

Warren County School District

Refinancing Discussion

May 22, 2023

Prepared by:

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&

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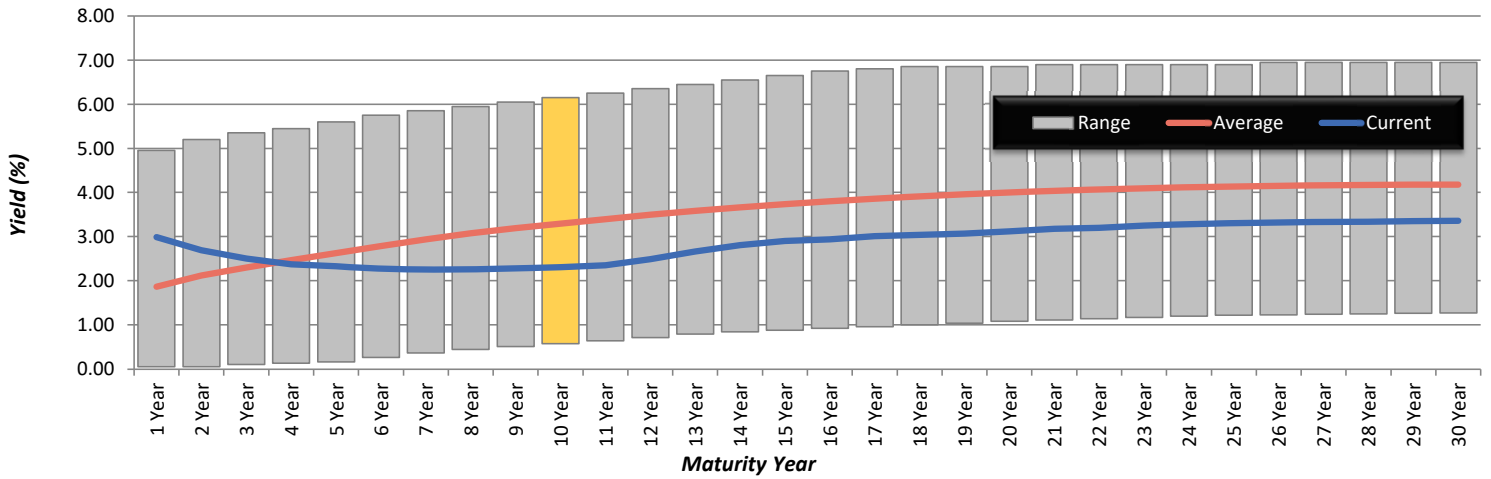
PFM Financial Advisors LLC

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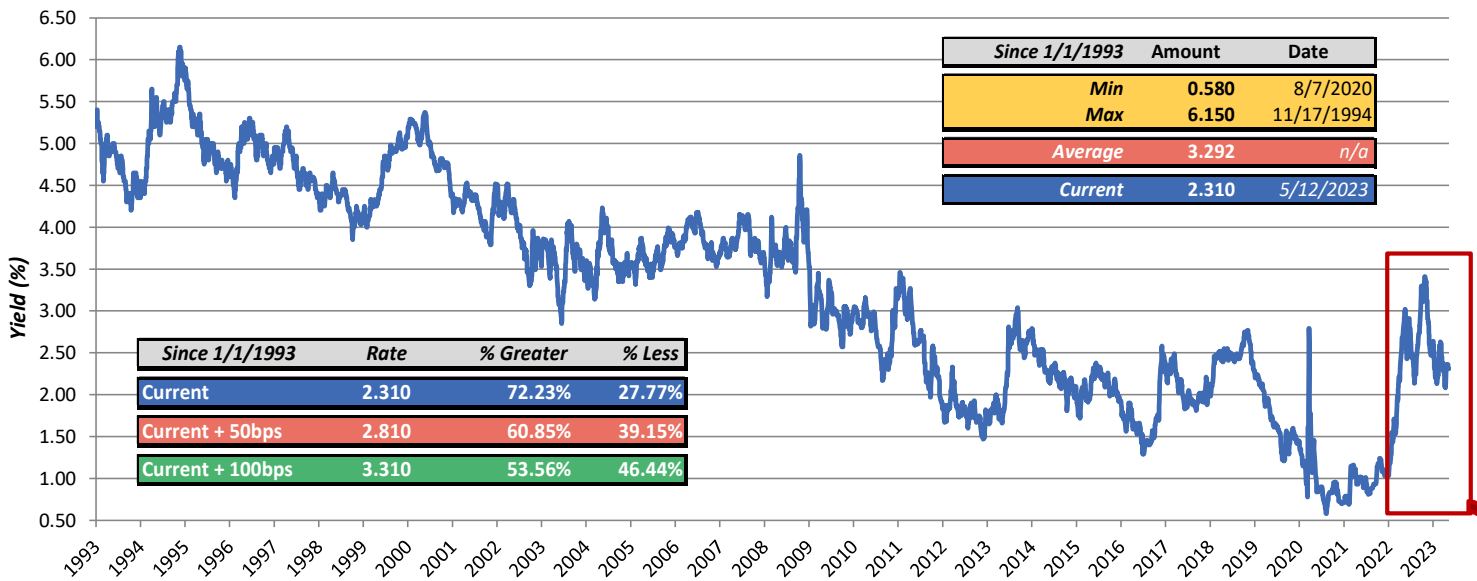
MUNICIPAL MARKET UPDATE

