reflects net local share where applicable; Est. NPV Savings includes residual bond rounding.

Refunding Overview: Series of 2010, Shorten Term

Summary of Refunding Issuance

Refunded Issue Detail	
Refunded Issue	Series of 2010
Use of Proceeds	Capital Projects
Par Amount Outstanding	\$28,390,000
Call Date	09/01/20
90-Day Period	06/03/20
Final Maturity	03/01/39
Remaining Avg Rate	4.836%

Refunding Issue Detail

Est. Settlement Date	06/15/20
Par Amount Refunded	\$28,390,000
Est. Par New Amount	\$25,625,000
New Call Date	09/01/30
Final Maturity	03/01/39
Est. Bond Yield	2.479%

Refunding Results (Current Market)

Est. NPV Savings	\$7,328,568
as % of Refunded	25.814%
Est. Cash Flow Savings	\$11,456,412
as % of Refunded	40.354%
Escrow Arbitrage	(\$148,940)
Escrow Arbitrage Ratio	2.0%

Series of 2010 Refunding Cash Flow Comparison

FYE	Existing Net D/S	Proposed Net D/S	Cash Flow Savings	NPV Savings
2021	\$1,476,225	\$1,476,413	(\$188)	\$5,345
2022	\$1,481,825	\$1,481,600	\$225	\$2,029
2023	\$1,482,025	\$1,479,600	\$2,425	\$4,108
2024	\$1,482,025	\$1,477,000	\$5,025	\$6,452
2025	\$1,481,825	\$1,479,250	\$2,575	\$4,211
2026	\$1,481,425	\$1,480,250	\$1,175	\$2,992
2027	\$1,400,825	\$1,400,000	\$825	\$2,726
2028	\$1,393,144	\$1,392,500	\$644	\$2,611
2029	\$1,445,669	\$1,444,250	\$1,419	\$3,277
2030	\$1,605,925	\$1,602,250	\$3,675	\$5,082
2031	\$1,559,375	\$1,556,000	\$3,375	\$4,845
2032	\$1,583,656	\$1,580,250	\$3,406	\$4,867
2033	\$1,641,406	\$1,636,500	\$4,906	\$5,965
2034	\$1,596,094	\$1,593,000	\$3,094	\$4,652
2035	\$1,357,094	\$1,353,200	\$3,894	\$5,185
2036	\$4,947,938	\$4,946,600	\$1,338	\$3,418
2037	\$8,116,500	\$8,115,200	\$1,300	\$3,351
2038	\$8,115,500	\$4,815,200	\$3,300,300	\$2,135,555
2039	\$8,117,000	\$0	\$8,117,000	\$5,120,609

NPV Savings reflects net local share where applicable; Est. NPV Savings includes residual bond rounding.

