

MINUTES

Council Rock School District Finance Committee Thursday, October 24, 2013 at 7:30 p.m.

The Chancellor Center, Historic Classroom 1

I. Explanation of Changing Federal Food Nutrition Regulations

Mr. Skip Daino and Mr. Joe Twardowski of Chartwells, Inc., our food service management company, were introduced by Mr. Reinhart. Mr. Daino reviewed changes being considered by the Federal government under the National School Lunch Program that will restrict the types of a la carte foods that can be offered in schools that participate in the program. He explained that the discussion this evening should not be construed as Chartwells is either in favor or against the regulations. The estimates in the presentation are his best projections of the financial impact to our program.

Mr. Daino explained that these changes are second in a series of restrictions in foods that can be offered in our school lunch program. Last year changes were made to the foods that can be offered in a "Type A" lunch. This change most deeply affected the elementary schools' lunch program because most the majority of sales at that level were for "Type A" lunches.

The change in regulations now being considered relate to competitive foods that are sold a la carte or not as part of the National School Lunch Program. Currently, the Federal government has issued Interim Competitive Foods Standards for the 2014-2015 School Year. These standards are open for public comment through October 28th. The final regulations are expected sometime in 2014. Mr. Daino explained that the discussion this evening is for information only and further discussion will need to occur once the regulations are finalized.

These changes will have the most dramatic effect on our middle school lunch program because the majority of sales in these schools are a la carte. The following is a summary of these changes:

- Entrees
First ingredient must have 50% or more whole grain as the first ingredient or fruit or vegetable or dairy or protein as the first ingredient.

Entrees must have less than 350 calories including accompaniments.

Entrees must have less than 480 mg of sodium, less than 35% of calories from fat, less than 10% of calories from saturated fat, and less than 35% sugar by weight.

- Snacks and Side Dishes

Must have 50% or more whole grain or have fruit or vegetable or dairy or protein as the first ingredient.

Less than 200 calories, less than 35% of calories from fat, less than 10% of calories from saturated fat, less than 35% of sugar by weight.

- Beverages

The only beverages allowed to be served in the middle schools will be water (no size limit), milk (12 ounces or less) and 100% fruit juice (12 ounces or less).

- Fundraisers

Fundraising is unlimited during the school day when selling foods that meet competitive food standard except cannot be sold in the cafeteria during mealtime.

Competitive foods standards do not apply to fundraising during non-school hours or days and off-site.

Mr. Daino summarized the financial impact from these restrictions:

- The only beverages that can be offered are water, low fat or non-fat milk (12 ounces or less) and 100% fruit or vegetable juice (12 ounces or less).
 - We currently offer lemonade, Powerade, tea and flavored teas. It is estimated that the net financial impact would be a loss of \$43,889.
- The fresh baked cookie currently being offered can no longer be offered and will be replaced with a smaller reduced fat cookie.
 - It is estimated that the net financial impact would be a loss of \$48,786.
- Many other bagged snacks must no longer be offered because of the new restrictions on ingredients and calories.
 - It is estimated that the net financial impact would be a loss of \$12,303.

In total, the financial impact on the district's food services program is estimated to be a loss of \$104,978. Mr. Daino explained that currently our high schools do not participate in the school lunch program. This decision was made years ago, at that time, there were limits on the offerings that would not allow the food service department to serve the needs of high school students and participation in our program would dwindle. Mr. Daino explained that districts throughout the state may now be faced with a decision to take the middle school programs out of the National School Lunch Program. He explained that should a decision be considered to leave the program it must be noted that the District would lose approximately \$78,566 in funding from Federal and state subsidies.

II. Fund Balance Discussion – Future Capital Needs

Mr. Reinhart introduced the discussion on fund balance and its relationship with financing the District's capital needs by reviewing the previous discussions that have occurred over the past several Finance Committee Meetings. He made the following points:

- Consideration For Maintaining Fund Balances:
 - Long-Term Constraints on Raising Revenues
 - Long-Term Impact of Increasing Costs
 - Need To Provide For Capital Assets:
 - Based on Mr. Taylor's Detailed Facilities Review There Are approximately \$153 million in Facility Needs That Will Need to be Evaluated
 - Large Reserves Are An Important Factor in Maintaining a Good Credit Rating and Reducing Cost of Debt Financing
 - Reserves Can be Used to Fund Capital Costs Rather Than Debt Financing
 - Careful Planning is Important When Reserves are Used to Fund Recurring Costs Such As Increasing Retirement Costs
 - Funds should be used to manage a transition in cost cutting or tax increases.
 - Consideration Should Be Giving To Using Reserves To Fund One Time Costs
- Historical Perspective of Fund Balance in Council Rock
 - 17 Year Table on Fund Balance Increases/Decreases
 - 2000-2001 through 2002-2003 Fund Balance Decreased Significantly
 - Resulted in Three Years of Significant Tax Increases in 2002-2003 through 2004-2005 of 12.40%, 8.23% and 5.51% respectively.
 - The District Began To Increase Fund Balance in 2009-2010 to Prepare for the Impending Increase in the PSERS Employer Contribution Rate
- New Legal Constraints on Fund Balance and Authority to Increase Revenues
 - Unreserved Fund Balance cannot exceed 8%.
 - The Act 1 Index limits the Board's authority to raise the real estate tax rate to fund the district.
- Three Strategies TO Consider When Discussing Using Fund Balance
 - Smoothing of Increasing Known Costs – PSERS Employer Contribution
 - Contingencies/Risk Management
 - Self-Insurance/Reduced Insurance Coverage/ Assuming More Risk
 - Provide For Capital Projects/Reduction in Long-term Debt:
 - Fund Balance Used To Provide For Capital Projects
 - Fund Balance Used to Smooth Impact of Issuing Debt for Capital Needs
 - Fund Balance Used to Reduce Existing Long-Term Debt

Mr. Reinhart introduced Mr. Zach Williard of Public Financial Management who will present the following information:

- The current status of our ongoing financing of three elementary school renovations and summer capital projects.

Mr. Williard explained that current financing plan is working well. There will be three bond issues eligible for refining in the 2014 calendar year. He explained that the refunding issue will be structured, as in past years, to spread the savings over the next few years. This will continue to provide the ability to issue another \$10 million bond issue to continue to fund our capital needs with the need for a tax increase.

- Planning for the future capital needs of the district.

Mr. Reinhart explained that the District is beginning a planning process that will require a financing plan to support the initiatives developed by this Committee. The following issues will be addressed by the Committee:

- Current Building Conditions with major system over thirty years old
- Capacity allocation with the intent to eliminate the temporary modular classrooms throughout the District.
- Redistricting to most effectively utilize District facilities.

Based on this information Public Financial Management has prepared the following:

- Financing \$100 Million and \$200 Million over Ten Years.

The projection presented was based on a draw schedule developed by the District administration.

- Phasing in the Increase Debt Service with the Use of Fund Balance.
- Interest Sensitivity Projections.

Mr. Williard reviewed the attached document providing the financial data that identified various funding strategies using various amounts of fund balance and tax increases to smooth the impact of the growing debt service. He also explained the impact of interest rates increasing on the cost of funding these projects.

Mr. Reinhart ended the Finance Committee Meeting by explaining that the November 2013 meeting will involve addressing allocating the general fund, fund balance for the fiscal year ended June 30, 2013.



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Council Rock School District

Financial Analysis

October 24, 2013

Presented by:

Scott Shearer

Managing Director

&

Zach Williard

Senior Managing Consultant

Albany, Ann Arbor, Arlington, Atlanta, Austin, Boston, Chandler, Charlotte, Chattanooga, Chicago, Cleveland, Denver, Des Moines, Fargo, Harrisburg, Huntsville, Largo, Long Island, Los Angeles, Malvern, Memphis, Miami, Milwaukee, Minneapolis, New York, Oakland, Orlando, Philadelphia, Portland, Princeton, Providence, Richmond, San Francisco, Seattle, St. Louis, Tampa, West Palm Beach



