

FACILITIES INPUT GROUP  
MONTHLY MEETING TOPICS  
(REVISED)

- May 3, 2016
  - Welcome Meeting, Overview of Process
- June 14, 2016
  - Working Norms of the Committee
- August 9, 2016
  - Gilbert Presentation (PLE)
  - District Facility Tour
- September 13, 2016
  - Gilbert Presentation (AGI)
  - District Facility Tour
- October 11, 2016
  - Gilbert Presentation (FSE)
  - District Facility Tour
- November 9-10, 2016
  - Gilbert Presentation (AGHS)
  - District Facility Tour
- January 10, 2017
  - PFM/RBC Presentation
- February 2017 – Tentative Tour Date 2/18
  - West Chester – Henderson (Renovation)
  - West Chester – Rustin (New)
- March 2017 – Tentative Tour Dates 3/4 & 3/18
  - Upper Dublin (New)
  - Great Valley (Renovation)
- April 11, 2017
  - Work Session / TCHS Tour
- May 9, 2017
  - Work Session
- June 6, 2017
  - Work Session
- August 8, 2017
  - Work Session
- September 12, 2017
  - Presentation of FIG to BSD

# Avon Grove School District

## Capital Project Financing Review

January 10, 2017

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**RBC Capital Markets**



# Principal and Gross Outstanding Debt Service

## Avon Grove School District Summary of Debt Outstanding - 2016-17

### Principal

Fiscal Yr. Ended	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	Total Issued	Current	Long Term
	Series of 2012	Series A of 2012	Series of 2014	Series of 2015	Debt Service		
06/30/2017	195,000	565,000	1,395,000	625,000	2,780,000	2,780,000	
06/30/2018	205,000	570,000	1,420,000	645,000	2,840,000		2,840,000
06/30/2019	210,000	580,000	1,460,000	665,000	2,915,000		2,915,000
06/30/2020	205,000	595,000	1,500,000	700,000	3,000,000		3,000,000
06/30/2021	215,000	605,000	1,545,000	730,000	3,095,000		3,095,000
06/30/2022	225,000	620,000	775,000	750,000	2,370,000		2,370,000
06/30/2023	225,000	635,000			860,000		860,000
06/30/2024		645,000			645,000		645,000
06/30/2025		655,000			655,000		655,000
06/30/2026		670,000			670,000		670,000
06/30/2027		690,000			690,000		690,000
06/30/2028		705,000			705,000		705,000
<b>Princ @ 6/30/16</b>	<b>1,480,000</b>	<b>7,535,000</b>	<b>8,095,000</b>	<b>4,115,000</b>	<b>21,225,000</b>	<b>2,780,000</b>	<b>18,445,000</b>
<b>Less 16/17 princ</b>	<b>(195,000)</b>	<b>(565,000)</b>	<b>(1,395,000)</b>	<b>(625,000)</b>	<b>(2,780,000)</b>	<b>0</b>	<b>0</b>
<b>As of 6/30/2017</b>	<b>1,285,000</b>	<b>6,970,000</b>	<b>6,700,000</b>	<b>3,490,000</b>	<b>18,445,000</b>	<b>2,780,000</b>	<b>18,445,000</b>

## Avon Grove School District Summary of Debt Outstanding - 2016-17

### Debt Service Scheduled Payments - Principal & Interest

Fiscal Yr. Ended	G.O. Bonds	G.O. Bonds	G.O. Bonds	G.O. Bonds	Total Issued
	Series of 2012	Series A of 2012	Series of 2014	Series of 2015	Debt Service
06/30/2017	222,650	717,890	1,578,850	752,500	3,271,890
06/30/2018	228,650	711,540	1,573,600	756,575	3,270,365
06/30/2019	229,500	710,040	1,576,850	753,600	3,269,990
06/30/2020	220,350	713,290	1,571,400	761,300	3,266,340
06/30/2021	226,150	711,290	1,575,950	762,700	3,276,090
06/30/2022	231,750	714,040	782,750	759,050	2,487,590
06/30/2023	227,250	716,490			943,740
06/30/2024		713,368			713,368
06/30/2025		709,554			709,554
06/30/2026		709,975			709,975
06/30/2027		714,503			714,503
06/30/2028		713,284			713,284
<b>Total</b>	<b>1,586,300</b>	<b>8,555,264</b>	<b>8,659,400</b>	<b>4,545,725</b>	<b>23,346,689</b>

# Net Outstanding Debt Service

## Reimbursement Amounts - Revenue

Fiscal Yr. Ended	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2014	G.O. Bonds Series of 2015	Total Issued Debt Service
06/30/2017	22,571	0	206,211	107,666	336,447
06/30/2018	23,179	0	205,525	108,249	336,953
06/30/2019	23,265	0	205,950	107,823	337,038
06/30/2020	22,338	0	205,238	108,925	336,500
06/30/2021	22,926	0	205,832	109,125	337,883
06/30/2022	23,494	0	102,234	108,603	234,330
06/30/2023	23,037	0	0	0	23,037
<b>Total</b>	<b>160,811</b>	<b>0</b>	<b>1,130,989</b>	<b>650,389</b>	<b>1,942,189</b>
PE%	19.35%	0.00%	24.93%	27.31%	
PE% Status	Perm	Est.	Perm	Perm	
AR% (2016-17)	52.39%	52.39%	52.39%	52.39%	

## Net Debt

Fiscal Yr. Ended	G.O. Bonds Series of 2012	G.O. Bonds Series A of 2012	G.O. Bonds Series of 2014	G.O. Bonds Series of 2015	Total Issued Debt Service
06/30/2017	200,079	717,890	1,372,639	644,834	2,935,443
06/30/2018	205,471	711,540	1,368,075	648,326	2,933,412
06/30/2019	206,235	710,040	1,370,900	645,777	2,932,952
06/30/2020	198,012	713,290	1,366,162	652,375	2,929,840
06/30/2021	203,224	711,290	1,370,118	653,575	2,938,207
06/30/2022	208,256	714,040	680,516	650,447	2,253,260
06/30/2023	204,213	716,490	0	0	920,703
06/30/2024	0	713,368	0	0	713,368
06/30/2025	0	709,554	0	0	709,554
06/30/2026	0	709,975	0	0	709,975
06/30/2027	0	714,503	0	0	714,503
06/30/2028	0	713,284	0	0	713,284
<b>Total</b>	<b>1,425,489</b>	<b>8,555,264</b>	<b>7,528,411</b>	<b>3,895,336</b>	<b>21,404,500</b>

