



Financing Overview

SFID No. 1 General Obligation Bonds
2016 Election, Series 2018B

*\$41,000,000**

August 21, 2018

**Preliminary and subject to change*



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Section I

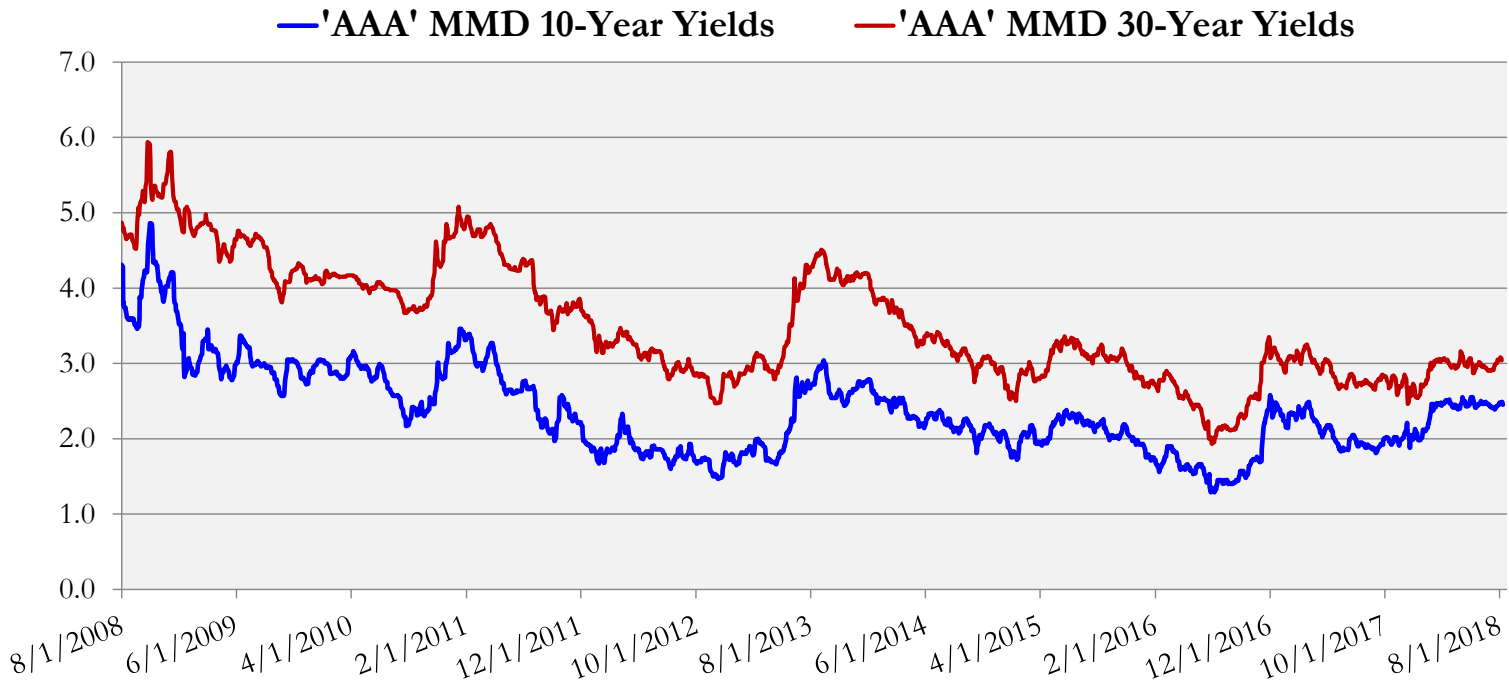
Market Update and FY 2018-19 Assessed Value Update



Summary of Market Conditions

- ❖ Interest rates are at relatively low historical levels but have been steadily increasing over the past few months, particularly on the short end of the interest rate curve

Change in 'AAA' MMD Yields
(August 1, 2008 through August 21, 2018)