MUNICIPAL MARKET UPDATE

October 21, 2013

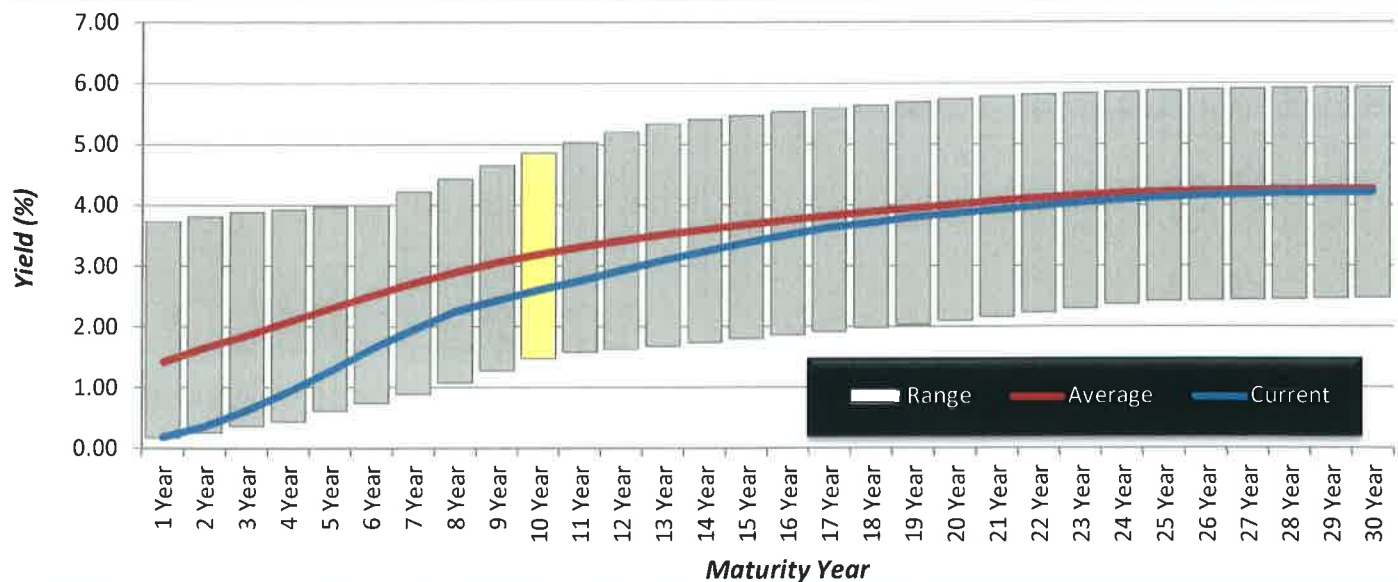


MMD YIELD CURVE

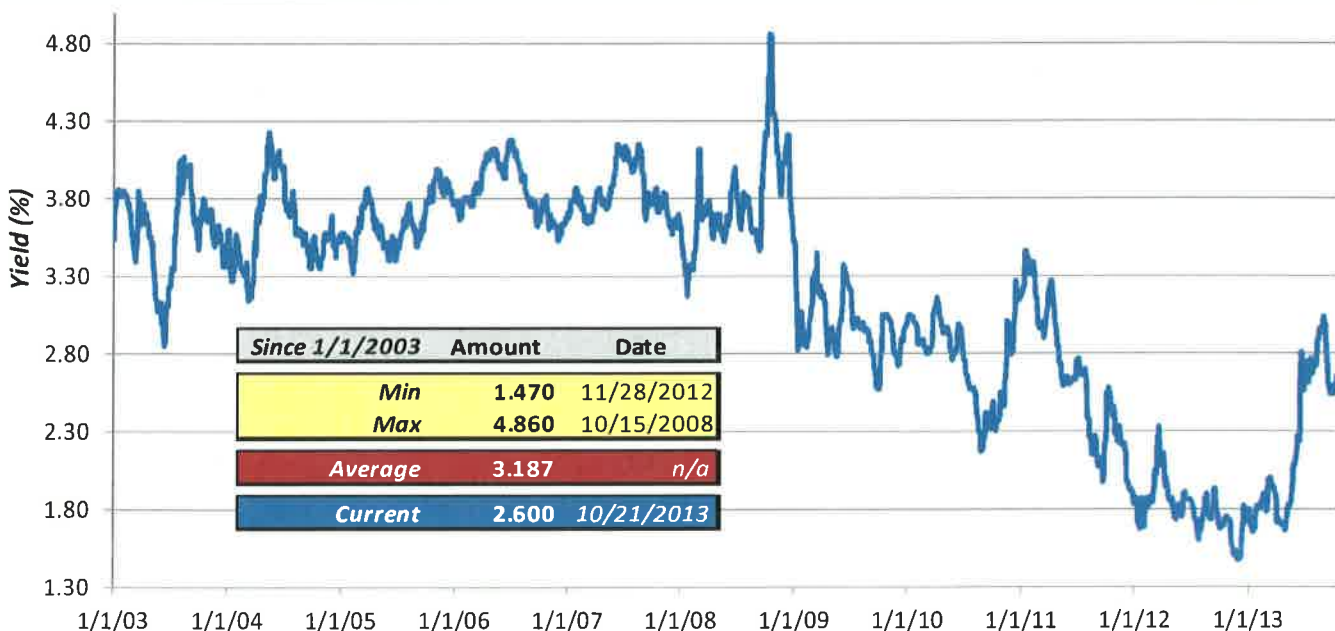
The MMD Yield Curve is a high grade municipal yield curve published daily by Municipal Market Data. It is one of the most commonly used benchmarks in municipal finance. The yields within the curve reflect the current yields for each maturity year at which bondholders would likely to sell high quality (AAA rated) general obligation backed bonds. The yield curve is typically influenced by new issuances in the primary market as well as post-issuance trading in the secondary market.

Municipal bonds typically trade at a "spread to MMD", meaning the difference between the yield in a specific year of a bond issue and the respective yield in the MMD Yield Curve. While these spreads vary over time, they can be a meaningful and powerful tool in trying to compare relative yield levels in a volatile interest rate environment.

HISTORICAL MMD CURVE ILLUSTRATION - SINCE JANUARY 1, 2003



SPOT ANALYSIS - 10 YEAR MMD - SINCE JANUARY 1, 2003



**COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF OUTSTANDING INDEBTEDNESS**

DEBT SERVICE REQUIREMENTS

1	2	3	4	5	6	7	8	9	10	11	12	13	14	15	16
Fiscal Year Ended	G.O. Notes Series A of 2004 (1)	G.O. Notes Series C of 2004 (1)	G.O. Bonds Series of 2006	G.O. Bonds Series A of 2006	G.O. Bonds Series of 2009	G.O. Bonds Series A of 2009	G.O. Bonds Series of 2010	G.O. Bonds Series A of 2010	G.O. Bonds Series of 2011	G.O. Bonds Series A of 2011	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2013	G.O. Bonds Series A of 2013	Total Debt Service
6/30/2014	301,000	881,667	6,659,256	2,809,550	1,651,684	559,008	2,162,700	328,263	233,000	242,763	236,905	183,350	157,663	192,024	16,598,829
6/30/2015		1,150,667	6,646,059	2,010,550	1,656,766	558,856	2,170,800	328,108	966,700	242,706	236,805	183,250	157,618	230,885	16,539,779
6/30/2016		1,118,667	6,652,200	955,550	1,653,310	558,656	2,164,200	327,953	1,974,350	242,638	236,705	183,150	157,573	230,835	16,455,765
6/30/2017		1,183,000	6,656,400	955,950	1,651,170	558,456	2,162,463	327,798	1,970,275	242,556	236,605	183,050	157,528	230,785	16,516,035
6/30/2018		1,147,000	6,655,500	956,150	1,659,525	558,256	2,161,258	327,643	1,968,200	242,459	236,505	182,950	157,483	230,735	16,483,713
6/30/2019		1,111,000		956,150		1,678,056	3,517,948	1,031,405	1,974,550	1,964,975	758,430	1,592,850	776,160	230,685	15,592,209
6/30/2020		1,171,333		4,975,950		1,678,056	1,708,788	1,032,953		1,720,256	753,593	1,524,550	798,210	230,610	15,594,298
6/30/2021		1,131,333		4,979,750		1,901,256		1,037,098		1,715,381	756,180	3,037,050	804,710	230,510	15,593,268
6/30/2022		1,091,333		4,976,750		1,913,656		1,034,335		1,717,713	759,255	3,063,750	805,860	230,410	15,593,062
6/30/2023		1,147,667		4,976,950		1,438,256		1,044,805		1,731,900	2,539,848		994,810	230,310	14,104,545
6/30/2024		1,103,667		2,126,575		1,469,456		1,052,535		1,885,575	5,030,883		991,560	230,210	13,890,460
6/30/2025						1,387,656		1,062,558					1,027,610	2,012,110	5,489,934
6/30/2026						1,390,838		1,060,560					1,022,341	1,975,108	5,448,846
6/30/2027						1,390,473		1,061,600					1,025,911	1,935,649	5,413,835
6/30/2028						2,319,900		1,060,800						1,894,334	5,275,034
6/30/2029														2,759,063	2,759,063
6/30/2030															
6/30/2031															
6/30/2032															
Totals	301,000	12,237,333	33,269,425	30,679,875	8,272,455	19,360,838	16,048,195	12,118,410	9,087,075	11,948,931	11,781,713	10,133,950	9,035,035	13,074,461	197,348,696

LOCAL EFFORT REQUIREMENTS

17	18	19	20	21	22	23	24	25	26	27	28	29	30	31	32
Fiscal Year Ended	G.O. Notes Series A of 2004 (1)	G.O. Notes Series C of 2004 (1)	G.O. Bonds Series of 2006	G.O. Bonds Series A of 2006	G.O. Bonds Series of 2009	G.O. Bonds Series A of 2009	G.O. Bonds Series of 2010	G.O. Bonds Series A of 2010	G.O. Bonds Series of 2011	G.O. Bonds Series A of 2011	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2013	G.O. Bonds Series A of 2013	Total Local Effort
6/30/2014	301,000	881,667	6,297,650	2,516,861	1,552,393	540,542	1,928,325	328,263	218,770	234,744	229,080	157,636	137,113	185,681	15,509,725
6/30/2015		1,150,667	6,285,178	1,801,098	1,557,170	540,397	1,935,547	328,108	907,661	234,690	228,983	157,550	137,074	223,259	15,487,383
6/30/2016		1,118,667	6,290,977	856,004	1,553,922	540,204	1,929,663	327,953	1,853,772	234,623	228,887	157,464	137,035	223,211	15,452,379
6/30/2017		1,183,000	6,294,949	856,362	1,551,911	540,010	1,928,113	327,798	1,849,945	234,545	228,790	157,378	136,996	223,162	15,512,959
6/30/2018		1,147,000	6,294,098	856,542	1,559,763	539,817	1,927,075	327,643	1,847,997	234,460	228,693	157,292	136,957	223,114	15,480,450
6/30/2019		1,111,000		856,542		1,622,630	3,136,702	1,031,405	1,853,959	1,900,072	733,379	1,369,460	674,998	223,065	14,513,213
6/30/2020		1,171,333		4,457,572		1,622,630	1,523,604	1,032,953		1,663,436	728,701	1,310,739	694,174	222,993	14,428,136
6/30/2021		1,131,333		4,460,976		1,838,458		1,037,098		1,658,722	731,203	2,611,118	699,827	222,896	14,391,632
6/30/2022		1,091,333		4,458,289		1,850,448		1,034,335		1,660,976	734,177	2,634,073	700,827	222,800	14,387,259
6/30/2023		1,147,667		4,458,468		1,390,751		1,044,805		1,674,695	2,455,956		865,150	222,703	13,260,195
6/30/2024		1,103,667		1,905,036		1,420,920		1,052,535		1,823,294	4,864,712		862,324	222,606	13,255,094
6/30/2025						1,341,822		1,062,558					893,675	1,945,650	5,243,705
6/30/2026						1,344,898		1,060,560					889,093	1,909,870	5,204,421
6/30/2027						1,344,548		1,061,600					892,198	1,871,908	5,170,253
6/30/2028						2,243,274		1,060,800						1,831,764	5,135,838
6/30/2029														2,667,931	2,667,931
6/30/2030															
6/30/2031															
6/30/2032															
Totals	301,000	12,237,333	31,462,851	27,483,749	7,775,160	18,721,349	14,309,029	12,118,410	8,532,105	11,554,258	11,392,563	8,712,710	7,857,441	12,642,612	185,100,570