May 12, 2023

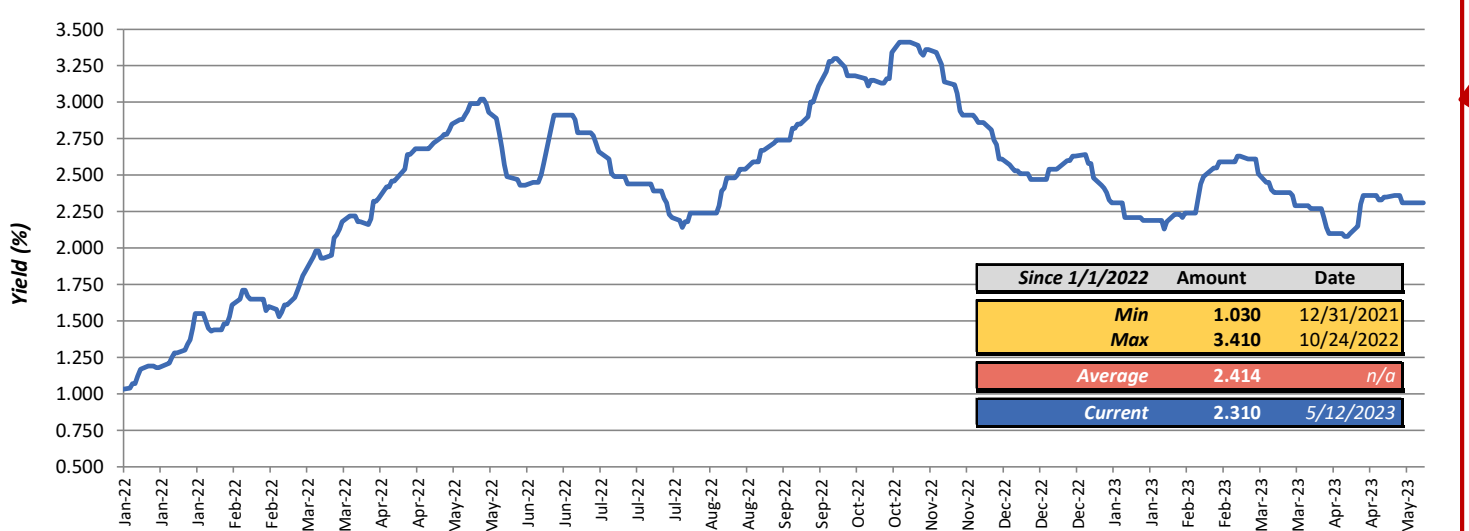
HISTORICAL MMD CURVE ILLUSTRATION - SINCE JANUARY 1, 1993



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 1993



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 2022



Warren County School District
Series of 2023 Refinancing Opportunity Discussion

Refinancing Opportunity

- General Obligation Bonds, Series of 2018
 - \$8,435,000 currently outstanding
 - Coupons range from 3.25%-3.75%
 - Call date: November 1, 2023

SAMPLE MOTION

Resolved: The Board of School Directors of the Warren County School District, does hereby authorize the Administration to work with PFM Financial Advisors LLC as Independent Financial Advisor, Knox, McLaughlin Gornall & Sennett, P.C. as Bond Counsel and the local Solicitor to issue G.O. Bonds, Series of 2023 via a competitive internet auction for the purpose of refinancing the District's Outstanding General Obligation Bonds, Series of 2018 with a minimum net savings target of \$100,000.

