Little Elm Independent School District

Final Pricing and Bond Sale Results – Fixed and Variable Rate Unlimited Tax School Building Bonds, Series 2020 and Unlimited Tax Refunding Bonds, Taxable Series 2021

Pricing Dates: December 2020

Derek Honea
Managing Director

RBC Capital Markets, LLC
200 Crescent Court
Suite 1500
Dallas, TX 75201

Tel: (214) 989-1671
Fax: (214) 989-1650

derek.honea@rbccm.com

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Capital
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Final Bond Sale Results

Summary of Parameters

- When the Board authorized the sale of the Bonds on October 19, 2020, it did so stipulating that certain parameters were required to be achieved in order for the sale to be completed.
- The following table highlights the parameters set by the Board and the actual results of the sale:

Parameters vs. Final Results - Series 2020

	Parameters	Final Results
Maximum Stepped Interest Rate:	10.000%	7.000%
Maximum Amount to be Issued:	$25,000,000	$25,000,000
Final Maturity:	August 15, 2049	August 15, 2048

Parameters vs. Final Results - Series 2021

	Parameters	Final Results
Maximum Interest Rate:	5.000%	1.696%
Maximum Amount:	$30,000,000	$20,805,000
Minimum Present Value Savings:	8.000%	15.950%
Final Maturity (Same as Refunded Bonds):	August 15, 2038	August 15, 2038

Final Sale Results

Series 2020 - Transaction Summary

Financing Team

Financial Advisor:	RBC Capital Markets
Bond Counsel:	Bracewell LLP
Underwriter's Counsel:	Norton Rose Fulbright US LLP
Sole Underwriter:	Citigroup
Paying Agent:	UMB Bank N.A.

Summary Statistics

Dated Date:	December 1, 2020
Pricing Date:	December 2, 2020
Delivery Date:	December 22, 2020
First Interest Payment Date:	February 15, 2021
Arbitrage Yield:	0.572%
Final Maturity:	August 15, 2048
First Optional Redemption Date:	February 15, 2022
Expiration of Initial Rate Period:	August 14, 2025
Average Life:	21.504

Ratings: S&P "AAA" / "AA-"
(See "RATINGS" and "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM)

OFFERING MEMORANDUM
Dated: December 2, 2020

NEW ISSUE: BOOK-ENTRY-ONLY
In the opinion of Bond Counsel, under existing law, interest on the Bonds is excludable from gross income for federal income tax purposes under section 103 of the Internal Revenue Code of 1986, as amended, and is not a specific preference item for purposes of the alternative minimum tax. See "TAX MATTERS" for a discussion of the opinion of Bond Counsel. Additionally, see "THE BONDS - Provisions Applicable to Term Rate Bonds" identifying circumstances when an opinion of nationally recognized Bond Counsel is required as a condition for an interest rate mode conversion.

$24,930,000
LITTLE ELM INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)
FIXED AND VARIABLE RATE UNLIMITED TAX SCHOOL BUILDING BONDS, SERIES 2020

Dated Date: December 1, 2020 **Due: August 15, as shown on page ii**
Interest Accrual Date: Delivery Date
The Little Elm Independent School District (the "District") is issuing its $24,930,000 Fixed and Variable Rate Unlimited Tax School Building Bonds, Series 2020 (the "Bonds") in accordance with the Constitution and general laws of the State of Texas, including particularly Chapter 45, Texas Education Code, as amended, and Chapter 1371 ("Chapter 1371"), Texas Government Code, as amended, and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Trustees (the "Board") of the District on October 19, 2020. Additionally, the Bonds are authorized pursuant to an election held within the District on November 7, 2017. In the Bond Order, the Board delegated to officers of the District, pursuant to certain provisions of Chapter 1371, authority to complete the sale of the Bonds. The terms of the sale are included in the "Pricing Certificate," which completed the sale of the Bonds (the Bond Order and the Pricing Certificate are collectively referred to as the "Order").

The Bonds constitute direct obligations of the District and are payable as to principal and interest from an annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property located within the District (see "THE BONDS – Security"). Additionally, the District has received conditional approval for the Bonds to be guaranteed by the Permanent School Fund of the State of Texas (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

The Bonds are multimodal interest rate bonds, with a portion thereof initially issued as serial bonds bearing interest at fixed rates from their date of initial delivery to the initial purchaser named below (the "Underwriter"), anticipated to occur on or about December 22, 2020 (the "Delivery Date"), through stated maturity (such Bonds, the "Fixed Rate Bonds"), and the remainder initially issued as a single term bond bearing interest at the Initial Rate (defined herein) from the Delivery Date through the August 14, 2025 conclusion of an initial interest rate period (the "Initial Rate Period") applicable thereto (such Bonds, the "Term Rate Bonds"). Interest on the Bonds is payable on February 15 and August 15 of each year, commencing February 15, 2021 and continuing through (i) stated maturity, with respect to the Fixed Rate Bonds, and (ii) the Conversion Date or the date of prior redemption with respect to the Term Rate Bonds. Interest on the Bonds, except as provided below, will be calculated on the basis of a 360-day year of twelve 30-day months. The tables on page ii hereof identify the principal financial terms of the Bonds at their initial issuance.