Principal*	0	9,500,000	30,185,000	23,150,000	7,725,000	13,310,000	14,230,000	8,705,000	8,290,000	9,990,000	9,595,000	8,730,000	7,510,000	9,995,000	150,920,000
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PE%:	0.00%	0.00%	16.44%	31.54%	18.20%	10.00%	32.81%	0.00%	18.49%	10.00%	10.00%	42.48%	39.46%	10.00%	
PE% Status:	Est	Est	Temp	Temp	Temp	Temp	Temp	Temp	Temp	Est	Est	Est	Est	Est	
CARF% (13-14):	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	33.03%	
Call Date:	Anytime	Anytime	5/15/2014	2/15/2016	5/15/2014	5/15/2014	5/15/2015	8/15/2015	11/15/2016	2/15/2017	8/15/2017	8/15/2017	6/15/2018	8/15/2018	
Purpose:	New Money	New Money	Partial Adv Ref 1999	Partial Adv Ref 02 & Adv Ref 2001A	CurRef 2004	New Money	Cur Ref 98 & 03A / Adv Ref 03	New Money	Cur Ref 2005	New Money	New Money	Cur Ref 07	Cur Ref 08	New Money	
Paying Agent:	BONY Mellon	BONY Mellon	M&T Bank	M&T Bank	TD Bank	TD Bank	BONY Mellon	TD Bank	BONY Mellon	BONY Mellon	BONY Mellon	BONY Mellon	BONY Mellon	BONY Mellon	

(1) Assumes a variable rate of 4.00%. (Emmaus 89 Bond Pool)

* Outstanding as of October 1, 2013

Note - Does not reflect any Va-Tech debt



COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF FINANCING
GROSS DEBT SERVICE

Recently Completed or Soon to be Completed

		1	2	3	4	5	6	7	8		
		NEW MONEY ISSUES			REFUNDING ISSUES						
		Series A of 2011	Series of 2012	Series A of 2013	Series of 2011	Series A of 2012	Series of 2013	2014 Refunding	2014 New Money		
Principal		\$10,000,000	\$9,600,000	\$9,995,000	\$8,630,000	\$8,950,000	\$7,630,000	\$45,405,000	\$10,000,000		
Settlement		12/20/2011	4/19/2012	5/21/2013	11/7/2011	5/31/2012	4/9/2013	2/18/2014	6/2/2014		
9	10	11	12	13	14	15	16	17	18	19	20
		(FINAL)	(FINAL)	(FINAL)	(FINAL)	(FINAL)	(FINAL)	(ESTIMATED)	(ESTIMATED)	(ESTIMATED)	(ESTIMATED)
Fiscal Year Ending	Existing Debt Service	Series A of 2011 Debt Service	Series of 2012 Debt Service	Series A of 2013 Debt Service	2005 Refunding Less: Debt Service Savings (1)(2)	2007 Refunding Less: Debt Service Savings (3)	2008 Refunding Less: Debt Service Savings (4)(5)	2006/2009/2009A Less: Debt Service Savings (6)	2014 New Money Debt Service	New Total Debt Service	Remaining Capacity vs. \$17,050,000
6/30/2014	*6,469,489	242,783	236,905	165,667	225,130	167,806	149,415	1,022		16,571,450	478,550
6/30/2015	*6,400,305	242,706	236,805	230,885	253,899	167,729	149,295	161,655	338,677	16,716,801	333,199
6/30/2016	*6,317,818	242,638	236,705	230,835	255,396	167,649	149,165	222,818	486,870	16,719,837	330,163
6/30/2017	*6,380,269	242,556	236,605	230,785	257,578	167,568	149,035	283,603	486,779	16,719,211	330,789
6/30/2018	*6,348,964	242,459	236,505	230,735	258,575	167,480	148,905	251,665	486,676	16,718,723	331,277
6/30/2019	*3,166,479	1,964,975	758,430	230,685	254,150	22,390	251,820	5,030	575,390	16,162,568	887,432
6/30/2020	*3,258,840	1,720,256	753,593	230,610		136,795	232,205	4,069	572,735	16,162,964	887,036
6/30/2021	*3,303,717	1,715,381	756,180	230,510		186,060	226,460	956	574,615	16,166,927	883,073
6/30/2022	*3,307,082	1,717,713	759,255	230,410		196,650	224,748	3,055	571,060	16,161,067	888,933
6/30/2023	9,635,953	1,731,900	2,539,848	230,310			33,485	3,475	719,049	14,820,119	2,229,881
6/30/2024	6,781,285	1,885,575	5,030,863	230,210			37,493	3,588	742,721	14,629,593	2,420,407
6/30/2025	3,483,114			2,012,110			5,290	159	1,605,237	7,095,011	9,954,989
6/30/2026	3,481,198			1,975,108			7,459	2,271	1,575,979	7,022,554	10,027,446
6/30/2027	3,482,275			1,935,849			4,289	4,469	1,572,668	6,982,034	10,067,967
6/30/2028	3,380,700			1,894,334				5,106	1,579,133	6,849,061	10,200,940
6/30/2029				2,759,063				0	1,823,590	4,582,653	12,467,348
6/30/2030									2,088,429	2,088,429	14,961,571
6/30/2031									395,318	395,318	16,654,682
6/30/2032											
TOTAL	165,197,488	11,948,931	11,781,713	13,048,105	1,504,728	1,380,126	1,769,043	952,942	16,194,920	212,564,318	

(1) Series of 2011 - The District refunded the Series of 2005 Bonds in October 2011 (Please note - debt service savings shown, not net of state aid)

(2) The District made a cash contribution to the 2011 refunding in the amount of \$764,000

(3) Series A of 2012 - The District refunded the Series of 2007 Bonds in April of 2012 (Please note - debt service savings shown, not net of state aid)

(4) Series of 2013 - The District refunded the Series of 2008 Bonds in April of 2013 (Please note - debt service savings shown, not net of state aid)

(5) The District made a cash contribution to the 2013 refunding in the amount of \$440,000

(6) Assumes a Non Bank Qualified Refunding of the Series of 2006, 2009, & 2009A. It will be determined closer to the call date if multiple Bank Qualified refundings would produce a better result.



*Preliminary Financial
Impact from a \$100
Million Capital Plan*

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 1: Current Market Interest Rates

*Estimated
For Illustrative Purposes Only*

	1	2	3	4	5	6
	Step 1	Step 2	Step 3	Step 4	Step 5	Total
Principal	\$10,000,000	\$10,000,000	\$15,000,000	\$40,000,000	\$25,000,000	\$100,000,000
Settlement	6/2/2014	6/1/2015	1/4/2016	1/2/2017	1/2/2018	-
Interest [1]	\$5,553,786	\$4,964,407	\$6,761,794	\$15,681,901	\$9,851,890	\$42,813,777

	7	8	9	10	11	12	13	14
	Fiscal Year Ending	Existing Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Total Debt Service
	6/30/2014	16,598,829						16,598,829
	6/30/2015	16,539,779	303,057					16,842,836
	6/30/2016	16,455,785	436,198	293,109	67,660			17,252,753
	6/30/2017	16,516,035	436,132	420,401	594,092	179,178		18,145,839
	6/30/2018	16,483,713	470,753	420,336	599,063	1,500,099	112,818	19,586,780
	6/30/2019	15,592,209	519,468	509,483	733,032	1,877,857	944,522	20,176,571
	6/30/2020	15,594,298	522,340	502,726	735,784	1,877,862	949,493	20,182,503
	6/30/2021	15,593,268	524,708	500,660	737,970	1,876,756	949,427	20,182,788
	6/30/2022	15,593,062	521,653	503,162	739,465	1,874,274	949,349	20,180,964
	6/30/2023	14,104,545	670,529	657,684	961,964	2,497,209	1,290,648	20,182,579
	6/30/2024	13,890,460	695,564	703,092	999,397	2,602,365	1,287,553	20,178,430
	6/30/2025	5,489,934	1,532,358	1,520,891	2,305,888	5,990,593	3,337,785	20,177,448
	6/30/2026	5,448,846	1,539,679	1,530,340	2,275,260	6,044,618	3,341,803	20,180,544
	6/30/2027	5,413,835	1,542,555	1,535,444	2,283,806	6,063,285	3,339,953	20,178,878
	6/30/2028	5,275,034	1,555,520	1,550,682	2,315,172	6,142,767	3,337,902	20,177,076
	6/30/2029	2,759,063	1,807,453	1,804,990	2,700,441	7,180,995	3,924,871	20,177,812
	6/30/2030		2,081,467	2,081,455	3,119,405	8,389,403	4,507,307	20,179,035
	6/30/2031		394,356	429,954	593,398	1,584,643	6,578,460	9,580,810
	6/30/2032							
	6/30/2033							
	TOTAL	197,348,696	15,553,786	14,964,407	21,761,794	55,681,901	34,851,890	340,162,473

