

Tyler Independent School District

Preliminary Bond Capacity Analysis

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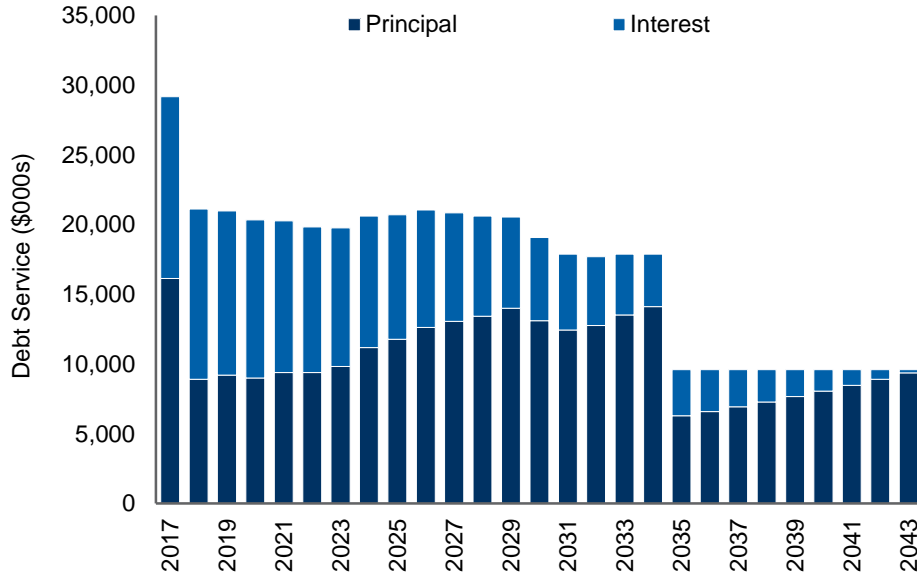


RBC Capital Markets

Tyler Independent School District

Issue	Issued Par Amount	Outstanding Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity
U/L Tax Sch Bldg Bds, Series 2005	\$ 34,170,000	\$ 2,220,000	4.750%	Anytime	02/15/2030
U/L Tax Ref Bds, Series 2005-A	14,309,996	1,100,000	4.250% - 4.375%	Anytime	02/15/2020
U/L Tax Sch Bldg Bds, Series 2007	18,355,000	6,610,000	5.000%	02/15/2017	02/15/2025
U/L Tax Sch Bldg Bds, Series 2009	123,140,000	18,045,000	4.000% - 5.000%	02/15/2018	02/15/2034
U/L Tax Ref Bds, Series 2010	7,660,000	4,120,000	N/A	N/A	02/15/2021
U/L Tax Ref Bds, Series 2012	16,350,000	16,170,000	3.000% - 5.000%	02/15/2022	02/15/2028
U/L Tax Sch Bldg Bds, Series 2013	152,020,000	145,105,000	4.125% - 5.000%	02/15/2023	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	74,040,000	3.000% - 5.000%	02/15/2025	02/15/2032
U/L Tax Ref Bds, Series 2016	8,690,000	8,690,000	4.000%	02/15/2025	02/15/2034
Totals	\$ 456,789,996	\$ 283,225,000			

Outstanding Unlimited Tax Debt by Principal & Interest



TISD Summary of Active Debt Management

- Over the past 3 years, Tyler ISD has retired a total of \$10,650,000 of bonds ahead of schedule, saving taxpayers \$2,349,469.
- Over the past 3 years, Tyler ISD has refinanced \$98,785,000 of bonds, savings taxpayers \$12,094,660.

