

Anatomy Of A Bond Issue

2013 OSBA Capital Conference



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Pre-Election Process: Election Filing Dates

SECTION 1A



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Pre-Election Process

→ Filing Deadline Dates

- ▶ Legislation must be filed with the Board of Elections not later than 90 days prior to election day
 - *No exception to this rule*
- ▶ A request for consent to be on the ballot and for special needs approval must be filed with the Ohio Department of Education (ODE) and Ohio Department of Taxation (ODT) 120 days prior to the election
- ▶ Exceptions to filing with ODE and ODT
 - *Local Share only; or*
 - *If have Locally Funded Initiatives (LFIs) they do not exceed 50% of the district's Local Share*



Required Board of Election Filings

→ Resolution of Necessity

- ▶ Sets forth bond size, maturity, assumed interest rate

→ County Auditor Certificate

- ▶ Determines millage on ballot

→ Resolution to Proceed



Dates for 2014

Election Dates	120 Day Deadline	100 Day Deadline	98 Day Deadline	90 Day Deadline
February 4, 2014	Monday, October 7, 2013	Friday, October 25, 2013	Tuesday, October 29, 2013	Wednesday, November 6, 2013
May 6, 2014	Monday, January 6, 2014	Friday, January 24, 2014	Tuesday, January 28, 2014	Wednesday, February 5, 2014
August 5, 2014	Monday, April 7, 2014	Friday, April 25, 2014	Tuesday, April 29, 2014	Wednesday, May 7, 2014
November 4, 2014	Monday, July 7, 2014	Friday, July 25, 2014	Tuesday, July 29, 2014	Wednesday, August 6, 2014

Source: Peck, Shaffer & Williams LLP

[1] The 100 day deadline always falls on Sunday; therefore, to clearly meet this deadline, it is recommended that resolutions be certified to the state tax commissioner or county auditor no later than the Friday prior to each such Sunday.



Pre-Election Process: Sizing Your Obligation

SECTION 1B



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Engaging the Community and Creating a Plan

→ How the Project was Created

- ▶ Began with OSFC Master Plan – based on ADM projections
- ▶ LFI “wants” list based on District and community input

→ Soliciting Community Input

- ▶ First Campaign
 - *Tours of existing building*
 - *Community meetings held at the school with architects, OSFC representatives*
- ▶ Second Campaign
 - *“Coffee” meetings at neutral locations – informal presentations/conversations*
 - *Core group of administration, board members, and staff extended personal invitations and facilitated the coffees*
 - *Small groups (15 to 30 people)*

→ Building Community Support

- ▶ First Campaign – very difficult to find people willing to speak in favor
- ▶ Second Campaign – 180 degree flip – community members stepped up



Engaging the Community and Creating a Financing Plan

→ **Once the school facilities project or master plan has been selected (or narrowed down to a discreet set of options) the District must determine how it will pay for these projects**

▶ These questions start out very broadly but get very specific

→ **The simplest and most common is a property tax backed voted bond issue**

▶ This generally spreads the tax burden most fairly and the lowest across the entire community

▶ The variables that determine the ballot millage estimate are the District's

- *Assessed Valuation of tax base,*
- *Assumed interest rate,*
- *Bond issue size*
- *Length of borrowing (approximately to 38 years)*

▶ Other types of taxes used

- *Income Taxes*
- *Permanent Improvement Levies*



Carey EVSD Financing Structure

- **May, 2009 (began work in May 2008), Pursued a property tax bond issue to spread tax burden across community fairly and because this structure produces the lowest interest rates**
 - ▶ CFAP School District-\$12,115,147 Local Share for K-12 Co-Funded building at 57% State vs. 43% Local
 - ▶ Four variables to certify to County Auditor based on equal principal amortization determine the millage
 - *Tax Base – existing property value as set by County Auditor*
 - *Interest Rate – provided by Underwriter in current market*
 - *Amount – limited by statutory debt limitations*
 - *Years – limited to 28 years*