## Estimated Borrowing Base Calculation

	<u>2013-14</u>	<u>2014-15</u>	<u>2015-16</u>	*
Total Revenues Received	\$ 79,023,616	\$ 80,264,595	\$ 82,016,174	-
Less:				
(1) State & Federal subsidies & reimbursement related to a particular project financed by debt	\$ 1,150,909	\$ 1,173,670	\$ 735,000	**
(2) Revenues, receipts, assessments, etc. pledged for self-liquidating debt	\$ -	\$ -	\$ -	
(3) Interest on moneys in sinking funds, reserves and other funds pledged for debt	\$ -	\$ -	\$ -	
(4) Grants and gifts-in-aid measured by construction or acquisition on specific projects	\$ -	\$ -	\$ -	
(5) Disposition of capital assets and nonrecurring items	\$ -	\$ -	\$ -	
	<hr/>	<hr/>	<hr/>	
SUBTOTAL	\$ 1,150,909	\$ 1,173,670	\$ 735,000	
TOTAL NET REVENUES	\$ 77,872,707	\$ 79,090,925	\$ 81,281,174	
TOTAL THREE YEARS REVENUE	\$ 238,244,806			
THREE YEAR AVERAGE	\$ 79,414,935			
225% DEBT LIMIT FACTOR	\$ 178,683,605			

\* ESTIMATED

\*\* Not received until November 2016.

# Bond Buyer 20 General Obligation Bond Index

## 55 Year Historical Perspective

### Bond Buyer 20 GO Index since January 1961



### % of Time in Each Range Since 1961

Yield Range		
Less than 3.50%	10.16%	
3.50% - 4.00%	8.32%	
4.01% - 4.50%	11.02%	
4.51% - 5.00%	10.34%	
5.01% - 5.50%	14.41%	
5.51% - 6.00%	10.03%	
6.01% - 6.50%	7.77%	
6.51% - 7.00%	7.08%	
7.01% - 7.50%	6.40%	
7.51% - 8.00%	3.76%	
Greater than 8.00%	10.71%	
<b>Total</b>	<b>100.00%</b>	

Source: Bloomberg as of December 29, 2016  
 Weekly yields and indexes released by the Bond Buyer. Updated every Thursday at approximately 6:00pm EST. 20 Bond General Obligation Yield with 20 year maturity, rated AA2 by Moody's Arithmetic Average of 20 bonds' yield to maturity.

**Today's 3.78% level is lower than 84.94% of historical rates since January 1961**

# Option A – Grandfathered Debt Only – TOTAL Funding = \$41,945,000

## Avon Grove School District

Millage Requirement Study - Proposed Series of 2017, \$41,945,000

## Option A

Grandfathered Debt

Date	Series 2017 \$41,945,000 Par Amount Debt Service (1)	Less: Interest Earnings/ SD Reserves	Value of 1 Mill (2)	Total Mills Required	Grand- fathered New Mills (3)	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit)
2015	0		1,845,000	0.00	0.000	0.00	0	0
2016	0		1,845,000	0.00	0.000	0.00	0	0
2017	0		1,845,000	0.00	0.000	0.00	0	0
2018	3,973,389		1,845,000	2.15	2.154	2.15	3,973,389	0
2019	4,044,107		1,845,000	2.19	0.038	2.19	4,044,107	0
2020	4,114,735		1,845,000	2.23	0.038	2.23	4,114,735	0
2021	4,184,727		1,845,000	2.27	0.038	2.27	4,184,727	0
2022	4,248,060		1,845,000	2.30	0.034	2.30	4,248,060	0
2023	4,309,219		1,845,000	2.34	0.033	2.34	4,309,219	0
2024	4,363,290		1,845,000	2.36	0.029	2.36	4,363,290	0
2025	4,420,469		1,845,000	2.40	0.031	2.40	4,420,469	0
2026	4,474,522		1,845,000	2.43	0.029	2.43	4,474,522	0
2027	4,529,312		1,845,000	2.45	0.030	2.45	4,529,312	0
2028	4,575,029		1,845,000	2.48	0.025	2.48	4,575,029	0
2029	4,627,287		1,845,000	2.51	0.028	2.51	4,627,287	0
2030	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2031	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2032	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2033	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2034	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2035	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2036	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2037	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2038	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2039	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2040	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2041	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2042	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2043	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
2044	0		1,845,000	0.00	0.000	2.51	4,627,287	4,627,287
<b>TOTAL</b>	<b>51,864,145</b>	<b>0</b>			<b>2.508</b>			

(1) Proposed Series of 2017, \$41,945,000 dated May 1, 2017. Average Coupon 3.59% (current rates + 50bps). Local Effort 100%.

(2) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)

(3) New mills for Grandfathered debt would be rescinded at final maturity in FY 2028-29

# Option B – Max Borrowing Scenario for Minimal Millage Increase – TOTAL FUNDING = \$52,300,000

## Avon Grove School District

## Option B

Millage Requirement Study - Proposed Series of 2018, \$52,300,000 Maximum Borrowing, Zero Mills Study