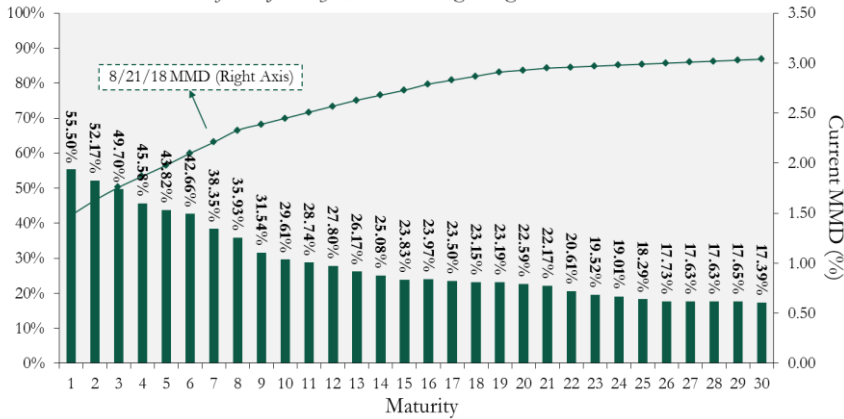




Summary of Market Conditions

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

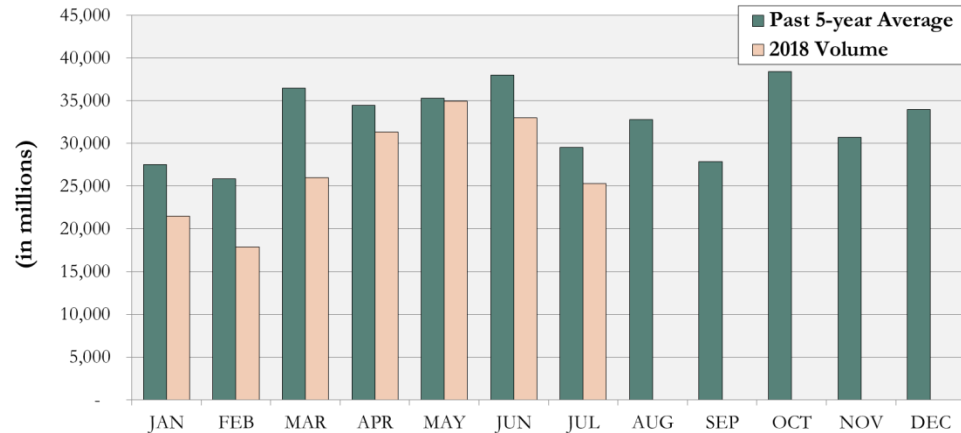
Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD from January 2, 1998 through August 21, 2018



- ❖ Rates have been lower approximately 27% of the time since 1998

- ❖ Due to the large supply in December 2017, supply in early 2018 has been much lower compared to previous years
- ❖ 2018 volume expected to be 20-25% lower than average

Long-Term Bond Sales

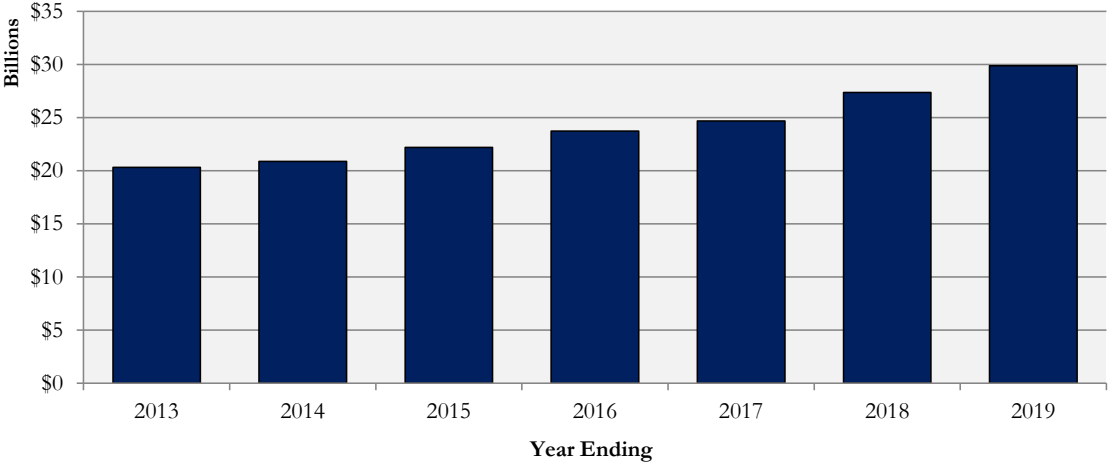




Historical SFID No. 1 Assessed Valuation

Fiscal Year Ending	SFID No. 1 A.V.	% Change in A.V.
2013	20,311,476,006	1.65%
2014	20,880,889,496	2.80%
2015	22,206,028,185	6.35%
2016	23,729,727,500	6.86%
2017	24,673,107,408	3.98%
2018	27,363,824,665	10.91%
2019	29,886,371,764	9.22%
7-Year Average		5.97%