ESTIMATED TIMELINE

- | | |
|-------------------------------|-------------------|
| ➤ Discussion at Committee | May 22 |
| ➤ Authorization to Proceed | May 22 or later |
| ➤ Adopt Parameters Resolution | June 12 or later |
| ➤ Bond Sale (Lock in Rates) | June 28 or later |
| ➤ Settlement | August 3 or later |

**WARREN COUNTY SCHOOL DISTRICT
SUMMARY OF OUTSTANDING INDEBTEDNESS**

Debt Service Requirements														
1	2	3	4	5	6	7	8	9	10	11	12	13	14	15
Fiscal Year Ended	QZAB Series of 2011 (1)	QZAB Series of 2012(2)	G.O. Bonds Series of 2013	G.O. Bonds Series of 2014	QZAB Series of 2015	G.O. Notes Series of 2015	QZAB Series of 2016	G.O. Bonds Series of 2017	QZAB Series A of 2017	QZAB Series B of 2017	G.O. Bonds Series of 2018	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	Total Debt Service
6/30/2023	767,444	1,858,075	7,100	15,750	125,221	711,159	172,000	350,984	172,000	346,000	309,393	335,395	253,590	5,424,110
6/30/2024	749,444	1,852,788	6,980	35,300	124,151	705,745	172,000	350,878	172,000	346,000	309,268	334,345	256,215	5,415,114
6/30/2025	684,000	2,559,846	6,860	59,125	124,151		172,000	350,753	172,000	346,000	309,105	338,220	253,715	5,375,774
6/30/2026	666,000	2,016,867	60,900	96,863	124,151		172,000	350,628	172,000	346,000	308,943	341,945	697,465	5,353,761
6/30/2027	648,000	639,871		137,700	124,151		172,000	350,503	172,000	346,000	308,780	877,420	1,365,615	5,142,040
6/30/2028	630,000	599,733			124,151		172,000	350,378	172,000	346,000	308,618	1,081,345	1,332,015	5,116,239
6/30/2029	612,000	559,595			124,151		172,000	350,239	172,000	346,000	308,455	1,140,820	1,293,665	5,078,725
6/30/2030	594,000	514,639			124,151		173,000	350,086	172,000	346,000	308,293	1,217,045	1,265,515	5,064,729
6/30/2031		479,501			124,151		173,000	349,934	172,000	346,000	308,130	1,728,645	1,226,995	4,908,356
6/30/2032		439,363			124,151		173,000	349,781	172,000	346,000	322,968	1,775,158	1,197,824	4,900,244
6/30/2033		399,225			124,151			349,629			1,017,318	1,837,638	1,168,193	4,896,152
6/30/2034		359,087			284,121			349,476			1,223,723	1,437,640	1,157,881	4,811,927
6/30/2035					2,775,821			845,475			1,276,593			4,897,888
6/30/2036					2,777,621			847,275			1,276,058			4,900,953
6/30/2037					2,771,910			853,288			1,278,250			4,903,448
6/30/2038								2,892,200			2,041,813			4,934,013
6/30/2039								2,897,700			1,665,188			4,562,888
6/30/2040								2,894,788						2,894,788
TOTAL	5,350,889	12,278,590	81,840	344,738	9,976,206	1,416,904	1,723,000	15,433,991	1,720,000	3,460,000	12,880,890	12,445,415	11,468,688	88,581,149