Max Borrow - 23 years

Date	Total Net Outstanding D/S (1)	Series 2018 \$52,300,000 Par Amount Debt Service (2)	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill (3)	Total Mills Required	New Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit) (4)
2015	4,573,814	0		4,573,814	1,845,000	2.48	0.000	2.44	4,499,955	-73,859
2016	3,693,812	0		3,693,812	1,845,000	2.00	0.000	2.44	4,499,955	806,143
2017	2,935,443	0		2,935,443	1,845,000	1.59	0.000	2.44	4,499,955	1,564,512
2018	2,933,412	0		2,933,412	1,845,000	1.59	0.000	2.44	4,499,955	1,566,543
2019	2,932,952	2,280,270	676,367	4,536,855	1,845,000	2.46	0.020	2.46	4,536,855	0
2020	2,929,840	2,280,270	654,805	4,555,305	1,845,000	2.47	0.010	2.47	4,555,305	0
2021	2,938,207	2,280,270	644,722	4,573,755	1,845,000	2.48	0.010	2.48	4,573,755	0
2022	2,253,260	2,309,837		4,563,097	1,845,000	2.47	0.000	2.48	4,573,755	10,658
2023	920,703	3,647,580		4,568,283	1,845,000	2.48	0.000	2.48	4,573,755	5,472
2024	713,368	3,853,532		4,566,900	1,845,000	2.48	0.000	2.48	4,573,755	6,855
2025	709,554	3,856,555		4,566,109	1,845,000	2.47	0.000	2.48	4,573,755	7,646
2026	709,975	3,859,324		4,569,299	1,845,000	2.48	0.000	2.48	4,573,755	4,456
2027	714,503	3,851,617		4,566,119	1,845,000	2.47	0.000	2.48	4,573,755	7,636
2028	713,284	3,853,575		4,566,859	1,845,000	2.48	0.000	2.48	4,573,755	6,896
2029	0	4,565,612		4,565,612	1,845,000	2.47	0.000	2.48	4,573,755	8,143
2030	0	4,565,856		4,565,856	1,845,000	2.47	0.000	2.48	4,573,755	7,899
2031	0	4,567,529		4,567,529	1,845,000	2.48	0.000	2.48	4,573,755	6,226
2032	0	4,565,433		4,565,433	1,845,000	2.47	0.000	2.48	4,573,755	8,322
2033	0	4,569,817		4,569,817	1,845,000	2.48	0.000	2.48	4,573,755	3,938
2034	0	4,566,415		4,566,415	1,845,000	2.48	0.000	2.48	4,573,755	7,340
2035	0	4,569,592		4,569,592	1,845,000	2.48	0.000	2.48	4,573,755	4,163
2036	0	4,568,392		4,568,392	1,845,000	2.48	0.000	2.48	4,573,755	5,363
2037	0	4,567,295		4,567,295	1,845,000	2.48	0.000	2.48	4,573,755	6,460
2038	0	4,566,242		4,566,242	1,845,000	2.47	0.000	2.48	4,573,755	7,513
2039	0	4,569,690		4,569,690	1,845,000	2.48	0.000	2.48	4,573,755	4,065
2040	0	4,566,817		4,566,817	1,845,000	2.48	0.000	2.48	4,573,755	6,938
2041	0	0		0	1,845,000	0.00	0.000	2.48	4,573,755	4,573,755
2042	0	0		0	1,845,000	0.00	0.000	2.48	4,573,755	4,573,755
2043	0	0		0	1,845,000	0.00	0.000	2.48	4,573,755	4,573,755
2044	0	0		0	1,845,000	0.00	0.000	2.48	4,573,755	4,573,755
<b>TOTAL</b>	<b>29,672,125</b>	<b>86,881,517</b>	<b>1,975,894</b>	<b>114,577,748</b>			<b>0.040</b>			

(1) Annual Net Debt Service for Series of 2012, 2012A, 2014, and 2015 Bonds.

(2) Proposed Series of 2018, \$52,300,000 dated May 1, 2018. Average Coupon 4.50% (current rates + 50bps). Local Effort 100%.

(3) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)

(4) Budget surplus totaling \$3.9 million in FY '15-16, '16-17 and '17-18 will be transferred to capital reserve to use for phasing in mills for the projects.



# Option C – Additional \$25,000,000 – TOTAL FUNDING = \$77,300,000

## Avon Grove School District

Millage Requirement Study - Proposed Series of 2018, \$52,300,000 and Proposed Series of 2019, \$25,000,000

## Option C

Additional \$25MM

Date	Total Net Outstanding D/S (1)	Series 2018 \$52,300,000 Par Amount Debt Service (2)	Series 2019 \$25,000,000 Par Amount Debt Service (3)	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill (4)	Total Mills Required	New Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit) (5)
2015	4,573,814	0	0		4,573,814	1,845,000	2.48	0.000	2.44	4,499,955	-73,859
2016	3,693,812	0	0		3,693,812	1,845,000	2.00	0.000	2.44	4,499,955	806,143
2017	2,935,443	0	0		2,935,443	1,845,000	1.59	0.000	2.44	4,499,955	1,564,512
2018	2,933,412	0	0		2,933,412	1,845,000	1.59	0.000	2.44	4,499,955	1,566,543
2019	2,932,952	2,280,270	0	307,367	4,905,855	1,845,000	2.66	0.220	2.66	4,905,855	0
2020	2,929,840	2,280,270	1,272,892	1,171,246	5,311,755	1,845,000	2.88	0.220	2.88	5,311,755	0
2021	2,938,207	2,280,270	1,267,348	768,170	5,717,655	1,845,000	3.10	0.220	3.10	5,717,655	0
2022	2,253,260	2,309,837	1,921,561	379,553	6,105,105	1,845,000	3.31	0.210	3.31	6,105,105	0
2023	920,703	3,647,580	1,919,335		6,487,618	1,845,000	3.52	0.210	3.52	6,492,555	4,937
2024	713,368	3,853,532	1,919,330		6,486,230	1,845,000	3.52	0.000	3.52	6,492,555	6,326
2025	709,554	3,856,555	1,921,589		6,487,698	1,845,000	3.52	0.000	3.52	6,492,555	4,857
2026	709,975	3,859,324	1,920,863		6,490,161	1,845,000	3.52	0.000	3.52	6,492,555	2,394
2027	714,503	3,851,617	1,921,929		6,488,048	1,845,000	3.52	0.000	3.52	6,492,555	4,507
2028	713,284	3,853,575	1,919,884		6,486,743	1,845,000	3.52	0.000	3.52	6,492,555	5,812
2029	0	4,565,612	1,919,950		6,485,562	1,845,000	3.52	0.000	3.52	6,492,555	6,994
2030	0	4,565,856	1,921,642		6,487,498	1,845,000	3.52	0.000	3.52	6,492,555	5,058
2031	0	4,567,529	1,919,749		6,487,277	1,845,000	3.52	0.000	3.52	6,492,555	5,278
2032	0	4,565,433	1,924,105		6,489,537	1,845,000	3.52	0.000	3.52	6,492,555	3,018
2033	0	4,569,817	1,919,893		6,489,709	1,845,000	3.52	0.000	3.52	6,492,555	2,846
2034	0	4,566,415	1,922,449		6,488,863	1,845,000	3.52	0.000	3.52	6,492,555	3,692
2035	0	4,569,592	1,916,539		6,486,131	1,845,000	3.52	0.000	3.52	6,492,555	6,425
2036	0	4,568,392	1,916,838		6,485,230	1,845,000	3.52	0.000	3.52	6,492,555	7,325
2037	0	4,567,295	1,917,931		6,485,226	1,845,000	3.52	0.000	3.52	6,492,555	7,330
2038	0	4,566,242	1,919,753		6,485,995	1,845,000	3.52	0.000	3.52	6,492,555	6,561
2039	0	4,569,690	1,917,206		6,486,897	1,845,000	3.52	0.000	3.52	6,492,555	5,659
2040	0	4,566,817	1,919,906		6,486,723	1,845,000	3.52	0.000	3.52	6,492,555	5,832
2041	0	0	0		0	1,845,000	0.00	0.000	3.52	6,492,555	6,492,555
2042	0	0	0		0	1,845,000	0.00	0.000	3.52	6,492,555	6,492,555
2043	0	0	0		0	1,845,000	0.00	0.000	3.52	6,492,555	6,492,555
2044	0	0	0		0	1,845,000	0.00	0.000	3.52	6,492,555	6,492,555
<b>TOTAL</b>	<b>29,672,125</b>	<b>86,881,517</b>	<b>39,020,687</b>	<b>2,626,336</b>	<b>152,947,993</b>			<b>1.080</b>			

