

Tyler Independent School District

Preliminary Future Bond Capacity Analysis

December 13, 2021

STRICTLY PRIVATE AND CONFIDENTIAL



Capital
Markets

R. Dustin Traylor
Managing Director

RBC Capital Markets, LLC
303 Pearl Parkway
Suite 220
San Antonio, TX 78215

Tel: (210) 805-1117
Fax: (210) 805-1119

robert.d.traylor@rbccm.com

This presentation was prepared exclusively for the benefit of and internal use by the recipient for the purpose of considering the transaction or transactions contemplated herein. This presentation is confidential and proprietary to RBC Capital Markets, LLC ("RBCCM") and may not be disclosed, reproduced, distributed or used for any other purpose by the recipient without RBCCM's express written consent.

By acceptance of these materials, and notwithstanding any other express or implied agreement, arrangement, or understanding to the contrary, RBCCM, its affiliates and the recipient agree that the recipient (and its employees, representatives, and other agents) may disclose to any and all persons, without limitation of any kind from the commencement of discussions, the tax treatment, structure or strategy of the transaction and any fact that may be relevant to understanding such treatment, structure or strategy, and all materials of any kind (including opinions or other tax analyses) that are provided to the recipient relating to such tax treatment, structure, or strategy.

The information and any analyses contained in this presentation are taken from, or based upon, information obtained from the recipient or from publicly available sources, the completeness and accuracy of which has not been independently verified, and cannot be assured by RBCCM. The information and any analyses in these materials reflect prevailing conditions and RBCCM's views as of this date, all of which are subject to change.

To the extent projections and financial analyses are set forth herein, they may be based on estimated financial performance prepared by or in consultation with the recipient and are intended only to suggest reasonable ranges of results. The printed presentation is incomplete without reference to the oral presentation or other written materials that supplement it.

IRS Circular 230 Disclosure: RBCCM and its affiliates do not provide tax advice and nothing contained herein should be construed as tax advice. Any discussion of U.S. tax matters contained herein (including any attachments) (i) was not intended or written to be used, and cannot be used, by you for the purpose of avoiding tax penalties; and (ii) was written in connection with the promotion or marketing of the matters addressed herein. Accordingly, you should seek advice based upon your particular circumstances from an independent tax advisor.

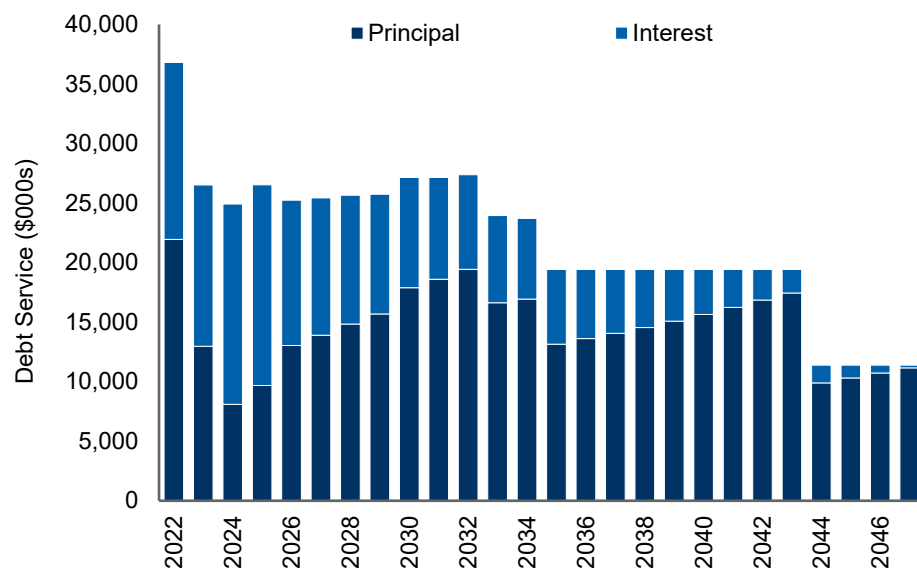
Tyler ISD - Debt Profile

Outstanding Debt Profile ("AA" / "AA+")