2009 Ballot Millage Calculator

Carey EVSD Bond Millage Estimates									
BALLOT MILLAGE CALCULATION ASSUMPTIONS			COST TO HOMEOWNER BY PROPERTY VALUE						
			APPRAISED	TAX VALUE				Over 65	
			VALUE	35%	ANNUAL	MONTHLY	WEEKLY	DAILY	or Disab
2009 TAX VALUATION		85,008,730	\$30,000	\$10,500	\$87.28	\$7.27	\$1.68	\$0.24	\$14.55
INTEREST RATE		5.25%	\$40,000	\$14,000	\$116.38	\$9.70	\$2.24	\$0.32	\$43.64
MAXIMUM (YEARS)		28	\$50,000	\$17,500	\$145.47	\$12.12	\$2.80	\$0.40	\$72.73
ISSUE SIZE		\$12,115,147	\$60,000	\$21,000	\$174.56	\$14.55	\$3.36	\$0.48	\$101.83
MILLAGE CALCULATION			\$70,000	\$24,500	\$203.66	\$16.97	\$3.92	\$0.56	\$130.92
First Year Interest	▶	636,045	\$80,000	\$28,000	\$232.75	\$19.40	\$4.48	\$0.64	\$160.02
Last Year Interest	▶	22,716	\$90,000	\$31,500	\$261.84	\$21.82	\$5.04	\$0.72	\$189.11
TOTAL	▶	658,761	\$100,000	\$35,000	\$290.94	\$24.24	\$5.59	\$0.80	\$218.20
Average Annual Interest	▶	329,381	\$110,000	\$38,500	\$320.03	\$26.67	\$6.15	\$0.88	\$247.30
Average Annual Principal	▶	432,684	\$120,000	\$42,000	\$349.13	\$29.09	\$6.71	\$0.96	\$276.39
Average Annual Debt Service	▶	762,064	\$130,000	\$45,500	\$378.22	\$31.52	\$7.27	\$1.04	\$305.48
Bond Millage		9.00	\$140,000	\$49,000	\$407.31	\$33.94	\$7.83	\$1.12	\$334.58
Permanent Improvement Levy		0.50	\$150,000	\$52,500	\$436.41	\$36.37	\$8.39	\$1.20	\$363.67
TOTAL MILLAGE		9.50	\$160,000	\$56,000	\$465.50	\$38.79	\$8.95	\$1.28	\$392.77
COST TO AVERAGE HOMEOWNER			\$170,000	\$59,500	\$494.59	\$41.22	\$9.51	\$1.36	\$421.86
Average Home Value		\$82,100	\$180,000	\$63,000	\$523.69	\$43.64	\$10.07	\$1.43	\$450.95
Annual Cost		\$238.86	\$190,000	\$66,500	\$552.78	\$46.07	\$10.63	\$1.51	\$480.05
Monthly Cost		\$19.90	\$200,000	\$70,000	\$581.88	\$48.49	\$11.19	\$1.59	\$509.14
Weekly Cost		\$4.59	\$225,000	\$78,750	\$654.61	\$54.55	\$12.59	\$1.79	\$581.88
Daily Cost		\$0.65	\$250,000	\$87,500	\$727.34	\$60.61	\$13.99	\$1.99	\$654.61
			\$275,000	\$96,250	\$800.08	\$66.67	\$15.39	\$2.19	\$727.34
			\$300,000	\$105,000	\$872.81	\$72.73	\$16.78	\$2.39	\$800.08
			\$325,000	\$113,750	\$945.55	\$78.80	\$18.18	\$2.59	\$872.81
			\$350,000	\$122,500	\$1,018.28	\$84.86	\$19.58	\$2.79	\$945.55
			\$375,000	\$131,250	\$1,091.02	\$90.92	\$20.98	\$2.99	\$1,018.28
			\$400,000	\$140,000	\$1,163.75	\$96.98	\$22.38	\$3.19	\$1,091.02
			\$500,000	\$175,000	\$1,454.69	\$121.22	\$27.97	\$3.99	\$1,381.95

* 2008 Total Assessed Valuation less Tangible Personal Property, Public Utility Real and Public Utility Personal-Legacy Telephone Phase Out

Source: RBCCM



May 2009: Additional Locally Funded Initiatives (LFIs)

At the time, financing through OASBO Loan Program available supported by additional Income Tax 0.25%

The request is being made to finance the following Locally Funded Initiatives in connection with an OSFC building project:

Auditorium 550 seats	\$1,600,000
Standing Seam Steel Roofs	250,000
Terrazzo flooring for high traffic areas	220,000
Brick exterior	230,000
Road Improvements-turn lane	200,000
Contingency Fund	<u>500,000</u>
TOTAL Estimated LFI Cost	\$3,000,000



The District's Local Share of \$12.1 million was to be supported by: 9.00 mills + 0.50 mills PI Levy + \$3MM of 0.25% income tax supported for LFI's. Resulting in an average taxpayer burden of \$331 annually for 28 years



May 2009 Election Results & Takeaways

→ Result of May 2009 Election: Failed by wide margin (33.5% for)

- ▶ First failed levy in 15 years

→ Takeaways

- ▶ Trying to pass a high millage bond issue in the middle of the worst financial crisis since the Great Depression is hard
- ▶ More community input needed

→ The District determined that the community could not support the project in the current economic environment

District Decided to Postpone Bond Issue For Immediate Future
and concentrate on operating needs



Fast Forward to August 2012

- In August 2012 the District decided to reinitiate the process

- Ultimately the District decided to go on the May 2013 ballot

- The bond millage was substantially reduced due to
 - ▶ Tax Base grew
 - ▶ Interest rates fell for planning, although not ultimately
 - ▶ Amount
 - *Co-funded amount rose to 70% State vs. 30% Local affected the amount lowering to \$8,904,922*
 - *State law parameters: State of Ohio legal changes allow for greater percentage on tax base and special allowance for LFIs of CFAP Program participants*
 - ▶ Length
 - *State law changed to allow longer length of borrowing (up to 38 years)*



Ballot Millage Calculator

Carey EVSD Bond Millage Estimates									
BALLOT MILLAGE CALCULATION ASSUMPTIONS			COST TO HOMEOWNER BY PROPERTY VALUE						
			APPRAISED	TAX VALUE					Over 65
			VALUE	35%	ANNUAL	MONTHLY	WEEKLY	DAILY	or Disab
<i>2012 TAX VALUATION</i>	88,780,380		\$30,000	\$10,500	\$59.72	\$4.98	\$1.15	\$0.16	\$9.95
<i>INTEREST RATE</i>	4.25%		\$40,000	\$14,000	\$79.63	\$6.64	\$1.53	\$0.22	\$29.86
<i>MAXIMUM (YEARS)</i>	37		\$50,000	\$17,500	\$99.54	\$8.29	\$1.91	\$0.27	\$49.77
<i>ISSUE SIZE</i>	\$10,905,000		\$60,000	\$21,000	\$119.45	\$9.95	\$2.30	\$0.33	\$69.68
			\$70,000	\$24,500	\$139.35	\$11.61	\$2.68	\$0.38	\$89.58
			\$80,000	\$28,000	\$159.26	\$13.27	\$3.06	\$0.44	\$109.49
			\$90,000	\$31,500	\$179.17	\$14.93	\$3.45	\$0.49	\$129.40
MILLAGE CALCULATION			\$100,000	\$35,000	\$199.08	\$16.59	\$3.83	\$0.55	\$149.31
First Year Interest	463,463		\$110,000	\$38,500	\$218.98	\$18.25	\$4.21	\$0.60	\$169.22
Last Year Interest	12,526		\$120,000	\$42,000	\$238.89	\$19.91	\$4.59	\$0.65	\$189.12
TOTAL	475,989		\$130,000	\$45,500	\$258.80	\$21.57	\$4.98	\$0.71	\$209.03
Average Annual Interest	237,994		\$140,000	\$49,000	\$278.71	\$23.23	\$5.36	\$0.76	\$228.94
Average Annual Principal	294,730		\$150,000	\$52,500	\$298.62	\$24.88	\$5.74	\$0.82	\$248.85
Average Annual Debt Service	532,724		\$160,000	\$56,000	\$318.52	\$26.54	\$6.13	\$0.87	\$268.75
			\$170,000	\$59,500	\$338.43	\$28.20	\$6.51	\$0.93	\$288.66
			\$180,000	\$63,000	\$358.34	\$29.86	\$6.89	\$0.98	\$308.57
Bond Millage	6.00		\$190,000	\$66,500	\$378.25	\$31.52	\$7.27	\$1.04	\$328.48
Permanent Improvement Levy	0.50		\$200,000	\$70,000	\$398.15	\$33.18	\$7.66	\$1.09	\$348.38
TOTAL MILLAGE	6.50		\$225,000	\$78,750	\$447.92	\$37.33	\$8.61	\$1.23	\$398.15
			\$250,000	\$87,500	\$497.69	\$41.47	\$9.57	\$1.36	\$447.92
COST TO AVERAGE HOMEOWNER			\$275,000	\$96,250	\$547.46	\$45.62	\$10.53	\$1.50	\$497.69
<i>Average Home Value</i>	\$82,100		\$300,000	\$105,000	\$597.23	\$49.77	\$11.49	\$1.64	\$547.46
			\$325,000	\$113,750	\$647.00	\$53.92	\$12.44	\$1.77	\$597.23
<i>Annual Cost</i>	\$163.44		\$350,000	\$122,500	\$696.77	\$58.06	\$13.40	\$1.91	\$647.00
<i>Monthly Cost</i>	\$13.62		\$375,000	\$131,250	\$746.54	\$62.21	\$14.36	\$2.05	\$696.77
<i>Weekly Cost</i>	\$3.14		\$400,000	\$140,000	\$796.31	\$66.36	\$15.31	\$2.18	\$746.54
<i>Daily Cost</i>	\$0.45		\$500,000	\$175,000	\$995.38	\$82.95	\$19.14	\$2.73	\$945.62

