

THE SUMMARY BELOW IS NOT MEANT TO TAKE THE PLACE OF A MORE IN-DEPTH CONVERSATION SURROUNDING THE DISTRICT’S FINANCING SCENARIO. IT IS MEANT TO PROVIDE A FRAMEWORK FOR THE SUMMARY OF AVAILABLE RESOURCES THAT COULD BE COMMITTED TO CAPITAL IMPROVEMENTS WITHIN A MULTI-PHASE FINANCING SCENARIO.

Summary of Scenario

When considering the District’s upcoming capital improvement financing plan, the District could take on a multi-phase funding approach to your capital improvement plan as part of one capital improvement plan. This is similar to the current approach being taken by Indianola School District for their high school renovation project. In this instance, the District recently voted a single bond referendum for projects that will be completed in two phases. The timing of the second phase is dependent on various assumptions regarding valuation growth, interest rates, etc.. Additionally, the second phase cannot be bid as part of the first phase.

Funding Component Summary (Project Funds)*

Funding Component	Phase I	Phase II	Total
General Obligation Bonds (voted bonds)	28,065,632	7,083,409	35,149,041
PPEL Capital Loan Notes (voter PPEL)	0	0	0
Sales Tax Revenue Bonds (state penny)	25,000,568	0	25,000,568
Investments (construction fund interest @ 3%)	1,955,494	109,574	2,065,068
Cash Contribution from PPEL / SAVE	8,672,000	434,987	9,106,987
Total	63,693,695	7,627,970	71,321,665

Note: Project Funds are shown in future values and will need to factor in inflation expectations. For example, \$7.6 million of project in Phase II, might only represents \$5.6 million of projects in today’s dollars.

Project Timing, Financing Impact, Key Assumptions*

Funding Component	Phase I	Phase II
Timing of Project	Summer of 2024 – Summer of 2027	Summer of 2027 to Summer of 2029
General Obligation Bonds (voted bonds)	Extend \$4.05 debt levy to 2047	Extend \$4.05 debt levy to 2048
PPEL Capital Loan Notes (voter PPEL)	No borrowing impact, used PPEL for ongoing needs	
Sales Tax Revenue Bonds (state penny)	Increase total debt payments to \$1,988,000 through 2047 (76% of revenues)	
Investments	Invested funds at 3.00%	
Cash Contribution from PPEL / SAVE	Ability to commit cash and manage ongoing expenses (See Exhibit A)	
Interest Rates Assumptions	Approximately 0.50% higher than current rates throughout financing model	
Assessed Valuation Assumption (Debt Limit)	6% valuation growth throughout, hit 99.992% debt limit in July 2027	
Taxable Valuation Assumptions (Levy)	Growth at 100% of historical average through FY2028 (6.13%)	
Taxable Valuation Assumptions (Capital)	Growth at 81.6% of historical average after FY2028 (5.00%)	
Enrollment Assumptions (SAVE Capital)	Growth at 60 students/year through FY2034 and 30 students/year thereafter	
Rev. Per Student Assumptions (SAVE Capital)	Sales Tax Rev/Pupil Growth at 1.50% through life of the authority	

**As with any financing scenario, figures are subject to change based on variations within the input assumptions as noted, which could result in significant variances in debt payments, project funds, and ultimately change the timing of projects. Because of the compound effect of the various assumptions in the financing model, this model could result in more long-term variance in terms in project funds available.*

Exhibit A – Capital Expenditure Program

When considering borrowing from Sales Tax and/or Voter PPEL revenues, the District must consider future expenditures paid from those revenues. The most common expenses are routine maintenance, technology, bus purchases, software, etc. plus annual pay-as-you-go projects from cash. The administration team has considered these expenses and is anticipating allocating approximately \$1.1M of yearly ongoing expenses and \$1M for pay-as-you-go projects that may come up each year (with annual inflation adjustments at 2.0%). As with assumptions for the borrowing capacities, assumptions for the capital expenditure program will result in variances in cashflow. See the table on the prior page for assumptions related to the capital expenditure program.