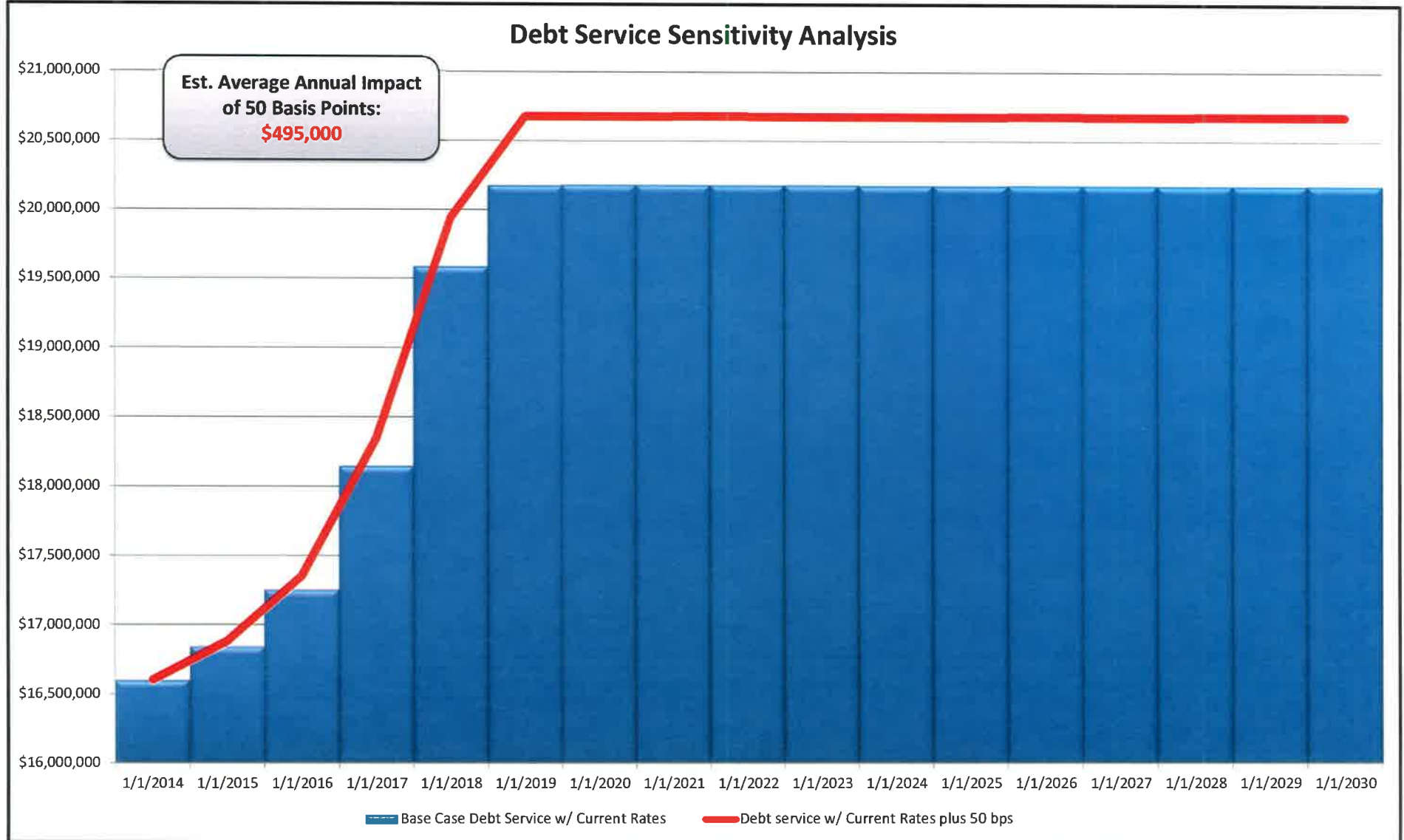
[1] Assumes Current AAA MMD + 100 Basis Points

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 2: Current Market Interest Rates + 50 Basis Points **Estimated**
For Illustrative Purposes Only

	1	2	3	4	5	6
	Step 1	Step 2	Step 3	Step 4	Step 5	Total
Principal	\$10,000,000	\$10,000,000	\$15,000,000	\$40,000,000	\$25,000,000	\$100,000,000
Settlement	6/2/2014	6/1/2015	1/4/2016	1/2/2017	1/2/2018	-
Interest [1]	\$6,194,920	\$5,540,280	\$7,603,981	\$17,722,777	\$10,789,525	\$47,851,484

	7	8	9	10	11	12	13	14
	Fiscal Year Ending	Existing Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Total Debt Service
	6/30/2014	16,598,829						16,598,829
	6/30/2015	16,539,779	338,677					16,878,456
	6/30/2016	16,455,785	486,870	328,174	76,241			17,347,070
	6/30/2017	16,516,035	486,779	470,087	669,433	203,151		18,345,485
	6/30/2018	16,483,713	486,676	469,997	674,391	1,700,797	126,543	19,942,115
	6/30/2019	15,592,209	575,390	558,894	807,998	2,077,605	1,059,428	20,671,523
	6/30/2020	15,594,298	572,735	556,609	814,982	2,070,746	1,064,386	20,673,756
	6/30/2021	15,593,268	574,615	558,879	811,375	2,072,750	1,064,296	20,675,182
	6/30/2022	15,593,062	571,060	560,599	812,107	2,073,241	1,064,192	20,674,260
	6/30/2023	14,104,545	719,049	704,077	1,033,256	2,687,536	1,424,345	20,672,807
	6/30/2024	13,890,460	742,721	728,476	1,068,640	2,816,671	1,428,779	20,675,745
	6/30/2025	5,489,934	1,605,237	1,563,016	2,325,502	6,140,213	3,549,696	20,673,597
	6/30/2026	5,448,846	1,575,979	1,566,553	2,331,795	6,166,327	3,586,448	20,675,947
	6/30/2027	5,413,835	1,572,668	1,565,469	2,331,067	6,180,781	3,609,644	20,673,463
	6/30/2028	5,275,034	1,579,133	1,574,208	2,352,682	6,239,344	3,654,307	20,674,707
	6/30/2029	2,759,063	1,823,590	1,821,041	2,726,727	7,247,647	4,297,139	20,675,206
	6/30/2030		2,088,429	2,088,330	3,131,915	8,062,890	5,303,523	20,675,086
	6/30/2031		395,318	425,873	635,872	1,983,085	4,556,800	7,996,948
	6/30/2032							
	6/30/2033							
	TOTAL	197,348,696	16,194,920	15,540,280	22,603,981	57,722,777	35,789,525	345,200,180

[1] Assumes Current AAA MMD + 150 Basis Points



COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 1: \$100 Million Financing Plan

*Estimated
For Illustrative Purposes Only*

1/4 Mill Annual Increase

		Fund Balance Contribution		Act 1 Index: 1/4 Mill Annual Increase			
		1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [2]	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,842,836	-	0.25	17,354,124	-	
	6/30/2016	17,252,753	(202,753)	0.25	17,658,249	-	
	6/30/2017	18,145,839	(1,095,839)	0.25	17,962,373	(183,466)	
	6/30/2018	19,586,780	(2,536,780)	0.25	18,266,497	(1,320,283)	
	6/30/2019	20,176,571	(3,126,571)	0.25	18,570,621	(1,605,950)	
	6/30/2020	20,182,503	(3,132,503)	0.25	18,874,746	(1,307,757)	
	6/30/2021	20,182,788	(3,132,788)	0.25	19,178,870	(1,003,918)	
	6/30/2022	20,180,964	(3,130,964)	0.25	19,482,994	(697,970)	
	6/30/2023	20,182,579	(3,132,579)	0.25	19,787,118	(395,460)	
	6/30/2024	20,178,430	(3,128,430)	0.25	20,091,243	(87,187)	
	6/30/2025	20,177,448	(3,127,448)	0.07	20,180,000	-	
	6/30/2026	20,180,544	(3,130,544)	-	20,180,000	-	
	6/30/2027	20,178,878	(3,128,878)	-	20,180,000	-	
	6/30/2028	20,177,076	(3,127,076)	-	20,180,000	-	
	6/30/2029	20,177,812	(3,127,812)	-	20,180,000	-	
	6/30/2030	20,179,035	(3,129,035)	-	20,180,000	-	
	6/30/2031	9,580,810	-	-	20,180,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		340,162,473	(41,389,998)	2.57		(6,601,991)
		7	8	9	10	11	12
Current Rates + 50 bps	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [3]	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,878,456	-	0.25	17,354,124	-	
	6/30/2016	17,347,070	(297,070)	0.25	17,658,249	-	
	6/30/2017	18,345,485	(1,295,485)	0.25	17,962,373	(383,112)	
	6/30/2018	19,942,115	(2,892,115)	0.25	18,266,497	(1,675,618)	
	6/30/2019	20,671,523	(3,621,523)	0.25	18,570,621	(2,100,902)	
	6/30/2020	20,673,756	(3,623,756)	0.25	18,874,746	(1,799,010)	
	6/30/2021	20,675,182	(3,625,182)	0.25	19,178,870	(1,496,312)	
	6/30/2022	20,674,260	(3,624,260)	0.25	19,482,994	(1,191,266)	
	6/30/2023	20,672,807	(3,622,807)	0.25	19,787,118	(885,689)	
	6/30/2024	20,675,745	(3,625,745)	0.25	20,091,243	(584,502)	
	6/30/2025	20,673,597	(3,623,597)	0.25	20,395,367	-	
	6/30/2026	20,675,947	(3,625,947)	0.23	20,675,000	-	
	6/30/2027	20,673,463	(3,623,463)	-	20,675,000	-	
	6/30/2028	20,674,707	(3,624,707)	-	20,675,000	-	
	6/30/2029	20,675,206	(3,625,206)	-	20,675,000	-	
	6/30/2030	20,675,086	(3,625,086)	-	20,675,000	-	
	6/30/2031	7,996,948	-	-	20,675,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		345,200,180	(47,975,947)	2.98		(10,116,412)

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000

[2] Assumes .25 Mill increase annually FY 2014/15 through FY 2023/24, with a .07 increase in FY 2024/25

[3] Assumes .25 Mill increase annually FY 2014/15 through FY 2024/25, with a .23 increase in FY 2024/25

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 1: \$100 Million Financing Plan