Current District Annual Debt Service Requirements

Current Annual Debt Service Requirements			
Fiscal Year	Principal	Interest	Total
Ending			
8/31/17	\$ 16,125,000	\$ 13,037,085	\$ 29,162,085
8/31/18	8,905,000	12,206,206	21,111,206
8/31/19	9,190,000	11,781,681	20,971,681
8/31/20	8,985,000	11,344,231	20,329,231
8/31/21	9,375,000	10,892,481	20,267,481
8/31/22	9,395,000	10,426,931	19,821,931
8/31/23	9,810,000	9,946,806	19,756,806
8/31/24	11,175,000	9,429,556	20,604,556
8/31/25	11,775,000	8,931,481	20,706,481
8/31/26	12,625,000	8,406,081	21,031,081
8/31/27	13,045,000	7,798,719	20,843,719
8/31/28	13,425,000	7,172,575	20,597,575
8/31/29	14,000,000	6,540,506	20,540,506
8/31/30	13,100,000	5,960,669	19,060,669
8/31/31	12,440,000	5,445,494	17,885,494
8/31/32	12,755,000	4,927,319	17,682,319
8/31/33	13,505,000	4,367,347	17,872,347
8/31/34	14,105,000	3,759,663	17,864,663
8/31/35	6,285,000	3,301,663	9,586,663
8/31/36	6,590,000	2,995,500	9,585,500
8/31/37	6,925,000	2,657,625	9,582,625
8/31/38	7,280,000	2,302,500	9,582,500
8/31/39	7,655,000	1,929,125	9,584,125
8/31/40	8,050,000	1,536,500	9,586,500
8/31/41	8,460,000	1,123,750	9,583,750
8/31/42	8,895,000	689,875	9,584,875
8/31/43	9,350,000	233,750	9,583,750
Total	\$ 283,225,000	\$ 169,145,120	\$ 452,370,120

Note: Fiscal Year Ending August 31, 2017 reflects an additional principal payment due to the District's upcoming redemption of \$ \$1,100,000 of its Unlimited Tax Refunding Bonds, Series 2005-A, and \$5,610,000 of its Unlimited Tax School Building Bonds, Series 2007 on February 15, 2017.

	Standard & Poor's	Fitch Ratings
Highest Quality (Lowest default risk)	AAA	AAA
	AA+	AA+
High Grade / High Quality	AA	AA
	AA-	AA-
Upper Medium Grade	A+	A+
	A	A
	A-	A-
Minimum Investment Grade	BBB+	BBB+
	BBB	BBB
	BBB-	BBB-
Speculative Grade	BB+	BB+
	BB	BB
	BB-	BB-
	B+	B+
	B	B
Highly Speculative Grade Imminent default or in default	B-	B-
	CCC (+,-), CC or C	CCC (+,-), CC or C
	SD or D	SD or D