The District intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"), but reserves the right on its behalf or on behalf of DTC to discontinue such system. The principal and interest on the Bonds will be payable to Cede & Co., as nominee for DTC, by UMB Bank N.A., Dallas, Texas, as the initial Paying Agent/Registrar (the "Paying Agent/Registrar") for the Bonds. No physical delivery of the Bonds will be made to the beneficial owners thereof. Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer (see "BOOK-ENTRY-ONLY SYSTEM").

During the Initial Rate Period, the Term Rate Bonds (i) are not subject to optional tender by the owners thereof, but (ii) are subject to mandatory tender and optional redemption, at the option of the District, on February 15, 2022 or any date thereafter. In addition, the Term Rate Bonds are, by their terms, subject to mandatory tender on August 15, 2025, which is the day following the scheduled August 14, 2025 conclusion of the Initial Rate Period. At the conclusion of the Initial Rate Period (whether by expiration of its term or earlier conclusion at the District's option), and if the Term Rate Bonds are not redeemed by the District, the District is required under the Order to cause the Term Rate Bonds to convert to a new interest rate mode or modes (during which such Term Rate Bonds may bear interest at a new Term Rate or at Fixed Rates) and remarket and sell such Term Rate Bonds, upon mandatory tender, to new holders (using the proceeds of such remarketing to pay the existing holders the Purchase Price of such tendered Term Rate Bonds). Notwithstanding this obligation, the Term Rate Bonds are not, during the Initial Rate Period, subject to the benefit of a liquidity facility provided by a third party. Accordingly, a failure by the Remarketing Agent (defined herein) to remarket the Term Rate Bonds will result in the rescission of the notice of mandatory tender with respect thereto and the District not having any obligation to purchase such Term Rate Bonds on their scheduled date of interest rate mode conversion. The occurrence of the foregoing will not result in an event of default under the Order of the Term Rate Bonds. Until such time as the District redeems or remarkets Term Rate Bonds that have been unsuccessfully remarketed as described above, such Term Rate Bonds shall bear interest at the "Stepped Rate", which is defined herein to mean 7.00% per annum, calculated on the basis of twelve 30-day months and the number of days actually elapsed. (See "THE BONDS – Provisions Applicable to Term Rate Bonds - Tender Provisions" herein.) The Fixed Rate Bonds are not subject to tender or redemption prior to their stated maturity.

This Offering Memorandum describes the Fixed Rate Bonds in their Fixed Rate Period and the Term Rate Bonds only in the Initial Rate Period (and, after conclusion of such Initial Rate Period and if at all, the period during which the Term Rate Bonds bear interest at the Stepped Rate) and not the Term Rate Bonds remarketed and sold into another interest rate period during which the Term Rate Bonds bear interest in another interest rate mode.

Proceeds from the sale of the Bonds will be used for (i) constructing, improving, renovating, and equipping school buildings in the District and acquiring real property therefor, and the purchase of new school buses and (ii) paying costs of issuance related to the Bonds (see "THE BONDS – Authorization and Purpose").

CUSIP PREFIX: 537096
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page ii

The Bonds are offered when, as and if issued, and accepted by the Underwriter, subject to the approving opinion of the Attorney General of the State of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas. Certain legal matters will be passed upon for the Underwriter by its counsel, Norton Rose Fulbright US LLP, Dallas, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about December 22, 2020.

Citigroup

Final Sale Results

Series 2020 - Sources and Uses of Funds and Maturity Schedule

Estimated Sources and Uses of Funds

Sources:	
Principal Amount of Bonds	$24,930,000.00
Original Issue Premium	318,715.60
Total Sources	**$25,248,715.60**
Uses:	
Deposit to Project Fund	$25,000,000.00
Underwriter's Discount and Costs of Issuance	248,715.60
Total Uses	**$25,248,715.60**

Maturity Schedule

$4,040,000 Fixed Rate Serial Bonds

Maturity Date (8/15)	Principal Amount	Interest Rate	Initial Reoffering Yield	CUSIP
2022	$4,040,000	5.00%	0.20%	5370963R8

$20,890,000 Variable Rate Term Bonds

Maturity Date (8/15)	Principal Amount	Scheduled Expiration of Initial Rate Period	First Optional Redemption Date	Mandatory Tender Date	Initial Rate Period Interest Rate	Initial Rate Period Yield	Stepped Rate	CUSIP
2048	$20,890,000	August 14, 2025	February 15, 2022	August 15, 2025	0.68%	0.68%	7.00%	5370963S6

(Interest Accrues from the Delivery Date)

Final Sale Results

Series 2020 – Final Results

Series 2020 Preliminary vs. Final Debt Service

FYE (8/31)	Preliminary Projected Debt Service	Series 2020 Debt Service	Difference in Debt Service
2021	$237,469	$222,678	$14,791
2022	316,625	4,384,052	(4,067,427)
2023	316,625	142,052	174,573
2024	316,625	142,052	174,573
2025	316,625	142,052	174,573
2026	1,013,200	835,600	177,600
2027	1,013,200	835,600	177,600
2028	1,013,200	835,600	177,600
2029	1,013,200	835,600	177,600
2030	1,013,200	835,600	177,600
2031	1,013,200	835,600	177,600
2032	1,013,200	835,600	177,600
2033	1,013,200	835,600	177,600
2034	1,013,200	835,600	177,600
2035	1,013,200	835,600	177,600
2036	1,013,200	835,600	177,600
2037	1,013,200	835,600	177,600
2038	1,013,200	835,600	177,600
2039	1,013,200	835,600	177,600
2040	1,013,200	835,600	177,600
2041	1,013,200	835,600	177,600
2042	1,013,200	835,600	177,600
2043	4,833,200	3,755,600	1,077,600
2044	4,830,400	3,843,800	986,600
2045	4,831,600	3,938,800	892,800
2046	4,831,400	4,035,000	796,400
2047	4,834,600	4,147,000	687,600
2048	4,830,800	4,258,800	572,000
Total	**$47,720,369**	**$43,217,086**	**$4,503,283**