SFID No. 1 Historical Change in Assessed Value



Fiscal Year	Assessed Value	Factor	Bonding Capacity
2018-19	29,886,371,764	2.50%	\$747,159,294

Outstanding Principal as of 8/21/18	Net Bonding Capacity as of 8/21/18
\$87,825,000	\$659,334,294

Source: California Municipal Statistics, Inc.

*2018-19 Preliminary Assessed Value provided by the Orange County Auditor-Controller.



Section II

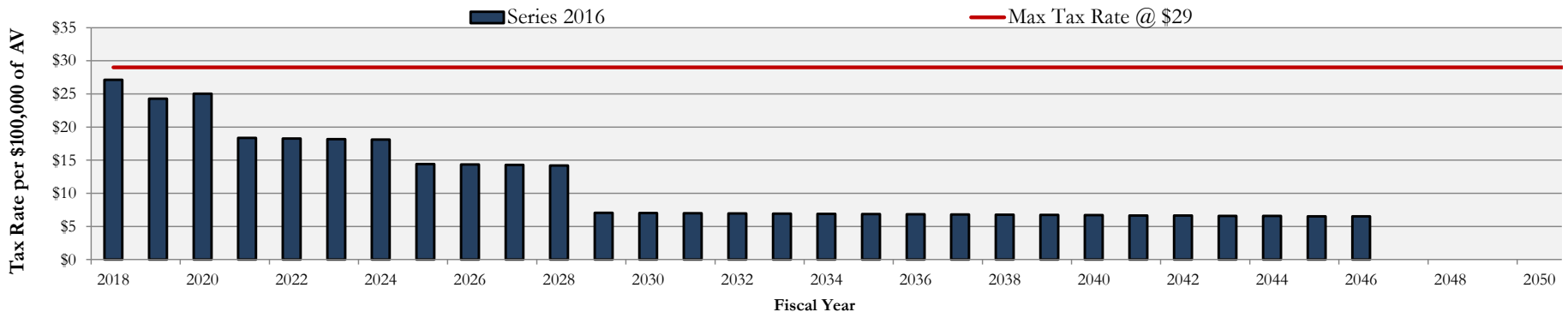
GO Bonds, 2016 Election, Series 2018B



Measure E Bond Election Overview

- ❖ The School Facilities Improvement District No. 1 (“SFID”) recently passed its Measure E Proposition 39 Election on June 7, 2016 authorizing \$319 million in General Obligation Bonds (60.2% voter approval)
- ❖ Projected tax rate limit of \$29 per \$100,000 of Assessed Value throughout the life of all Measure E Bonds
- ❖ 30-year maximum term per bond series
- ❖ Series 2018B expected to be issued for \$41 million in September 2018

**2016 GO Bond Election
Projected Tax Rates⁽¹⁾**



⁽¹⁾ Assumes 3.50% growth in Assessed Value for FY 19-20 and every year thereafter.



2016 Election, Series 2018B Overview*

SOURCES	Series 2018B
Bond Proceeds	
Par Amount	\$41,000,000
Premium	3,470,888
Total Sources	\$44,470,888
USES	
Project Fund Amount	
Project Fund	\$41,000,000
Other Fund Deposits	
Debt Service Fund	\$3,060,888
Delivery Date Expenses	
Underwriter's Discount	410,000
Total Uses	\$44,470,888