(1) Annual Net Debt Service for Series of 2012, 2012A, 2014, and 2015 Bonds.

(2) Proposed Series of 2018, \$52,300,000 dated May 1, 2018. Average Coupon 4.50% (current rates + 50bps). Local Effort 100%.

(3) Proposed Series of 2019, \$25,000,000 dated May 1, 2019. Average Coupon 4.47% (current rates + 50bps). Local Effort 100%.

(4) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)

(5) Budget surplus (about \$3.9MM) will be transferred to capital reserve to use for phasing in mills for the projects.

# Option D – Additional \$50,000,000 – TOTAL FUNDING = \$102,300,000

## Avon Grove School District

## Option D

Millage Requirement Study - Proposed Series of 2018, \$52,300,000, Proposed Series of 2019, \$25,000,000 and Proposed Series of 2020, \$25,000,000 **Additional \$50MM**

Date	Total Net Outstanding D/S (1)	Series 2018 \$52,300,000 Par Amount Debt Service (2)	Series 2019 \$25,000,000 Par Amount Debt Service (3)	Series 2020 \$25,000,000 Par Amount Debt Service (4)	Less: Interest Earnings/ SD Reserves	Total Net Debt	Value of 1 Mill (5)	Total Mills Required	New Mills	Total Mills in Place	Dollars Appropriated	Budget Surplus (Deficit) (6)
2015	4,573,814	0	0	0		4,573,814	1,845,000	2.48	0.000	2.44	4,499,955	-73,859
2016	3,693,812	0	0	0		3,693,812	1,845,000	2.00	0.000	2.44	4,499,955	806,143
2017	2,935,443	0	0	0		2,935,443	1,845,000	1.59	0.000	2.44	4,499,955	1,564,512
2018	2,933,412	0	0	0		2,933,412	1,845,000	1.59	0.000	2.44	4,499,955	1,566,543
2019	2,932,952	2,280,270	0	0		5,213,222	1,845,000	2.83	0.390	2.83	5,219,505	6,283
2020	2,929,840	2,280,270	1,272,892	0	562,396	5,920,605	1,845,000	3.21	0.380	3.21	5,920,605	0
2021	2,938,207	2,280,270	1,267,348	1,476,097	1,358,667	6,603,255	1,845,000	3.58	0.370	3.58	6,603,255	0
2022	2,253,260	2,309,837	1,921,561	1,471,729	670,481	7,285,905	1,845,000	3.95	0.370	3.95	7,285,905	0
2023	920,703	3,647,580	1,919,335	1,476,242		7,963,860	1,845,000	4.32	0.370	4.32	7,968,555	4,695
2024	713,368	3,853,532	1,919,330	1,474,628		7,960,857	1,845,000	4.31	0.000	4.32	7,968,555	7,698
2025	709,554	3,856,555	1,921,589	1,476,956		7,964,654	1,845,000	4.32	0.000	4.32	7,968,555	3,901
2026	709,975	3,859,324	1,920,863	1,473,169		7,963,330	1,845,000	4.32	0.000	4.32	7,968,555	5,225
2027	714,503	3,851,617	1,921,929	1,473,216		7,961,264	1,845,000	4.32	0.000	4.32	7,968,555	7,292
2028	713,284	3,853,575	1,919,884	1,476,983		7,963,726	1,845,000	4.32	0.000	4.32	7,968,555	4,829
2029	0	4,565,612	1,919,950	1,474,593		7,960,155	1,845,000	4.31	0.000	4.32	7,968,555	8,401
2030	0	4,565,856	1,921,642	1,475,933		7,963,431	1,845,000	4.32	0.000	4.32	7,968,555	5,125
2031	0	4,567,529	1,919,749	1,475,859		7,963,136	1,845,000	4.32	0.000	4.32	7,968,555	5,419
2032	0	4,565,433	1,924,105	1,474,391		7,963,928	1,845,000	4.32	0.000	4.32	7,968,555	4,627
2033	0	4,569,817	1,919,893	1,471,643		7,961,352	1,845,000	4.32	0.000	4.32	7,968,555	7,203
2034	0	4,566,415	1,922,449	1,472,678		7,961,541	1,845,000	4.32	0.000	4.32	7,968,555	7,014
2035	0	4,569,592	1,916,539	1,477,222		7,963,353	1,845,000	4.32	0.000	4.32	7,968,555	5,202
2036	0	4,568,392	1,916,838	1,475,194		7,960,424	1,845,000	4.31	0.000	4.32	7,968,555	8,131
2037	0	4,567,295	1,917,931	1,476,562		7,961,787	1,845,000	4.32	0.000	4.32	7,968,555	6,768
2038	0	4,566,242	1,919,753	1,476,277		7,962,271	1,845,000	4.32	0.000	4.32	7,968,555	6,284
2039	0	4,569,690	1,917,206	1,474,346		7,961,243	1,845,000	4.32	0.000	4.32	7,968,555	7,313
2040	0	4,566,817	1,919,906	1,475,595		7,962,318	1,845,000	4.32	0.000	4.32	7,968,555	6,237
2041	0	0	0	7,959,771		7,959,771	1,845,000	4.31	0.000	4.32	7,968,555	8,785
2042	0	0	0	7,963,155		7,963,155	1,845,000	4.32	0.000	4.32	7,968,555	5,400
2043	0	0	0	0		0	1,845,000	0.00	0.000	4.32	7,968,555	7,968,555
2044	0	0	0	0		0	1,845,000	0.00	0.000	4.32	7,968,555	7,968,555
<b>TOTAL</b>	<b>29,672,125</b>	<b>86,881,517</b>	<b>39,020,687</b>	<b>45,422,236</b>	<b>2,591,544</b>	<b>198,405,021</b>			<b>1.880</b>			

- (1) Annual Net Debt Service for Series of 2012, 2012A, 2014, and 2015 Bonds.
- (2) Proposed Series of 2018, \$52,300,000 dated May 1, 2018. Average Coupon 4.50% (current rates + 50bps). Local Effort 100%.
- (3) Proposed Series of 2019, \$25,000,000 dated May 1, 2019. Average Coupon 4.47% (current rates + 50bps). Local Effort 100%.
- (4) Proposed Series of 2020, \$25,000,000 dated May 1, 2020. Average Coupon 4.74% (current rates + 50bps). Local Effort 100%.
- (5) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)
- (6) Budget surplus (about \$3.9MM) will be transferred to capital reserve to use for phasing in mills for the projects.