Credit Rating Levels



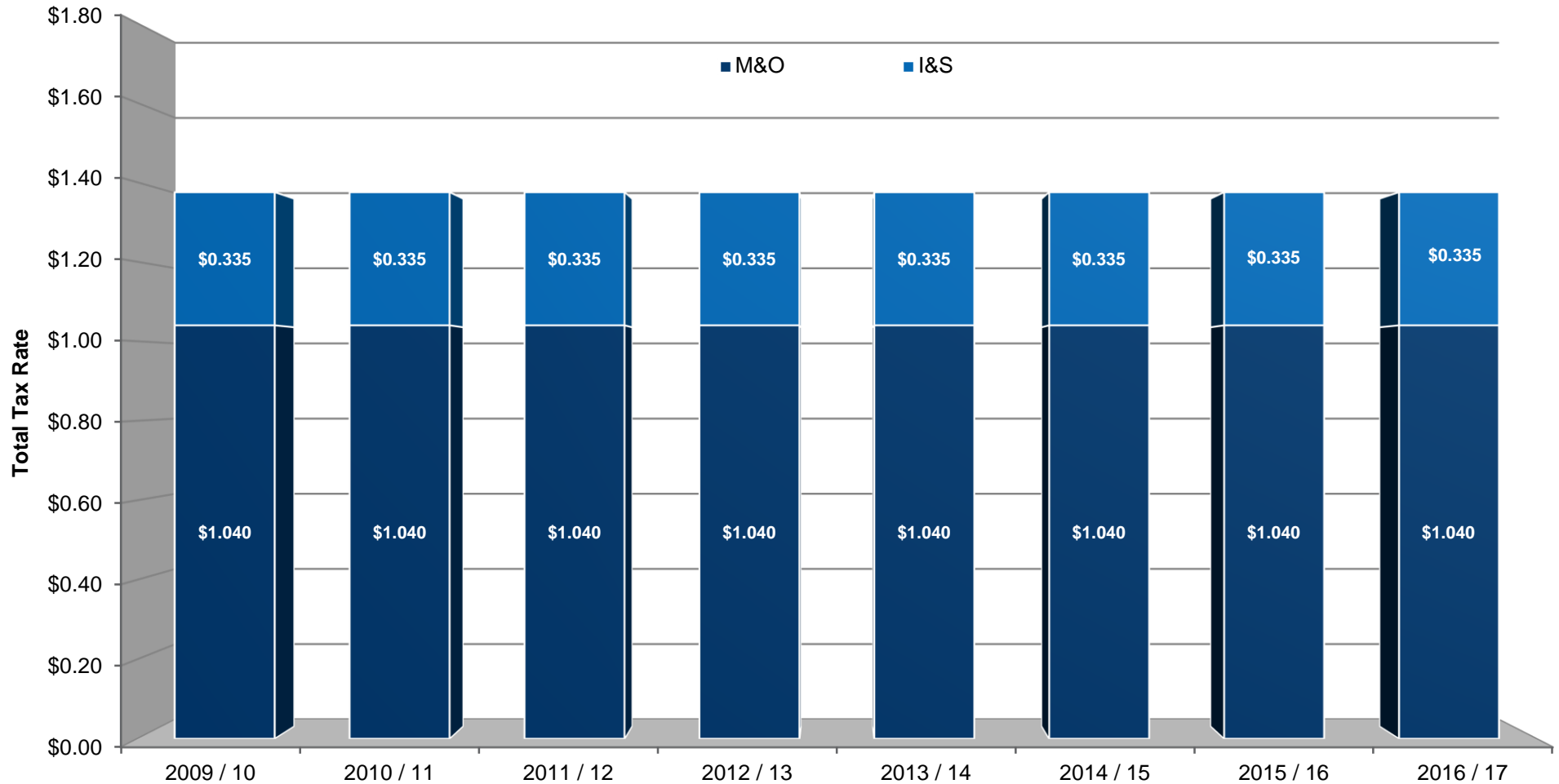
Recent Rating Highlights

- Historically very strong financial position
- Moderate debt burden
- Stable enrollment trends
- Diverse manufacturing and service oriented economic base

Historical Tax Rate Analysis

Tyler ISD has maintained the same tax rate for the past 8 years.