Local Effort Requirements														
16	17	18	19	20	21	22	23	24	25	26	27	28	29	30
Fiscal Year Ended	QZAB Series of 2011 (1)	QZAB Series of 2012(2)	G.O. Bonds Series of 2013	G.O. Bonds Series of 2014	QZAB Series of 2015	G.O. Notes Series of 2015	QZAB Series of 2016	G.O. Bonds Series of 2017	QZAB Series A of 2017	QZAB Series B of 2017	G.O. Bonds Series of 2018	G.O. Bonds Series of 2019	G.O. Bonds Series A of 2019	Total Local Effort
6/30/2023	578,055	1,504,560	5,899	15,075	106,011	540,354	145,615	304,044	138,247	268,941	240,487	321,028	210,678	4,378,992
6/30/2024	564,497	1,500,279	5,799	33,788	105,106	536,240	145,615	303,952	138,247	268,941	240,389	320,023	212,859	4,375,733
6/30/2025	515,203	2,072,812	5,699	56,592	105,106		145,615	303,843	138,247	268,941	240,263	323,732	210,782	4,386,834
6/30/2026	501,645	1,633,140	50,595	92,713	105,106		145,615	303,735	138,247	268,941	240,137	327,297	579,441	4,386,611
6/30/2027	488,087	518,130		131,801	105,106		145,615	303,627	138,247	268,941	240,010	839,834	1,134,528	4,313,925
6/30/2028	474,529	485,629			105,106		145,615	303,519	138,247	268,941	239,884	1,035,023	1,106,614	4,303,105
6/30/2029	460,971	453,127			105,106		145,615	303,398	138,247	268,941	239,758	1,091,759	1,074,753	4,281,674
6/30/2030	447,413	416,724			105,106		146,461	303,266	138,247	268,941	239,632	1,164,910	1,051,367	4,282,066
6/30/2031		388,271			105,106		146,461	303,134	138,247	268,941	239,505	1,654,594	1,019,365	4,263,625
6/30/2032		355,770			105,106		146,461	303,002	138,247	268,941	251,038	1,699,114	995,130	4,262,809
6/30/2033		323,269			105,106			302,870			790,747	1,758,918	970,513	4,251,422
6/30/2034		290,767			240,536			302,738			951,183	1,376,055	961,946	4,123,225
6/30/2035					2,350,000			732,403			992,278			4,074,681
6/30/2036					2,351,524			733,962			991,862			4,077,348
6/30/2037					2,346,689			739,170			993,566			4,079,426
6/30/2038								2,505,402			1,587,073			4,092,475
6/30/2039								2,510,167			1,294,328			3,804,494
6/30/2040								2,507,644						2,507,644
TOTAL	4,030,398	9,942,478	67,991	329,970	8,445,820	1,076,594	1,458,686	13,369,877	1,382,465	2,689,411	10,012,140	11,912,285	9,527,975	74,246,091

Principal *: 5,770,000	16,785,000	70,000	300,000	8,414,000	699,000	1,551,000	9,895,000	1,548,000	3,114,000	8,435,000	9,815,000	9,825,000	76,221,000
PE%:	35.89%	27.67%	24.61%	6.23%	22.31%	34.93%	22.31%	19.45%	28.54%	32.39%	32.39%	6.23%	24.61%
PE% Status:	Temporary	Permanent	Temporary	Temporary	Temporary	Permanent	Temporary	Estimated	Temporary	Estimated	Estimated	Temporary	Estimated
AR%:	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%	68.76%
Call Date:	Non-Callable	Non-Callable	5/15/2018	5/15/2019	9/1/2025	Anytime	Anytime	9/1/2022	Noncallable	Noncallable	11/1/2023	5/15/2024	11/15/2024
Purpose:	New Money	New Money	New Money	New Money	New Money	Cur Ref 2010	New Money	New Money	New Money	New Money	New Money	Cur Ref 2014	Cur Ref 2013

* Outstanding as of May 3, 2023

(1) QZAB debt service is net of Fed. Reimbursement Subsidy 5.138% & est. sinking fund earnings of 2.00%

(1H) Assumes Fed. Reimbursement Subsidy for 3/1/2020 & 9/1/2020 payment reduced by 5.90% (\$24,554.04 per payment)

(1I) Assumes Fed. Reimbursement Subsidy for 3/1/2021 & 9/1/2021 payment reduced by 5.70% (\$23,722.15 per payment)

(1K) Assumes Fed. Reimbursement Subsidy for 3/1/2022-3/1/2023 payment reduced by 5.70% (23,722.15 per payment)- budget estimate only. Subject to final sequestration %.

(2) QZAB debt service is net of Fed. Reimbursement Subsidy 4.185% & sinking fund earnings of 3.14%

(2H) Assumes Fed. Reimbursement Subsidy for 11/1/2020 & 5/1/2021 payments reduced by 5.70% (\$27,647.37 per payment)

(2I) Assumes Fed. Reimbursement Subsidy for 11/1/2021 - 5/1/2024 payments reduced by 5.70% (\$27,647.37 per payment)- budget estimate only. Subject to final sequestration %.