# Aggregate Scenario – TOTAL FUNDING = \$144,245,000

## Avon Grove School District

AGGREGATE

Millage Requirement Study - Proposed Series of 2017, Proposed Series of 2018, \$52,300,000, Proposed Series of 2019, \$25,000,000 and Proposed Series of 2020, \$25,000,000

Date	Total Net Outstanding D/S (1)	Series 2017 \$41,945,000 Par Amount Debt Service (2)	Series 2018 \$52,300,000 Par Amount Debt Service (3)	Series 2019 \$25,000,000 Par Amount Debt Service (4)	Series 2020 \$25,000,000 Par Amount Debt Service (5)	Less: Interest Earnings/SD Reserves (8)	Total Net Debt	Value of 1 Mill (6)	Total Mills Required	Grand-fathered New Mills	New Mills	Total Mills in Place (7)	Dollars Appropriated	Budget Surplus (Deficit) (8)
2015	4,573,814	0	0	0	0		4,573,814	1,845,000	2.48	0.000	0.000	2.44	4,499,955	-73,859
2016	3,693,812	0	0	0	0		3,693,812	1,845,000	2.00	0.000	0.000	2.44	4,499,955	806,143
2017	2,935,443	0	0	0	0		2,935,443	1,845,000	1.59	0.000	0.000	2.44	4,499,955	1,564,512
2018	2,933,412	3,973,389	0	0	0		6,906,801	1,845,000	3.74	2.207	0.000	4.65	8,572,679	1,665,878
2019	2,932,952	4,044,107	2,280,270	0	0		9,257,329	1,845,000	5.02	0.039	0.380	5.07	9,346,265	88,936
2020	2,929,840	4,114,735	2,280,270	1,272,892	0	477,978	10,119,758	1,845,000	5.48	0.039	0.380	5.48	10,119,758	0
2021	2,938,207	4,184,727	2,280,270	1,267,348	1,476,097	1,254,048	10,892,600	1,845,000	5.90	0.039	0.380	5.90	10,892,600	0
2022	2,253,260	4,248,060	2,309,837	1,921,561	1,471,729	545,830	11,658,616	1,845,000	6.32	0.035	0.380	6.32	11,658,617	0
2023	920,703	4,309,219	3,647,580	1,919,335	1,476,242		12,273,079	1,845,000	6.65	0.034	0.360	6.71	12,385,504	112,426
2024	713,368	4,363,290	3,853,532	1,919,330	1,474,628		12,324,147	1,845,000	6.68	0.030	0.000	6.74	12,440,927	116,780
2025	709,554	4,420,469	3,856,555	1,921,589	1,476,956		12,385,123	1,845,000	6.71	0.032	0.000	6.77	12,499,535	114,413
2026	709,975	4,474,522	3,859,324	1,920,863	1,473,169		12,437,852	1,845,000	6.74	0.030	0.000	6.80	12,554,940	117,088
2027	714,503	4,529,312	3,851,617	1,921,929	1,473,216		12,490,575	1,845,000	6.77	0.030	0.000	6.84	12,611,100	120,524
2028	713,284	4,575,029	3,853,575	1,919,884	1,476,983		12,538,755	1,845,000	6.80	0.025	0.000	6.86	12,657,959	119,205
2029	0	4,627,287	4,565,612	1,919,950	1,474,593		12,587,442	1,845,000	6.82	0.029	0.000	6.89	12,711,524	124,083
2030	0	0	4,565,856	1,921,642	1,475,933		7,963,431	1,845,000	4.32	0.000	0.000	4.32	7,968,555	5,125
2031	0	0	4,567,529	1,919,749	1,475,859		7,963,136	1,845,000	4.32	0.000	0.000	4.32	7,968,555	5,419
2032	0	0	4,565,433	1,924,105	1,474,391		7,963,928	1,845,000	4.32	0.000	0.000	4.32	7,968,555	4,627
2033	0	0	4,569,817	1,919,893	1,471,643		7,961,352	1,845,000	4.32	0.000	0.000	4.32	7,968,555	7,203
2034	0	0	4,566,415	1,922,449	1,472,678		7,961,541	1,845,000	4.32	0.000	0.000	4.32	7,968,555	7,014
2035	0	0	4,569,592	1,916,539	1,477,222		7,963,353	1,845,000	4.32	0.000	0.000	4.32	7,968,555	5,202
2036	0	0	4,568,392	1,916,838	1,475,194		7,960,424	1,845,000	4.31	0.000	0.000	4.32	7,968,555	8,131
2037	0	0	4,567,295	1,917,931	1,476,562		7,961,787	1,845,000	4.32	0.000	0.000	4.32	7,968,555	6,768
2038	0	0	4,566,242	1,919,753	1,476,277		7,962,271	1,845,000	4.32	0.000	0.000	4.32	7,968,555	6,284
2039	0	0	4,569,690	1,917,206	1,474,346		7,961,243	1,845,000	4.32	0.000	0.000	4.32	7,968,555	7,313
2040	0	0	4,566,817	1,919,906	1,475,595		7,962,318	1,845,000	4.32	0.000	0.000	4.32	7,968,555	6,237
2041	0	0	0	0	7,959,771		7,959,771	1,845,000	4.31	0.000	0.000	4.32	7,968,555	8,785
2042	0	0	0	0	7,963,155		7,963,155	1,845,000	4.32	0.000	0.000	4.32	7,968,555	5,400
2043	0	0	0	0	0		0	1,845,000	0.00	0.000	0.000	4.32	7,968,555	7,968,555
2044	0	0	0	0	0		0	1,845,000	0.00	0.000	0.000	4.32	7,968,555	7,968,555
TOTAL	29,672,125	51,864,145	86,881,517	39,020,687	45,422,236	2,277,856	250,582,853			2.571	1.880			