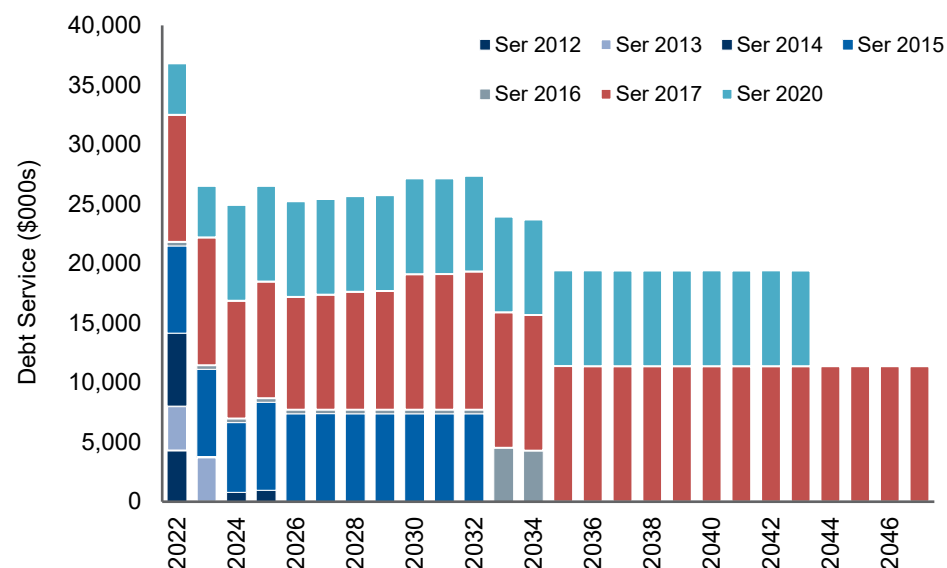
Tyler ISD Debt Profile

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity
U/L Tax Ref Bds, Series 2012	\$ 16,350,000	\$ 4,200,000	5.000%	02/15/2022	02/15/2024
U/L Tax Sch Bldg Bds, Series 2013	152,020,000	7,085,000	N/A	N/A	02/15/2043
U/L Tax Ref Bds, Series 2014	7,125,000	7,125,000	4.500% - 5.000%	02/15/2024	02/15/2031
U/L Tax Ref Bds, Series 2015	74,970,000	63,055,000	3.000% - 5.000%	02/15/2025	02/15/2032
U/L Tax Ref Bds, Series 2016	8,690,000	8,475,000	4.000%	02/15/2025	02/15/2034
U/L Tax Sch Bldg Bds, Series 2017	175,735,000	166,335,000	4.000% - 5.000%	02/15/2027	02/15/2047
U/L Tax Ref Bds, Taxable Series 2020	123,125,000	122,120,000	1.584% - 2.298%	02/15/2030	02/15/2043
Total	\$ 558,015,000	\$ 378,395,000			

Outstanding Unlimited Tax Debt by Principal & Interest



Outstanding Unlimited Tax Debt by Series



Note: Assumes successful completion of February 2022 defeasance.