WARREN COUNTY SCHOOL DISTRICT
SERIES OF 2018

Optional Redemption: November 1, 2023

1	2	3	4	5	6	7	8
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Local Effort</u>
11/1/2023			152,133.75	152,133.75			
5/1/2024	5,000	3.250	152,133.75	157,133.75	309,267.50	68,878.09	240,389.41
11/1/2024			152,052.50	152,052.50			
5/1/2025	5,000	3.250	152,052.50	157,052.50	309,105.00	68,841.90	240,263.10
11/1/2025			151,971.25	151,971.25			
5/1/2026	5,000	3.250	151,971.25	156,971.25	308,942.50	68,805.71	240,136.79
11/1/2026			151,890.00	151,890.00			
5/1/2027	5,000	3.250	151,890.00	156,890.00	308,780.00	68,769.52	240,010.48
11/1/2027			151,808.75	151,808.75			
5/1/2028	5,000	3.250	151,808.75	156,808.75	308,617.50	68,733.33	239,884.17
11/1/2028			151,727.50	151,727.50			
5/1/2029	5,000	3.250	151,727.50	156,727.50	308,455.00	68,697.14	239,757.86
11/1/2029			151,646.25	151,646.25			
5/1/2030	5,000	3.250	151,646.25	156,646.25	308,292.50	68,660.94	239,631.56
11/1/2030			151,565.00	151,565.00			
5/1/2031	5,000	3.250	151,565.00	156,565.00	308,130.00	68,624.75	239,505.25
11/1/2031			151,483.75	151,483.75			
5/1/2032	20,000	3.250	151,483.75	171,483.75	322,967.50	71,929.27	251,038.23
11/1/2032			151,158.75	151,158.75			
5/1/2033	715,000	3.300	151,158.75	866,158.75	1,017,317.50	226,570.48	790,747.02
11/1/2033			139,361.25	139,361.25			
5/1/2034	945,000	3.400	139,361.25	1,084,361.25	1,223,722.50	272,539.69	951,182.81
11/1/2034			123,296.25	123,296.25			
5/1/2035	1,030,000	3.450	123,296.25	1,153,296.25	1,276,592.50	284,314.56	992,277.94
11/1/2035			105,528.75	105,528.75			
5/1/2036	1,065,000	3.550	105,528.75	1,170,528.75	1,276,057.50	284,195.41	991,862.09
11/1/2036			86,625.00	86,625.00			
5/1/2037	1,105,000	3.750	86,625.00	1,191,625.00	1,278,250.00	284,683.71	993,566.29
11/1/2037			65,906.25	65,906.25			
5/1/2038	1,910,000	3.750	65,906.25	1,975,906.25	2,041,812.50	454,739.49	1,587,073.01
11/1/2038			30,093.75	30,093.75			
5/1/2039	1,605,000	3.750	30,093.75	1,635,093.75	1,665,187.50	370,859.97	1,294,327.53
TOTALS	8,435,000		4,136,497.50	12,571,497.50	12,571,497.50	2,799,843.97	9,771,653.53

PE% 32.39% *(Temporary)*
AR% 68.76% *(2022-2023)*

Net 22.27% *Effective Reimbursement*

WARREN COUNTY SCHOOL DISTRICT
UNRESTRICTED YIELD ESCROW

1 2 3 4 5 6 7 8 9 10

SERIES OF 2018

Optional Redemption Date: November 1, 2023

ESCROW REQUIREMENTS					ESCROW EARNINGS				
Date	Principal	Interest	Escrow Agent	Required	SETTLE 8/3/2023				
					Par	Coupon	Earnings	Cash Flow	Balance
11/1/2023	8,435,000.00	152,133.75		8,587,133.75	8,482,057.00	5.120	107,083.06	8,589,140.06	2,006.31
TOTALS	8,435,000.00	152,133.75	0.00	8,587,133.75	8,482,057.00		107,083.06	8,589,140.06	

Actual Escrow Yield 5.198722
Actual Escrow Cost 8,482,057.00

Maximum Escrow Yield (Yield on new Bonds) 3.209670
Perfect Escrow Cost 8,522,545.40