Refunding Overview: Series of 2010, Savings Allocation Comparison

Series of 2010 Refunding: Savings Allocation Comparison

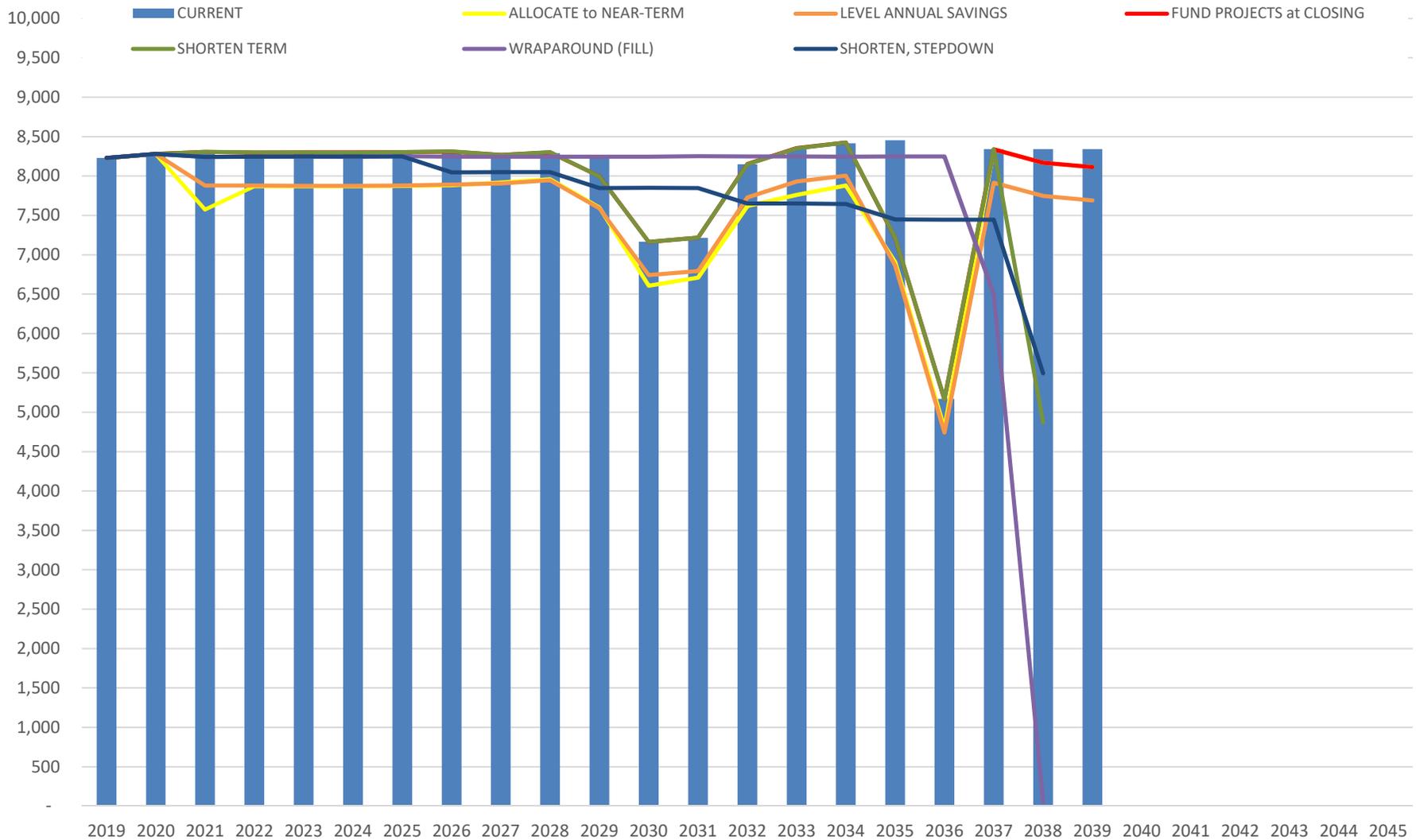
	ALLOCATE to NEAR-TERM	LEVEL ANNUAL SAVINGS	FUND PROJECTS at CLOSING	SHORTEN TERM	WRAPAROUND (FILL)	SHORTEN, STEPDOWN
Net Present Value Savings (est.)	\$6,072,762	\$6,188,412	\$56,521	\$7,328,568	\$7,836,523	\$7,197,214
Project Fund at Closing (est.)	\$0	\$0	\$6,105,277	\$0	\$0	\$0
Total NPV Savings	\$6,072,762	\$6,188,412	\$6,161,798	\$7,328,568	\$7,836,523	\$7,197,214
as % of Refunded Bonds (\$28,390,000.00)	21.39%	21.80%	21.70%	25.81%	27.60%	25.35%
Total Gross Savings (Cash Flow)	\$7,416,201	\$7,854,515	\$6,155,328	\$11,456,412	\$12,534,122	\$11,030,107
as % of Refunded Bonds	26.12%	27.67%	21.68%	40.35%	44.15%	38.85%
Avg Life	16.7 Years	17.4 Years	17.0 Years	13.8 Years	13.0 Years	14.2 Years

