

McLENNAN COUNTY JUNIOR COLLEGE DISTRICT

Board of Trustees of McLennan County
Junior College District, Texas

(Block One)

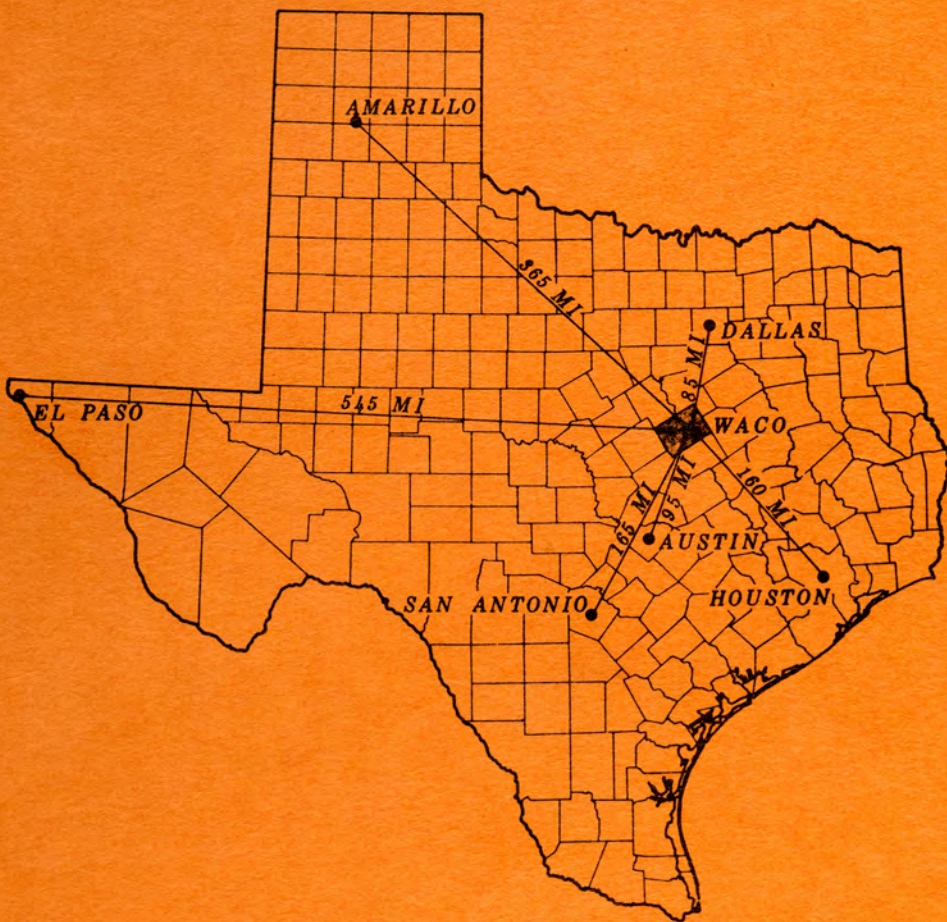
\$700,000.

Revenue Building Bonds - Series 1967-A

(Block Two)

\$1,694,000.

Academic Building Revenue Bonds - Series 1967



SELLING:

WEDNESDAY, MAY 1, 1968

7:30 P.M. C.D.S.T.

MCC



**McLENNAN COMMUNITY COLLEGE
WACO, TEXAS**

McLENNAN COMMUNITY COLLEGE
Waco, Texas
(McLennan County Junior College District, Texas)

BOARD OF TRUSTEES

W. Earl Harrison, President
J. Robert Sheehy, Vice President
Dr. G. W. Henderson, Secretary
Mrs. John B. Faulkner
Henry V. Griffin
Dr. J. J. Mayes
Mrs. Edward M. Ware

ADMINISTRATION

Dr. Wilbur A. Ball, President of the College
Dr. Chester R. Hastings, Dean of the College
Paul Gartner, Business Manager
Dr. Bob W. Miller, Dean of Instruction

FINANCIAL ADVISORS

Columbian Securities Corporation of Texas
1307 Kirby Building
Dallas, Texas

William M. Parks Company
Amicable Life Building
Waco, Texas

OFFICIAL NOTICE OF SALE

McLENNAN COMMUNITY COLLEGE
(Waco, Texas)

Board of Trustees of
McLennan County Junior College District, Texas

\$ 700,000. Revenue Building Bonds - Series 1967-A
\$1,694,000. Academic Building Revenue Bonds - Series 1967

SELLING

Wednesday, May 1, 1968, at 7:30 P.M., CDST

PLACE AND TIME OF SALE: The Board of Trustees of the McLennan County Junior College District, Waco, Texas, will receive sealed bids, addressed to Board of Trustees, McLennan Community College, Building 23-6, James Connally Air Force Base, Waco, Texas, until 7:30 P.M., CDST on the 1st day of May, 1968, for the above bonds, more completely described on the following pages.