→ This calculator shows the ballot millage estimate before recent changes in the Ohio Biennial Budget. Since Carey EVSD passed their bond issue:

- ▶ 12.5% state reimbursement on bond and operating levies has been eliminated
- ▶ The “over 65” homestead exemption that exempts taxation of the first \$25,000 of appraised value now applies only to seniors and disabled persons who earn less than \$30,000 annually



Source: RBCCM



Result of May 2013 Ballot with New Plan

- New plan included a larger state share
- \$10,905,000 locally property tax funded project monies supported, which included \$2,000,000 of LFIs (not \$3MM)
 - *6.00 mills + 0.50 mills PI levy (maintenance requirement)*
- District took advantage of state law change allowing the length of borrowing to increase from 28 to 37 years
- = Average Taxpayer owes \$163 annually for 37 years

Result was a comprehensive master plan for less than half the annual cost vs. 2009



Issuing Bonds: Preparation of Offering Document

SECTION 2A



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Issuing Bonds

→ Authorizing Resolution/Offering Document

▶ Authorizing Legislation

- *Prepared by Bond Counsel outlines the terms of the deal and gives authority for Treasurer and Board President to sign closing documents*

▶ Official Statement

- *Material information regarding bonds securities and District*
- *Document that is provided to rating agencies and potential purchasers of the Bonds*
- *Bond Counsel drafts this document but certain information regarding the District is requested from Treasurer to complete*



Issuing Bonds: Credit Rating Process

SECTION 2B



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Long-Term Municipal Credit Rating Levels

Rating Agency:	Moody's	Standard & Poor's	Fitch	
OSCEP Rating	Aaa	AAA	AAA	
	Aa1	AA+	AA+	
	Aa2	AA	AA	
	Aa3	AA-	AA-	
	Carey Credit Rating	A1	A+	A+
		A2	A	A
		A3	A-	A-
	Investment Grade	Baa1	BBB+	BBB+
		Baa2	BBB	BBB
		Baa3	BBB-	BBB-
Speculative Grade	Ba1	BB+	BB+	
	Ba2	BB	BB	
	Ba3	BB-	BB-	
	B1	B+	B+	
	B2	B	B	
	B3	B-	B-	
	Caa1	CCC+	CCC+	
	Caa2	CCC	CCC	
	Caa3	CCC-	CCC-	
	Ca1	CC+	CC+	
	Ca2	CC	CC	
	Ca3	CC-	CC-	
	C1	C+	C+	
	C2	C	C	
	C3	C-	C-	
Default	D	D	D	



Credit Rating Process

→ Official Statement Preparation and Review

→ For a credit rating presentation to Moody's Investors Service RBCCM prepared a presentation of

- ▶ District's tax base and regional economy
- ▶ Financial metrics of the General Fund
- ▶ Debt burden and repayment
- ▶ Overall educational/financial management

→ Moody's assigns an A1 Underlying Credit Rating

- ▶ Excellent financial position with robust, healthy General Fund reserves and liquidity, despite the small tax base size
- ▶ Conservative management and fiscal planning,
- ▶ Diverse revenue streams with a strong history of voter support



