



Irvine Unified School District
Community Facilities District No. 09-1
Special Tax Bonds, Series 2017 A, B, C and D
Finance Plan Review

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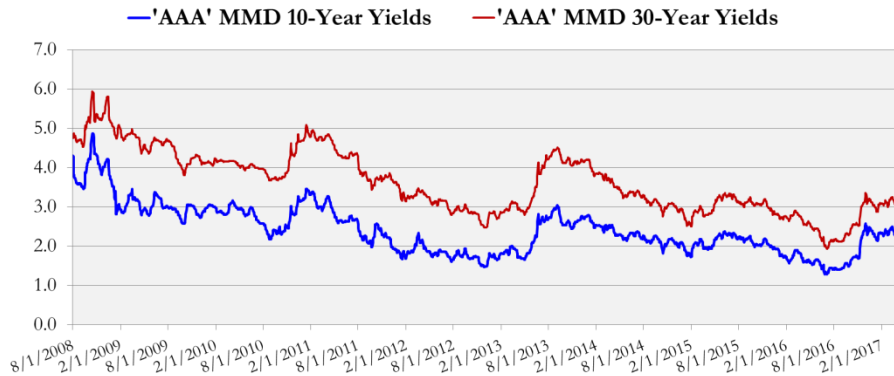
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April 18, 2017

Market Update

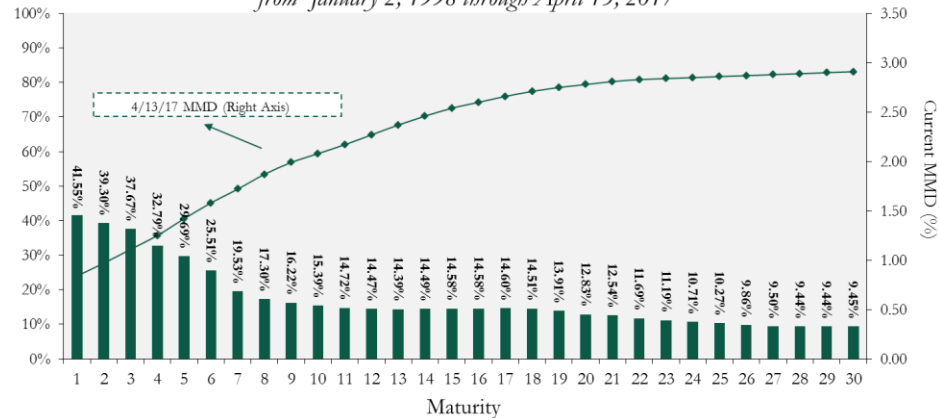
Change in 'AAA' MMD Yields
(August 1, 2008 through April 13, 2017)



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

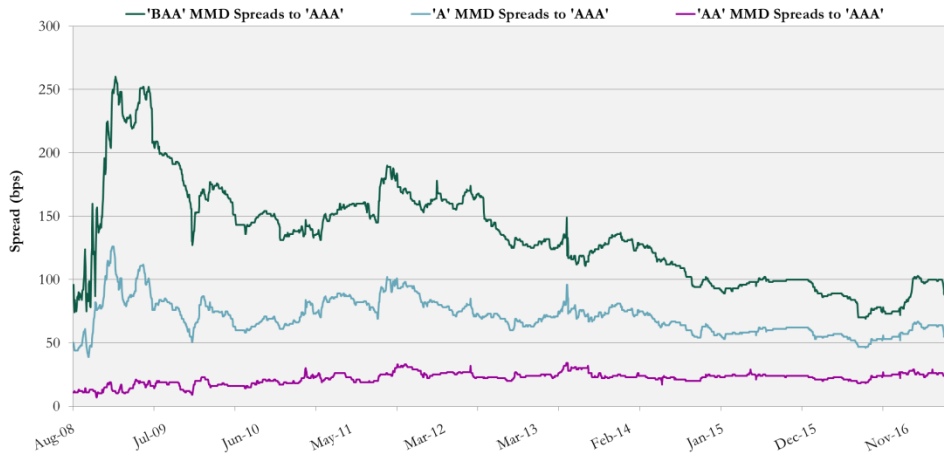
➤ Tax-exempt rates have only been lower 20% of the time along the entire yield curve

Current "AAA" MMD and Percentage of Time Historical "AAA" MMD has been Lower than Current "AAA" MMD
from January 2, 1998 through April 13, 2017



Market Update

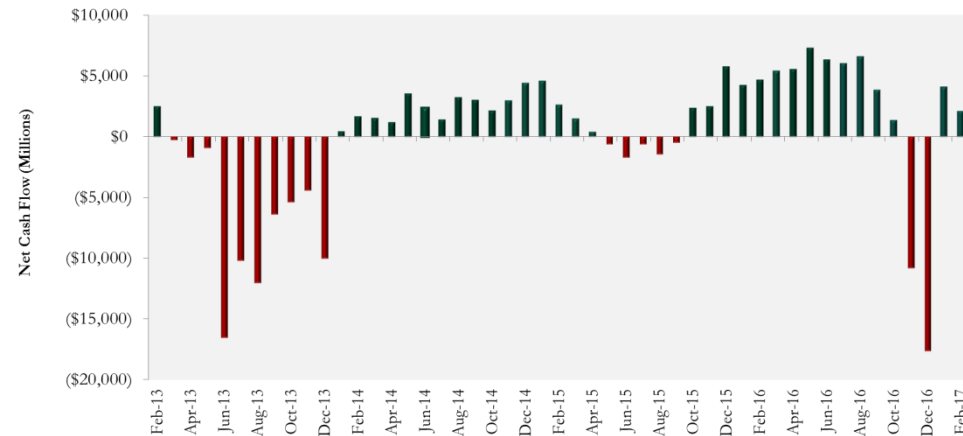
30-Year MMD Credit Spreads
August 1, 2008 through April 13, 2017