ADDRESS OF BIDS: Sealed bids, plainly marked "Bid for Bonds" should be addressed to Mr. W. Earl Harrison, President of the Board of Trustees, and if mailed, the envelope should be addressed to the Chairman of the Board, McLennan Community College, Waco, Texas. All bids must be submitted on the "Official Bid Form", copies of which are enclosed.

INTEREST RATES: Bidders are requested to specify the rate or rates of interest the bonds will bear. Coupon rates must be in multiples of 1/8th or 1/20th of 1%. No coupon rate in excess of 6% or bids involving supplemental coupons will be considered. Each bond must bear a single rate of interest to maturity, and all bonds of the same maturity shall bear interest at the same rate. No rate may be more than 2% higher than the lowest rate named in the bid. No bid of less than par will be accepted. Each bid shall show net interest cost to the District from date of issue to final maturity, together with the average rate of interest to the District. In case of error in net interest cost calculations, coupons will govern, taking into account premium, if any.

DENOMINATION: Bonds of Series 1967-A will be in denomination of \$5,000. each. Bonds of Series 1967 will be in denomination of \$1,694,000. (The U. S. Department of Education will submit a proposal to purchase this series at a rate of 3% per annum, providing a more favorable bid is not received.)

PAYING AGENT: Principal and interest will be payable at the First National Bank of Waco, Waco, Texas; or, at the First National City Bank of New York, New York City.

GOOD FAITH DEPOSIT: Each bid, other than from the U. S. Department of Education, must be accompanied by a Cashier's Check, payable to the McLennan County Junior College District, Texas, in the amount of 2% of the par value amount of bonds on which bids are submitted, to evidence good faith. No interest will be allowed by the District on the check of the successful bidder, which check will be returned at the time the bonds are delivered to the successful bidder. In the event the successful bidder shall refuse or fail to comply with the terms of his bid, then the proceeds of said check are to be forfeited to the District as fully liquidated damages.

PRINTED BONDS AND LEGAL OPINION: The District will furnish printed bonds, together with the final unqualified approving opinion of the Attorney General of the State of Texas; and Dumas, Huguenin & Boothman, Attys., Dallas, Texas, which latter opinion will be printed on each bond. In the opinion of Bond Counsel, these Bonds are legal investments in Texas for banks, savings banks, trust companies, building and loan associations, savings and loan associations, and insurance companies, and are eligible to secure the deposit of any and all public funds of the State of Texas and any and all public funds of cities, towns, villages, counties, school districts, or other political corporations or subdivisions of the State of Texas, and such Bonds shall be lawful and sufficient security for said deposits to the extent of the principal amount thereof, or their value on the market, whichever is lesser, when accompanied by all unmatured coupons appurtenant thereto.

DELIVERY: The bidder must agree to accept delivery and make payment for the bonds at the American National Bank, Austin, Texas. If for any reason the District is unable to make delivery within 60 days from the date of sale, the successful bidder may accept delivery of the bonds thereafter at his option for the next succeeding thirty days.

All bids must be submitted on the bidding form provided and enclosed herewith, (except in case of U. S. Department of Education), and bids not complying with the "Notice of Sale" or the "Bid Form", will be rejected. The right is reserved by the District to reject any or all bids and waive any and all irregularities.

NOTE - \$700,000. Series 1967-A Bonds - The U. S. Department of Education will not file a bid for the purchase of the Series 1967-A Bonds. Bids for less than all of the Bonds of the Series 1967-A will not be considered.

ADDITIONAL INFORMATION may be obtained from the Columbian Securities Corporation of Texas, 1600 National Bank of Commerce Building, San Antonio, Texas 78205; or 1307 Kirby Building, Dallas, Texas 75201; or William M. Parks Company, Amicable Life Building, Waco, Texas 76701.