Key Rating Factors for US Local Governments (GO Bonds)

Moody's analytical framework includes an assessment of 4 key rating factors and 16 sub-factors:

Economic Strength (40%)	Financial Strength (30%)	Management and Governance (20%)	Debt Profile (10%)
<p>a. Size and Growth Trend</p> <ul style="list-style-type: none"> i. Tax base size ii. Historic growth trend iii. Future growth potential <p>b. Type of Economy</p> <ul style="list-style-type: none"> i. Industry concentration ii. Stability iii. Taxpayer concentration <p>c. Socioeconomic and Demographic Profile</p> <ul style="list-style-type: none"> i. Population trend ii. Poverty level iii. Full value per capita iv. Income <p>d. Workforce Profile</p> <ul style="list-style-type: none"> i. Unemployment rate 	<p>a. Balance Sheet/Liquidity</p> <ul style="list-style-type: none"> i. General Fund balance as a % of General Fund revenues ii. Liquidity trend <p>b. Operating Flexibility</p> <ul style="list-style-type: none"> i. Revenue raising flexibility ii. Local control over expenditures <p>c. Budgetary operations</p> <ul style="list-style-type: none"> i. Trend of structurally balanced operations ii. Exposure to volatile revenue streams iii. Property tax collection rates iv. Exposure to state aid reductions 	<p>a. Financial planning and budgeting</p> <ul style="list-style-type: none"> i. Trend of budget-to-actual performance ii. Existence of and adherence to policies and procedures iii. Multi-year budgeting practices <p>b. Debt Management and Capital Planning</p> <ul style="list-style-type: none"> i. Multi-year capital planning practices ii. Management of risk related to variable rate debt and derivatives iii. Existence of and adherence to debt policies <p>c. Economic Forecasting and Monitoring</p> <ul style="list-style-type: none"> i. Monitoring of economic performance <p>d. Governance Structure</p> <ul style="list-style-type: none"> i. Constructive relationship with elected officials <p>e. Disclosure</p> <ul style="list-style-type: none"> i. Timely disclosure of key documents 	<p>a. Debt Burden</p> <ul style="list-style-type: none"> i. Net direct debt as % of full value ii. Overall net debt as % of full value <p>b. Debt Structure and Composition</p> <ul style="list-style-type: none"> i. Amortization rate (10 years) ii. Liquidity and budgetary risk related to variable rate debt or derivatives <p>c. Debt Management and Impact on Financial Flexibility</p> <ul style="list-style-type: none"> i. Debt service as % of total operating expenditures <p>d. Other Long Term Commitments and Liabilities</p> <ul style="list-style-type: none"> i. Pension funding ratio

- *Moody's is currently in the process of updating its rating methodologies for all sectors.*
- *The updated reports provide greater clarity and transparency of the rating process.*
- *Each factor and sub-factor are assigned weights and scorecards are provided*

Source: Moody's Methodology: General Obligation Bonds Issued by US Local Governments (October 2009)



Credit Enhancement

- ➔ **The District's credit rating may be enhanced through a state intercept program or bond insurance**
- ➔ **The State of Ohio has a program to enhance Ohio school district bond issues called the Ohio State Credit Enhancement Program (OSCEP)**
 - ▶ This program is rated Aa2 and is free of charge
 - ▶ District may be advised to use State Credit Enhancement Program. This program insures the bondholders will get paid if District defaults.
 - ▶ State Credit Enhancement may allow the District to get a lower interest rate
 - ▶ State foundation payments are pledged
 - ▶ RBCCM prepared a comprehensive 46 page application packet for the District to participate in the Ohio State Credit Enhancement Program
 - ▶ Participation in this program was estimated to save the district approximately \$550,000 over the life of the bond issue
- ➔ **Most school district's rated below Aa2/AA qualify to participate in this program but if it is determined that your district does not qualify the use of bond insurance should be considered**



Issuing Bonds: Plan of Finance

SECTION 2C



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Structuring and Repayment Considerations

→ Plan of Finance: Two parts

→ Plan of Issuance

- ▶ “To be Bank Qualified or not Bank Qualified, that is the question.”