*Estimated
For Illustrative Purposes Only*

1/2 Mill Annual Increase

		Fund Balance Contribution		Act 1 Index: 1/2 Mill Annual Increase			
		1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [2]	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,842,836	-	0.50	17,658,249	-	
	6/30/2016	17,252,753	(202,753)	0.50	18,266,497	-	
	6/30/2017	18,145,839	(1,095,839)	0.50	18,874,746	-	
	6/30/2018	19,586,780	(2,536,780)	0.50	19,482,994	(103,786)	
	6/30/2019	20,176,571	(3,126,571)	0.50	20,091,243	(85,328)	
	6/30/2020	20,182,503	(3,132,503)	0.07	20,180,000	-	
	6/30/2021	20,182,788	(3,132,788)	-	20,180,000	-	
	6/30/2022	20,180,964	(3,130,964)	-	20,180,000	-	
	6/30/2023	20,182,579	(3,132,579)	-	20,180,000	-	
	6/30/2024	20,178,430	(3,128,430)	-	20,180,000	-	
	6/30/2025	20,177,448	(3,127,448)	-	20,180,000	-	
	6/30/2026	20,180,544	(3,130,544)	-	20,180,000	-	
	6/30/2027	20,178,878	(3,128,878)	-	20,180,000	-	
	6/30/2028	20,177,076	(3,127,076)	-	20,180,000	-	
	6/30/2029	20,177,812	(3,127,812)	-	20,180,000	-	
	6/30/2030	20,179,035	(3,129,035)	-	20,180,000	-	
	6/30/2031	9,580,810	-	-	20,180,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		340,162,473	(41,389,998)	2.57		(189,114)
		7	8	9	10	11	12
Current Rates + 50 bps	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [3]	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,878,456	-	0.50	17,658,249	-	
	6/30/2016	17,347,070	(297,070)	0.50	18,266,497	-	
	6/30/2017	18,345,485	(1,295,485)	0.50	18,874,746	-	
	6/30/2018	19,942,115	(2,892,115)	0.50	19,482,994	(459,121)	
	6/30/2019	20,671,523	(3,621,523)	0.50	20,091,243	(580,281)	
	6/30/2020	20,673,756	(3,623,756)	0.48	20,675,000	-	
	6/30/2021	20,675,182	(3,625,182)	-	20,675,000	-	
	6/30/2022	20,674,260	(3,624,260)	-	20,675,000	-	
	6/30/2023	20,672,807	(3,622,807)	-	20,675,000	-	
	6/30/2024	20,675,745	(3,625,745)	-	20,675,000	-	
	6/30/2025	20,673,597	(3,623,597)	-	20,675,000	-	
	6/30/2026	20,675,947	(3,625,947)	-	20,675,000	-	
	6/30/2027	20,673,463	(3,623,463)	-	20,675,000	-	
	6/30/2028	20,674,707	(3,624,707)	-	20,675,000	-	
	6/30/2029	20,675,206	(3,625,206)	-	20,675,000	-	
	6/30/2030	20,675,086	(3,625,086)	-	20,675,000	-	
	6/30/2031	7,996,948	-	-	20,675,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		345,200,180	(47,975,947)	2.98		(1,039,402)

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000

[2] Assumes 1/2 Mill increase annually FY 2014/15 through FY 2018/19, with a .07 increase in FY 2019/20

[3] Assumes 1/2 Mill increase annually FY 2014/15 through FY 2018/19, with a .48 increase in FY 2019/20

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 1: \$100 Million Financing Plan

Estimated
For Illustrative Purposes Only

Annual Mill Increase Matches Debt Service

		Fund Balance Contribution		Act 1 Index: Annual Mill Increase Matches Debt Service			
		1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,842,836	-	-	17,050,000	-	
	6/30/2016	17,252,753	(202,753)	0.17	17,252,753	-	
	6/30/2017	18,145,839	(1,095,839)	0.73	18,145,839	-	
	6/30/2018	19,586,780	(2,536,780)	1.18	19,586,780	-	
	6/30/2019	20,176,571	(3,126,571)	0.49	20,180,000	-	
	6/30/2020	20,182,503	(3,132,503)	-	20,180,000	-	
	6/30/2021	20,182,788	(3,132,788)	-	20,180,000	-	
	6/30/2022	20,180,964	(3,130,964)	-	20,180,000	-	
	6/30/2023	20,182,579	(3,132,579)	-	20,180,000	-	
	6/30/2024	20,178,430	(3,128,430)	-	20,180,000	-	
	6/30/2025	20,177,448	(3,127,448)	-	20,180,000	-	
	6/30/2026	20,180,544	(3,130,544)	-	20,180,000	-	
	6/30/2027	20,178,878	(3,128,878)	-	20,180,000	-	
	6/30/2028	20,177,076	(3,127,076)	-	20,180,000	-	
	6/30/2029	20,177,812	(3,127,812)	-	20,180,000	-	
	6/30/2030	20,179,035	(3,129,035)	-	20,180,000	-	
	6/30/2031	9,580,810	-	-	20,180,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		340,162,473	(41,389,998)	2.57		-
		7	8	9	10	11	12
Current Rates + 50 bps	Fiscal Year Ending	After \$100M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,878,456	-	-	17,050,000	-	
	6/30/2016	17,347,070	(297,070)	0.24	17,347,070	-	
	6/30/2017	18,345,485	(1,295,485)	0.82	18,345,485	-	
	6/30/2018	19,942,115	(2,892,115)	1.31	19,942,115	-	
	6/30/2019	20,671,523	(3,621,523)	0.60	20,675,000	-	
	6/30/2020	20,673,756	(3,623,756)	-	20,675,000	-	
	6/30/2021	20,675,182	(3,625,182)	-	20,675,000	-	
	6/30/2022	20,674,260	(3,624,260)	-	20,675,000	-	
	6/30/2023	20,672,807	(3,622,807)	-	20,675,000	-	
	6/30/2024	20,675,745	(3,625,745)	-	20,675,000	-	
	6/30/2025	20,673,597	(3,623,597)	-	20,675,000	-	
	6/30/2026	20,675,947	(3,625,947)	-	20,675,000	-	
	6/30/2027	20,673,463	(3,623,463)	-	20,675,000	-	
	6/30/2028	20,674,707	(3,624,707)	-	20,675,000	-	
	6/30/2029	20,675,206	(3,625,206)	-	20,675,000	-	
	6/30/2030	20,675,086	(3,625,086)	-	20,675,000	-	
	6/30/2031	7,996,948	-	-	20,675,000	-	
	6/30/2032						
	6/30/2033						
	TOTAL		345,200,180	(47,975,947)	2.98		-

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000



***Preliminary Financial
Impact from a \$200
Million Capital Plan***

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS

Scenario 1: Current Market Interest Rates

**Estimated
For Illustrative Purposes Only**

	1	2	3	4	5	6	7	8	9	10	11
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Total
Principal	\$10,000,000	\$10,000,000	\$15,000,000	\$40,000,000	\$40,000,000	\$15,000,000	\$25,000,000	\$15,000,000	\$20,000,000	\$10,000,000	\$200,000,000
Settlement	6/2/2014	6/1/2015	1/4/2016	1/2/2017	1/2/2018	1/2/2019	1/2/2020	1/4/2021	1/3/2022	1/2/2023	-
Interest [1]	\$7,379,464	\$6,748,699	\$9,436,985	\$22,595,219	\$20,777,138	\$6,585,737	\$10,491,809	\$4,482,736	\$8,316,901	\$2,436,085	\$99,250,773

	12	13	14	15	16	17	18	19	20	21	22	23	24
	Fiscal Year Ending	Existing Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Total Debt Service
6/30/2014	16,598,829												16,598,829
6/30/2015	16,539,779	329,044											16,868,823
6/30/2016	16,455,785	473,175	321,242		75,280								17,325,482
6/30/2017	16,516,035	473,110	460,274		660,997	202,484							18,312,900
6/30/2018	16,483,713	473,031	460,209		665,967	1,695,219	197,131						19,975,269
6/30/2019	15,592,209	512,518	499,786		730,437	1,889,069	1,650,400	68,748					20,943,166
6/30/2020	15,594,298	511,485	498,929		729,335	1,886,524	1,655,371	575,564					21,564,880
6/30/2021	15,593,268	510,272	497,896		732,949	1,888,410	1,655,305	580,534	949,191	55,454			22,463,279
6/30/2022	15,593,062	508,898	501,611		731,228	1,889,547	1,655,227	580,469	954,162	486,909	89,090		22,990,201
6/30/2023	14,104,545	585,961	573,876		842,545	2,190,968	2,164,750	996,778	954,096	491,880	763,625	34,986	23,704,008
6/30/2024	13,890,460	601,022	589,297		861,338	2,241,149	2,212,066	1,062,898	954,018	491,814	768,596	292,904	23,965,560
6/30/2025	5,489,934	1,016,969	1,005,921		1,492,566	3,935,416	3,906,364	1,411,861	2,378,874	2,266,342	768,530	1,043,449	24,716,224
6/30/2026	5,448,846	1,023,178	1,013,192		1,500,241	3,955,230	3,904,514	1,413,188	2,380,274	2,266,781	768,452	1,043,525	24,717,420
6/30/2027	5,413,835	1,022,170	1,013,296		1,504,611	3,974,832	3,917,219	1,410,596	2,384,738	1,350,845	1,678,742	1,046,347	24,717,230
6/30/2028	5,275,034	1,028,762	1,021,020		1,520,394	4,014,669	3,988,597	1,409,138	2,382,425	1,350,016	1,682,201	1,046,331	24,718,586
6/30/2029	2,759,063	1,154,842	1,148,284		1,713,134	4,533,884	4,538,664	1,664,099	2,820,509	1,581,116	1,755,154	1,047,836	24,716,583
6/30/2030		1,291,966	1,286,630		1,922,726	5,118,623	5,139,821	1,881,040	3,186,494	1,809,506	2,033,005	1,045,583	24,715,391
6/30/2031		1,292,511	1,283,529		1,922,479	5,121,896	5,140,133	1,878,951	3,187,504	1,798,545	2,045,806	1,044,671	24,716,023
6/30/2032		1,294,291	1,281,914		1,921,758	5,119,911	5,145,070	1,876,457	3,184,755	1,797,495	2,047,759	1,049,984	24,719,391
6/30/2033		1,292,291	1,281,482		1,925,252	5,117,610	5,143,991	1,878,086	3,187,452	1,727,514	2,118,218	1,046,752	24,718,647
6/30/2034		1,291,454	1,282,102		1,922,619	5,119,301	5,146,740	1,873,634	3,189,793	1,062,848	2,782,988	1,045,450	24,716,927
6/30/2035		692,516	728,212		1,061,134	2,700,480	3,615,779	1,023,700	3,284,151	945,674	9,014,738	1,648,269	24,714,652
6/30/2036													
6/30/2037													
6/30/2038													
TOTAL	197,348,696	17,379,464	16,748,699		24,436,985	62,595,219	60,777,138	21,585,737	35,491,809	19,482,736	28,316,901	12,436,085	496,599,468