**Debt service shown above assumes a 4.00% coupon effective 8/15/2025 until stated maturity. Preliminary, subject to change. Maximum interest rate is 7.00%, if not remarketed.*

The final projected debt service for Series 2020 is $4,503,283 lower than what was presented in the preliminary financing plan.

Final Sale Results

Series 2021 - Transaction Summary

Financing Team

Financial Advisor:	RBC Capital Markets
Bond Counsel:	Bracewell LLP
Underwriters' Counsel:	Norton Rose Fulbright US LLP
Senior Underwriter:	Wells Fargo Securities
Co-Managing Underwriter:	Baird
Paying/Escrow Agent:	UMB Bank N.A.

Summary Statistics

Dated Date:	December 15, 2020
Pricing Date:	December 17, 2020
Delivery Date:	January 21, 2021
First Interest Payment Date:	February 15, 2021
Arbitrage Yield:	1.639%
All-In TIC:	1.740%
Final Maturity:	August 15, 2038
Optional Call Date:	August 15, 2030
Par Amount of Refunded Bonds:	$20,845,000
Gross Debt Service Savings:	$3,867,916
Present Value of Debt Service Savings:	$3,324,842
Present Value of Savings as a % of Refunded Bonds:	15.950%

Ratings: S&P "AAA" / "AA-"
(See "RATINGS" and "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM)

OFFICIAL STATEMENT
Dated: December 17, 2020

NEW ISSUE: BOOK-ENTRY-ONLY

Interest on the Bonds is not excluded from gross income for federal tax purposes under existing law. See "TAX MATTERS" herein.

$20,805,000
LITTLE ELM INDEPENDENT SCHOOL DISTRICT
(Denton County, Texas)
UNLIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021

Dated Date: December 15, 2020 **Due: August 15, as shown on page ii**

Interest Accrual Date: Date of Delivery

The Little Elm Independent School District (the "District") is issuing its $20,805,000 Unlimited Tax Refunding Bonds, Taxable Series 2021 (the "Bonds") in accordance with the Constitution and general laws of the State of Texas, including particularly Chapters 1207 and 1371, Texas Government Code, as amended ("Chapter 1207" and "Chapter 1371", respectively), and an order authorizing the issuance of the Bonds (the "Bond Order") adopted by the Board of Trustees (the "Board") of the District on October 19, 2020. In the Bond Order, the Board delegated to officers of the District, pursuant to certain provisions of Chapters 1207, authority to complete the sale of the Bonds. The terms of the sale are included in a "Pricing Certificate," which completed the sale of the Bonds (the Bond Order and the Pricing Certificate are collectively referred to as the "Order").

The Bonds constitute direct obligations of the District and are payable as to principal and interest from an annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property located within the District (see "THE BONDS – Security"). Additionally, the District has received conditional approval for the Bonds to be guaranteed by the Permanent School Fund of the State of Texas (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

Interest on the Bonds will accrue from the date they are initially delivered (the "Date of Delivery") to the underwriters named below (the "Underwriters") and will be payable on February 15 and August 15 of each year, commencing February 15, 2021, until stated maturity or prior redemption. The Bonds will be issued in principal denominations of $5,000 or any integral multiple thereof within a maturity. Interest accruing on the Bonds will be calculated on the basis of a 360-day year of twelve 30-day months (see "THE BONDS – General Description").

The District intends to utilize the Book-Entry-Only System of The Depository Trust Company, New York, New York ("DTC"), but reserves the right on its behalf or on behalf of DTC to discontinue such system. The principal and interest on the Bonds will be payable to Cede & Co., as nominee for DTC, by UMB Bank N.A., Dallas, Texas, as the initial Paying Agent/Registrar (the "Paying Agent/Registrar") for the Bonds. No physical delivery of the Bonds will be made to the beneficial owners thereof. Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer (see "BOOK-ENTRY-ONLY SYSTEM").

Proceeds from the sale of the Bonds will be used to provide funds sufficient to refund a portion of the District's outstanding bonds (the "Refunded Bonds") and pay costs of issuance related to the Bonds (see "THE BONDS - Authorization and Purpose" and "SCHEDULE I – SCHEDULE OF BONDS TO BE REFUNDED" herein). The refunding is being undertaken to lower the District's debt service and will result in a present value savings to the District.

CUSIP PREFIX: 537096
MATURITY SCHEDULE & 9 DIGIT CUSIP
See Schedule on Page ii

The Bonds are offered when, as and if issued, and accepted by the Underwriters, subject to the approving opinion of the Attorney General of the State of Texas and the opinion of Bracewell LLP, Bond Counsel, Dallas, Texas. Certain legal matters will be passed upon for the Underwriters by their counsel, Norton Rose Fulbright US LLP, Dallas, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about January 21, 2021.