→ Plan of Repayment

- ▶ Level Debt Service vs. Level Levy Millage
- ▶ Review the historic assessed valuation by classification of property and reappraisal/update cycles
- ▶ Project future assessed valuation by classification of property and reappraisal/update cycles



Plan of Issuance – Complicated by Bank Qualification Market

- **RBCCM in conjunction with the financing team analyzed 3 structures to determine which would be the most advantageous to the district (i.e. provide the lowest interest rate and minimize interest rate risk)**
 - ▶ #1: Issue all \$10,905,000 as one non bank qualified (BQ) bond issue
 - ▶ #2: Issue \$9,540,000 bank qualified (BQ) bond issue & \$1,365,000 taxable bond issue or
 - ▶ #3: Issue \$9,540,000 bank qualified (BQ) bond issued & \$1,365,000 tax exempt BQ issue in 2014 or BANs
- **Due to over 96% of the principal amortizing after 2028 (15 years from today, for years 15-37), it was determined that the additional interest cost from issuing a portion of the District's debt as taxable outweighed the benefit of bank qualification**
- **For this reason we moved forward with a \$10,905,000 non bank qualified bond sale on September 5, 2013**
 - ▶ This structure produced the lowest interest rate within as close to the ballot millage estimate as possible (6.00 mills over the 37 year period) but:
 - *Was also the least subject to interest rate risk*
 - *Will require the least District time and resources over the next 37 years*
 - *Will be able to refinance 96% of the outstanding debt should interest rates fall over that period*



Plan of Repayment Final Millage Analysis – Level Levy

Year	Total Debt Service		Millage Requirements		Combined
	2013 Non BQ TE Bonds	Total Valuation	2013 Non BQ TE Bonds		Millage Impact
2013	65,701	88,749,360	CAPI		-
2014	563,150	93,621,370		6.08	6.08
2015	568,150	93,610,336		6.13	6.13
2016	568,000	93,742,691		6.12	6.12
2017	592,850	98,798,049		6.06	6.06
2018	596,950	99,226,435		6.08	6.08
2019	600,900	99,656,962		6.09	6.09
2020	624,700	103,800,132		6.08	6.08
2021	627,100	104,251,860		6.08	6.08
2022	629,300	104,996,707		6.05	6.05
2023	651,300	108,330,510		6.07	6.07
2024	656,300	109,110,410		6.08	6.08
2025	661,300	109,897,264		6.08	6.08
2026	696,300	115,745,141		6.08	6.08
2027	701,300	116,582,120		6.08	6.08
2028	706,300	117,426,556		6.08	6.08
2029	731,300	121,203,054		6.09	6.09
2030	736,300	122,087,253		6.09	6.09
2031	741,300	122,979,345		6.09	6.09
2032	781,300	129,559,260		6.09	6.09
2033	784,513	130,508,157		6.07	6.07
2034	791,956	131,465,516		6.08	6.08
2035	818,375	135,743,594		6.09	6.09
2036	822,744	136,746,060		6.08	6.08
2037	831,088	137,757,483		6.09	6.09
2038	873,150	145,164,575		6.08	6.08
2039	882,138	146,240,375		6.09	6.09
2040	884,588	147,325,780		6.06	6.06
2041	915,756	152,172,169		6.08	6.08
2042	924,106	153,308,742		6.09	6.09
2043	930,663	154,455,482		6.09	6.09
2044	980,425	162,797,383		6.08	6.08
2045	985,250	164,017,082		6.07	6.07
2046	992,975	165,247,681		6.07	6.07
2047	1,028,338	170,738,004		6.08	6.08
2048	1,033,725	172,026,650		6.07	6.07
2049	1,041,425	173,326,834		6.07	6.07
2050	1,101,169	182,725,320		6.09	6.09
TOTAL	29,122,184	AVG. MILLS:		6.08	6.08



Source: RBCCM



Issuing Bonds: Bond Pricing Process

SECTION 2D



RBC Capital Markets®

Issuing Bonds

Pricing Process

1

Once District receives a rating, the Preliminary Official Statement is sent to investors

2

Strongly encourage at least 7 days after Preliminary Official Statement mailed out the Bonds will price

3

Pricing is when the interest rate and repayment schedule for the life of the bonds is fixed (37 years)