Historical Tax Rates

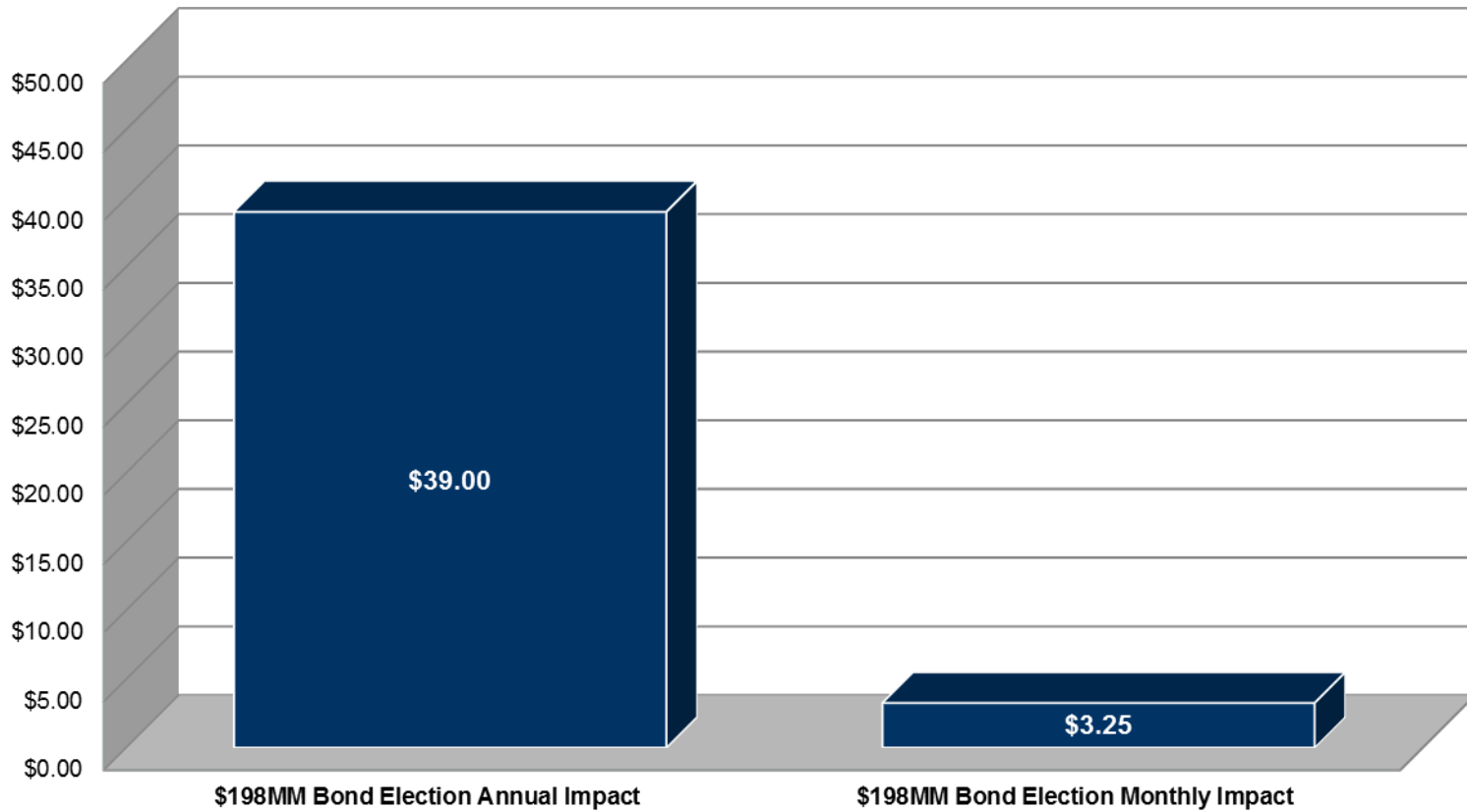


Source: Texas Municipal Advisor Council (MAC)

Scenario 1: \$198MM Bond Election

- 30-year amortization
- Assumes the Bonds are sold Summer 2017, following May 2017 bond election.
- Assumes the District's current Interest & Sinking Fund tax rate is 33.5 cents. Any tax rate increase is based off of this amount.
- I&S tax rate increase associated with the Bonds would occur in 2017/18
- Assumes a tax collection rate of 99.0%.
- Assumes the District's 2016/17 net taxable assessed valuation of \$7,357,946,996 and will grow as stated below:
 - **FYE 2018 assumed growth of 3.00%**
 - **FYE 2019 – 2022 assumed growth of 2.00%**
 - **No change thereafter**
- Assumes the District receives \$2,577,258 per year for the I&S portion of its frozen levy revenues.
- Assumes current market rates + 100 bps (Approximately 4.71%)
- Assumes the District receives the Permanent School Fund ("PSF") guarantee for the Bonds.
- Assumes that the District continues its strategy of selecting certain bonds to retire in advance of stated maturity.

Tyler Independent School District
\$198MM
Estimated Maximum Annual and Monthly Tax Impact to \$155k Homeowner
Following Bond Election



