



Background

District is voting in November, 2025, on \$88M of new GO debt capacity
 Preliminary architect's estimated timeline indicates cash spent between 2026 and 2029
 Cash flow is very fluid at this time, given current state of design

Arbitrage Rebate rules

Issuers of tax-exempt bonds may not invest the idle bond proceeds at an interest rate higher than the average interest rate on the bond in question ("arbitrage") without paying the IRS the amount of arbitrage earned ("arbitrage rebate").

Step 1 – can district earn arbitrage?

- a) District must have a substantial binding commitment to spend 10% of the bond proceeds within 6 months of date of issuance
 - Usually accomplished with design and prelim costs
- b) District must proceed with due diligence to complete the project
- c) 85% of the proceeds must be spent within three years

Step 2 – can district keep arbitrage earned?

Exceptions to arbitrage rebate (sometimes called "safe harbors")

1. Up to \$15 million per calendar year, of which no more than \$5 million can be for "non construction"
 - Includes tax exempt warrants, leases, cash flow borrowings, refinancing & other notes
 - Money must be spent within three years of issuance
2. If over \$15,000,000, then school must comply with 2-year spending test (for construction bonds) to be exempt from arbitrage rebate. The 2-year test is:
 - 10% of bond issue proceeds spent within 6 months of issuance
 - 45% of bond issue proceeds spent within 12 months of issuance
 - 75% of bond issue proceeds spent within 18 months of issuance
 - 100% of bond issue proceeds spent within 24 months of issuance

"Bond proceeds" includes interest earnings on the idle invested bond proceeds until spent on the project.

District's cannot pre-pay items

"Expenditure" means cash out the door on actual project expenses.

If District cannot meet either (1) or (2) above, then the District will be subject to arbitrage rebate

District appears likely to ultimately need to issue bonds that are subject to arbitrage rebate at some point during the project, with the requisite reporting and accounting required. The goal of this discussion is to try to issue some bonds that are exempt, where possible.

Initial very rough draft construction Project timeline (subject to change)

Start Timing Amount	HS Phase 1		MS Phase 1		DCE S&S Phase 1		N Ridge Phase 1		Oak View Phase 1		Ops Center Phase 1		Project Expense Estimate
	Soft costs	Const	Soft costs	Const	Soft costs	Const	Soft costs	Const	Soft costs	Const	Soft costs	Const	
	12/1/25 12	3/1/27 24	12/1/25 6	6/1/26 12	12/1/25 6	6/1/26 6	12/1/25 6	6/1/26 6	12/1/27 6	4/1/28 12	12/1/27 6	4/1/28 12	
	10,763,506	53,817,532	1,341,775	6,708,874	279,486	1,397,431	677,310	3,386,552	567,765	2,838,824	1,107,929	5,539,643	
11/1/25	0	0	0	0	0	0	0	0	0	0	0	0	0
12/1/25	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
1/1/26	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
2/1/26	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
3/1/26	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
4/1/26	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
5/1/26	896,959	0	223,629	0	46,581	0	112,885	0	0	0	0	0	1,280,054
6/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
7/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
8/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
9/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
10/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
11/1/26	896,959	0	0	559,073	0	232,905	0	564,425	0	0	0	0	2,253,362
12/1/26	0	0	0	559,073	0	0	0	0	0	0	0	0	559,073
1/1/27	0	0	0	559,073	0	0	0	0	0	0	0	0	559,073
2/1/27	0	0	0	559,073	0	0	0	0	0	0	0	0	559,073
3/1/27	0	2,242,397	0	559,073	0	0	0	0	0	0	0	0	2,801,470
4/1/27	0	2,242,397	0	559,073	0	0	0	0	0	0	0	0	2,801,470
5/1/27	0	2,242,397	0	559,073	0	0	0	0	0	0	0	0	2,801,470
6/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
7/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
8/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
9/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
10/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
11/1/27	0	2,242,397	0	0	0	0	0	0	0	0	0	0	2,242,397
12/1/27	0	2,242,397	0	0	0	0	0	0	94,628	0	184,655	0	2,521,680
1/1/28	0	2,242,397	0	0	0	0	0	0	94,628	0	184,655	0	2,521,680
2/1/28	0	2,242,397	0	0	0	0	0	0	94,628	0	184,655	0	2,521,680
3/1/28	0	2,242,397	0	0	0	0	0	0	94,628	0	184,655	0	2,521,680
4/1/28	0	2,242,397	0	0	0	0	0	0	94,628	236,569	184,655	461,637	3,219,885
5/1/28	0	2,242,397	0	0	0	0	0	0	94,628	236,569	184,655	461,637	3,219,885
6/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
7/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
8/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
9/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
10/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
11/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
12/1/28	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
1/1/29	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
2/1/29	0	2,242,397	0	0	0	0	0	0	0	236,569	0	461,637	2,940,603
3/1/29	0	0	0	0	0	0	0	0	0	236,569	0	461,637	698,206
4/1/29	0	0	0	0	0	0	0	0	0	0	0	0	0
5/1/29	0	0	0	0	0	0	0	0	0	0	0	0	0
6/1/29	0	0	0	0	0	0	0	0	0	0	0	0	0
	10,763,506	53,817,532	1,341,775	6,708,874	279,486	1,397,431	677,310	3,386,552	567,765	2,838,824	1,107,929	5,539,643	88,426,627