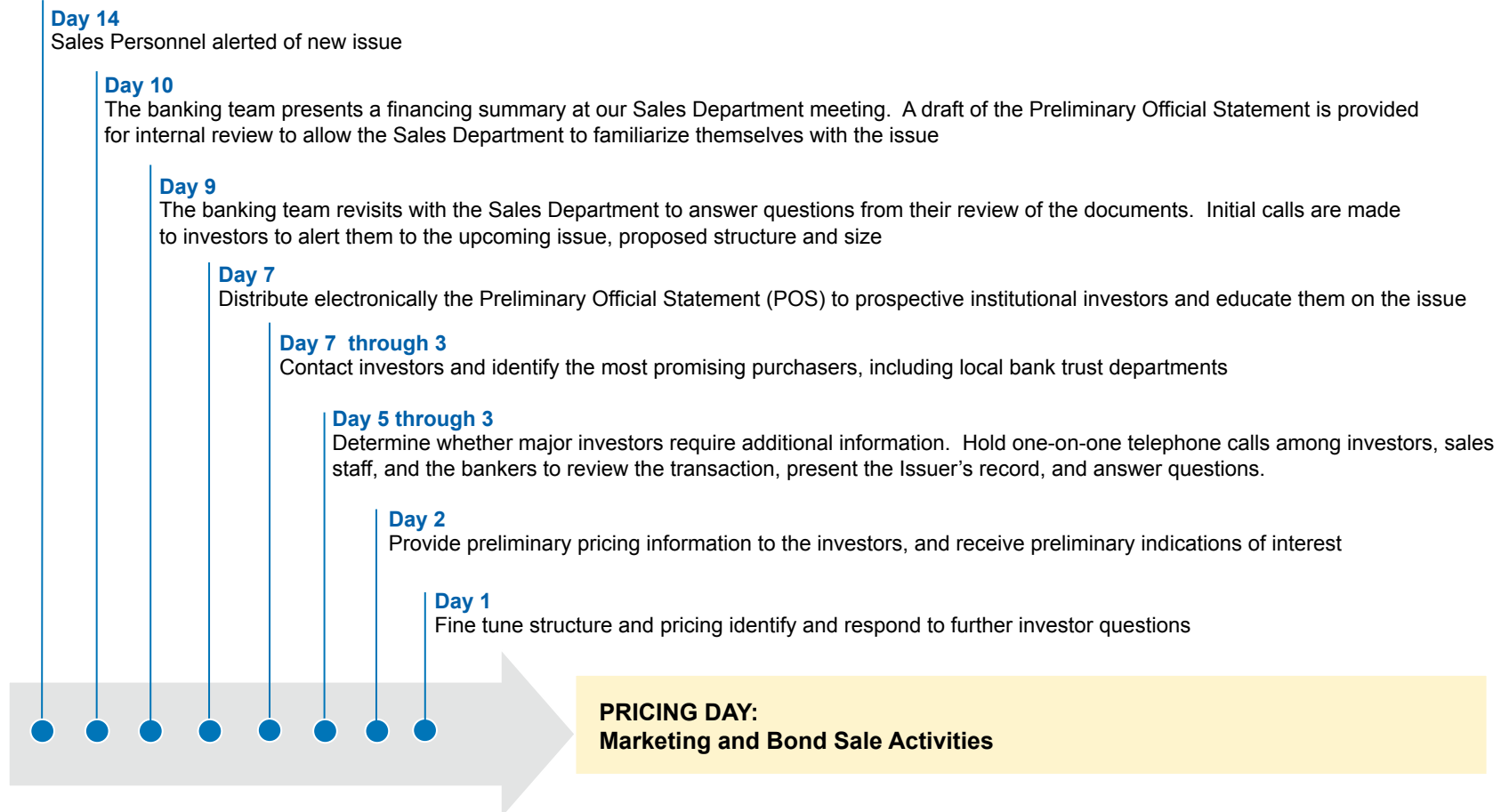
4

On day of pricing a Bond Purchase Agreement is signed by the District to lock in prices pending any major disruptions in our financial system