Maturity	Principal	Interest	Debt Service Fund	Net Debt Service
9/1/2019	\$1,300,000	\$1,715,102	\$1,715,102	\$1,300,000
9/1/2020	350,000	1,722,244	1,345,786	726,458
9/1/2021	1,135,000	1,708,244		2,843,244
9/1/2022	-	1,662,844	-	1,662,844
9/1/2023	-	1,662,844	-	1,662,844
9/1/2024	-	1,662,844	-	1,662,844
9/1/2025	-	1,662,844	-	1,662,844
9/1/2026	-	1,662,844	-	1,662,844
9/1/2027	25,000	1,662,844	-	1,687,844
9/1/2028	95,000	1,661,844	-	1,756,844
9/1/2029	440,000	1,658,044	-	2,098,044
9/1/2030	535,000	1,640,444	-	2,175,444
9/1/2031	635,000	1,619,044	-	2,254,044
9/1/2032	740,000	1,599,994	-	2,339,994
9/1/2033	845,000	1,577,794	-	2,422,794
9/1/2034	960,000	1,552,444	-	2,512,444
9/1/2035	1,080,000	1,522,444	-	2,602,444
9/1/2036	1,215,000	1,487,344	-	2,702,344
9/1/2037	1,350,000	1,447,856	-	2,797,856
9/1/2038	1,500,000	1,403,981	-	2,903,981
9/1/2039	1,655,000	1,353,356	-	3,008,356
9/1/2040	1,820,000	1,297,500	-	3,117,500
9/1/2041	1,995,000	1,236,075	-	3,231,075
9/1/2042	2,185,000	1,166,250	-	3,351,250
9/1/2043	2,415,000	1,057,000	-	3,472,000
9/1/2044	2,665,000	936,250	-	3,601,250
9/1/2045	2,930,000	803,000	-	3,733,000
9/1/2046	3,210,000	656,500	-	3,866,500
9/1/2047	4,750,000	496,000	-	5,246,000
9/1/2048	5,170,000	258,500	-	5,428,500
Total	\$41,000,000	\$41,554,315	\$3,060,888	\$79,493,427

*Preliminary, subject to change.

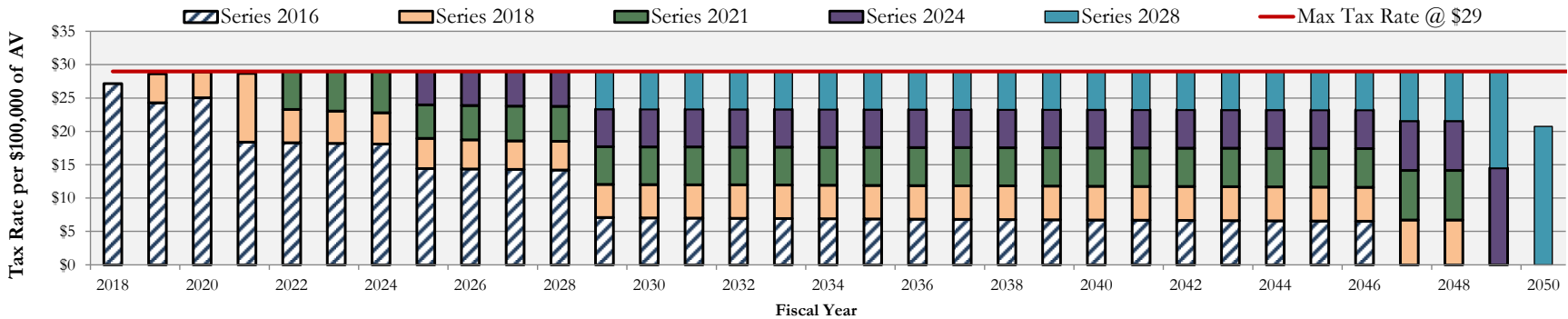
Based off current market conditions as of August 2018.



August 2018 Measure E Plan (3.50% AV Growth)

- ❖ The SFID could fund \$41 million in late 2018 and have remaining tax rate capacity to fund an additional \$136 million in the next 10 years
 - ❑ *Only Current Interest Bonds and 3.50% annual growth in Assessed Valuation*

**2016 GO Bond Election
Projected Tax Rates⁽¹⁾⁽²⁾**



	Series 2016	Series 2018	Series 2021	Series 2024	Series 2028	Total
Issue Date	10/25/2016	9/13/2018	9/1/2021	9/1/2024	9/1/2028	-
Par Amount	\$95,000,000	\$41,000,000	\$31,000,000	\$40,000,000	\$66,000,000	\$273,000,000
Project Amount	95,000,000	41,000,000	30,845,000	39,800,000	65,670,000	272,315,000
Final Maturity Date	9/1/2046	9/1/2048	9/1/2048	9/1/2049	9/1/2050	9/1/2050
Repayment Ratio	1.46	1.94	1.94	1.86	1.78	1.72
Percentage of CIBs	100%	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%	0%

⁽¹⁾ Preliminary, subject to change.