Estimated Refunding Cash Flow Comparison

FYE	Current Existing D/S	ALLOCATE to NEAR-TERM		LEVEL ANNUAL SAVINGS		FUND PROJECTS at CLOSING		SHORTEN TERM		WRAPAROUND (FILL)		SHORTEN, STEPDOWN	
		Proposed D/S	Cash Flow Savings	Proposed D/S	Cash Flow Savings	Proposed D/S	Cash Flow Savings	Proposed D/S	Cash Flow Savings	Proposed D/S	Cash Flow Savings	Proposed D/S	Cash Flow Savings
2021	\$1,476,225	\$743,424	\$732,801	\$1,046,560	\$429,665	\$1,474,524	\$1,701	\$1,476,413	(\$188)	\$1,411,996	\$64,229	\$1,410,618	\$65,607
2022	\$1,481,825	\$1,050,400	\$431,425	\$1,057,850	\$423,975	\$1,478,650	\$3,175	\$1,481,600	\$225	\$1,427,050	\$54,775	\$1,425,850	\$55,975
2023	\$1,482,025	\$1,050,200	\$431,825	\$1,057,050	\$424,975	\$1,480,050	\$1,975	\$1,479,600	\$2,425	\$1,427,850	\$54,175	\$1,430,850	\$51,175
2024	\$1,482,025	\$1,050,000	\$432,025	\$1,056,250	\$425,775	\$1,481,050	\$975	\$1,477,000	\$5,025	\$1,422,650	\$59,375	\$1,430,050	\$51,975
2025	\$1,481,825	\$1,049,750	\$432,075	\$1,055,250	\$426,575	\$1,479,300	\$2,525	\$1,479,250	\$2,575	\$1,428,600	\$53,225	\$1,424,550	\$57,275
2026	\$1,481,425	\$1,049,500	\$431,925	\$1,059,250	\$422,175	\$1,477,050	\$4,375	\$1,480,250	\$1,175	\$1,412,900	\$68,525	\$1,213,300	\$268,125
2027	\$1,400,825	\$1,049,250	\$351,575	\$1,038,000	\$362,825	\$1,399,300	\$1,525	\$1,400,000	\$825	\$1,377,350	\$23,475	\$1,181,550	\$219,275
2028	\$1,393,144	\$1,049,000	\$344,144	\$1,037,750	\$355,394	\$1,389,800	\$3,344	\$1,392,500	\$644	\$1,337,150	\$55,994	\$1,140,800	\$252,344
2029	\$1,445,669	\$1,048,750	\$396,919	\$1,037,500	\$408,169	\$1,445,300	\$369	\$1,444,250	\$1,419	\$1,693,350	(\$247,681)	\$1,296,550	\$149,119
2030	\$1,605,925	\$1,048,500	\$557,425	\$1,182,250	\$423,675	\$1,602,550	\$3,375	\$1,602,250	\$3,675	\$2,685,400	(\$1,079,475)	\$2,289,050	(\$683,125)
2031	\$1,559,375	\$1,048,250	\$511,125	\$1,134,750	\$424,625	\$1,556,300	\$3,075	\$1,556,000	\$3,375	\$2,591,350	(\$1,031,975)	\$2,186,050	(\$626,675)
2032	\$1,583,656	\$1,048,000	\$535,656	\$1,159,250	\$424,406	\$1,581,300	\$2,356	\$1,580,250	\$3,406	\$1,677,150	(\$93,494)	\$1,079,800	\$503,856
2033	\$1,641,406	\$1,047,750	\$593,656	\$1,217,250	\$424,156	\$1,639,050	\$2,356	\$1,636,500	\$4,906	\$1,534,600	\$106,806	\$935,550	\$705,856
2034	\$1,596,094	\$1,047,500	\$548,594	\$1,172,000	\$424,094	\$1,592,800	\$3,294	\$1,593,000	\$3,094	\$1,411,400	\$184,694	\$812,800	\$783,294
2035	\$1,357,094	\$1,047,300	\$309,794	\$1,000,200	\$356,894	\$1,352,600	\$4,494	\$1,353,200	\$3,894	\$2,085,400	(\$728,306)	\$1,586,200	(\$229,106)
2036	\$4,947,938	\$4,577,100	\$370,838	\$4,525,000	\$422,938	\$4,946,200	\$1,738	\$4,946,600	\$1,338	\$8,030,800	(\$3,082,863)	\$7,228,600	(\$2,280,663)
2037	\$8,116,500	\$8,115,600	\$900	\$7,693,800	\$422,700	\$8,115,600	\$900	\$8,115,200	\$1,300	\$6,276,400	\$1,840,100	\$7,224,000	\$892,500
2038	\$8,115,500	\$8,112,000	\$3,500	\$7,690,200	\$425,300	\$8,112,000	\$3,500	\$4,815,200	\$3,300,300	\$0	\$8,115,500	\$5,439,200	\$2,676,300
2039	\$8,117,000	\$8,112,000	\$5,000	\$7,690,800	\$426,200	\$8,112,000	\$5,000	\$0	\$8,117,000	\$0	\$8,117,000	\$0	\$8,117,000

NPV Savings reflects net local share where applicable; Est. NPV Savings includes residual bond rounding.

Hypothetical Debt Profile: Series 2015A Shorten Term, Series 2010 Options



Hypothetical following potential refunding of Series of 2015 A & 2010 based on prevailing market conditions. NPV Savings reflects net local share where applicable.