- (1) Annual Net Debt Service for Series of 2012, 2012A, 2014, and 2015 Bonds.
- (2) Proposed Series of 2017, \$41,945,000 dated May 1, 2017. Average Coupon 3.59% (current rates + 50bps). Local Effort 100%.
- (3) Proposed Series of 2018, \$52,300,000 dated May 1, 2018. Average Coupon 4.50% (current rates + 50bps). Local Effort 100%.
- (4) Proposed Series of 2019, \$25,000,000 dated May 1, 2019. Average Coupon 4.47% (current rates + 50bps). Local Effort 100%.
- (5) Proposed Series of 2020, \$25,000,000 dated May 1, 2020. Average Coupon 4.74% (current rates + 50bps). Local Effort 100%.
- (6) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)
- (7) New mills for Grandfathered debt would be rescinded at final maturity in FY 2028-29
- (8) Budget surplus (about \$4.1MM) will be transferred to capital reserve to use for phasing in mills for the projects.

# Aggregate Scenario – TOTAL FUNDING = \$144,245,000, Assumes 90% LE

## Avon Grove School District

AGGREGATE, w/ Reimb.

Millage Requirement Study - Proposed Series of 2017, Proposed Series of 2018, \$52,300,000, Proposed Series of 2019, \$25,000,000 and Proposed Series of 2020, \$25,000,000

Date	Total Net Outstanding D/S (1)	Series 2017 \$41,945,000 Par Amount Debt Service (2)	Series 2018 \$52,300,000 Par Amount Debt Service (3)	Series 2019 \$25,000,000 Par Amount Debt Service (4)	Series 2020 \$25,000,000 Par Amount Debt Service (5)	Less: Interest Earnings/SD Reserves (8)	Total Net Debt	Value of 1 Mill (6)	Total Mills Required	Grand-fathered New Mills	New Mills	Total Mills in Place (7)	Dollars Appropriated	Budget Surplus (Deficit) (8)
2015	4,573,814	0	0	0	0		4,573,814	1,845,000	2.48	0.000	0.000	2.44	4,499,955	-73,859
2016	3,693,812	0	0	0	0		3,693,812	1,845,000	2.00	0.000	0.000	2.44	4,499,955	806,143
2017	2,935,443	0	0	0	0		2,935,443	1,845,000	1.59	0.000	0.000	2.44	4,499,955	1,564,512
2018	2,933,412	3,576,050	0	0	0		6,509,462	1,845,000	3.53	1.987	0.000	4.43	8,165,406	1,655,944
2019	2,932,952	3,639,696	2,052,243	0	0		8,624,891	1,845,000	4.67	0.035	0.300	4.76	8,784,144	159,252
2020	2,929,840	3,703,262	2,052,243	1,145,602	0	428,148	9,402,799	1,845,000	5.10	0.035	0.300	5.10	9,402,798	0
2021	2,938,207	3,766,254	2,052,243	1,140,613	1,098,964	975,415	10,020,866	1,845,000	5.43	0.035	0.300	5.43	10,020,865	0
2022	2,253,260	3,823,254	2,078,853	1,729,405	1,163,865	415,847	10,632,790	1,845,000	5.76	0.032	0.300	5.76	10,632,791	0
2023	920,703	3,878,297	3,282,822	1,727,402	1,297,376		11,106,599	1,845,000	6.02	0.031	0.290	6.08	11,224,260	117,660
2024	713,368	3,926,961	3,468,179	1,727,397	1,319,792		11,155,696	1,845,000	6.05	0.027	0.000	6.11	11,274,140	118,443
2025	709,554	3,978,422	3,470,900	1,729,430	1,318,537		11,206,843	1,845,000	6.07	0.029	0.000	6.14	11,326,887	120,045
2026	709,975	4,027,070	3,473,391	1,728,776	1,316,417		11,255,630	1,845,000	6.10	0.027	0.000	6.17	11,376,752	121,122
2027	714,503	4,076,381	3,466,455	1,729,736	1,317,814		11,304,887	1,845,000	6.13	0.027	0.000	6.19	11,427,295	122,408
2028	713,284	4,117,526	3,468,217	1,727,896	1,318,201		11,345,124	1,845,000	6.15	0.023	0.000	6.22	11,469,469	124,345
2029	0	4,164,559	4,109,051	1,727,955	1,392,621		11,394,185	1,845,000	6.18	0.026	0.000	6.24	11,517,677	123,492
2030	0	0	4,109,270	1,729,477	1,392,335		7,231,083	1,845,000	3.92	0.000	0.000	3.93	7,249,005	17,922
2031	0	0	4,110,776	1,727,774	1,390,731		7,229,281	1,845,000	3.92	0.000	0.000	3.93	7,249,005	19,724
2032	0	0	4,108,889	1,731,694	1,387,833		7,228,417	1,845,000	3.92	0.000	0.000	3.93	7,249,005	20,588
2033	0	0	4,112,835	1,727,903	1,388,154		7,228,892	1,845,000	3.92	0.000	0.000	3.93	7,249,005	20,113
2034	0	0	4,109,773	1,730,204	1,391,661		7,231,638	1,845,000	3.92	0.000	0.000	3.93	7,249,005	17,367
2035	0	0	4,112,633	1,724,885	1,393,706		7,231,223	1,845,000	3.92	0.000	0.000	3.93	7,249,005	17,782
2036	0	0	4,111,553	1,725,154	1,394,206		7,230,913	1,845,000	3.92	0.000	0.000	3.93	7,249,005	18,092
2037	0	0	4,110,566	1,726,137	1,393,133		7,229,835	1,845,000	3.92	0.000	0.000	3.93	7,249,005	19,170
2038	0	0	4,109,618	1,727,777	1,390,552		7,227,947	1,845,000	3.92	0.000	0.000	3.93	7,249,005	21,058
2039	0	0	4,112,721	1,725,486	1,390,866		7,229,073	1,845,000	3.92	0.000	0.000	3.93	7,249,005	19,932
2040	0	0	4,110,135	1,727,916	1,389,414		7,227,465	1,845,000	3.92	0.000	0.000	3.93	7,249,005	21,540
2041	0	0	0	0	7,231,361		7,231,361	1,845,000	3.92	0.000	0.000	3.93	7,249,005	17,644
2042	0	0	0	0	7,231,364		7,231,364	1,845,000	3.92	0.000	0.000	3.93	7,249,005	17,641
2043	0	0	0	0	0		0	1,845,000	0.00	0.000	0.000	3.93	7,249,005	7,249,005
2044	0	0	0	0	0		0	1,845,000	0.00	0.000	0.000	3.93	7,249,005	7,249,005
TOTAL	29,672,125	46,677,730	78,193,365	35,118,618	41,308,904	1,819,410	229,151,332			2.314	1.490			