Estimated Project cash flow including bond proceeds

<u>Date</u>	<u>GO's</u>	<u>Income @ 4%</u>	<u>Project Income</u>	<u>Project Expenses</u>	<u>Invested Balance</u>	<u>Amount Spent</u>
12/29/25	14,134,805		14,134,805	-1,280,054	12,854,751	1,280,054
1/1/26		4,226	4,226	-1,280,054	11,578,923	2,560,108
2/1/26		39,337	39,337	-1,280,054	10,338,206	3,840,162
3/1/26		31,723	31,723	-1,280,054	9,089,874	5,120,216
4/1/26		30,881	30,881	-1,280,054	7,840,701	6,400,270
5/1/26		25,778	25,778	-1,280,054	6,586,425	7,680,324
6/1/26	45,439,909	22,376	45,462,285	-2,253,362	49,795,347	9,933,686
7/1/26		163,711	163,711	-2,253,362	47,705,696	12,187,048
8/1/26		162,069	162,069	-2,253,362	45,614,402	14,440,411
9/1/26		154,964	154,964	-2,253,362	43,516,004	16,693,773
10/1/26		143,066	143,066	-2,253,362	41,405,708	18,947,135
11/1/26		140,666	140,666	-2,253,362	39,293,012	21,200,497
12/1/26		129,183	129,183	-559,073	38,863,122	21,759,570
1/1/27		132,028	132,028	-559,073	38,436,077	22,318,643
2/1/27		130,577	130,577	-559,073	38,007,582	22,877,716
3/1/27		116,626	116,626	-2,801,470	35,322,738	25,679,186
4/1/27		120,001	120,001	-2,801,470	32,641,268	28,480,656
5/1/27		107,314	107,314	-2,801,470	29,947,112	31,282,126
6/1/27	9,826,476	101,738	9,928,214	-2,242,397	37,632,929	33,524,523
7/1/27		123,725	123,725	-2,242,397	35,514,256	35,766,920
8/1/27		120,651	120,651	-2,242,397	33,392,510	38,009,317
9/1/27		113,443	113,443	-2,242,397	31,263,556	40,251,714
10/1/27		102,784	102,784	-2,242,397	29,123,944	42,494,111
11/1/27		98,942	98,942	-2,242,397	26,980,488	44,736,509
12/1/27		88,703	88,703	-2,521,680	24,547,511	47,258,188
1/1/28		83,394	83,394	-2,521,680	22,109,226	49,779,868
2/1/28		75,111	75,111	-2,521,680	19,662,658	52,301,547
3/1/28		62,490	62,490	-2,521,680	17,203,468	54,823,227
4/1/28		58,445	58,445	-3,219,885	14,042,027	58,043,112
5/1/28		46,166	46,166	-3,219,885	10,868,308	61,262,997
6/1/28	17,915,719	36,922	17,952,641	-2,940,603	25,880,346	64,203,599
7/1/28		85,086	85,086	-2,940,603	23,024,829	67,144,202
8/1/28		78,221	78,221	-2,940,603	20,162,448	70,084,805
9/1/28		68,497	68,497	-2,940,603	17,290,342	73,025,408
10/1/28		56,845	56,845	-2,940,603	14,406,584	75,966,010
11/1/28		48,943	48,943	-2,940,603	11,514,925	78,906,613
12/1/28		37,857	37,857	-2,940,603	8,612,179	81,847,216
1/1/29		29,258	29,258	-2,940,603	5,700,834	84,787,819
2/1/29		19,367	19,367	-2,940,603	2,779,599	87,728,421
3/1/29		8,529	8,529	-698,206	2,089,922	88,426,627
4/1/29		7,100	7,100	0	2,097,022	88,426,627
5/1/29		6,894	6,894	0	2,103,917	88,426,627
6/1/29	0	7,148	7,148	0	2,111,064	88,426,627
Totals:	87,316,909	4,074,785	91,391,693	-88,426,627		