Wells Fargo Securities **Baird**

Final Sale Results

Series 2021 - Maturity Schedule

$20,805,000 Serial Bonds

Maturity Date (8/15)	Principal Amount	Interest Rate	Initial Reoffering Yield	CUSIP
2021	$425,000	4.000%	0.175%	5370963T4
***	***	***	***	***
2024	220,000	4.000%	0.478%	5370963U1
2025	825,000	4.000%	0.578%	5370963V9
2026	1,460,000	5.000%	0.803%	5370963W7
2027	1,475,000	4.000%	0.903%	5370963X5
2028	1,495,000	4.000%	1.185%	5370963Y3
2029	1,675,000	4.000%	1.335%	5370963Z0
2030	2,610,000	4.000%	1.435%	5370963A4
2031	395,000	1.505%	1.505%	5370964B2
2032	1,140,000	1.555%	1.555%	5370964C0
2033	1,155,000	1.655%	1.655%	5370964D8
2034	1,170,000	1.750%	1.750%	5370964E6
2035	1,195,000	1.835%	1.835%	5370964F3
2036	1,925,000	1.955%	1.955%	5370964G1
2037	950,000	2.035%	2.035%	5370964H9
2038	2,690,000	2.085%	2.085%	5370964J5

(Interest Accrues from the Delivery Date)

Final Sale Results

Series 2021 - Sources and Uses of Funds and Final Refunding Results

Estimated Sources and Uses of Funds

Sources:	
Principal Amount of Bonds	$20,805,000.00
Original Issue Premium	2,047,444.95
Total Sources	**$22,852,444.95**

Uses:	
Deposit to Escrow Fund	$22,630,935.95
Underwriters' Discount and Costs of Issuance	221,509.00
Total Uses	**$22,852,444.95**

Summary of Projected Debt Service Savings:

Description	Preliminary Refunding Results	Final Refunding Results
Par Amount of Refunded Bonds:	$20,845,000	$20,845,000
Average Coupon of Refunded Bonds:	3.999%	4.002%
"All-In" TIC of Refunding Bonds:	1.767%	1.740%
Total Debt Service Savings:	$3,712,922	$3,867,916
Average Annual Savings (2022-2048):	$218,400	$227,323
Net Present Value of Debt Service Savings:	**$3,187,068**	**$3,324,842**
Net Present Value of Savings as a % of Refunded Par:	**15.29%**	**15.95%**
Negative Arbitrage:	$621,926	$558,121
Negative Arbitrage as a % of Net PV of Savings:	19.51%	16.79%

Summary of Refunded Bonds:

Series	Maturities To Be Refunded	Principal To Be Refunded	Average Coupon	Redemption Date
Series 2012	2024 - 2031	$10,015,000	3.038%	8/15/2021
Series 2013*	2029 - 2034, 2038	5,870,000	4.618%	8/15/2023
Series 2014	2034 - 2037	4,960,000	4.250%	2/15/2024
Total		**$20,845,000**		

Includes term bonds and with mandatory sinking fund installments.

Summary of Cash Flow:

Date (8/31)	Refunded Debt Service	Taxable Refunding Debt Service	Debt Service Savings*
2021	$779,931	$776,504	$3,427
2022	779,931	603,302	176,630
2023	779,931	603,302	176,630
2024	1,054,931	823,302	231,630
2025	1,653,056	1,419,502	233,555
2026	2,256,656	2,021,502	235,155
2027	2,196,356	1,963,502	232,855
2028	2,156,506	1,924,502	232,005
2029	2,281,506	2,044,702	236,805
2030	3,145,156	2,912,702	232,455
2031	829,038	593,302	235,736
2032	1,566,750	1,332,357	234,393
2033	1,565,000	1,329,630	235,370
2034	1,559,200	1,325,515	233,686
2035	1,565,175	1,329,981	235,194
2036	2,272,475	2,038,053	234,422
2037	1,257,475	1,025,419	232,056
2038	2,982,000	2,746,087	235,914
Total	**$30,681,075**	**$26,813,159**	**$3,867,916**

**Net present value of savings is $3,324,842.*

Final Bond Plan Results

Updated Tax Rate Impact Analysis

Updated Bond Plan - Issue $25 Million of Remaining Authorization (in Variable Rate Mode) with Refunding. 2020/21 Certified TAV to Grow 3% Annually for 5 Years. No EDA or IFA Assistance.

