



Presentation to Board of Trustees



General Obligation Bonds Election of 2014, Series B (2017)

*\$40,000,000**

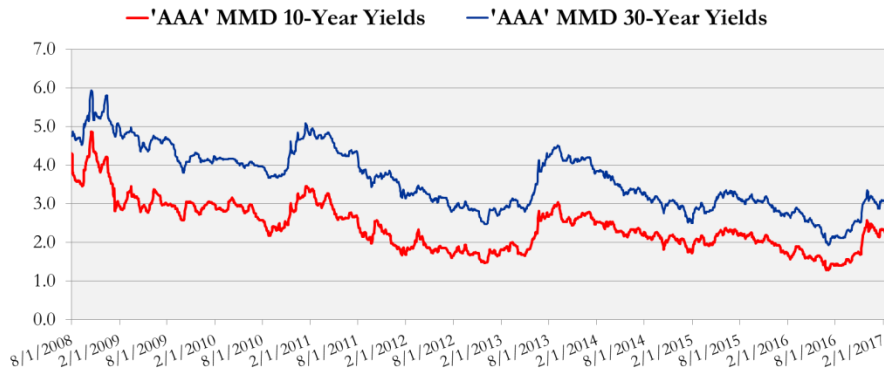
March 7, 2017

**Preliminary and subject to change*



Summary of Market Conditions

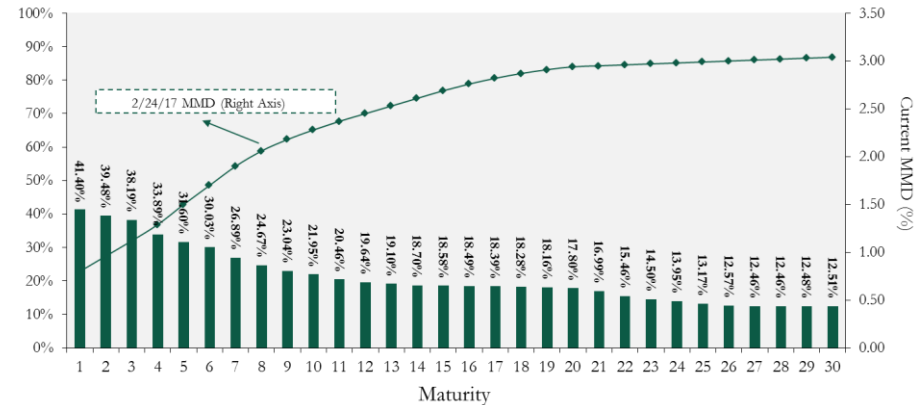
Change in 'AAA' MMD Yields
(August 1, 2008 through February 24, 2017)



Tax-exempt rates have stabilized after a large spike in rates after the election

Tax-exempt rates have only been lower 20% of the time along the entire yield curve

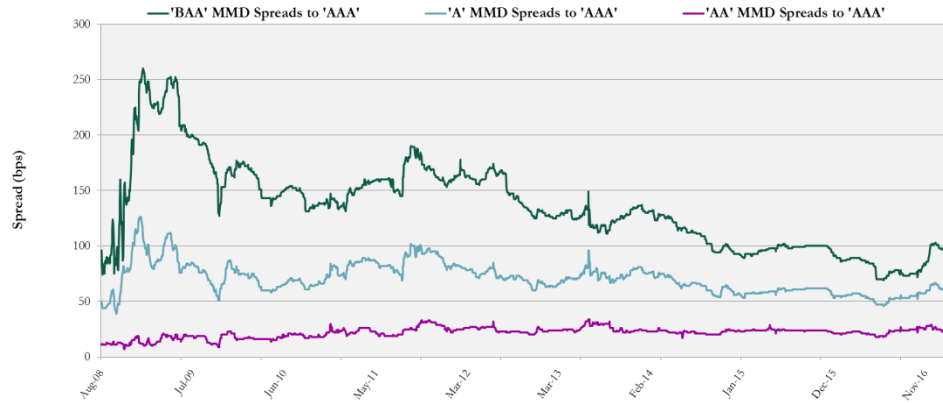
Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD
from January 2, 1998 through February 24, 2017