Current estimated bond sale amounts and payments

Fiscal Year	Principal Existing	Est 12/29/25	Est 6/1/26	Est 6/1/27	Est 6/1/28	Total Principal	Total Interest	Admin Fees	Taxable Valuation	Levy Rate
6/1/25	2,936,573					5,021,573	2,195,949	3,600	1,785,735,574	4.05000
6/1/26	2,946,573	0				5,456,573	2,420,656	4,200	1,880,770,684	4.05000
6/1/27	3,021,573	0	700,000			3,721,573	4,644,830	4,200	2,068,280,374	4.04713
6/1/28	3,061,573	0	150,000	980,000		4,191,573	4,994,835	4,800	2,274,484,466	4.04101
6/1/29	3,146,573	0	400,000	0	185,000	3,731,573	5,408,408	5,400	2,501,246,761	3.65633
6/1/30	3,260,000	1,000,000	0	0	190,000	4,450,000	4,687,759	4,200	2,501,246,761	3.65496
6/1/31	3,370,000	1,000,000	0	0	230,000	4,600,000	4,538,847	4,200	2,501,246,761	3.65540
6/1/32	3,485,000	1,000,000	0	0	270,000	4,755,000	4,383,734	4,200	2,501,246,761	3.65535
6/1/33	3,595,000	1,000,000	30,000	0	295,000	4,920,000	4,219,359	4,200	2,501,246,761	3.65560
6/1/34	3,780,000	1,000,000	0	0	310,000	5,090,000	4,048,134	4,200	2,501,246,761	3.65511
6/1/35	3,900,000	1,000,000	0	0	370,000	5,270,000	3,867,297	4,200	2,501,246,761	3.65478
6/1/36	4,410,000	0	450,000	105,000	485,000	5,450,000	3,688,859	3,600	2,501,246,761	3.65516
6/1/37	1,865,000	1,000,000	2,180,000	110,000	510,000	5,665,000	3,475,109	3,600	2,501,246,761	3.65566
6/1/38	955,000	1,000,000	3,285,000	110,000	530,000	5,880,000	3,257,309	3,600	2,501,246,761	3.65454
6/1/39	4,935,000	0	505,000	115,000	550,000	6,105,000	3,031,659	3,000	2,501,246,761	3.65404
6/1/40	0	1,000,000	4,605,000	125,000	570,000	6,300,000	2,836,809	2,400	2,501,246,761	3.65386
6/1/41	0	1,000,000	4,830,000	130,000	595,000	6,555,000	2,584,809	2,400	2,501,246,761	3.65506
6/1/42	0	1,000,000	5,065,000	135,000	615,000	6,815,000	2,322,457	2,400	2,501,246,761	3.65412
6/1/43	0	1,000,000	5,310,000	135,000	645,000	7,090,000	2,047,889	2,400	2,501,246,761	3.65429
6/1/44	0	1,000,000	5,570,000	140,000	670,000	7,380,000	1,755,821	2,400	2,501,246,761	3.65347
6/1/45	0	1,000,000	5,845,000	150,000	695,000	7,690,000	1,446,060	2,400	2,501,246,761	3.65356
6/1/46	0		7,135,000	155,000	730,000	8,020,000	1,119,141	1,800	2,501,246,761	3.65455
6/1/47	0			7,605,000	760,000	8,365,000	774,479	1,200	2,501,246,761	3.65445
6/1/48	0				8,740,000	8,740,000	395,923	600	2,501,246,761	3.65279
Totals:	48,667,865	14,000,000	46,060,000	9,995,000	17,945,000	141,262,865	74,146,133	79,200		

Current estimated sources & uses and bond stats

	12/29/25	6/1/26	6/1/27	6/1/28	Total
Borrowing Amount:	14,000,000	46,060,000	9,995,000	17,945,000	88,000,000
Less Capitalized interest	-260,932	0			
Plus: Reoffering Premium:	697,330	332,439	28,309	258,985	1,317,064
Less: Issuance Costs:	-140,100	-299,610	-83,220	-130,920	-653,850
Less: Underwriter's Discount:	-168,000	-552,720	-119,940	-215,340	-1,056,000

Estimated Project Funds: 14,128,298 45,540,109 9,820,149 17,857,725 87,346,282

	12/29/25	6/1/26	6/1/27	6/1/28
Call Date:	6/1/34	6/1/34	6/1/35	6/1/36
Average Life	11.92	16.05	17.35	15.93
Bond Yield	3.76%	4.06%	4.47%	4.30%
TIC	3.53%	3.90%	4.29%	4.13%

Timeline for initial bond sale:

Date	Event	Board meeting
November 4	Election	
November 5	Request bond rating	No board meeting
November 24	Bond rating due	
November 24	Resolution approving POS	Regular Board meeting
December 9	Bond sale	Special Board meeting
December 29	Bond closing	No board meeting