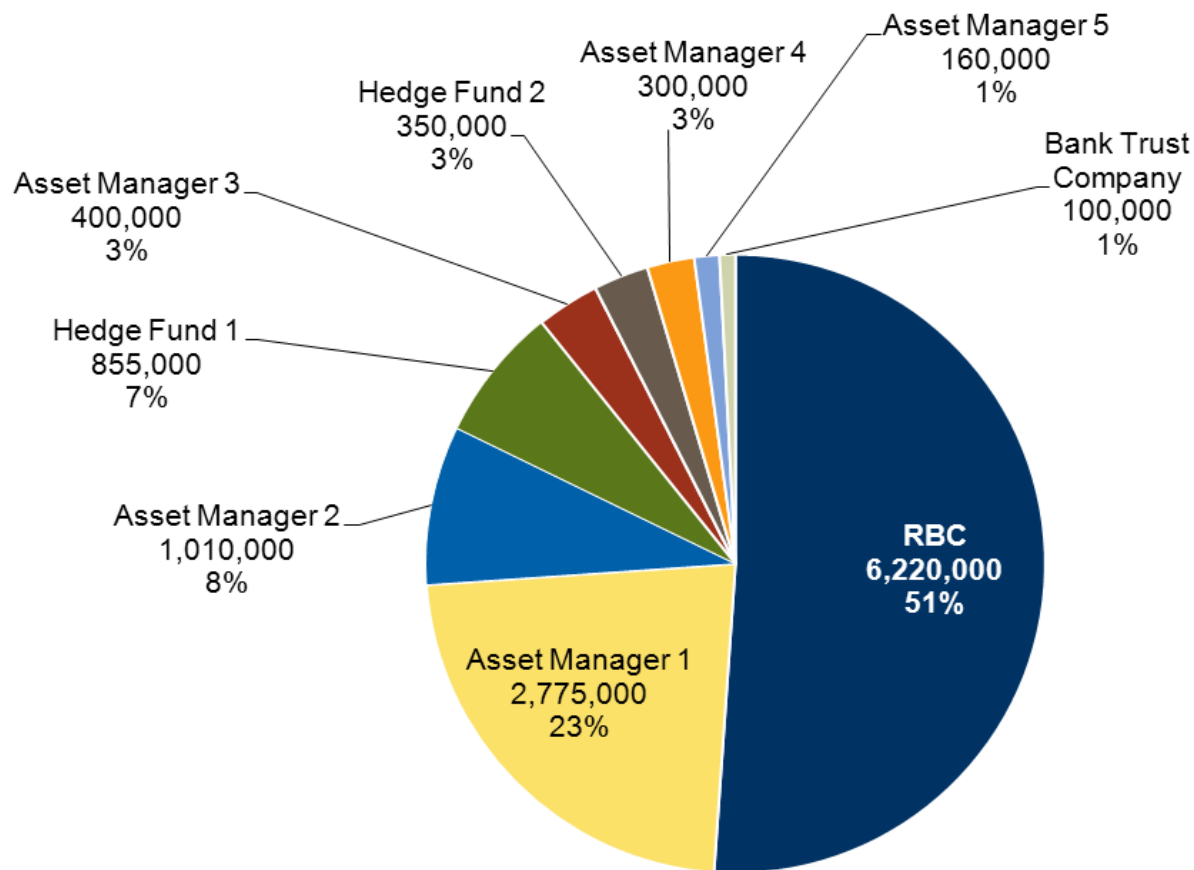
Marketing Plan – Events Leading Up to Pricing Day

Prior to Pre-Marketing: *RBCCM must complete required internal processes, including the Pre-Issue Brief, Underwriting Submission, Due Diligence, the Notice of the Priority of Orders and detailed transaction review*



Purchasers of Bonds: Carey EVSD at the time of Underwriting

- The below chart shows the distribution of buyers of the District's bonds on pricing day.
- RBC Capital Markets and RBC Wealth Management bought well over half (52%) of the bonds to support pricing in a volatile market environment.



Source: RBCCM



Issuing Bonds: Bond Closing

SECTION 2E



RBC Capital Markets®

Issuing Bonds

→ Close the Deal

▶ Closing Documents

- *Within a few days of pricing, closing documents are prepared and provided to District to sign*

▶ Deal Closes (District wired money)

- *Within two weeks of pricing, after all closing documents are signed, the deal closes and money is wired to the District to be deposited in the Project Fund*



Post-Issuance Compliance

SECTION 3



RBC Capital Markets®

Post-Issuance Requirements



Questions?

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