Difference 40,488.40

WARREN COUNTY SCHOOL DISTRICT									
SERIES OF 2023			ILLUSTRATIVE 2.00% SAVINGS				<i>Settle</i>	8/3/2023	
REFUNDS THE SERIES OF 2018							<i>Dated</i>	8/3/2023	

1	2	3	4	5	6	7	8	9	10
<u>Date</u>	<u>Principal</u>	<u>Rate</u>	<u>Interest</u>	<u>Semi-Annual Debt Service</u>	<u>Fiscal Year Debt Service</u>	<u>State Aid</u>	<u>Proposed Local Effort</u>	<u>Existing Local Effort</u>	<u>Savings</u>
11/1/2023			70,061.69	70,061.69					
5/1/2024	5,000	3.620	143,308.00	148,308.00	218,369.69	48,633.91	169,735.78	240,389.41	70,653.63
11/1/2024			143,217.50	143,217.50					
5/1/2025	5,000	3.310	143,217.50	148,217.50	291,435.00	64,906.55	226,528.45	240,263.10	13,734.65
11/1/2025			143,134.75	143,134.75					
5/1/2026	5,000	3.140	143,134.75	148,134.75	291,269.50	64,869.69	226,399.81	240,136.79	13,736.98
11/1/2026			143,056.25	143,056.25					
5/1/2027	5,000	3.030	143,056.25	148,056.25	291,112.50	64,834.72	226,277.78	240,010.48	13,732.71
11/1/2027			142,980.50	142,980.50					
5/1/2028	5,000	3.000	142,980.50	147,980.50	290,961.00	64,800.98	226,160.02	239,884.17	13,724.16
11/1/2028			142,905.50	142,905.50					
5/1/2029	5,000	2.950	142,905.50	147,905.50	290,811.00	64,767.58	226,043.42	239,757.86	13,714.44
11/1/2029			142,831.75	142,831.75					
5/1/2030	5,000	2.920	142,831.75	147,831.75	290,663.50	64,734.73	225,928.77	239,631.56	13,702.78
11/1/2030			142,758.75	142,758.75					
5/1/2031	20,000	2.940	142,758.75	162,758.75	305,517.50	68,042.91	237,474.59	239,505.25	2,030.66
11/1/2031			142,464.75	142,464.75					
5/1/2032	35,000	2.970	142,464.75	177,464.75	319,929.50	71,252.66	248,676.84	251,038.23	2,361.40
11/1/2032			141,945.00	141,945.00					
5/1/2033	730,000	2.970	141,945.00	871,945.00	1,013,890.00	225,807.13	788,082.87	790,747.02	2,664.15
11/1/2033			131,104.50	131,104.50					
5/1/2034	960,000	3.010	131,104.50	1,091,104.50	1,222,209.00	272,202.62	950,006.38	951,182.81	1,176.42
11/1/2034			116,656.50	116,656.50					
5/1/2035	1,040,000	3.150	116,656.50	1,156,656.50	1,273,313.00	283,584.17	989,728.83	992,277.94	2,549.11
11/1/2035			100,276.50	100,276.50					
5/1/2036	1,075,000	3.330	100,276.50	1,175,276.50	1,275,553.00	284,083.05	991,469.95	991,862.09	392.14
11/1/2036			82,377.75	82,377.75					
5/1/2037	1,110,000	3.480	82,377.75	1,192,377.75	1,274,755.50	283,905.44	990,850.06	993,566.29	2,716.23
11/1/2037			63,063.75	63,063.75					
5/1/2038	1,910,000	3.570	63,063.75	1,973,063.75	2,036,127.50	453,473.37	1,582,654.13	1,587,073.01	4,418.87
11/1/2038			28,970.25	28,970.25					
5/1/2039	1,605,000	3.610	28,970.25	1,633,970.25	1,662,940.50	370,359.53	1,292,580.97	1,294,327.53	1,746.56

TOTALS	8,520,000		3,828,857.69	12,348,857.69	12,348,857.69	2,750,259.05	9,598,598.64	9,771,653.53	173,054.89
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PE%	32.39%	(Estimated)						Present Value of 0.10%	90,814.58
AR%	68.76%	(2022-2023)							

Net 22.27% *Effective Reimbursement*

Savings Allocation	Amount	Percentage
School District's Share	173,054.89	2.05%
State's Share	<u>49,584.92</u>	<u>0.59%</u>
Total Savings	222,639.81	2.64%



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