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q	R	S
					Existing Authorization									Tax Rate Impact Analysis			Tier I Funds Analysis	
Fiscal Year Ending	Outstanding Debt Service Net of Redemption	Less: Bonds To Be Refunded	Plus: Series 2020 Refunding Bonds @ 1.74%	Projected Gross Outstanding Debt Service	Nov-20 $25,000,000	May-22 $15,000,000	Projected Gross Debt Service	Less: Frozen Levy Revenues	Less: I&S Fund Balance Contribution	Net Combined Debt Service	Gross Taxable Assessed Valuation	Net Taxable Assessed Valuation	TAV Growth	Current Tax Rate	Tax Rate Combined Debt Service	Tax Rate Change	Max Tier I Funds Needed for 50-Cent Test(A)	Tier I Funds Needed For Debt Service(B)
2021	$25,854,578	$779,931	$776,504	$25,851,151	$222,678		$26,073,829	$3,580,000	$85,000	$22,408,829	$5,740,062,074	$4,767,384,662	7.4%	$0.4700	$0.4700		$0	$0
2022	20,284,599	779,931	603,302	20,107,969	4,384,052		24,492,021	3,580,000	0	20,912,021	5,912,263,936	4,910,406,202	3.0%		0.4259	($0.0441)	0	0
2023	20,286,849	779,931	603,302	20,110,219	142,052	$1,022,125	21,274,396	3,580,000	0	17,694,396	6,089,631,854	5,057,718,388	3.0%		0.3498		0	0
2024	20,653,174	1,054,931	823,302	20,421,544	142,052	1,017,700	21,581,296	3,580,000	0	18,001,296	6,272,320,810	5,209,449,940	3.0%		0.3456		0	0
2025	20,659,724	1,653,056	1,419,502	20,426,169	142,052	1,019,950	21,588,171	3,580,000	0	18,008,171	6,460,490,434	5,365,733,438	3.0%		0.3356		0	0
2026	20,656,874	2,256,656	2,021,502	20,421,719	835,600	1,020,950	22,278,269	3,580,000	0	18,698,269	6,654,305,147	5,526,705,441	3.0%		0.3383		0	0
2027	20,652,524	2,196,356	1,963,502	20,419,669	835,600	1,020,700	22,275,969	3,580,000	0	18,695,969	6,654,305,147	5,526,705,441	0.0%		0.3383		0	0
2028	20,651,782	2,156,506	1,924,502	20,419,777	835,600	1,019,200	22,274,577	3,580,000	0	18,694,577	6,654,305,147	5,526,705,441	0.0%		0.3383		0	0
2029	20,658,476	2,281,506	2,044,702	20,421,672	835,600	1,021,450	22,278,722	3,580,000	0	18,698,722	6,654,305,147	5,526,705,441	0.0%		0.3383		0	0
2030	20,662,692	3,145,156	2,912,702	20,430,237	835,600	1,022,200	22,288,037	3,580,000	0	18,708,037	6,654,305,147	5,526,705,441	0.0%		0.3385		0	0
2031	18,334,539	829,038	593,302	18,098,803	835,600	1,017,600	19,952,003	3,580,000	0	16,372,003	6,654,305,147	5,526,705,441	0.0%		0.2962		0	0
2032	20,726,503	1,566,750	1,332,357	20,492,110	835,600	1,017,200	22,344,910	3,580,000	0	18,764,910	6,654,305,147	5,526,705,441	0.0%		0.3395		0	0
2033	20,721,024	1,565,000	1,329,630	20,485,653	835,600	1,020,800	22,342,053	3,580,000	0	18,762,053	6,654,305,147	5,526,705,441	0.0%		0.3395		0	0
2034	20,730,276	1,559,200	1,325,515	20,496,591	835,600	1,018,200	22,350,391	3,580,000	0	18,770,391	6,654,305,147	5,526,705,441	0.0%		0.3396		0	0
2035	19,058,970	1,565,175	1,329,981	18,823,776	835,600	1,019,600	20,678,976	3,580,000	0	17,098,976	6,654,305,147	5,526,705,441	0.0%		0.3094		0	0
2036	19,065,284	2,272,475	2,038,053	18,830,862	835,600	1,019,800	20,686,262	3,580,000	0	17,106,262	6,654,305,147	5,526,705,441	0.0%		0.3095		0	0
2037	19,070,035	1,257,475	1,025,419	18,837,979	835,600	1,018,800	20,692,379	3,580,000	0	17,112,379	6,654,305,147	5,526,705,441	0.0%		0.3096		0	0
2038	19,077,653	2,982,000	2,746,087	18,841,739	835,600	1,021,600	20,698,939	3,580,000	0	17,118,939	6,654,305,147	5,526,705,441	0.0%		0.3097		0	0
2039	19,117,151			19,117,151	835,600	1,018,000	20,970,751	3,580,000	0	17,390,751	6,654,305,147	5,526,705,441	0.0%		0.3147		0	0
2040	19,119,786			19,119,786	835,600	1,018,200	20,973,586	3,580,000	0	17,393,586	6,654,305,147	5,526,705,441	0.0%		0.3147		0	0
2041	19,116,346			19,116,346	835,600	1,022,000	20,973,946	3,580,000	0	17,393,946	6,654,305,147	5,526,705,441	0.0%		0.3147		0	0
2042	19,116,692			19,116,692	835,600	1,019,200	20,971,492	3,580,000	0	17,391,492	6,654,305,147	5,526,705,441	0.0%		0.3147		0	0
2043	19,643,700			19,643,700	3,755,600		23,399,300	3,580,000	0	19,819,300	6,654,305,147	5,526,705,441	0.0%		0.3586		0	0
2044	19,650,050			19,650,050	3,843,800		23,493,850	3,580,000	0	19,913,850	6,654,305,147	5,526,705,441	0.0%		0.3603		0	0
2045	19,644,600			19,644,600	3,938,800		23,583,400	3,580,000	0	20,003,400	6,654,305,147	5,526,705,441	0.0%		0.3619		0	0
2046	19,646,050			19,646,050	4,035,000		23,681,050	3,580,000	0	20,101,050	6,654,305,147	5,526,705,441	0.0%		0.3637		0	0
2047	19,647,200			19,647,200	4,147,000		23,794,200	3,580,000	0	20,214,200	6,654,305,147	5,526,705,441	0.0%		0.3658		0	0
2048	19,645,600			19,645,600	4,258,800		23,904,400	3,580,000	0	20,324,400	6,654,305,147	5,526,705,441	0.0%		0.3677		0	0
Total	$562,152,730	$30,681,075	$26,813,159	$558,284,814	$43,217,086	$20,395,275	$621,897,175	$100,240,000	$85,000	$521,572,175								