Table 1: Allocation of Available Surplus / PPEL & Sales Tax							Table 2: Summary				
Fiscal Year	Revenues PPEL/SAVE	Existing Debt PPEL/SAVE	Surplus			Cash Contribution	New PPEL Payment	New SAVE Payment	Budgeted Obligations = SUM(5)-(12)	Estimated Surplus = (4) - (13)	Cumulative Surplus
			PPEL/SAVE	Yearly Expenses	Pay-Go Expenses						
6/30/23	3,581,911	294,799	3,287,112	1,080,000	0		0	1,080,000	2,207,112	7,482,467	
6/30/24	3,830,202	294,299	3,535,904	1,101,600	1,000,000		0	2,101,600	1,434,304	8,916,770	
6/30/25	4,018,479	293,434	3,725,046	1,123,632	1,020,000		0	3,294,988	430,057	9,346,828	
6/30/26	4,214,127	292,389	3,921,738	1,146,105	1,040,400	7,929,205	0	11,268,566	-7,346,828	2,000,000	
6/30/27	4,417,482	291,095	4,126,387	1,169,027	1,061,208	742,796	0	4,126,387	0	2,000,000	
6/30/28	4,628,899	294,480	4,334,419	1,192,407	1,082,432	434,987	0	4,334,419	0	2,000,000	
6/30/29	4,831,475	292,410	4,539,065	1,216,255	1,500,000		0	4,341,848	197,216	2,197,216	
6/30/30	5,040,959	0	5,040,959	1,240,581	1,530,000		0	4,690,673	350,286	2,547,502	
6/30/31	5,257,608	0	5,257,608	1,265,392	1,560,600		0	4,744,335	513,273	3,060,775	
6/30/32	5,481,687	0	5,481,687	1,290,700	1,591,812		0	4,801,855	679,832	3,740,607	
6/30/33	5,713,474	0	5,713,474	1,316,514	1,623,648		0	4,861,455	852,019	4,592,626	
6/30/34	5,953,258	0	5,953,258	1,342,844	1,656,121		0	4,920,258	1,033,000	5,625,626	
6/30/35	6,116,826	0	6,116,826	1,369,701	1,689,244		0	4,978,338	1,138,489	6,764,115	
6/30/36	6,284,423	0	6,284,423	1,397,095	1,723,029		0	5,037,916	1,246,506	8,010,622	
6/30/37	6,456,146	0	6,456,146	1,425,037	1,757,489		0	5,101,919	1,354,227	9,364,848	
6/30/38	6,632,096	0	6,632,096	1,453,538	1,792,639		0	5,165,169	1,466,926	10,831,775	
6/30/39	6,812,375	0	6,812,375	1,482,609	1,828,492		0	5,232,693	1,579,682	12,411,457	
6/30/40	6,997,090	0	6,997,090	1,512,261	1,865,061		0	5,299,204	1,697,886	14,109,343	
6/30/41	7,186,348	0	7,186,348	1,542,506	1,902,363		0	5,367,063	1,819,285	15,928,628	
6/30/42	7,380,260	0	7,380,260	1,573,356	1,940,410		0	5,433,266	1,946,994	17,875,622	
6/30/43	7,578,939	0	7,578,939	1,604,823	1,979,218		0	5,502,897	2,076,042	19,951,664	
6/30/44	7,782,502	0	7,782,502	1,636,920	2,018,803		0	5,575,055	2,207,447	22,159,111	
6/30/45	7,991,069	0	7,991,069	1,669,658	2,059,179		0	4,159,510	3,831,559	25,990,670	
6/30/46	8,204,761	0	8,204,761	1,703,051	2,100,362		0	5,767,495	2,437,266	28,427,936	
6/30/47	8,423,704	0	8,423,704	1,737,112	2,142,369		0	5,052,676	3,371,028	31,798,964	
6/30/48	8,648,026	0	8,648,026	1,771,854	2,185,217		0	3,957,071	4,690,955	36,489,919	
6/30/49	8,877,860	0	8,877,860	1,807,292	2,228,921		0	4,036,213	4,841,648	41,331,566	
6/30/50	9,113,341	0	9,113,341	1,843,437	2,273,500		0	4,116,937	4,996,404	46,327,970	
6/30/51	6,370,832	0	6,370,832	1,880,306	2,318,970		0	4,199,276	2,171,557	48,499,527	
Totals:	183,826,157	2,052,905	181,773,252	41,895,613		9,106,987	0	39,074,995	138,549,081	43,224,172	

Financial Disclosures

Piper Sandler is providing the information contained in this communication for discussion purposes only, and it is not intended to be and should not be construed as "advice" within the meaning of Section 15B of the Securities and Exchange Act of 1934. Nothing contained herein is intended to and should be construed to give rise to a municipal advisory, financial advisory or fiduciary relationship. In conveying this information, and unless circumstances otherwise indicate, Piper Sandler is presumptively acting as an underwriter or placement agent, in which Piper Sandler's primary role is to purchase securities for resale to investors or arrange for the placement of securities in an arm's-length commercial transaction between the Client and Piper Sandler. As underwriter or placement agent, Piper Sandler has financial and other interests that differ from those of the Client.