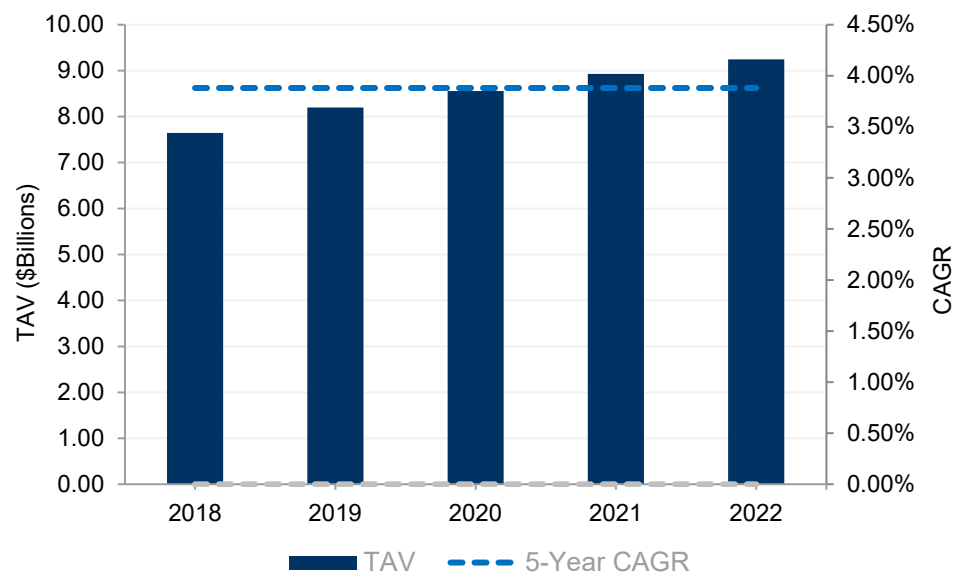
Issue	Total Par Refunded	Maturities Refunded	Savings
Series 2012 Refunding	\$ 16,350,000	Series 2005 (2017-2028)	\$ 1,256,381
		Series 2006 (2026-2031)	
Series 2014 Refunding	7,655,000	Series 2007 (2024-2025)	1,213,878
2015 Redemption	1,500,000	Series 2005 (2030)	1,068,750
Series 2015 Refunding	76,790,000	Series 2009 (2019-2032)	8,177,733
2016 Redemption	2,440,000	Series 2005-A (2017-2018)	155,338
Series 2016 Refunding	9,220,000	Series 2009 (2033-2034)	2,703,349
		Series 2005-A (2019-2020)	
2017 Redemption	6,710,000	Series 2007 (2018-2024)	1,125,381
		Series 2005 (2029-2030)	
2019 Redemption	3,000,000	Series 2009 (2024)	1,249,950
2020 Redemption	8,095,000	Series 2009 (2024; 2033-2034)	5,118,100
Series 2020 Refunding	123,125,000	Series 2013 (2024-2043)	35,623,791
2021 Defeasance	6,485,000	Series 2012 (2025-2028)	956,111
		Series 2012 (2023-2024)	
2022 Defeasance*	8,335,000	Series 2014 (2026-2031)	1,202,541
Total	\$ 269,705,000		\$ 59,851,303

* Estimated

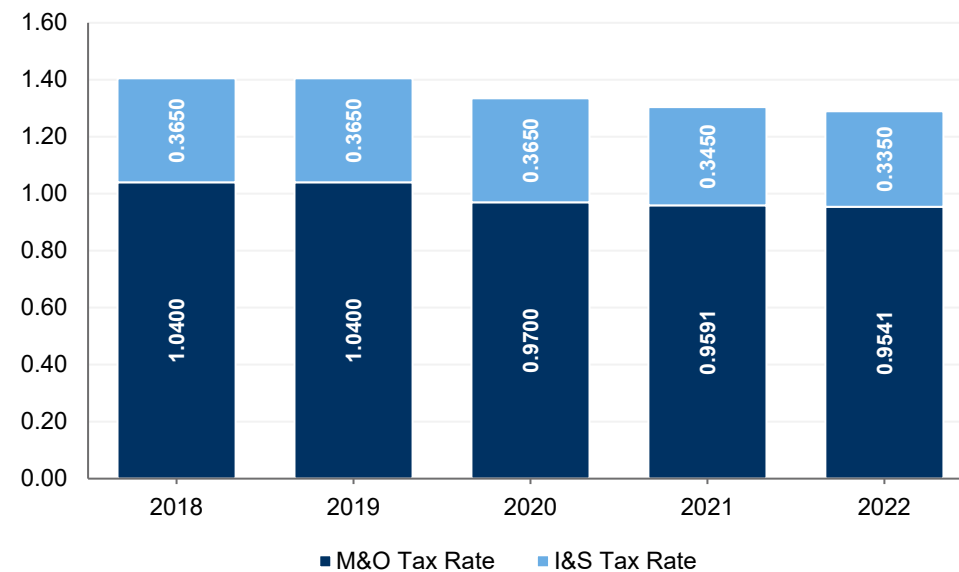
Tyler ISD Historical TAV and Tax Rates					
FYE	TAV	TAV Growth	M&O Tax Rate	I&S Tax Rate	Total Tax Rate
2018	7,641,914,954	3.86%	1.0400	0.3650	1.4050
2019	8,197,388,865	7.27%	1.0400	0.3650	1.4050
2020	8,554,709,473	4.36%	0.9700	0.3650	1.3350
2021	8,929,483,909	4.38%	0.9591	0.3450	1.3041
2022	9,244,119,905	3.52%	0.9541	0.3350	1.2891
5-Yr CAGR*		3.88%			