(A) Based upon the District's taxable assessed valuation at the time of each bond sale.
(B) Based upon the District's annual projected taxable assessed valuation in each respective fiscal year.
NOTE: Principal amortization for Series 2020 shown in boxed area. Debt service for Series 2020 assumes a 4.00% rate as of 8/15/25 and thereafter.

Note: The above analysis incorporates an early cash redemption of $2,315,000 scheduled to be redeemed by the District on 8/15/2021.

Credit Rating Report

Section 2

Capital Markets

Credit Rating Report

- **On November 18, 2020, S&P Global Ratings ("S&P") affirmed the District's underlying credit rating of "AA-".**

- S&P's rating reflects the following strengths and challenges regarding the District:
  - Access to the diverse Dallas-Fort Worth MSA;
  - Extremely strong wealth and strong income; and
  - Very strong finances, evidenced by very strong available fund balance.
  - Offsetting the above strengths, in S&P's view, is the District's high overall net debt with an extended amortization schedule.

- The District was also afforded the use of the Permanent School Fund Guarantee and its "AAA" credit rating.

Credit Rating Levels

	S&P Global Ratings	
Highest Quality (Lowest Default Risk)	**AAA**	**PSF**
High Grade / High Quality	AA+	
	AA	
	AA-	
Upper Medium Grade	A+	
	A	
	A-	
Minimum Investment Grade	BBB+	
	BBB	
	BBB-	
Speculative Grade	BB (+,-)	
	B (+,-)	
Highly Speculative Grade	CCC (+,-)	
	CC	
	C	
Imminent Default or In Default	SD	
	D	

S&P Global
Ratings

RatingsDirect®

Summary:

Little Elm Independent School District, Texas; General Obligation; School State Program

Primary Credit Analyst:
Stephen Doyle, Farmers Branch + 1 (214) 765 5886; stephen.doyle@spglobal.com

Secondary Contact:
Kate Boatright, Farmers Branch + 1 (214) 871 1420; kate.boatright@spglobal.com

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Summary:

Little Elm Independent School District, Texas; General Obligation; School State Program

Credit Profile		
US$25.0 mil fixed & var rate unltd tax sch bldg bnds ser 2020 dtd 12/01/2020 due 08/15/2048		
Long Term Rating	AAA/Stable	New
Underlying Rating for Credit Program	AA-/Stable	New
US$20.82 mil unltd tax rfdg bnds (taxable) ser 2020 dtd 12/01/2020 due 08/15/2038		
Long Term Rating	AAA/Stable	New
Underlying Rating for Credit Program	AA-/Stable	New
Little Elm Indpt Sch Dist PSF		
Long Term Rating	AAA/Stable	Current
Underlying Rating for Credit Program	AA-/Stable	Affirmed

Rating Action

S&P Global Ratings assigned its 'AAA' program rating and 'AA-' underlying rating for credit program and stable outlook to Little Elm Independent School District, Texas' roughly $20.82 million series 2020 unlimited-tax general obligation (GO) refunding bonds and roughly $25 million series 2020 fixed- and variable-rate unlimited-tax GO school building bonds and affirmed its 'AA-' underlying rating, long-term rating, and underlying rating (SPUR), with a stable outlook, on the district's existing GO debt.

The program rating reflects our view of the district's eligibility for, and participation in, the Texas Permanent School Fund bond guarantee program, which provides the security of a permanent fund of assets the district can use to meet debt service on program-guaranteed bonds.

The stable outlook on the program rating reflects our assessment of the Texas Permanent School Fund's strength and liquidity. (For more information, see our analysis, titled "Texas Permanent School Fund," published June 25, 2020, on RatingsDirect.)

Revenue from an unlimited ad valorem tax levied on all taxable property within the district secures both 2020 bond series.

Officials intend to use series 2020 refunding bond proceeds to refund debt for a net present-value savings and 2020 school building bond proceeds to fund capital projects, acquire real property, and purchase new school buses.

Credit overview

With its access to the Dallas-Fort Worth metropolitan statistical area (MSA), the district has realized rapid growth during the past 10 years, exhibited by its property tax base increasing by 144% and enrollment increasing by 28.2%. Tax base growth has helped maintain very strong finances. Available general fund balance was 41.4% of expenditures in fiscal 2019. Officials reported positive operating results during each of the past six audited fiscal years. With expectations for continued assessed value (AV) growth and strong management practices, we expect the district will likely maintain very strong finances during the next two fiscal years. However, we note tax base growth during the next couple of years could slow due to COVID-19 and the district approaching buildout.