- (1) Annual Net Debt Service for Series of 2012, 2012A, 2014, and 2015 Bonds.
- (2) Proposed Series of 2017, \$41,945,000 dated May 1, 2017. Average Coupon 3.59% (current rates + 50bps). Local Effort 90%.
- (3) Proposed Series of 2018, \$52,300,000 dated May 1, 2018. Average Coupon 4.50% (current rates + 50bps). Local Effort 90%.
- (4) Proposed Series of 2019, \$25,000,000 dated May 1, 2019. Average Coupon 4.47% (current rates + 50bps). Local Effort 90%.
- (5) Proposed Series of 2020, \$25,000,000 dated May 1, 2020. Average Coupon 4.74% (current rates + 50bps). Local Effort 90%.
- (6) FY2016-17 collect mill is worth \$1,845,000 and it remains constant (per the administration November 2016)
- (7) New mills for Grandfathered debt would be rescinded at final maturity in FY 2028-29
- (8) Budget surplus (about \$4.1MM) will be transferred to capital reserve to use for phasing in mills for the projects.

# Appendix

Act 1 Millage Estimates and  
2015 S&P Rating Report



**RBC Capital Markets**

# Millage Analysis

**AVON GROVE SCHOOL DISTRICT**  
**5-YEAR SUMMARY OF POTENTIAL ACT 1 MILLAGE IMPACT**  
**FOR ILLUSTRATION PURPOSES ONLY**

1	2	3	4	5
Fiscal Year Ending	Assumed Act 1 Index	Allowable Real Estate Millage Increase	Real Estate Millage Rate	Allowable Real Estate \$ Increase
6/30/2017			29.040	
6/30/2018	<i>Actual Index</i> 3.30%	0.958	29.998	1,768,100
6/30/2019	<i>Assumed</i> 3.00%	0.900	30.898	1,660,407
6/30/2020	<i>Assumed</i> 3.00%	0.927	31.825	1,710,219
6/30/2021	<i>Assumed</i> 3.00%	0.955	32.780	1,761,526
6/30/2022	<i>Assumed</i> 3.00%	0.983	33.763	1,814,372

**Notes**

- Per the District Administration, assumes 1 Mill = \$1,845,000
- Does not include any applicable PDE exceptions
- Historical Adjusted Act 1 index below:

HISTORICAL ADJUSTED ACT 1 INDEX For AGSD	
2016-17	3.200%
2015-16	2.400%
2014-15	2.800%
2013-14	2.300%
2012-13	2.200%
2011-12	1.800%
2010-11	3.800%
2009-10	5.400%

# RatingsDirect®

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## Summary:

# Avon Grove School District, Pennsylvania; General Obligation; School State Program

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## Summary:

# Avon Grove School District, Pennsylvania; General Obligation; School State Program

### Credit Profile

US\$4.295 mil GO bnds ser 2015

<i>Long Term Rating</i>	AA/Stable	New
<i>Underlying Rating for Credit Program</i>	AA/Stable	New
Avon Grove Sch Dist GO bnds		
<i>Long Term Rating</i>	AA/Stable	Affirmed
<i>Underlying Rating for Credit Program</i>	AA/Stable	Affirmed

## Rationale

Standard & Poor's Ratings Services assigned its 'AA' long-term rating and underlying rating to Avon Grove School District, Pa.'s series 2015 general obligation (GO) bonds and affirmed its 'AA' long-term and underlying ratings on the district's existing GO debt. The outlook is stable.

The 'AA' rating reflects our opinion of the district's general creditworthiness, including its:

- Affluent, residential community, benefiting from proximity to the Philadelphia and Wilmington, Del. employment centers;
- Growing property tax base;
- Strong finances; and
- Low-to-moderate debt burden with rapid principal amortization.

• Tempering these strengths are rising pension contributions that could pressure the district's finances.

The district's full-faith-credit-and available-taxing-power pledge secures the bonds. The Pennsylvania State Aid Intercept program provides additional security. Officials intend to use bond proceeds to current refund a portion of the district's series 2010 GO bonds. We understand the district will save close to \$100,000 with this refunding and that the savings will be taken in fiscal 2016 and there is no extension of maturities.

Avon Grove School District, with a population of roughly 31,000, occupies a 67-square-mile section of Chester County. It operates two elementary schools, one middle school, one high school, and one administration building. Management indicates enrollment has declined in recent years to 5,083 in fiscal 2015 due to charter school competition. As a result, the district did a feasibility study and is considering implementing a full-day kindergarten program, which should help increase enrollment.

Located approximately 15 miles northwest of Wilmington and 35 miles southwest of Philadelphia, the district is a residential community with some agricultural activity. Leading area employers include:



- DuPont (12,000 employees),
- Bank of America (10,000),
- Christiana Care Health Services (7,700), and
- AstroZeneca Inc. (7,500).

The district's median household effective buying income and per capita effective buying income are, in our opinion, very strong at about 185% and 132% of the national averages, respectively. This is reflected in the county's historically low unemployment rate. The rate in 2014 averaged 4.1%, which remained well below the commonwealth (5.6%) and national (6.15%) averages. Assessed value (AV) for fiscal 2014 totaled \$1.8 billion, which was a 1.3% increase from fiscal 2011. The corresponding market value is \$2.6 billion, which is a very strong \$85,455 per capita. The tax base remains very diverse, with the top 10 taxpayers accounting for 6.4% of AV.

The district's financial performance continues to be strong. The fiscal 2015 budget totaled \$81.6 million and included a \$1.3 million fund balance appropriation to balance the budget. Management expects fiscal 2015 to close with a \$1 million general fund surplus. However, the district may transfer close to \$1 million from the general fund to the capital projects fund to support potential capital projects.

