



**CENTENNIAL SCHOOL DISTRICT**

*FORWARD DELIVERY REFUNDING UPDATE*

PNC Capital Markets LLC

**April 17, 2019**

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# Disclosures

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## Remaining 2010A Bonds Could be Refunded for Potential Debt Service Savings on a Matched Maturity Basis \*

The table to the right compares the results of a 14-month tax-exempt forward delivery refunding of the Series 2010A Bonds to a current refunding (using current interest rates)

While hypothetical savings from a forward delivery refunding are lower than if the District were to wait until August 2020 to price the refunding bonds, a forward delivery refunding eliminates the risk associated with rising interest rates, which could diminish savings. For comparison's sake, if advance refundings were still available, the District could achieve \$4.38M in NPV savings.

**Bond yields would need to rise by 59 basis points across the curve between now and the current refunding window in order for the current refunding to be at "breakeven" level with the forward delivery refunding**

### Summary of Refunding Results – Aa2 Ratings

Series Information	Tax-Exempt Capital Markets Forward Delivery Refunding	Tax-Exempt Capital Markets Current Refunding
Dated and Delivery Date of Refunding Bonds	September 15, 2020	September 15, 2020
BPA Execution Date (estimated)	July 15, 2019	August 17, 2020
Refunding Par	\$31,320,000	\$30,335,000
Refunding Average Coupon	5.00%	4.99%
All-in TIC	3.74%	3.37%
Present Value of 1 Basis Point Change	\$21,931	\$22,012
Negative Arbitrage	\$60,501	\$15,719
Negative Arbitrage as % of NPV Savings	1.68%	0.32%
<b>Total Cash Flow Savings</b>	<b>\$4,846,417</b>	<b>\$6,276,238</b>
<b>Net Present Value (NPV) Savings <sup>1</sup></b>	<b>\$3,603,782</b>	<b>\$4,897,358</b>
<b>NPV Savings as a % of Refunded Par</b>	<b>10.51%</b>	<b>14.28%</b>
Savings Subject to Interest Rate Risk?	No	Yes
Breakeven Increase in Interest Rates <sup>2</sup>	59 bps	--

Preliminary, subject to change. Rates as of April 15, 2019.

1. Present valued at the arbitrage yield. 2. The level that tax-exempt interest rates need to increase between today and the execution of a current refunding for the District to be indifferent between waiting for a current refunding or completing a transaction in the current market

Analysis includes \$7.00 per bond for the total issuance and underwriting cost estimate. Escrow based upon SLGS as of April 15, 2019.

\* The savings results shown are hypothetical and reflect the midpoint in a range of market rates. The refunding analysis is based on the assumption that the refunding bonds will have the same debt structure and the same final maturity date as the outstanding bonds.

