

Willows Unified School District

Bond Update

February 2026



EASTSHORE CONSULTING

FINANCIAL ADVISORY & FACILITIES PLANNING · FISCAL CONSULTING · ELECTION STRATEGIES & PUBLIC RELATIONS

WILLOWS UNIFIED SCHOOL DISTRICT SUMMARY OF LONG-TERM BONDED DEBT

ELECTION OF 2016 - MEASURE "B" GENERAL OBLIGATION BONDS						
BOND SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
2016 Election, 2017 Series A	4/11/2017	\$ 8,000,000	\$ 12,456,265	1.56 to 1	\$ 6,375,000	Provided \$7.88 million for projects
		<u>\$ 8,000,000</u>			<u>\$ 6,375,000</u>	

CERTIFICATES OF PARTICIPATION						
CERTIFICATE SERIES	ISSUANCE DATE	ORIGINAL PRINCIPAL AMOUNT	ORIGINAL REPAYMENT REQUIREMENT	ORIGINAL REPAYMENT RATIO	ORIGINAL PRINCIPAL OUTSTANDING	PURPOSE
2024 Certificates of Participation	8/22/2024	\$ 9,135,000	\$ 14,618,856	1.6 to 1	\$ 8,835,000	Provided \$9.6 million for projects
		<u>\$ 9,135,000</u>			<u>\$ 8,835,000</u>	

Overview

- After many attempts, in 2016, Willows Unified School District received voter approval for Measure “B”, providing for an \$8 million GO Bond for facilities improvements
- The GO Bonds, which levy property taxes at a uniform rate on all taxable property in the District, were issued in early 2017, providing funding to get facility modernization project underway
- With eligibility for additional State Aid funding, in 2024, the District issued Certificates of Participation (COPs) to fund additional projects and serve as required matching funds for State Aid
- As a result of generous community support from the GO Bond, more than \$7.4 million in State Aid matching funds have been received with additional funding anticipated
- In combination, the GO Bond, State Aid and the COPs proceeds have allowed Willows Unified to improve and modernize its schools, providing state-of-the-art classrooms and facilities for students and the entire community
- Specific to Measure “B”, tax rates remain below estimates provided to voters, and there may be an opportunity to further reduce such tax rates, as the GO Bonds will be eligible for refinancing later this year



OUTSTANDING GENERAL OBLIGATION BOND DEBT SERVICE

Aug. 1,	2016 Election, 2017 Series A GO Bonds				
	Principal	Coupon	Interest	Cap. Interest	Debt Service
2017	\$ -		\$ 87,847.22	\$ (87,847.22)	\$ -
2018	215,000.00	2.000%	287,500.00	(87,541.24)	414,958.76
2019	160,000.00	3.000%	283,200.00	-	443,200.00
2020	170,000.00	3.000%	278,400.00	-	448,400.00
2021	185,000.00	3.000%	273,300.00	-	458,300.00
2022	200,000.00	3.000%	267,750.00	-	467,750.00
2023	215,000.00	3.000%	261,750.00	-	476,750.00
2024	230,000.00	3.000%	255,300.00	-	485,300.00
2025	250,000.00	3.000%	248,400.00	-	498,400.00
2026	265,000.00	3.000%	240,900.00	-	505,900.00
2027	285,000.00	3.000%	232,950.00	-	517,950.00
2028	305,000.00	2.750%	224,400.00	-	529,400.00
2029	320,000.00	3.000%	216,012.50	-	536,012.50
2030	345,000.00	3.125%	206,412.50	-	551,412.50
2031	365,000.00	3.125%	195,631.25	-	560,631.25
2032	385,000.00	3.250%	184,225.00	-	569,225.00
2033	410,000.00	3.500%	171,712.50	-	581,712.50
2034	435,000.00	3.500%	157,362.50	-	592,362.50
2035	465,000.00	3.500%	142,137.50	-	607,137.50
2036	490,000.00	3.625%	125,862.50	-	615,862.50
2037	520,000.00	3.625%	108,100.00	-	628,100.00
2038	555,000.00	5.000%	89,250.00	-	644,250.00
2039	595,000.00	5.000%	61,500.00	-	656,500.00
2040	635,000.00	5.000%	31,750.00	-	666,750.00
TOTAL	\$ 8,000,000.00		\$ 4,631,653.47	\$ (175,388.46)	\$ 12,456,265.01
	Remaining Principal Outstanding				\$ 6,375,000.00

Existing GO Bonds

- The District's Measure "B" GO Bond program has seen the tax rate levied drop below original estimates as a result of continued strong tax base growth (despite a recent decline in assessed values for 2024-25 related to the CalPlant project)
- Measure "B" was designed prior to the CalPlant project and did not account for that substantial increase (and subsequent decrease) in taxable values
- Expansion of industrial activity and growth in home prices have resulted in tax base growth of 4.7% on average since approval of Measure "B", *despite* total AV declining for 2024-25 by 9.31% due to CalPlant bankruptcy proceedings
- With the average growth exceeding the 2% projection utilized in structuring Measure "B", tax rates have trended downward and, for 2025-26, are levied against secured property at a \$25 per \$100,000 of assessed value rate – nearly the lowest they have been
- It appears, and Eastshore will confirm with the County, that additional Unitary tax revenue may be resulting in levied rates below what we would otherwise project at \$32.81 per \$100,000 of assessed value
- Regardless, it is anticipated that future GO Bond tax rates should remain well below the \$45 rate estimate provided to voters and, assuming tax base growth of 2%, tax rates should not exceed \$33 per \$100,000 going forward



