



# Update on Bond Rating and Refunding Bonds, Series 2021

July 22, 2021

[www.thewoodlandstownship-tx.gov](http://www.thewoodlandstownship-tx.gov)

The Woodlands Township • 2801 Technology Forest Boulevard • The Woodlands, Texas 77381

# Credit Rating for Unlimited Tax Bonds

- **Credit rating raised from AA to AA+ by S&P**
- **“Rating action reflects improved economic metrics and very strong finances.”**
- **“Very strong reserves for more than a decade”**
- **“Conservative budget assumptions, prudent debt use, and consistently growing major revenue sources have led to this trend.”**

# Unlimited Tax Bonds

- **AA+ is currently the highest rating achieved in the State of Texas for an unincorporated community.**
- **Only 53 of 1,216 (4%) of cities/towns in Texas hold an AA+ rating.**

# S&P Report

- **Upside Scenario**
  - **“Assuming all other factors remain stable or improve, we could raise the rating further if economic metrics were to continue improving while overall net debt ratios decrease.”**
  - **“We note the majority of overall net debt is related to various overlapping entities within the Township boundaries. Total direct debt remains manageable.”**
- **Downside Scenario**
  - **“We could lower the rating if the Township were to experience a sustained operational imbalance resulting in meaningfully reduced reserves, or if debt were to increase materially.”**

# S&P Report

- **Economic Indicators**
  - **Very strong**
- **Financial Indicators**
  - **Very strong**
- **Environmental, Social, and Governance Factors**
  - **“We think the Township faces somewhat elevated environmental risk due to the potential for flooding during hurricanes that originate in the Gulf of Mexico.”**

# Unlimited Tax Refunding Bonds, Series 2021

Unlimited Tax Refunding Bonds, Series 2021	
Sales Date	July 20, 2021
No. of Bids Received	5
Winning Bidder	Huntington Securities
Closing Date	August 17, 2021
Call Date of the Refunded Bonds	August 18, 2021

# Unlimited Tax Refunded Bonds

Series	Principal Amount Refunded	Maturities Refunded	Interest Rates
Unlimited Tax Bonds, Series 2011	\$6,175,000	2022-2032	2.50% - 3.45%
Unlimited Tax Bonds, Series 2012	\$1,955,000	2023-2032	2.00% - 3.00%
<b>Total</b>	<b>\$8,130,000</b>		

# Unlimited Tax Refunding Bonds, Series 2021

	Plan of Finance May 19, 2021	Final Numbers July 20, 2021
Refunding Amount	\$6,635,000	\$7,275,000
Refunded Amount	\$7,375,000	\$8,130,000
Gross Savings	\$798,238	\$884,323
Average Annual Debt Service Savings	\$72,541	\$80,393
Net Present Value Savings (NPV)	\$739,396	\$827,687
NPV Savings as a % of Refunded Bonds	10.07%	10.18%
Average Coupon of Refunded Bonds	3.11%	3.10%
<b>All-In True Interest Cost</b>	<b>1.395%</b>	<b>1.224%</b>