Fiscal 2014 was the third consecutive general fund surplus for the district. The year closed with a \$3.4 million surplus, which management attributed to conservative budgeting practices. The total general fund balance was \$26.4 million at year-end (June 30)- consisting of committed (\$10 million) and unassigned (\$15.4 million) balances - which represented a very strong 35.7% of expenditures. Management reports the committed balance may likely be spent down over the next 10 years to cover rising pension costs. However, if the district keeps posting surpluses, it will not have to use the full committed fund balance. The available fund balance, assigned and unassigned, remained very strong, totaling \$16 million, or 21.7% of expenditures. Local sources were the leading revenue source, accounting for 63.2% of general fund revenues in fiscal 2014, while state sources accounted for only 35%, which we believe is a credit strength as aid is susceptible to commonwealth budget cuts.

The district participates in the Pennsylvania Public School Employees' Retirement System and provides other postemployment benefits (OPEB) to eligible retirees. The district continues to meet 100% of the annual required contributions on its pension, and funds the OPEB on a pay-as-you-go basis. Pension costs in fiscal 2014 totaled \$5.1 million, up 36% from a year earlier. The district expects pension costs to rise over the next several years, including a \$1.5 million increase next year. Pension contributions are expected to rise because the commonwealth has increased its full actuarial required contribution. Rate caps are estimated to expire in 2017-2018, when actual increases are likely to be less than the cap.

The unfunded actuarial accrued OPEB liability was \$19 million as of Jan. 1, 2014. The district contributed \$757,986 toward its OPEB obligations in fiscal 2014, which equaled 39.2% of the annual required contribution. Pension and OPEB costs in fiscal 2014 totaled \$5.9 million, or 7.8% of total governmental fund expenditures.

The district's financial management practices are "standard" under our Financial Management Assessment (FMA) methodology, indicating the finance department maintains adequate policies in some, but not all, key areas. Highlights include:

- Monthly budget-to-actual reports to the board;
- Monthly investment reports to the board;
- A review of the past four or five years' data and consideration of future trends for budgeting purposes; and
- Maintaining an unassigned fund balance above 8% of expenditures, which the district has adhered to historically.

Net of commonwealth reimbursements, overall debt is moderate at \$2,186 per capita and low at 2.6% of market value. Carrying charges are a moderate 8.8% of fiscal 2014 expenditures. We consider the amortization of principal debt rapid, with officials planning to retire roughly 91% over 10 years and 100% by 2028. The district is reviewing a feasibility study and may require financing in the next three years to fund its capital improvement projects.

## Outlook

The stable outlook reflects Standard & Poor's opinion of the district's strong finances and access to large and diverse employment centers. Despite the expected pension cost increases over the next few years, we believe the district will likely maintain sound operations and healthy reserves. Holding all else equal, fund balance deterioration to levels we consider adequate or low could result in a negative rating action. At the same time, if the district were to implement more-formalized policies under our FMA and maintain very strong fund balances throughout the next few years of pension increases, holding all else equal, we could raise the rating. Otherwise, we do not expect to change the rating in next two years.

## Related Criteria And Research

### Related Criteria

- USPF Criteria: GO Debt, Oct. 12, 2006
- USPF Criteria: Key General Obligation Ratio Credit Ranges – Analysis Vs. Reality, April 2, 2008
- USPF Criteria: Financial Management Assessment, June 27, 2006
- USPF Criteria: State Credit Enhancement Programs, Nov. 13, 2008

### Ratings Detail (As Of May 15, 2015)

Avon Grove Sch Dist GO		
Long Term Rating	AA/Stable	Affirmed
Underlying Rating for Credit Program	AA/Stable	Affirmed

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# MEETING MINUTES

## Facilities Input Group (FIG)

Date	Start	End	Next Meeting	Next Time	Prepared by
01/10/2017	7:12PM	8:45 PM	FEB 2017 TBD	TBD	M. O'Hara

### Attended by:

Robert Ruddy	Aundrea Young	Dr. Marchese	Brian Gaerity
Uwe Buescher	Neil Huber	Dan Carsley	Charles Beatty
Nicole Morley	John Auerbach	Ed Farina	Patrick Walker
Carolyn Hammerschmidt	Andrea Danucalov	Jeff Billig	Bonnie Wolff
Dennis Gerber			

### Public:

Members of the public in attendance: 12

### Summary of the Meeting

#### Opening Review of Previous Meeting and Current Meeting Agenda

Mr. Carsley welcomed everyone to the 8<sup>th</sup> FIG meeting, and recapped the November 9 & 10, 2016 AGHS Tour meetings. He introduced the following representatives from RBC/PFM:

Ken Phillips, Managing Director, RBC Capital Markets  
 John Frey, Director, PFM Financial Advisors

#### Capital Project Financing Review

Mr. Carsley discussed the District's current debt as it stands today. Mr. Phillips and Mr. Frey followed with a presentation on Capital Project Financing.

Several factors impact a school district's borrowing capacity:

- Current Interest Rates
- Act I Index / Millage Impact
- Credit Worthiness

Avon Grove School District has attained an "AA" long-term rating and stable outlook by Standard & Poor.

#### Debrief & Discussion

- Goal is to begin funding a base for building projects, and the various ways to approach this goal
- Presentation was to show some of the options available to AGSD to borrow and fund projects
- If new buildings are constructed, what is impact on home values?
- Next steps will be tours in February and March, followed by workings sessions to discuss building conditions, educational models, and further review of financials.

### Upcoming Meetings

The next meeting of the Facilities Input Group will entail tours in the West Chester School District, with a tentative date of Saturday, February 18, 2017. Details will be sent to the FIG Group once confirmed.

### Schedule

<del>August 9, 2016</del>	<del>PLE Tour</del>	<del>Completed</del>	
<del>September 13, 2016</del>	<del>AGI Tour</del>	<del>Completed</del>	
<del>October 11, 2016</del>	<del>FSEMS Tour</del>	<del>Completed</del>	
<del>November 7, 2016</del>	<del>HS Tour</del>	<del>Rescheduled to November 9 &amp; 10, 2016</del>	<del>Completed</del>
<del>January 10, 2017</del>	<del>Financials</del>	<del>Completed</del>	
February 18, 2017	West Chester SD Tours		
March 2017	Tour Dates TBD		
April 11, 2017	Work Session / TCHS Tour		
May 9, 2017	Work Session		
June 6, 2017	Work Session	*new date due to AGHS graduation*	
August 8, 2017	Work Session		
September 12, 2017	Presentation of FIG recommendation to AG School Board of Directors		