ASSESSED VALUE HISTORY

Year	Local Secured AV	Utility Roll AV	Total Secured AV*	Unsecured AV	Total AV	Growth Rate
2013-14	\$ 891,995,942	\$ 1,011,981	\$ 893,007,923	\$ 52,501,752	\$ 945,509,675	-
2014-15	897,476,928	1,011,981	898,488,909	52,770,367	951,259,276	0.61%
2015-16	937,447,796	1,185,823	938,633,619	66,600,017	1,005,233,636	5.67%
2016-17	976,337,868	941,323	977,279,191	54,894,342	1,032,173,533	2.68%
2017-18	1,011,821,089	941,323	1,012,762,412	53,321,855	1,066,084,267	3.29%
2018-19	1,055,575,400	908,653	1,056,484,053	52,849,947	1,109,334,000	4.06%
2019-20	1,281,205,568	612,229	1,281,817,797	52,517,990	1,334,335,787	20.28%
2020-21	1,365,772,081	612,229	1,366,384,310	54,369,917	1,420,754,227	6.48%
2021-22	1,438,142,745	612,229	1,438,754,974	55,784,074	1,494,539,048	5.19%
2022-23	1,567,012,296	612,229	1,567,624,525	62,123,472	1,629,747,997	9.05%
2023-24	1,599,224,742	634,544	1,599,859,286	66,233,022	1,666,092,308	2.23%
2024-25	1,440,750,166	634,544	1,441,384,710	69,561,909	1,510,946,619	-9.31%
2025-26	1,485,686,964	634,544	1,486,321,508	70,625,792	1,556,947,300	3.04%

* Total Secured AV is comprised of Local Secured AV and Utility Roll AV

GO Bond Refunding Opportunity

- The Measure “B” GO Bonds were structured with optional redemption provisions, allowing for prepayment of those bonds on August 1, 2026
- Tax-exempt bonds typically allow for “redemption” – or early repayment – 8 to 10 years after issuance
- The redemption provisions allow for refinancing of the GO Bonds utilizing tax-exempt refunding bonds no sooner than 90 days prior to the redemption date
- Under State law, refunding of voter-approved GO Bonds can only provide for savings to taxpayers and not raise new project funding
- Based upon recent interest rates, the refinancing of Measure “B” GO Bonds is projected to save just over \$330,000 net of all issuance costs; however, the amount of savings is sensitive to market interest rate movements, with any increase from current levels reducing the potential savings
- General industry guidance calls for a minimum savings of 3% on a net present value (NPV) basis to justify refinancing – and under current market conditions, such savings are projected to be just over 4.5%
- Given the District’s taxbase size and market forecasts, Eastshore would recommend pursuing the potential refunding of Measure “B” so long as savings exceed \$300,000
- If desired, the Board may approve a resolution to authorize refunding with a minimum savings threshold



GO BOND TAX RATE HISTORY & PROJECTIONS, ASSUMING 2.0% TAX BASE GROWTH

Fiscal Year	Total AV	Actual / Projected Growth Rate	Maximum Available Tax Revenue @ \$45.00 per \$100,000 Rate	GO Bond Net Debt Service	Actual / Projected Tax Rate
2016-17	\$ 1,032,173,533	2.68%	\$ 439,775.64	\$ -	\$ -
2017-18	1,066,084,267	3.29%	479,737.92	414,958.76	31.66
2018-19	1,109,334,000	4.06%	499,200.30	443,200.00	24.36
2019-20	1,334,335,787	20.28%	600,451.10	448,400.00	41.90
2020-21	1,420,754,227	6.48%	639,339.40	458,300.00	27.51
2021-22	1,494,539,048	5.19%	672,542.57	467,750.00	33.96
2022-23	1,629,747,997	9.05%	733,386.60	476,750.00	32.03
2023-24	1,666,092,308	2.23%	749,741.54	485,300.00	35.35
2024-25	1,510,946,619	-9.31%	679,925.98	498,400.00	25.00
2025-26	1,556,947,300	3.04%	700,626.29	505,900.00	25.00
2026-27	1,588,086,246	2.00%	714,638.81	517,950.00	33.04
2027-28	1,619,847,971	2.00%	728,931.59	529,400.00	32.66
2028-29	1,652,244,930	2.00%	743,510.22	536,012.50	32.43
2029-30	1,685,289,829	2.00%	758,380.42	551,412.50	32.74
2030-31	1,718,995,626	2.00%	773,548.03	560,631.26	32.61
2031-32	1,753,375,538	2.00%	789,018.99	569,225.00	32.46
2032-33	1,788,443,049	2.00%	804,799.37	581,712.50	32.53
2033-34	1,824,211,910	2.00%	820,895.36	592,362.50	32.47
2034-35	1,860,696,148	2.00%	837,313.27	607,137.50	32.64
2035-36	1,897,910,071	2.00%	854,059.53	615,862.50	32.44
2036-37	1,935,868,272	2.00%	871,140.72	628,100.00	32.45
2037-38	1,974,585,638	2.00%	888,563.54	644,250.00	32.64
2038-39	2,014,077,351	2.00%	906,334.81	656,500.00	32.59
2039-40	2,054,358,898	2.00%	924,461.50	666,750.00	32.45
Total Net Debt Service				<u>\$ 12,456,265.02</u>	
Average Projected Tax Rate					\$ 31.87
Maximum Projected Tax Rate					\$ 41.90