* Compound Annual Growth Rate ("CAGR")

Historical TAV



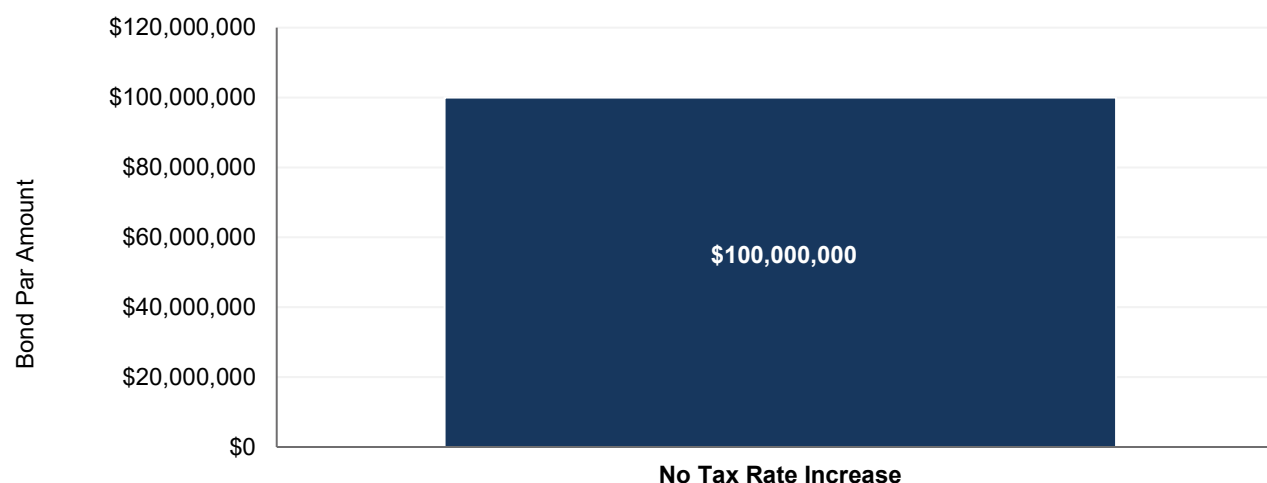
Historical Tax Rates



Preliminary Future Bond Election Tax Rate Impact Analysis

Summary of Assumptions

- The following analysis outlines the District's projected bonding capacity for a possible future bond election:
- Assumes that the District's current I&S Tax Rate is \$0.3350 per \$100 valuation.
- Assumes that the District's FY 2022-2023 I&S Tax Rate decreases to \$0.3250 per \$100 valuation.
- Assumes Net of Frozen TAV for fiscal year 2022 is \$9,244,119,905 per Smith CAD.
- Assumes TAV grows 3.5% in 2022/23, 2023/24, 2024/25, and 2025/26 and remains constant thereafter.
- Assumes \$380,000,000 TAV reduction in FY 2022-2023 due to \$15,000 Homestead Exemption increase from \$25,000 to \$40,000.
- Assumes revenue from State hold-harmless provisions for existing debt commencing FYE 2023, and decreasing over time .
- ***Assumes that levy from frozen values for the I&S budget is \$4,020,217.***
- Assumes a tax collection rate of 99.5%.
- Assumes current market rates plus approximately 100bps to be conservative. Rates are very low right now, and we are talking about possibly issuing these in late 2022, so we need to account for the possibility of increasing rates.



The District can issue \$100,000,000 in new money bonds, and still decrease its I&S rate to 32.5 cents

