

AT STEPHENS PUBLIC FINANCE, COMPREHENSIVE SERVICE MEANS CONSTANT GUIDANCE

Stephens' public finance practice dates back more than 90 years and is headquartered here in Little Rock. The firm has additional public finance offices throughout the Southeast in Fayetteville, Atlanta, Dallas, Jackson, and Nashville. The depth of resources at Stephens, combined with our trusted and experienced advisors, can assist you with a range of services to meet your needs.

We have a long history serving as municipal advisor for Arkansas school districts. For years, Stephens has set itself apart due to our ability to not only model innovative financing structures to meet our clients' needs, but also because of our foresight on how to address legislative and regulatory changes.

A Q&A with Senior Vice President Jack Truemper

While Stephens Public Finance is focused on debt management, Senior Vice President Jack Truemper knows districts need to have a complete understanding of their total financial picture. This includes ongoing financial analysis, constant communication, and presenting financing opportunities to help school districts plan for the future.

What kind of work does Stephens Public Finance do for Arkansas school districts when a district is not working on a bond issue?

Whether they do a bond issue once a year or once every 10 years, our involvement with our school district clients is ongoing and thorough. We are very proactive with our school districts providing financial analysis, fulfilling reporting requirements, school board training, legislative updates, and evaluating existing debt for new project funds or refinancing for interest cost-saving opportunities.

When Stephens analyzes a district's finances, what is it evaluating?

We are helping districts understand their borrowing power — their ability to borrow money. We start by providing a financial analysis report for the district. This includes looking at the district's assessed values, millage structure, outstanding debt, and financing options.

How does Stephens assist districts in planning for future capital improvements?

First, we meet with the district's administration to determine their future planning goals, objectives, and timing. Based upon these discussions, we develop and present various financing options that show the districts' debt capacity based upon existing circumstances and drill down to what is most reasonable for the district and its patrons' best interest.

Subsequently, we will hold a planning session with the district's board to discuss the various available options to the district.

Throughout this process, we continually provide districts with weekly communications on the municipal bond market and interest rate movements. Our expertise in the bond market is a big part of our ongoing support for clients.

Beyond financial markets, are there other venues Stephens monitors for potential impacts on school districts?

We continually inform our clients about federal and state legislative and regulatory developments that are important to not only the tax-exempt municipal bond marketplace but also Arkansas school finance. This includes public school funding, election laws, and federal changes to the tax code.

Education remains a significant part of Stephens' relationships with Arkansas school districts. Are there any other components to what Stephens offers on that front?

We can provide district clients with up to four hours per year of training on school finance, debt management,

and auditing as requested. This helps school board members fulfill their training requirements.

We want to be a resource to our clients, understand what districts' needs are, and provide any assistance that they need.

What does Stephens help school districts with from a regulatory reporting standpoint?

Under federal regulations, school districts that issue municipal bonds are required to provide certain financial disclosure annually under their agreement with investors. Stephens provides our clients with comprehensive continuing disclosure services under our municipal advisory agreements.

This is important as regulators require it every year. It tells the district's story and gives investors information about their investment in Arkansas school bonds.

The annual report includes information on millage rate, assessment history, current outstanding debt, aggregate combined debt service schedule, borrowing capacity, a history of tax collections, and audited financials. Once completed and approved by the district, the annual report is filed with the Municipal Securities Rulemaking Board's electronic database.

In what ways does Stephens help districts with their millage elections?

When a district decides to conduct a millage campaign to fund certain construction projects or operations within the district, Stephens will assist in such efforts.

We develop effective campaign strategies, including tactics and timelines as well as engaging community leaders and coordinating with election officials. We also participate in community meetings, among other events, as needed.

We develop useful information that can be used in flyers, mailouts, and on social media. This includes providing examples from other successful millage campaigns. We also produce and print mailers for district use.

We evaluate information on Arkansas's Academic Facilities Partnership Program and how it benefits a district when seeking a millage extension or increase.

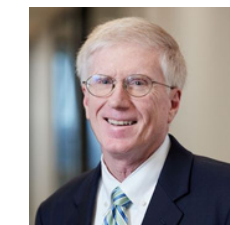
We can recommend political consultants with expertise in public school election polling and campaign management.

And we will review and coordinate all legal publications and documentation. Those are examples of the services we can provide to districts conducting millage campaigns, but we will do whatever we can to help them be successful.

Describe a recent transaction for an Arkansas school district that highlights the work of Stephens Public Finance. What was noteworthy about it?

In July 2023, the Cabot School District No. 4 of Lonoke County issued \$40.645 million of Series A Refunding and Construction Bonds. The district's planned improvement projects included new pre-kindergarten centers, student activity facilities renovations, building accessible playgrounds, auditorium upgrades, and replacing aging technology.

Despite some concerns about borrowing for the projects due to the needed millage extension, the district ultimately supported the projects. Stephens presented financing options to the Cabot School Board, and had healthy discussions with Board members. I appreciated their careful consideration and thoughtfulness before electing to place the bond issuance and millage extension before the public for a deciding vote.



Jack Truemper
Senior Vice President
jtruemper@stephens.com
501-377-6315