2024 COPs / Budget Challenges

- The District issued the 2024 COPs in August of 2024 in the amount of \$9.135 million to provide for additional facilities projects *and* 'bridge' to matching State Aid funds (SFP)
- Unlike GO Bonds, COPs are secured by the General Fund of the issuer, not the taxbase, and secured by the lease of an issuer's property
- Market dynamics at the time of COPs issuance allowing for premium generation, provided \$10 million in project funding
- To keep interest costs low, the total COPs term was 20 years, with annual payments totaling roughly \$730,000, through final repayment scheduled for 2044
- The COPs were structured with redemption provisions that commence August 1, 2034
- It was originally anticipated that the redemption provisions would be utilized to pay down some the obligation when State Aid funding was received
- However, given that unforeseen budgetary pressures have come to light since the issuance, it is now more likely that the COP will remain outstanding
- Eastshore will continue to confer with staff to ensure all options for early retirement, or reduction, of the COP which can realistically be achieved are fully understood



OUTSTANDING CERTIFICATES OF PARTICIPATION DEBT SERVICE

Aug. 1,	2024 Certificates of Participation			
	Principal	Coupon	Interest	Debt Service
2025	\$ 300,000.00	5.000%	\$ 430,106.25	\$ 730,106.25
2026	290,000.00	5.000%	441,750.00	731,750.00
2027	305,000.00	5.000%	427,250.00	732,250.00
2028	320,000.00	5.000%	412,000.00	732,000.00
2029	335,000.00	5.000%	396,000.00	731,000.00
2030	350,000.00	5.000%	379,250.00	729,250.00
2031	370,000.00	5.000%	361,750.00	731,750.00
2032	390,000.00	5.000%	343,250.00	733,250.00
2033	405,000.00	5.000%	323,750.00	728,750.00
2034	425,000.00	5.000%	303,500.00	728,500.00
2035	450,000.00	5.000%	282,250.00	732,250.00
2036	470,000.00	5.000%	259,750.00	729,750.00
2037	495,000.00	5.000%	236,250.00	731,250.00
2038	520,000.00	5.000%	211,500.00	731,500.00
2039	545,000.00	5.000%	185,500.00	730,500.00
2040	575,000.00	5.000%	158,250.00	733,250.00
2041	600,000.00	5.000%	129,500.00	729,500.00
2042	630,000.00	5.000%	99,500.00	729,500.00
2043	665,000.00	5.000%	68,000.00	733,000.00
2044	695,000.00	5.000%	34,750.00	729,750.00
TOTAL	\$ 9,135,000.00		\$ 5,483,856.25	\$ 14,618,856.25
	Remaining Principal Outstanding			\$ 8,835,000.00

What's Next?

- If the District would like to further consider refinancing its outstanding bonds, the process could begin relatively quickly and potentially even 'close' before the end of the fiscal year
- An authorizing resolution and required 'as-to-form' legal documents could be brought to the Board Meeting in the next few months to formally initiate the refunding (pending minimum savings levels being achieved)
- Otherwise, with annual tax computations for 2025-26 repayment of GO Bonds at the County complete, Eastshore will continue to attempt to confirm future years are 'correct'
- Annual compliance requirements (SEC Rule 15c2-12) will continue to be due nine (9) months after each fiscal year until final maturity of the GO Bonds and COPs
- Additionally, the District, again in consultation with Eastshore, should reply to occasional rating agency reviews and maintain its responsible fiscal policies to ensure maintenance of its strong "A+" rating
- Should the District ever find a need to seek another investment from the community, it can clearly demonstrate good stewardship of taxpayer investments and a record of beating the promises it has made to the community to keep the GO Bond tax rates and costs responsible



Required Disclosure

Required Disclosures

Pursuant to Municipal Securities Rulemaking Board (“MSRB”) rules, Municipal Advisors are required to make certain written disclosures to clients which include, amongst other things, Conflicts of Interest and any Legal or Disciplinary events of Eastshore Consulting LLC (“Eastshore Consulting LLC” or “Advisor”) and its associated persons.

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Required Disclosures (Continued)

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