Assumes \$130,000 taxable value

Scenario 1 - \$198MM Project Fund



\$198,000,000 Preliminary Estimated Tax Rate Impact Analysis												
A	B	C	D	E	F	G	H	I	J	K	L	
Tax Year	"After Freeze" TAV	Est TAV	Total Outstanding	Less Revenue from	Less Other Revenue	Net Existing	Est. I&S Tax Rate	\$198MM Series 2017 DS	Net Total Debt Service	Est. Total I&S Rate	Est. I&S Rate Impact	
Ending	(Billions)	Growth	D/S	Frozen Levy	Revenue	D/S	Rate	DS	Service	Rate	Impact	
8/31/17	\$ 7.358	3.00%	\$ 29,162,085	\$ (2,577,258)	\$(2,180,000)	\$ 24,404,827	\$ 0.3350		\$ 24,404,827	\$ 0.3350		
8/31/18	7.579	3.00%	21,111,206	(2,577,258)	(1,375,000)	17,158,948	0.2287	\$ 10,224,750	27,383,698	0.3650	\$ 0.030	
8/31/19	7.730	2.00%	20,971,681	(2,577,258)	(375,000)	18,019,423	0.2355	9,916,125	27,935,548	0.3650		
8/31/20	7.885	2.00%	20,329,231	(2,577,258)		17,751,973	0.2274	10,737,625	28,489,598	0.3650		
8/31/21	8.043	2.00%	20,267,481	(2,577,258)	-	17,690,223	0.2222	11,374,250	29,064,473	0.3650		
8/31/22	8.203	2.00%	19,821,931	(2,577,258)	-	17,244,673	0.2123	12,364,625	29,609,298	0.3646		
8/31/23	8.203	0.00%	19,756,806	(2,577,258)	-	17,179,548	0.2115	12,455,375	29,634,923	0.3649		
8/31/24	8.203	0.00%	20,604,556	(2,577,258)		18,027,298	0.2220	11,606,875	29,634,173	0.3649		
8/31/25	8.203	0.00%	20,706,481	(2,577,258)	-	18,129,223	0.2232	11,504,625	29,633,848	0.3649		
8/31/26	8.203	0.00%	21,031,081	(2,577,258)		18,453,823	0.2272	11,185,875	29,639,698	0.3650		
8/31/27	8.203	0.00%	20,843,719	(2,577,258)	-	18,266,461	0.2249	11,368,500	29,634,961	0.3649		
8/31/28	8.203	0.00%	20,597,575	(2,577,258)	-	18,020,317	0.2219	11,617,750	29,638,067	0.3649		
8/31/29	8.203	0.00%	20,540,506	(2,577,258)	-	17,963,248	0.2212	11,675,875	29,639,123	0.3650		
8/31/30	8.203	0.00%	19,060,669	(2,577,258)	-	16,483,411	0.2030	13,160,375	29,643,786	0.3650		
8/31/31	8.203	0.00%	17,885,494	(2,577,258)	-	15,308,236	0.1885	13,374,750	28,682,986	0.3532		
8/31/32	8.203	0.00%	17,682,319	(2,577,258)	-	15,105,061	0.1860	13,379,125	28,484,186	0.3507		
8/31/33	8.203	0.00%	17,872,347	(2,577,258)	-	15,295,089	0.1883	13,378,000	28,673,089	0.3531		
8/31/34	8.203	0.00%	17,864,663	(2,577,258)	-	15,287,405	0.1882	13,380,625	28,668,030	0.3530		
8/31/35	8.203	0.00%	9,586,663	(2,577,258)	-	7,009,405	0.0863	13,381,125	20,390,530	0.2511		
8/31/36	8.203	0.00%	9,585,500	(2,577,258)	-	7,008,242	0.0863	13,383,625	20,391,867	0.2511		
8/31/37	8.203	0.00%	9,582,625	(2,577,258)	-	7,005,367	0.0863	13,382,250	20,387,617	0.2510		
8/31/38	8.203	0.00%	9,582,500	(2,577,258)	-	7,005,242	0.0863	13,381,125	20,386,367	0.2510		
8/31/39	8.203	0.00%	9,584,125	(2,577,258)	-	7,006,867	0.0863	13,384,125	20,390,992	0.2511		
8/31/40	8.203	0.00%	9,586,500	(2,577,258)	-	7,009,242	0.0863	13,380,250	20,389,492	0.2511		
8/31/41	8.203	0.00%	9,583,750	(2,577,258)	-	7,006,492	0.0863	13,378,500	20,384,992	0.2510		
8/31/42	8.203	0.00%	9,584,875	(2,577,258)	-	7,007,617	0.0863	13,382,500	20,390,117	0.2511		
8/31/43	8.203	0.00%	9,583,750	(2,577,258)	-	7,006,492	0.0863	13,381,000	20,387,492	0.2510		
8/31/44	8.203	0.00%	-	(2,577,258)	-	(2,577,258)	(0.0317)	13,382,750	10,805,492	0.1330		
8/31/45	8.203	0.00%	-	(2,577,258)	-	(2,577,258)	(0.0317)	13,376,500	10,799,242	0.1330		
8/31/46	8.203	0.00%	-	(2,577,258)	-	(2,577,258)	(0.0317)	13,375,875	10,798,617	0.1330		
8/31/47	8.203	0.00%	-	(2,577,258)	-	(2,577,258)	(0.0317)	13,335,250	10,757,992	0.1325		
Total			\$452,370,120	\$ (79,894,998)	\$(3,930,000)	\$ 368,545,122		\$ 376,610,000	\$ 745,155,122			

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