[1] Assumes Current AAA MMD + 100 Basis Points

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS

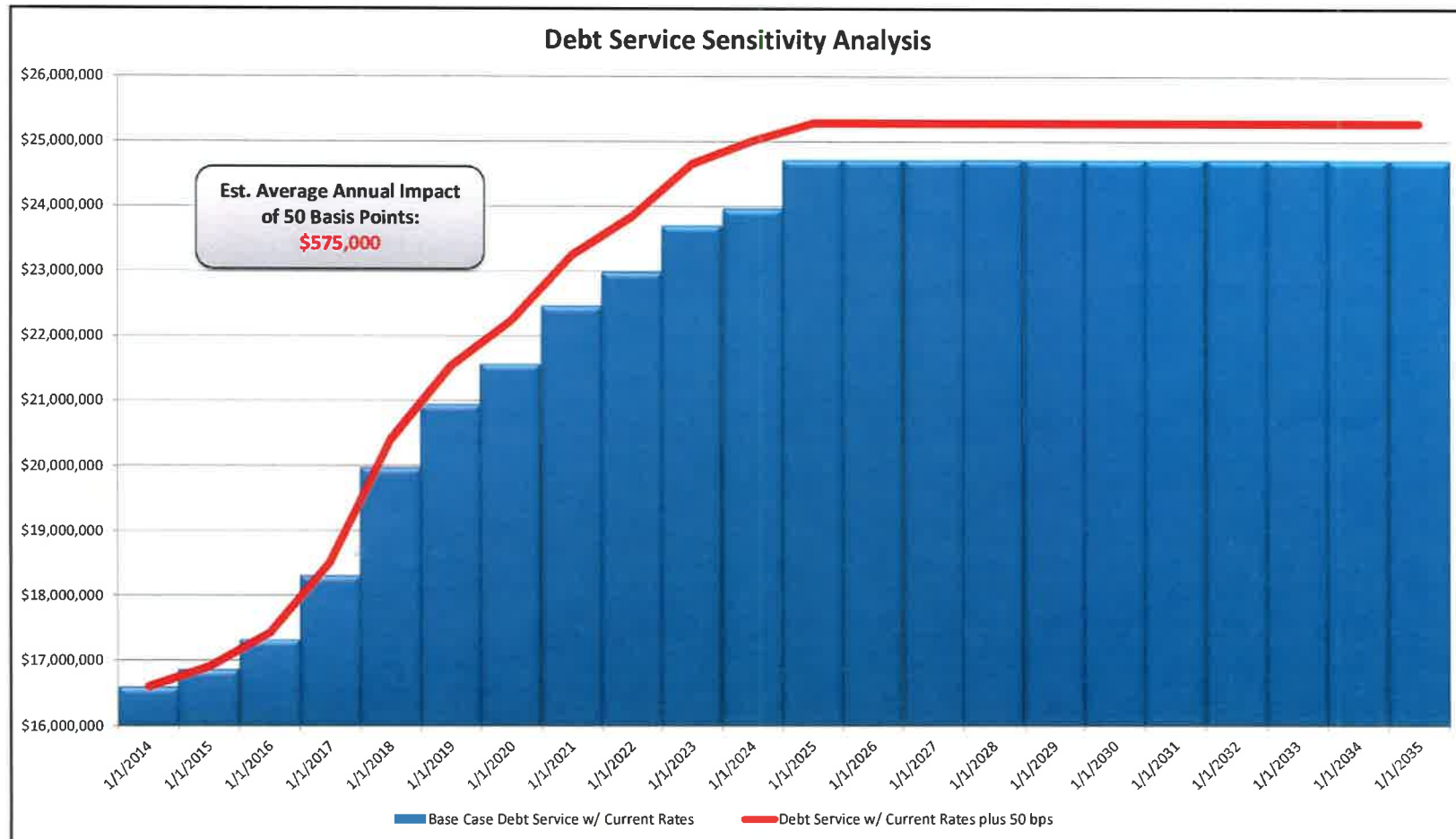
Scenario 2: Current Market Interest Rates + 50 Basis Points

Estimated
For Illustrative Purposes Only

	1	2	3	4	5	6	7	8	9	10	11
	Step 1	Step 2	Step 3	Step 4	Step 5	Step 6	Step 7	Step 8	Step 9	Step 10	Total
Principal	\$10,000,000	\$10,000,000	\$15,000,000	\$40,000,000	\$40,000,000	\$15,000,000	\$25,000,000	\$15,000,000	\$20,000,000	\$10,000,000	\$200,000,000
Settlement	6/2/2014	6/1/2015	1/4/2016	1/2/2017	1/2/2018	1/2/2019	1/2/2020	1/4/2021	1/3/2022	1/2/2023	-
Interest [1]	\$7,995,081	\$7,353,852	\$10,309,845	\$24,768,946	\$23,199,427	\$7,397,335	\$11,801,839	\$5,108,127	\$9,363,368	\$3,942,845	\$111,240,665

	12	13	14	15	16	17	18	19	20	21	22	23	24
	Fiscal Year Ending	Existing Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Proposed Debt Service	Total Debt Service
	6/30/2014	16,598,829											16,598,829
	6/30/2015	16,539,779	362,001										16,901,780
	6/30/2016	16,455,785	520,059	354,994	83,455								17,414,293
	6/30/2017	16,516,035	519,968	508,100	732,772	225,397							18,502,271
	6/30/2018	16,483,713	554,476	508,009	737,730	1,887,041	221,020						20,391,988
	6/30/2019	15,592,209	563,385	552,406	806,964	2,085,361	1,850,400	77,724					21,528,448
	6/30/2020	15,594,298	561,987	551,204	805,408	2,086,703	1,855,358	650,715	128,306				22,233,978
	6/30/2021	15,593,268	560,390	554,731	808,539	2,082,449	1,855,268	655,673	1,074,191	63,995			23,248,503
	6/30/2022	15,593,062	563,519	552,974	806,303	2,082,454	1,855,164	655,582	1,079,149	561,909	100,756		23,850,872
	6/30/2023	14,104,545	634,870	624,624	921,713	2,391,785	2,363,375	1,065,872	1,079,059	566,867	863,625	47,715	24,684,049
	6/30/2024	13,890,460	649,049	639,176	939,138	2,443,665	2,407,941	1,134,735	1,078,955	566,777	868,583	399,477	25,017,954
	6/30/2025	5,489,934	1,067,867	1,058,685	1,572,177	4,134,878	4,095,001	1,480,285	2,500,187	2,336,804	868,493	687,041	25,291,351
	6/30/2026	5,448,846	1,070,674	1,062,572	1,574,805	4,166,367	4,081,401	1,477,225	2,494,274	2,328,181	868,389	721,420	25,294,152
	6/30/2027	5,413,835	1,070,987	1,064,019	1,583,675	4,191,093	4,081,944	1,470,120	2,491,225	1,405,308	1,776,355	749,184	25,297,744
	6/30/2028	5,275,034	1,078,485	1,072,680	1,598,348	4,219,774	4,140,510	1,464,012	2,481,175	1,399,691	1,775,126	789,758	25,294,591
	6/30/2029	2,759,063	1,204,703	1,200,117	1,788,955	4,740,179	4,675,689	1,713,511	2,910,159	1,625,279	1,843,079	832,334	25,293,066
	6/30/2030		1,340,826	1,337,499	1,999,713	5,331,324	5,258,421	1,923,577	3,264,669	1,846,806	2,114,892	876,301	25,294,025
	6/30/2031		1,344,363	1,332,576	2,004,088	5,327,281	5,237,995	1,913,788	3,252,829	1,828,182	2,120,718	931,064	25,292,882
	6/30/2032		1,343,427	1,333,463	2,001,909	5,330,422	5,221,270	1,903,281	3,236,717	1,819,208	2,115,409	990,873	25,295,977
	6/30/2033		1,342,983	1,334,683	2,002,938	5,330,205	5,197,528	1,896,548	3,225,490	1,741,164	2,178,143	1,045,428	25,295,107
	6/30/2034		1,342,815	1,336,070	2,001,650	5,330,788	5,176,540	1,883,358	3,213,281	1,069,973	2,833,001	1,104,606	25,292,079
	6/30/2035		298,251	375,275	539,569	1,381,786	3,624,604	1,031,331	3,292,176	947,986	9,036,800	4,767,646	25,295,423
	6/30/2036												
	6/30/2037												
	6/30/2038												
	TOTAL	197,348,696	17,995,081	17,353,852	25,309,845	64,768,946	63,199,427	22,397,335	36,801,839	20,108,127	29,363,368	13,942,845	508,589,361

[1] Assumes Current AAA MMD + 150 Basis Points



COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 2: \$200 Million Financing Plan