➤ Credit spreads have begun to widen since the election

➤ Muni bond funds experienced net inflows in the first months of 2017

Monthly Flow of Funds
Municipal Bond Mutual Funds



Executive Summary

- ❖ From March 2012 to March 2016, the District issued six series of adjustable rate bonds in the amount of \$392.4 million to be repaid by special taxes from development of CFD No. 09-1
- ❖ Existing series of bonds were structured as adjustable rate debt with daily and weekly interest rate resets
- ❖ With the historically low interest rates, the District is preparing to issue a seventh series of bonds using fixed rates to fund the second elementary school in Portola Springs
- ❖ The District is also looking to amend three outstanding adjustable rate bonds by locking in fixed rates while interest rates are near historic lows
 - Series 2012A: \$61,572,000 principal outstanding
 - Series 2012B: \$48,375,000 principal outstanding
 - Series 2014A: \$35,500,000 principal outstanding

Summary of CFD 09-1 Debt Outstanding

CFD 09-1 Adjustable Rate Special Tax Bonds Outstanding

Issue	2012A	2012B	2014A	2014B	2014C	2016A
Dated Date	3/1/2012	3/1/2012	6/27/2014	10/30/2014	10/30/2014	3/10/2016
Final Maturity	9/1/2051	9/1/2051	9/1/2053	9/1/2054	9/1/2054	9/1/2056
Par Amount	\$63,640,000	\$50,000,000	\$35,500,000	\$100,965,000	\$100,825,000	\$41,495,000
Par Outstanding	\$61,572,000	\$48,375,000	\$35,500,000	\$100,965,000	\$100,825,000	\$41,495,000
Max Interest Rate Allowed	12%	12%	12%	12%	12%	12%
Credit Rating	S&P: (AA-/A-1+) Moody's: (Aa3/VMIG1)	S&P: (A/A-1) Moody's: (A1/VMIG1)	S&P: (AA-/A-1+) Moody's: (Aa3/VMIG1)	S&P: (A/A-1) Moody's: (A1/VMIG1)	S&P: (AA-/A-1+) Moody's: (Aa3/VMIG1)	S&P: (AA-/A-1+) Moody's: (Aa3/VMIG1)
LOC Provider	US Bank N.A.	Sumitomo Mitsui Banking Corporation	US Bank N.A.	Sumitomo Mitsui Banking Corporation	US Bank N.A.	US Bank N.A.
LOC Expiration Date	6/27/2017	10/1/2017	6/27/2017	10/30/2017	9/27/2019	3/10/2019

Estimated Sources and Uses*

Sources & Uses

SOURCES	Series 2017A (2012A Amendment)	Series 2017B (2012B Amendment)	Series 2017C (2014A Amendment)	Series 2017D (New Money)	Total
Bond Proceeds					
Par Amount	\$ 56,935,000.00	\$ 44,930,000.00	\$ 33,770,000.00	\$ 75,160,000.00	\$ 210,795,000.00
Net Premium	6,514,047.60	4,995,259.50	3,018,100.15	5,792,060.30	20,319,467.55
	<u>\$ 63,449,047.60</u>	<u>\$ 49,925,259.50</u>	<u>\$ 36,788,100.15</u>	<u>\$ 80,952,060.30</u>	<u>\$ 231,114,467.55</u>
Other Sources of Funds					
Capitalized Interest Fund	-	-	-	\$ 1,867,016.50	\$ 1,867,016.50
Total Sources	\$ 63,449,047.60	\$ 49,925,259.50	\$ 36,788,100.15	\$ 82,819,076.80	\$ 232,981,484.05
USES					
Project Fund Deposits					
Project Fund	-	-	-	\$ 79,660,000.00	\$ 79,660,000.00
Refunding Escrow Deposits					
Cash Deposit	\$ 61,572,000.00	\$ 48,375,000.00	\$ 35,500,000.00	-	\$ 145,447,000.00
Delivery Date Expenses					
Cost of Issuance	\$ 135,048.27	\$ 106,572.74	\$ 80,101.52	\$ 178,277.47	\$ 500,000.00
Underwriter's Discount	427,012.50	336,975.00	253,275.00	563,700.00	1,580,962.50
Bond Insurance at 115 bps	1,196,417.03	1,006,431.25	872,513.18	2,243,079.03	5,318,440.49
Reserve Surety at 3.25%	127,787.04	100,842.57	75,794.65	168,691.92	473,116.18
	<u>\$ 1,886,264.84</u>	<u>\$ 1,550,821.56</u>	<u>\$ 1,281,684.35</u>	<u>\$ 3,153,748.42</u>	<u>\$ 7,872,519.17</u>
Other Uses of Funds					
Additional Proceeds	\$ (9,217.24)	\$ (562.06)	\$ 6,415.80	\$ 5,328.38	\$ 1,964.88
Total Uses	\$ 63,449,047.60	\$ 49,925,259.50	\$ 36,788,100.15	\$ 82,819,076.80	\$ 232,981,484.05

* Preliminary and subject to change in market conditions.



Summary of Next Steps

Date	Description
Tuesday, April 18, 2017	District Board Meeting -Introduce Finance Plan
Tuesday, May 23, 2017	District Board Meeting - Consider Resolution of Issuance
Thursday, June 01, 2017	Price Bonds
Thursday, June 15, 2017	Bond Closing and Prior Bonds Amended