Tax Rate Impact Analysis

\$100,000,000 – No Tax Rate Increase

\$100,000,000 Estimated Tax Rate Impact Analysis											
A	B	C	D	E	F	G	H	I	J	K	L
Tax Year Ending	"After Freeze" TAV (Billions)	Est TAV Growth	Total Outstanding D/S	\$100,000,000 Series 2022 Level Debt Service	Total Debt Service	Less Revenue from Frozen Levy	Less Other Revenue ⁽¹⁾	Plus: Estimated Redemptions/ Bond Capacity	Total Net Debt Service	Est. Total I&S Rate	Est. I&S Rate Impact
8/31/22	9.244		\$ 36,810,171		\$ 36,810,171	\$ (4,020,217)	\$ (1,980,000)		\$ 30,809,954	\$0.3350	
8/31/23	9.188	-0.61%	26,517,871	\$ 6,644,400	33,162,271	(4,020,217)	(1,000,000)	\$ 1,568,555	29,710,609	0.3250	
8/31/24	9.509	3.50%	24,915,496	6,645,525	31,561,021	(4,020,217)	(900,000)	4,109,676	30,750,480	0.3250	
8/31/25	9.842	3.50%	26,520,121	6,648,650	33,168,771	(4,020,217)	(800,000)	3,478,193	31,826,747	0.3250	
8/31/26	10.187	3.50%	25,236,871	6,648,400	31,885,271	(4,020,217)	(700,000)	5,775,629	32,940,683	0.3250	
8/31/27	10.187	0.00%	25,423,621	6,644,525	32,068,146	(4,020,217)	(600,000)	5,492,754	32,940,683	0.3250	
8/31/28	10.187	0.00%	25,655,121	6,646,525	32,301,646	(4,020,217)	(500,000)	5,159,254	32,940,683	0.3250	
8/31/29	10.187	0.00%	25,738,971	6,643,900	32,382,871	(4,020,217)	(500,000)	5,078,029	32,940,683	0.3250	
8/31/30	10.187	0.00%	27,149,996	6,646,150	33,796,146	(4,020,217)	(500,000)	3,664,754	32,940,683	0.3250	
8/31/31	10.187	0.00%	27,149,083	6,645,550	33,794,633	(4,020,217)	(500,000)	3,666,266	32,940,683	0.3250	
8/31/32	10.187	0.00%	27,366,664	6,648,650	34,015,314	(4,020,217)	(500,000)	3,445,585	32,940,683	0.3250	
8/31/33	10.187	0.00%	23,946,820	6,644,350	30,591,170	(4,020,217)	-	6,369,730	32,940,683	0.3250	
8/31/34	10.187	0.00%	23,704,287	6,647,350	30,351,637	(4,020,217)	-	6,609,263	32,940,683	0.3250	
8/31/35	10.187	0.00%	19,424,386	6,647,250	26,071,636	(4,020,217)	-	10,889,264	32,940,683	0.3250	
8/31/36	10.187	0.00%	19,421,885	6,648,750	26,070,635	(4,020,217)	-	10,890,265	32,940,683	0.3250	
8/31/37	10.187	0.00%	19,415,726	6,645,325	26,061,051	(4,020,217)	-	10,899,848	32,940,683	0.3250	
8/31/38	10.187	0.00%	19,417,720	6,643,725	26,061,445	(4,020,217)	-	10,899,454	32,940,683	0.3250	
8/31/39	10.187	0.00%	19,420,587	6,646,875	26,067,462	(4,020,217)	-	10,893,438	32,940,683	0.3250	
8/31/40	10.187	0.00%	19,423,750	6,644,625	26,068,375	(4,020,217)	-	10,892,525	32,940,683	0.3250	
8/31/41	10.187	0.00%	19,418,053	6,646,825	26,064,878	(4,020,217)	-	10,896,022	32,940,683	0.3250	
8/31/42	10.187	0.00%	19,423,056	6,648,250	26,071,306	(4,020,217)	-	10,889,594	32,940,683	0.3250	
8/31/43	10.187	0.00%	19,415,031	-	19,415,031	(4,020,217)	-	17,545,869	32,940,683	0.3250	
8/31/44	10.187	0.00%	11,385,600	-	11,385,600	(4,020,217)	-	25,575,300	32,940,683	0.3250	
8/31/45	10.187	0.00%	11,386,500	-	11,386,500	(4,020,217)	-	25,574,400	32,940,683	0.3250	
8/31/46	10.187	0.00%	11,385,900	-	11,385,900	(4,020,217)	-	25,575,000	32,940,683	0.3250	
8/31/47	10.187	0.00%	11,383,200	-	11,383,200	(4,020,217)	-	25,577,700	32,940,683	0.3250	
Total			\$ 566,456,482	\$ 132,925,600	\$ 699,382,082	\$ (104,525,632)	\$ (8,480,000)		\$847,792,817		

⁽¹⁾ For FYE 2023 – 2032, other revenue denotes estimated amount received due to the hold-harmless provisions on the Homestead Exemption increase.