

Anderson Elementary School District

----- 2019 Bond Issue Summary -----

Financing Summary. On Wednesday, December 11, Anderson Elementary School District successfully completed the offering of \$6,900,000 in Bonds for its school construction project. The term of these tax-exempt Bonds is 20-years with a final maturity on July 1, 2040. The Bonds will officially close on December 19.

District officials were pleased that total interest costs over the life of the Bonds were lower by \$113,873 and that estimated annual mill levies will be lower by 1.5% than originally projected to voters. The timing for the new Bonds was perfect because the District has two levies going off the tax rolls in 2019/20, which include the Series 2000 Bonds and the 2013 Building Reserve Levy. The first levy on the new Bonds will commence with the District's budget adopted for fiscal year 2020/21 with an estimated monthly net impact of \$9.39 per month per \$100,000 in residential value.

The true interest cost rate on the Bonds is 2.53%, which is 0.40% less than the election interest cost estimates of 2.93%. Yields to investors ranged from 1.25% in the first maturity in 2021 to 2.31% in 2040. The Bonds were offered and sold through D.A. Davidson & Co. to individual investors, banks and institutional purchasers in increments of \$5,000.

In addition, the Bond premium will be available together with investment earnings on Bond proceeds will be available to pay costs of issuance and serve as a Project contingency or to offset levies depending on final Project costs.

The Project. Voters approved the issuance of the Bonds on October 1, 2019. The proceeds of the Bonds will be used for the purpose of (i) addressing safety, deferred maintenance, and building code issues by paying the costs of designing, constructing, furnishing and equipping a classroom wing at the existing school site and making associated improvements related to the additional classrooms; making site work improvements such as roads and parking lots; demolishing the existing west classroom wing and undertaking associated site work, including septic system improvements; related amenities and improvements; (ii) if Bond proceeds are available, acquiring approximately 2 acres of land contiguous to and to the south of the existing school site.

District Received a Rating of "A". As a part of the financing process, the Bonds received a credit rating of "A" with a stable outlook from S&P Global Ratings. The S&P Rating Report specifically indicates the favorable rating is due to the District's:

- Strong local economy with strong-to-very-strong income indicators and extremely strong market value per capita;
- Strong available fund balance, although the amounts are considered nominally low; and
- Low pension and other postemployment benefit (OPEB) liabilities.

December 12, 2019