Estimated
For Illustrative Purposes Only

1/4 Mill Annual Increase

			Fund Balance Contribution	Act 1 Index: 1/4 Mill Annual Increase				
			1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase [3]	Annual DS Budgeted Amount [2]	Annual DS Increase Above New Budget		
	6/30/2014	16,598,829	-	-	17,050,000	-		
	6/30/2015	16,868,823	-	0.25	17,354,124	-		
	6/30/2016	17,325,482	(275,482)	0.25	17,658,249	-		
	6/30/2017	18,312,900	(1,262,900)	0.25	17,962,373	(350,527)		
	6/30/2018	19,975,269	(2,925,269)	0.25	18,266,497	(1,708,772)		
	6/30/2019	20,943,166	(3,893,166)	0.25	18,570,621	(2,372,545)		
	6/30/2020	21,564,880	(4,514,880)	0.25	18,874,746	(2,690,134)		
	6/30/2021	22,463,279	(5,413,279)	0.25	19,178,870	(3,284,409)		
	6/30/2022	22,990,201	(5,940,201)	0.25	19,482,994	(3,507,207)		
	6/30/2023	23,704,008	(6,654,008)	0.25	19,787,118	(3,916,890)		
	6/30/2024	23,965,560	(6,915,560)	0.25	20,091,243	(3,874,318)		
	6/30/2025	24,716,224	(7,666,224)	0.25	20,395,367	(4,320,857)		
	6/30/2026	24,717,420	(7,667,420)	0.25	20,699,491	(4,017,929)		
	6/30/2027	24,717,230	(7,667,230)	0.25	21,003,615	(3,713,614)		
	6/30/2028	24,718,586	(7,668,586)	0.25	21,307,740	(3,410,847)		
	6/30/2029	24,716,583	(7,666,583)	0.25	21,611,864	(3,104,720)		
	6/30/2030	24,715,391	(7,665,391)	0.25	21,915,988	(2,799,403)		
	6/30/2031	24,716,023	(7,666,023)	0.25	22,220,112	(2,495,911)		
	6/30/2032	24,719,391	(7,669,391)	0.25	22,524,237	(2,195,155)		
	6/30/2033	24,718,647	(7,668,647)	0.25	22,828,361	(1,890,286)		
	6/30/2034	24,716,927	(7,666,927)	0.25	23,132,485	(1,584,442)		
	6/30/2035	24,714,652	(7,664,652)	0.25	23,436,609	(1,278,042)		
	6/30/2036							
	6/30/2037							
	6/30/2038							
	TOTAL		496,599,468	(122,131,817)	5.25		(51,237,963)	
			7	8	9	10	11	12
Current Rates + 50 bps	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase [3]	Annual DS Budgeted Amount [2]	Annual DS Increase Above New Budget		
	6/30/2014	16,598,829	-	-	17,050,000	-		
	6/30/2015	16,901,780	-	0.25	17,354,124	-		
	6/30/2016	17,414,293	(364,293)	0.25	17,658,249	-		
	6/30/2017	18,502,271	(1,452,271)	0.25	17,962,373	(539,898)		
	6/30/2018	20,391,988	(3,341,988)	0.25	18,266,497	(2,125,491)		
	6/30/2019	21,528,448	(4,478,448)	0.25	18,570,621	(2,957,827)		
	6/30/2020	22,233,978	(5,183,978)	0.25	18,874,746	(3,359,232)		
	6/30/2021	23,248,503	(6,198,503)	0.25	19,178,870	(4,069,634)		
	6/30/2022	23,850,872	(6,800,872)	0.25	19,482,994	(4,367,878)		
	6/30/2023	24,664,049	(7,614,049)	0.25	19,787,118	(4,876,931)		
	6/30/2024	25,017,954	(7,967,954)	0.25	20,091,243	(4,926,712)		
	6/30/2025	25,291,351	(8,241,351)	0.25	20,395,367	(4,895,984)		
	6/30/2026	25,294,152	(8,244,152)	0.25	20,699,491	(4,594,661)		
	6/30/2027	25,297,744	(8,247,744)	0.25	21,003,615	(4,294,129)		
	6/30/2028	25,294,591	(8,244,591)	0.25	21,307,740	(3,986,851)		
	6/30/2029	25,293,066	(8,243,066)	0.25	21,611,864	(3,681,202)		
	6/30/2030	25,294,025	(8,244,025)	0.25	21,915,988	(3,378,037)		
	6/30/2031	25,292,882	(8,242,882)	0.25	22,220,112	(3,072,769)		
	6/30/2032	25,295,977	(8,245,977)	0.25	22,524,237	(2,771,740)		
	6/30/2033	25,295,107	(8,245,107)	0.25	22,828,361	(2,466,746)		
	6/30/2034	25,292,079	(8,242,079)	0.25	23,132,485	(2,159,594)		
	6/30/2035	25,295,423	(8,245,423)	0.25	23,436,609	(1,858,814)		
	6/30/2036							
	6/30/2037							
	6/30/2038							
	TOTAL		508,589,361	(134,088,752)	5.25		(62,525,316)	

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000

[2] Assumes 1/4 Mill increase annually

[3] Additional increases would be necessary to fully fund projects

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 2: \$200 Million Financing Plan

*Estimated
For Illustrative Purposes Only*

1/2 Mill Annual Increase

		Fund Balance Contribution	Act 1 Index: 1/2 Mill Annual Increase				
		1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [2]	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,868,823	-	0.50	17,658,249	-	
	6/30/2016	17,325,482	(275,482)	0.50	18,266,497	-	
	6/30/2017	18,312,900	(1,262,900)	0.50	18,874,746	-	
	6/30/2018	19,975,269	(2,925,269)	0.50	19,482,994	(492,275)	
	6/30/2019	20,943,166	(3,893,166)	0.50	20,091,243	(851,923)	
	6/30/2020	21,564,880	(4,514,880)	0.50	20,699,491	(865,389)	
	6/30/2021	22,463,279	(5,413,279)	0.50	21,307,740	(1,155,539)	
	6/30/2022	22,990,201	(5,940,201)	0.50	21,915,988	(1,074,213)	
	6/30/2023	23,704,008	(6,654,008)	0.50	22,524,237	(1,179,771)	
	6/30/2024	23,965,560	(6,915,560)	0.50	23,132,485	(833,075)	
	6/30/2025	24,716,224	(7,666,224)	0.50	23,740,734	(975,490)	
	6/30/2026	24,717,420	(7,667,420)	0.50	24,348,982	(368,438)	
	6/30/2027	24,717,230	(7,667,230)	0.30	24,717,000	-	
	6/30/2028	24,718,586	(7,668,586)	-	24,717,000	-	
	6/30/2029	24,716,583	(7,666,583)	-	24,717,000	-	
	6/30/2030	24,715,391	(7,665,391)	-	24,717,000	-	
	6/30/2031	24,716,023	(7,666,023)	-	24,717,000	-	
	6/30/2032	24,719,391	(7,669,391)	-	24,717,000	-	
	6/30/2033	24,718,647	(7,668,647)	-	24,717,000	-	
	6/30/2034	24,716,927	(7,666,927)	-	24,717,000	-	
	6/30/2035	24,714,652	(7,664,652)	-	24,717,000	-	
	6/30/2036						
	6/30/2037						
	6/30/2038						
	TOTAL		496,599,468	(122,131,817)	6.30		(7,796,113)
		7	8	9	10	11	12

Current Rates + 50 bps	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount [3]	Annual DS Increase Above New Budget
	6/30/2014	16,598,829	-	-	17,050,000	-
	6/30/2015	16,901,780	-	0.50	17,658,249	-
	6/30/2016	17,414,293	(364,293)	0.50	18,266,497	-
	6/30/2017	18,502,271	(1,452,271)	0.50	18,874,746	-
	6/30/2018	20,391,988	(3,341,988)	0.50	19,482,994	(908,994)
	6/30/2019	21,528,448	(4,478,448)	0.50	20,091,243	(1,437,206)
	6/30/2020	22,233,978	(5,183,978)	0.50	20,699,491	(1,534,487)
	6/30/2021	23,248,503	(6,198,503)	0.50	21,307,740	(1,940,764)
	6/30/2022	23,850,872	(6,800,872)	0.50	21,915,988	(1,934,884)
	6/30/2023	24,664,049	(7,614,049)	0.50	22,524,237	(2,139,812)
	6/30/2024	25,017,954	(7,967,954)	0.50	23,132,485	(1,885,469)
	6/30/2025	25,291,351	(8,241,351)	0.50	23,740,734	(1,550,617)
	6/30/2026	25,294,152	(8,244,152)	0.50	24,348,982	(945,170)
	6/30/2027	25,297,744	(8,247,744)	0.50	24,957,231	(340,514)
	6/30/2028	25,294,591	(8,244,591)	0.28	25,295,000	-
	6/30/2029	25,293,066	(8,243,066)	-	25,295,000	-
	6/30/2030	25,294,025	(8,244,025)	-	25,295,000	-
	6/30/2031	25,292,882	(8,242,882)	-	25,295,000	-
	6/30/2032	25,295,977	(8,245,977)	-	25,295,000	-
	6/30/2033	25,295,107	(8,245,107)	-	25,295,000	-
	6/30/2034	25,292,079	(8,242,079)	-	25,295,000	-
	6/30/2035	25,295,423	(8,245,423)	-	25,295,000	-
	6/30/2036					
	6/30/2037					
	6/30/2038					
	TOTAL	508,589,361	(134,088,752)	6.78		(14,617,917)

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000

[3] Assumes 1/2 Mill increase annually FY 2014/15 through FY 2025/26, with a .30 increase in FY 2026/27

[2] Assumes 1/2 Mill increase annually FY 2014/15 through FY 2026/27, with a .28 increase in FY 2027/28

COUNCIL ROCK SCHOOL DISTRICT
SUMMARY OF NEW MONEY OPTIONS
Scenario 2: \$200 Million Financing Plan