We continue to view moderately high debt at 8.7% of market value, or high at $10,595 per capita, as the district's primary credit weakness. With plans to issue an additional $15 million of debt during the next two years, coupled with a slow 20% amortization rate, we expect overall net debt will likely remain high during the next two years. The district currently has $13.9 million in the capital-projects fund it can use to cover capital projects, including surplus general fund revenue transferred into the capital-projects fund. The district transferred roughly $8.5 million in fiscal 2020.

Based on current enrollment projections and facility capacity, we do not expect enrollment growth during the next two years to five years to pressure the budget due to a growing tax base and a primarily average-daily attendance-supported state aid formula.

Although the extent of economic and financial pressure posed by COVID-19 remains unknown, we think very strong reserves provide short-term flexibility should recent recessionary pressure related to COVID-19 increase. (For more information on COVID-19's effect on the U.S. public finance sector, see the articles, titled "Potholes On The Road To Recovery," published Sept. 29, 2020, and "The U.S. Economy Reboots, With Obstacles Ahead," published Sept. 24, 2020, on RatingsDirect.)

The underlying rating reflects our opinion of the district's:

- Access to the diverse Dallas-Fort Worth MSA;
- Extremely strong wealth and strong income; and
- Very strong finances, evidenced by very strong available fund balance.

We believe what we consider high overall net debt, with an extended amortization, somewhat offsets these credit strengths.

Environmental, social, and governance (ESG) factors

The rating and analysis incorporate our view of health-and-safety risks posed by COVID-19, which we think could pressure short-term budgets. Overall, we consider the district's social risks in-line with the sector standard. We have also analyzed environmental risks relative to credit factors and have determined they are in-line with our view of the sector standard. Regarding governance factors, the district has cybersecurity insurance to mitigate cybersecurity risk.

Stable Outlook

Upside scenario

Assuming all other rating factors remain stable or improve, we could raise the rating if debt were to improve to levels we consider more in-line with higher-rated peers.

Downside scenario

We could lower the rating if reserves were to decrease below, what we consider, very strong levels due to sustained operating deficits or debt were to increase significantly beyond current levels, leading to budgetary pressure.

Credit Opinion

Economy

The district serves a population estimate of 47,062. In our opinion, median household and per capita effective buying incomes are very strong at 149% but strong at 118%, respectively, of national levels. Market value totaled $5.3 billion in fiscal 2020, which we consider extremely strong at $112,310 per capita. Net taxable AV grew by 34.5% since fiscal 2018 to $5.3 billion in fiscal 2020. The 10 leading taxpayers make up an estimated 3.4% of net taxable AV, which is very diverse.

The district has experienced very strong tax base growth, averaging more than 15% annually for each of the past five fiscal years. The rate of annual growth has slowed, however; it will likely continue to slow during the next few fiscal years as the district becomes more built out. In addition, COVID-19 could also slow residential development during 2020 or 2021. We expect market value per capita will likely remain extremely strong despite a potential tax base growth slowdown. With a mostly residential tax base, the district does not expect material changes to its leading taxpayers due to COVID-19.

Finances

A wealth-equalization formula, based on property values and average daily attendance (property wealth per student), determines state funding for all school districts. Therefore, increases or decreases in average daily attendance (enrollment) can lead to increases or decreases, respectively, in the amount of state revenue a district receives. In school year 2020-2021, student enrollment is 8,090, increasing each year from 2016-2021. We understand COVID-19 did not have a material effect on enrollment. Currently, about 60% of students are attending in-person instruction while the remaining students attend classes virtually.

Available fund balance of $29.2 million was very strong, in our view, at 41% of general fund expenditures at fiscal year-end Aug. 31, 2019. The district reported surplus operating results at 0.5% of expenditures in fiscal 2019. Property taxes generate 67.8% of general fund revenue and state aid accounts for 24.9%.

The district has maintained, what we consider, very strong finances with general fund surpluses during each of the past six fiscal years, including a $352,000 surplus in fiscal 2019. Management attributes positive financial performance to a growing tax base and conservative expenditure budgeting, particularly payroll. The district transfers the bulk of operating surpluses annually into its capital-projects fund, keeping year-to-year general fund balance relatively stable. This practice continued for fiscal 2020 with officials transferring more than $8.5 million into the capital-projects fund from the general fund.

Officials adopted a balanced budget for fiscal 2020, including a transfer into the capital-projects fund; they, however, expect to increase available fund balance by roughly $500,000 after the $8.5 million transfer into the capital-projects fund. During fiscal 2020, the district reports it experienced roughly $2 million in savings from utility and transportation costs and other expenses due to COVID-19. According to officials, the district incurred less than $500,000 in costs related to COVID-19.

For fiscal 2021, the district adopted a balanced budget. Officials expect the general fund to breakeven or post a small deficit for fiscal 2021 due to $5 million-$10 million of completed building renovations. Officials expect to fund renovations with the capital-projects fund, but they might need to transfer money from the general fund. The capital-projects fund had a $6 million balance at fiscal year-end 2019. Due to our expectation for continued tax base growth, we expect management will likely maintain very strong finances during the next two fiscal years.

Management

We consider the district's financial management practices strong under our Financial Management Assessment methodology, indicating financial practices are strong, well embedded, and likely sustainable.