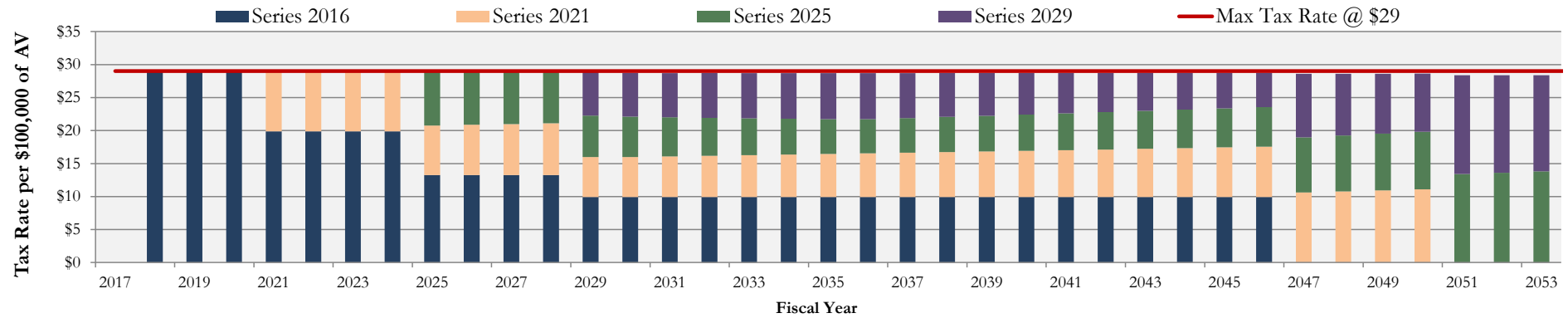
⁽²⁾ Assumes 3.50% Assessed Value growth for Fiscal Year 19-20 and each year thereafter.



September 2016 Base Case Measure E (3.00% AV Growth)

- ❖ The SFID could fund \$95 million in late 2016 and have remaining tax rate capacity to fund an additional \$155 million in the next 12 years
 - ❑ *Only Current Interest Bonds and 3.00% annual growth in Assessed Valuation*

**2016 GO Bond Election
Estimated Tax Rates⁽¹⁾⁽²⁾**



	Series 2016	Series 2021	Series 2025	Series 2029	Total
Issue Date	10/18/2016	3/1/2021	3/1/2025	3/1/2029	-
Par Amount	95,000,000	50,555,000	50,555,000	56,415,000	252,525,000
Project Amount	95,000,000	50,000,000	50,000,000	55,800,000	250,800,000
Final Maturity Date	9/1/2046	9/1/2050	9/1/2053	9/1/2053	9/1/2053
Repayment Ratio	1.51	2.04	2.09	1.86	1.81
Percentage of CIBs	100%	100%	100%	100%	100%
Percentage of CABs	0%	0%	0%	0%	0%

⁽¹⁾Assumes 3.00% growth in AV for FY 16-17 and every year thereafter.

⁽²⁾ Series 2016 scale assumes August 2016 market conditions. Series 2021, 2025 and 2029 assumes MMD 10-year average 'AA' scale per maturity.



Series 2018B GO Bonds SB 450 Requirements*

- SB 450 is a recent law effective January 1, 2018
- Requires that certain information be provided to the public prior to authorization of bonds with a term of greater than 13 months
- The following good faith estimates should be disclosed:
 - True Interest Cost: **3.925%**
 - Finance charge paid to third parties/consultants:
\$410,000 for Underwriter's Discount (paid from Bond Proceeds)
\$190,000 for Costs of Issuance (paid directly from other District Funds)
 - Amount of proceeds received by the public body from bond sale:
\$41,000,000 used to fund the Building Fund
 - Total repayment amount: **\$82,554,315**

* Reflects estimates as of July 2018; preliminary and subject to change.



Section III

Financing Schedule



Financing Schedule*

Date	Description
August 7, 2018	Credit Rating Presentation
August 20, 2018	Credit Rating Received
August 21, 2018	Board Meeting to Consider Financing
August 30, 2018	Bond Pricing
September 13, 2018	Closing

* Preliminary, subject to change.



Questions and Discussion