Estimated
For Illustrative Purposes Only

Annual Mill Increase Matches Debt Service

		Fund Balance Contribution		Act 1 Index: Annual Mill Increase Matches Debt Service			
		1	2	3	4	5	6
Current Rates	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,868,823	-	-	17,050,000	-	
	6/30/2016	17,325,482	(275,482)	0.23	17,325,482	-	
	6/30/2017	18,312,900	(1,262,900)	0.81	18,312,900	-	
	6/30/2018	19,975,269	(2,925,269)	1.37	19,975,269	-	
	6/30/2019	20,943,166	(3,893,166)	0.80	20,943,166	-	
	6/30/2020	21,564,880	(4,514,880)	0.51	21,564,880	-	
	6/30/2021	22,463,279	(5,413,279)	0.74	22,463,279	-	
	6/30/2022	22,990,201	(5,940,201)	0.43	22,990,201	-	
	6/30/2023	23,704,008	(6,654,008)	0.59	23,704,008	-	
	6/30/2024	23,965,560	(6,915,560)	0.22	23,965,560	-	
	6/30/2025	24,716,224	(7,666,224)	0.62	24,717,000	-	
	6/30/2026	24,717,420	(7,667,420)	-	24,717,000	-	
	6/30/2027	24,717,230	(7,667,230)	-	24,717,000	-	
	6/30/2028	24,718,586	(7,668,586)	-	24,717,000	-	
	6/30/2029	24,716,583	(7,666,583)	-	24,717,000	-	
	6/30/2030	24,715,391	(7,665,391)	-	24,717,000	-	
	6/30/2031	24,716,023	(7,666,023)	-	24,717,000	-	
	6/30/2032	24,719,391	(7,669,391)	-	24,717,000	-	
	6/30/2033	24,718,647	(7,668,647)	-	24,717,000	-	
	6/30/2034	24,716,927	(7,666,927)	-	24,717,000	-	
	6/30/2035	24,714,652	(7,664,652)	-	24,717,000	-	
	6/30/2036						
	6/30/2037						
	6/30/2038						
	TOTAL		496,599,468	(122,131,817)	6.30		-
		7	8	9	10	11	12
Current Rates + 50 bps	Fiscal Year Ending	After \$200M Total Debt Service	Annual DS Increase Above \$17,050,000 [1]	Annual Millage Increase	Annual DS Budgeted Amount	Annual DS Increase Above New Budget	
	6/30/2014	16,598,829	-	-	17,050,000	-	
	6/30/2015	16,901,780	-	-	17,050,000	-	
	6/30/2016	17,414,293	(364,293)	0.30	17,414,293	-	
	6/30/2017	18,502,271	(1,452,271)	0.89	18,502,271	-	
	6/30/2018	20,391,988	(3,341,988)	1.55	20,391,988	-	
	6/30/2019	21,528,448	(4,478,448)	0.93	21,528,448	-	
	6/30/2020	22,233,978	(5,183,978)	0.58	22,233,978	-	
	6/30/2021	23,248,503	(6,198,503)	0.83	23,248,503	-	
	6/30/2022	23,850,872	(6,800,872)	0.50	23,850,872	-	
	6/30/2023	24,664,049	(7,614,049)	0.67	24,664,049	-	
	6/30/2024	25,017,954	(7,967,954)	0.29	25,017,954	-	
	6/30/2025	25,291,351	(8,241,351)	0.23	25,295,000	-	
	6/30/2026	25,294,152	(8,244,152)	-	25,295,000	-	
	6/30/2027	25,297,744	(8,247,744)	-	25,295,000	-	
	6/30/2028	25,294,591	(8,244,591)	-	25,295,000	-	
	6/30/2029	25,293,066	(8,243,066)	-	25,295,000	-	
	6/30/2030	25,294,025	(8,244,025)	-	25,295,000	-	
	6/30/2031	25,292,882	(8,242,882)	-	25,295,000	-	
	6/30/2032	25,295,977	(8,245,977)	-	25,295,000	-	
	6/30/2033	25,295,107	(8,245,107)	-	25,295,000	-	
	6/30/2034	25,292,079	(8,242,079)	-	25,295,000	-	
	6/30/2035	25,295,423	(8,245,423)	-	25,295,000	-	
	6/30/2036						
	6/30/2037						
	6/30/2038						
	TOTAL		508,589,361	(134,088,752)	6.78		-

NOTE - Assumes 1 Mill = \$1,216,497

[1] District's annual fund balance contribution to offset any additional millage above \$17,050,000

RatingsDirect®

Summary:

Council Rock School District, Pennsylvania; School State Program

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Summary:

Council Rock School District, Pennsylvania; School State Program

Credit Profile

US\$8.115 mil GO bnds ser 2013 dtd 04/09/2013 due 12/15/2026

<i>Long Term Rating</i>	AA/Stable	New
<i>School Issuer Credit Rating</i>	AA/Stable	New

Council Rock Sch Dist GO State Credit Enhancement

<i>School Issuer Credit Rating</i>	AA/Stable	Affirmed
<i>Long Term Rating</i>	AA/Stable	Affirmed

Rationale

Standard & Poor's Ratings Services has assigned its 'AA' long-term rating and 'AA' school issuer credit rating to Council Rock School District, Pa.'s series 2013 general obligation (GO) bonds and affirmed its 'AA' ratings on the district's existing GO debt. The outlook is stable.

The rating reflects our opinion of the following credit factors:

- Broad employment base, with easy access to the Philadelphia metropolitan areas, which has resulted in very strong economic indicators;
- Consistently positive financial performance and maintenance of strong reserves; and
- Moderate debt burden coupled with rapid amortization.

The above rating factors are partially offset by rising pension costs and statewide revenue-raising limitations that could put pressure on future budgets.

The district's full faith and credit GO pledge secures the bonds, subject to the limitations of Pennsylvania Act 1. In addition, section 633 of the Pennsylvania Public School Code of 1949 provides additional security toward repayment. Officials will use series 2013 bond proceeds to refund series 2008 bonds for net saving on debt service payments.

Council Rock School District, with an estimated population of 73,100, serves students from the Borough of Newtown and the townships of Newtown, Northampton, Upper Makefield, and Wrightstown in Bucks County. The 71-square-mile district lies 10 miles west of Trenton and Princeton, N.J. and 20 miles north of Philadelphia. The district operates 10 elementary schools, three middle schools, and two high schools. Enrollment has decreased at an average annual rate of 2% in the past four fiscal years to 11,438 for fiscal 2013. School officials attribute the decrease to changing demographic patterns and project this rate of decrease to continue for the next three years.

The district has a broad employment base, as residents benefit from access to the Philadelphia metropolitan area. The unemployment rate in Bucks County averaged 7.3% in 2012 and continues to be below the state and national rates.

We consider income levels very strong, with the median household and per capita effective buying income at 193% and 182% of the national levels, respectively. The district's assessed value has remained stable in recent years and is estimated at \$1.3 billion in fiscal 2013. The corresponding market value is \$10.3 billion, which yields a market value per capita of \$140,210, which we consider to be extremely strong.

In our opinion, the district's financial performance continues to be strong as a result of conservative budgeting practices and expenditure management. For fiscal 2013, officials budgeted for a \$2.3 million drawdown in reserves, but are projecting to end with a surplus based on favorable revenue variances. Both property tax and earned income tax, which account for the majority of general fund revenue, are coming in above budget as per the year-to-date results. The district's 1.7% property tax levy increase was within the Act 1 index and did not require the use of exceptions. Property tax accounted for 67.3% of the budgeted revenues followed by 20.1% from state sources and 9.9% from earned income taxes.

In fiscal 2012, the district reported a \$1.5 million operating surplus on a budget of \$195.6 million, despite facing a \$14 million budget gap heading into the fiscal year. The district appropriated \$4 million of reserves, reduced staff, and obtained temporary wage concessions from its teachers union to help bridge the gap. The total available fund balance was \$13.6 million, which we consider good at 7.1% of expenditures at fiscal year-end. Including the fund balance committed for retirement contributions, property tax stabilization, health insurance, budget appropriation, and capital projects, which management reports as not legally restricted, the adjusted available fund balance was \$29.1 million, or 15.2% of expenditures, which we consider very strong.

Standard & Poor's still considers Council Rock School District's financial management practices "good" under its Financial Management Assessment, indicating that financial practices exist in most areas, but that governance officials might not formalize or regularly monitor all of them.

The district's overall debt burden, after factoring in commonwealth support for capital projects, is moderate, in our view, at \$3,427 per capita, or 2.4% of market value. Carrying charges are also moderate at 8.6% of 2012 governmental expenditures. Management does have plans to issue additional debt over the next three years. However, due to rapid principal amortization, district officials report that this additional debt issuance should not have a millage impact.

Approximately 7% of the district's debt burden, or \$10.7 million, is unhedged variable rate debt issued through an Emmaus General Authority pool. The bonds are backed by a letter of credit, but the repayment agreement contains certain events of default, including covenant violations, that we deem permissive, and if triggered, could result in immediate principal acceleration. However, the district's strong cash position is sufficient to cover any acceleration, with general fund cash providing more than 3x principal coverage at fiscal 2012 year-end, which corresponds with the district's annual cash low point.

The district makes annual contributions to the state retirement system for all eligible employees. The district's budgeted contribution rate for fiscal 2013 has risen to \$13 million, which is equal to 6.5% of budgeted expenditures. The district has an unfunded actuarially determined other postemployment benefit (OPEB) liability of \$6.9 million, due to the implicit rate subsidy resulting from permitting retired employees and eligible dependents to participate in the district's health insurance plan at a blended group rate. The district has funded the OPEB liability on a pay-as-you-go

basis.

Outlook

The stable outlook reflects our view of the district's strong reserves and broad property tax and employment bases. We do not expect the rating to change within the two-year outlook horizon given our view of the district's very strong reserves and good financial management, which should help offset fiscal pressures that include revenue limitations and rising pension costs. However, the continuation of proactive budget management and maintenance of good liquidity relative to principal at risk of acceleration will be important to maintain credit stability. In addition, continued buildup of reserves and maintenance of strong liquidity despite revenue pressures could lead to our raising the rating.

Related Criteria And Research

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008
- USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008
- USPF Criteria: Commercial Paper, VRDO, And Self-Liquidity, July 3, 2007

Complete ratings information is available to subscribers of RatingsDirect on the Global Credit Portal at www.globalcreditportal.com. All ratings affected by this rating action can be found on Standard & Poor's public Web site at www.standardandpoors.com. Use the Ratings search box located in the left column.