Summary of Market Conditions

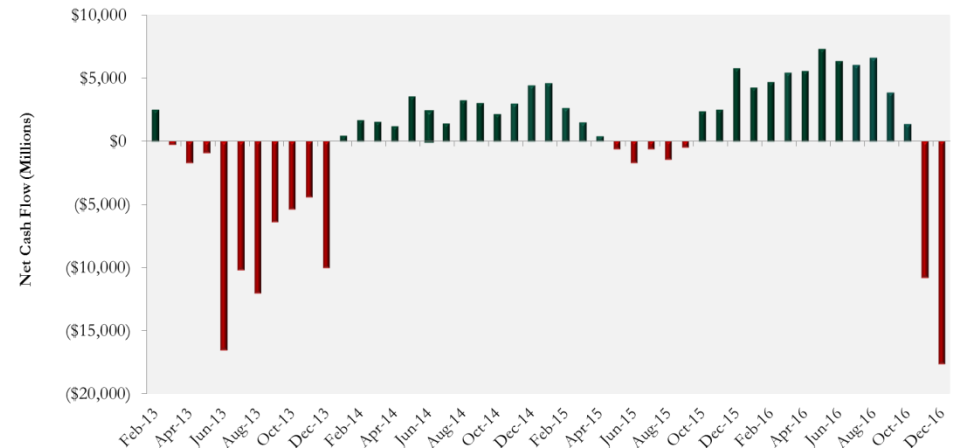
30-Year MMD Credit Spreads
August 1, 2008 through February 24, 2017



➤ Credit spreads have begun to widen since the election

➤ Muni bond funds experienced large outflows in November and December after the election

Monthly Flow of Funds
Municipal Bond Mutual Funds



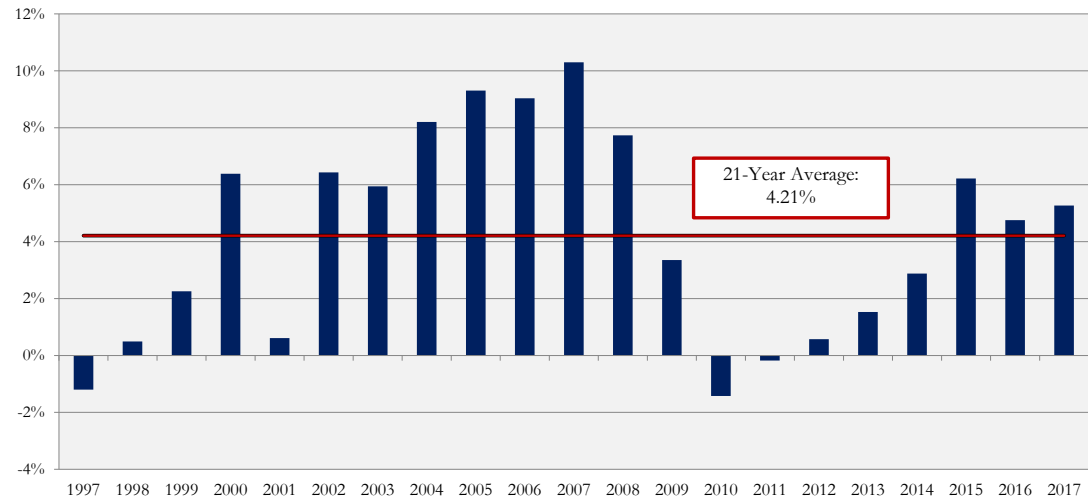


Historical Assessed Valuation

- ❖ After 2 years of assessed valuation decline in 2010 and 2011, the School District has had six consecutive years of growth in Assessed Value

Fiscal Year Ending	L.A. County	Orange County	Total A.V.	% Change in Total A.V.
1997	\$1,102,770,815	\$12,232,106,309	\$13,334,877,124	-1.20%
1998	1,105,346,085	12,295,383,885	13,400,729,970	0.49%
1999	1,128,411,252	12,574,329,276	13,702,740,528	2.25%
2000	1,161,649,200	13,415,926,643	14,577,575,843	6.38%
2001	1,255,765,116	13,410,854,631	14,666,619,747	0.61%
2002	1,325,385,335	14,284,741,064	15,610,126,399	6.43%
2003	1,411,438,306	15,126,327,885	16,537,766,191	5.94%
2004	1,508,033,385	16,386,688,343	17,894,721,728	8.21%
2005	1,616,745,331	17,943,641,894	19,560,387,225	9.31%
2006	1,768,874,492	19,559,358,789	21,328,233,281	9.04%
2007	1,979,817,867	21,545,545,089	23,525,362,956	10.30%
2008	2,109,177,811	23,235,159,131	25,344,336,942	7.73%
2009	2,196,450,370	23,997,507,290	26,193,957,660	3.35%
2010	2,180,737,272	23,639,899,682	25,820,636,954	-1.43%
2011	2,110,979,072	23,663,933,178	25,774,912,250	-0.18%
2012	2,158,962,680	23,763,473,477	25,922,436,157	0.57%
2013	2,217,732,839	24,101,068,803	26,318,801,642	1.53%
2014	2,307,136,219	24,769,048,188	27,076,184,407	2.88%
2015	2,418,460,340	26,340,861,589	28,759,321,929	6.22%
2016	2,533,713,215	27,592,362,440	30,126,075,655	4.75%
2017	2,643,086,303	29,069,805,213	31,712,891,516	5.27%
			21-Year Average:	4.21%
			10-Year Average:	3.07%