Highlights include management's:

- Conservative budgeting that incorporates historical information for, at least, three years, as well as outside information;
- Monthly reports on budget-to-actual financial performance to the school board;
- Long-term financial plan that looks out five years with detailed revenue and expenditure assumptions;
- Long-term capital plan that details funding sources and uses;
- Formal investment-management policy that adheres to state guidelines with monthly investment-holdings-and-earnings reports to the board;
- Formal debt-management policy that stipulates variable-rate debt will not exceed 25% of debt outstanding, coupled with prohibiting swaps, derivatives, or other synthetic debt; and
- Formal reserve policy that dictates maintaining a minimum 24% of expenditures, a level the district continues to exceed.

Debt

We consider overall net debt moderately high at 8.7% of market value, or high at $10,595 per capita. Amortization is slow with officials planning to retire 20% of direct debt during 10 years. Debt service carrying charges were 24.6% of total governmental-fund expenditures, excluding capital outlay, in fiscal 2019, which we consider elevated.

The series 2020 fixed- and variable-rate bonds are subject to mandatory tender upon any mode change after an initial fixed-rate period. We understand variable-rate bond terms do not allow for debt acceleration. No liquidity facility exists because liquidity risk is limited to higher interest costs under a stepped rate if there is a failed remarketing. Bondholders do not have the right to optionally tender their bonds. The district is not obligated to purchase bonds on the initial mandatory tender date because a failed conversion or remarketing does not constitute an event of default.

In our view, the relatively small amount of variable-rate debt compared with the district's overall debt profile and available cash and reserves somewhat mitigate higher interest-cost risk under a stepped rate associated with a failed bond remarketing. At fiscal year-end 2019, the district had $33 million of cash and cash equivalents on hand in the general fund. Variable-rate debt will be within the district's debt-policy limits, constraining variable-rate debt to 25% of total debt. Therefore, if the district's bond remarketing is unsuccessful, we understand it has enough liquidity to absorb higher bond interest rates for the duration of the stepped-rate period.

The district has roughly $15 million of authorized, but unissued, new-money debt remaining; officials currently plan to issue this full amount during the next two years. The district's interest-and-sinking tax rate is 47 cents in fiscal 2021, three cents below the 50-cent requirement for issuing additional debt. Due to additional debt plans and slow amortization, we expect overall net debt will likely remain high during the two-year outlook.

Pension and other-postemployment-benefit (OPEB) highlights

- We do not view pension and OPEB liabilities as an immediate credit pressure for the district because required contributions account for a small portion of total governmental expenditures and we do not expect them to increase materially during the next few fiscal years.
- Under a special-funding situation, the state contributes a sizable share of employer contributions and carries responsibility for its proportionate share of unfunded liabilities.

As of Aug. 31, 2019, the district participates in:

- Texas Teachers' Retirement System (TTRS), which was 75.2% funded, with a proportionate share of the net pension liability equal to $21.28 million; and
- Texas Public School Retired Employees' Group Insurance program (TTRS-Care), providing health insurance to TTRS plan members, which was 2.66% funded, with a proportionate share of net OPEB liability at $24.2 million.

In fiscal 2019, the district paid its full required contribution of $1.4 million, or 0.9% of total governmental expenditures, toward pension obligations. In fiscal 2019, the district also paid $351,000, or 0.2% of total governmental expenditures, toward OPEB. The combined pension and OPEB carrying charge totaled 1.1% of total governmental-fund expenditures in fiscal 2019.

Since TTRS contributions are on a statutory basis and typically lower than actuarially determined contributions, fiscal 2020 TTRS contributions were materially lower than our static- and minimum-funding-progress metrics; however, legislative changes that increase contribution rates will likely improve both. Some assumptions remain a credit concern. (For more information on TRS and Texas' pension landscape, see the article, titled "Pension Spotlight: Texas," published Feb. 25, 2020.)

Likewise, TTRS-Care contributions have not met actuarial recommendations. We posit liability and contributions will likely continue to grow. However, due to the special-funding situation, we think OPEB costs will likely remain manageable.

Related Research

Through The ESG Lens 2.0: A Deeper Dive Into U.S. Public Finance Credit Factors, April 28, 2020

Ratings Detail (As Of November 18, 2020)

Ratings Detail (As Of November 18, 2020) (cont.)		
Little Elm Indpt Sch Dist unltd tax rfdg bnds		
Long Term Rating	AA-/Stable	Affirmed
Little Elm Indpt Sch Dist unltd tax sch bldg bnds		
Long Term Rating	AAA/Stable	Current
Underlying Rating for Credit Program	AA-/Stable	Affirmed
Little Elm Indpt Sch Dist GO (AGM)		
Unenhanced Rating	AA-(SPUR)/Stable	Affirmed
Little Elm Indpt Sch Dist SCHSTPR		
Long Term Rating	AAA/Stable	Current
Underlying Rating for Credit Program	AA-/Stable	Affirmed

Many issues are enhanced by bond insurance.

Certain terms used in this report, particularly certain adjectives used to express our view on rating relevant factors, have specific meanings ascribed to them in our criteria, and should therefore be read in conjunction with such criteria. Please see Ratings Criteria at www.standardandpoors.com for further information. Complete ratings information is available to subscribers of RatingsDirect at www.capitaliq.com. All ratings affected by this rating action can be found on S&P Global Ratings' public website at www.standardandpoors.com. Use the Ratings search box located in the left column.

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