Historical % Change in Total Assessed Value



Fiscal Year	Assessed Value	Factor	Statutory Bonding Capacity	Outstanding Principal as of 3/1/17	Remaining Capacity as of 3/1/17
2016-17	\$31,712,891,516	1.25%	\$396,411,144	\$86,837,910	\$309,573,234



2014 Measure I

- ❖ The School District's voters approved Measure I, a \$175 million bond measure on the November 4, 2014 ballot with an approval rate of 59%
- ❖ Tax rate projection of \$19 per \$100,000 of AV throughout the life of the bonds
- ❖ First series of bonds sold competitively in October 2015 for \$42,500,000
 - 8 total bids submitted, with a winning True Interest Cost of 3.21%
- ❖ The School District is preparing to issue its second series of General Obligation Bonds under Measure I in Spring 2017
 - Series A: \$42,500,000 issued in October 2015
 - Series B*: \$40,000,000 to be issued in Spring 2017
 - Series C*: \$46,250,000 to be issued in 2020
 - Series D*: \$46,250,000 to be issued in 2023

* Preliminary, subject to change.



General Obligation Bonds, Election of 2014, Series B (2017) Overview*

Sources	
Bond Proceeds	
Par Amount	\$40,000,000.00
Net Premium	500,526.05
Total	\$40,500,526.05
Uses	
Project Fund Deposits	
Project Fund	\$39,375,000.00
Other Fund Deposits	
Debt Service Fund	\$500,526.05
Delivery Date Expenses	
Cost of Issuance	\$225,000.00
Underwriter's Discount	400,000.00
	\$625,000.00
Total	\$40,500,526.05

	Principal	Interest	Debt Service Fund	Net Debt Service
8/1/2017		\$371,660	\$371,660	
8/1/2018	\$2,405,000	1,503,344	128,866	\$3,779,478
8/1/2019	2,600,000	1,431,194		4,031,194
8/1/2020	2,935,000	1,353,194		4,288,194
8/1/2021	690,000	1,265,144		1,955,144
8/1/2022	145,000	1,237,544		1,382,544
8/1/2023	235,000	1,231,744		1,466,744
8/1/2024	335,000	1,222,344		1,557,344
8/1/2025	435,000	1,208,944		1,643,944
8/1/2026	550,000	1,187,194		1,737,194
8/1/2027	675,000	1,159,694		1,834,694
8/1/2028	815,000	1,125,944		1,940,944
8/1/2029	960,000	1,085,194		2,045,194
8/1/2030	1,120,000	1,037,194		2,157,194
8/1/2031	1,290,000	981,194		2,271,194
8/1/2032	1,450,000	939,269		2,389,269
8/1/2033	1,620,000	892,144		2,512,144
8/1/2034	1,815,000	827,344		2,642,344
8/1/2035	2,020,000	754,744		2,774,744
8/1/2036	2,240,000	673,944		2,913,944
8/1/2037	2,475,000	584,344		3,059,344
8/1/2038	2,715,000	494,625		3,209,625
8/1/2039	2,975,000	392,813		3,367,813
8/1/2040	3,250,000	281,250		3,531,250
8/1/2041	4,250,000	159,375		4,409,375
Total	\$40,000,000	\$23,401,373	\$500,526	\$62,900,847

* Preliminary and subject to change.

Note: Assumes market conditions as of February 2017.

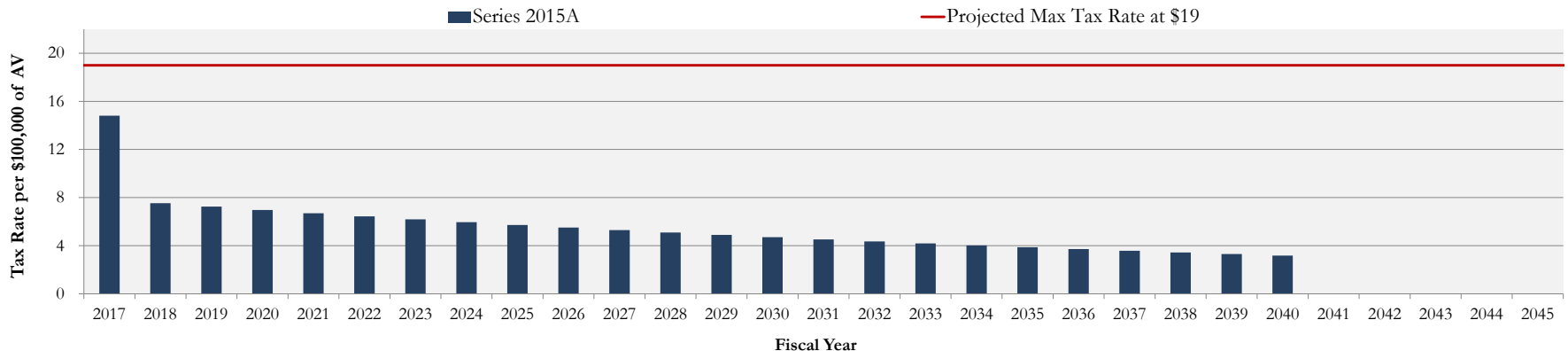


Current Measure I Projected Tax Rates

- ❖ The GO Bonds, 2014 Election, Series A (2015) were issued October 28, 2015
 - ❑ Debt service fund pays interest partially through 8-1-2017
- ❖ Available tax rate capacity in 2018 to allow for second bond issuance in early 2017
- ❖ Premium only used to pay for debt service (same for the Series B Bonds)

2014 GO Bond Election - Current Projected Tax Rates

Estimated Tax Rates⁽¹⁾



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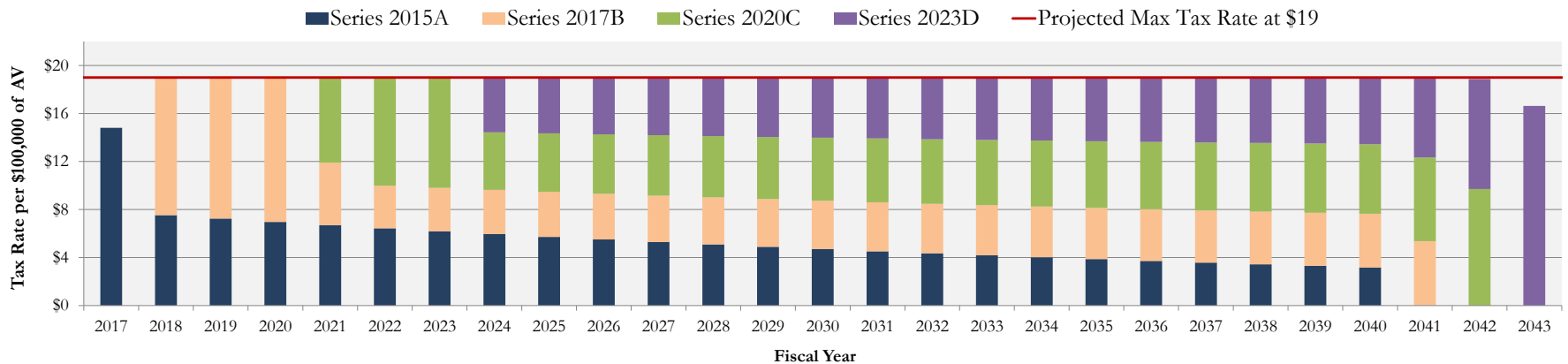
⁽¹⁾ Assumes 4.00% growth for FY 17-18 and every year thereafter.



March 2017 Updated Bond Issuance Schedule

- ❖ The School District could issue \$40 million in 2017 and issue the remaining Measure I authorization by 2023

Election of 2014 - Projected Tax Rates⁽¹⁾⁽²⁾



	Series 2015	Series 2017	Series 2020	Series 2023	Total
Issue Date	10/28/2015	5/2/2017	8/1/2020	8/1/2023	-
Par Amount	\$42,500,000	\$40,000,000	\$46,250,000	\$46,250,000	\$175,000,000
Project Amount	\$41,945,000	\$39,375,000	\$45,726,250	\$45,726,250	\$172,772,500
Final Maturity Date	8/1/2040	8/1/2041	8/1/2042	8/1/2043	8/1/2043
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%
Repayment Ratio	1.46	1.56	1.67	1.69	1.60

(1) Assumes 4.00% growth for FY 17-18 and every year thereafter.

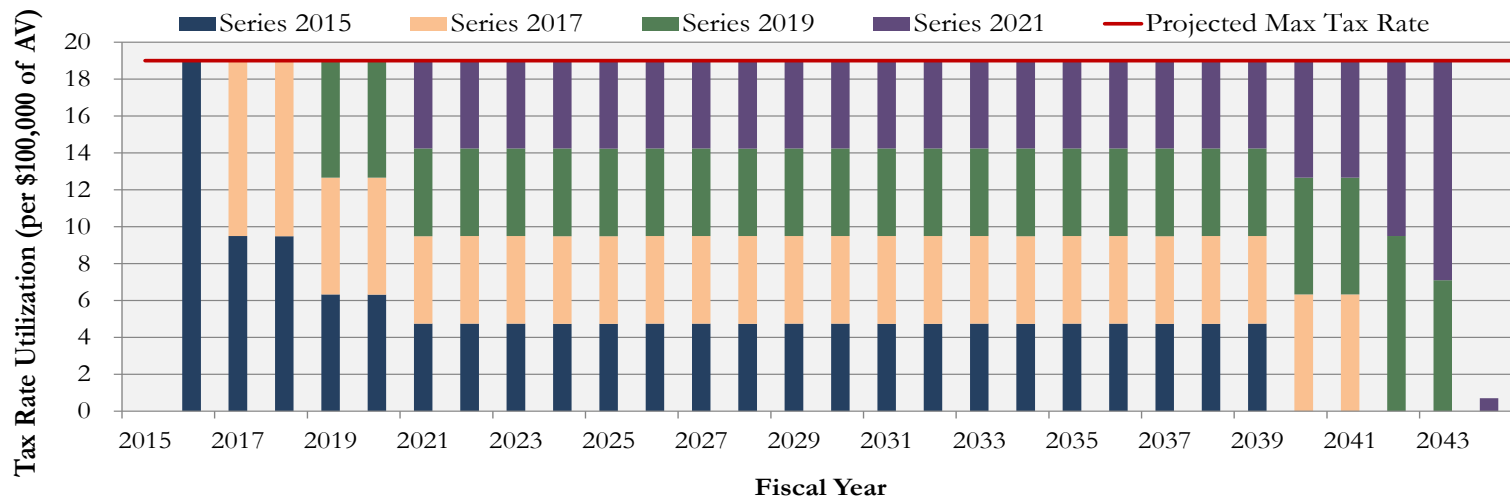
(2) Series 2017B assumes market conditions as of February 2017. Subsequent series assume MMD 10-year average 'AA' scale.



June 2014 Original Bond Issuance Schedule

2014 GO Bond Election

Estimated Tax Rates⁽¹⁾⁽²⁾



	Series 2015	Series 2017	Series 2019	Series 2021	Total
Issue Date	2/1/2015	2/1/2017	2/1/2019	2/1/2021	-
Par Amount	38,190,000	38,285,000	40,145,000	41,365,000	157,985,000
Project Amount	37,722,670	37,817,005	39,663,985	40,875,445	156,079,105
Final Maturity Date	8/1/2039	8/1/2041	8/1/2043	8/1/2044	8/1/2044
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%
Repayment Ratio	1.62	1.72	1.84	1.79	1.75

⁽¹⁾Assumes 3% growth for FY 14-15 and 4% every year thereafter.

⁽²⁾Scale based on MMD 'AA' 10 year average per maturity.



Reasoning for Improved Bonding Projection

- 1) Assessed Value has exceeded projections for the past three years, resulting in lower than-projected tax rates and increased future bonding capacity

Fiscal Year	Projected Estimate	Actual Growth	Increase in Actual vs. Projected Assessed Value
2014-15	3.00%	6.22%	\$870,851,990
2015-16	4.00%	5.53%	1,345,320,484
2016-17	4.00%	4.49%	1,548,722,430

- 1) Series 2015A pricing exceeded our MMD 10-year 'AA' projections at time of sale, resulting in both larger par amount borrowed and a lower total repayment

	Preliminary Series 2015	Final Pricing Series 2015
Issue Date	2/1/2015	10/28/2015
Par Amount	38,190,000	42,500,000
Project Amount	37,722,670	41,945,000
Final Maturity Date	8/1/2039	8/1/2040
Repayment Ratio	1.62	1.46
Total Repayment	61,867,800	61,849,801
Percentage of CIBs	100%	100%
Percentage of CABs	0%	0%



Questions and Answers