/s/ W. Earl Harrison, President
Board of Trustees,
McLennan County Junior College District

MC LENNAN COMMUNITY COLLEGE

MASTER CAMPUS DEVELOPMENT PROGRAM

KEY BUILDING

1 Administration

2 Library

3 Student Center

4 Classroom

5 Faculty Office

6 Health Science

7 Science Lecture Hall

8 Science

9 Central Power Plant

10 Gymnasium

11 Business Technical

12 Fine Arts

13 Existing Residence

— Future Building Expansion



NEW ISSUE

OFFICIAL STATEMENT

BLOCK ONE

\$700,000.

BOARD OF TRUSTEES OF McLENNAN COUNTY JUNIOR COLLEGE DISTRICT
REVENUE BUILDING BONDS, SERIES 1967-A

Dated: October 1, 1967

Denomination: \$5,000.

Principal and interest (April 1, 1968* and semi-annually thereafter on October 1 and April 1) at First National Bank, Waco, Texas, or at the option of the holder, at First National City Bank, New York, New York.

(*) This coupon will be detached before delivery.

MATURITY SCHEDULE
(Due April 1)

<u>AMOUNT</u>	<u>MATURITY</u>	<u>AMOUNT</u>	<u>MATURITY</u>
\$10,000.	1970	\$30,000.	1982
10,000.	1971	35,000.	1983
10,000.	1972	35,000.	1984
15,000.	1973	40,000.	1985
15,000.	1974	40,000.	1986*
15,000.	1975	45,000.	1987*
20,000.	1976	45,000.	1988*
20,000.	1977	50,000.	1989*
20,000.	1978	50,000.	1990*
25,000.	1979	55,000.	1991*
25,000.	1980	60,000.	1992*
30,000.	1981		

(*) Bonds maturing 1986 through 1992, inc., are optional on April 1, 1985, or any interest payment date thereafter at par and accrued interest.

AUTHORITY: Various statutes (noted elsewhere in this "Notice of Sale".)

BLOCK TWO

\$1,694,000.

BOARD OF TRUSTEES OF McLENNAN COUNTY JUNIOR COLLEGE DISTRICT
ACADEMIC BUILDING REVENUE BOND, SERIES 1967

Dated: September 1, 1967

Denomination: A single bond with right of conversion to bonds in denomination of \$5,000. except the bonds scheduled to mature in 1973 which would be in denomination of \$1,000. if so converted.

Principal and interest (April 1, 1968**, and semi-annually thereafter on October 1 and April 1) at First National Bank, Waco, Texas, or at the option of the holder, at First National City Bank, New York, New York.

(**) Subject to adjustment at the completion of the building project.

MATURITY SCHEDULE
(Due April 1)

<u>AMOUNT</u>	<u>MATURITY</u>	<u>AMOUNT</u>	<u>MATURITY</u>
\$ 4,000.	1973	\$ 20,000.	1990
5,000.	1974	20,000.	1991
5,000.	1975	20,000.	1992
5,000.	1976	85,000.	1993
5,000.	1977	90,000.	1994
10,000.	1978	90,000.	1995
10,000.	1979	95,000.	1996
10,000.	1980	95,000.	1997
10,000.	1981	100,000.	1998
10,000.	1982	100,000.	1999
15,000.	1983	105,000.	2000
15,000.	1984	105,000.	2001
15,000.	1985	110,000.	2002
15,000.	1986	110,000.	2003
15,000.	1987	115,000.	2004
20,000.	1988	120,000.	2005
20,000.	1989	125,000.	2006

Option: Principal installment payments due on and after April 1, 1973, may be prepaid in the inverse order of their scheduled maturity on October 1, 1972, or on any interest payment date thereafter.

CONVERSION OR EXCHANGE RIGHTS: The District will authorize the issuance of a single fully registered bond in the principal amount of \$1,694,000. which may be exchanged upon 90 days written notice for negotiable coupon bonds, payable to bearer, which may be registered as to principal only, each in denomination of \$5,000. except the principal installment to become due in the year 1973 shall be represented by coupon bonds in denomination of \$1,000. All coupon bonds will be numbered from 1 upward, bear interest at the same rate as borne by the single fully registered bond, and the same shall mature serially and annually in the same amounts as the unpaid installments of the fully registered bond.

THE DISTRICT AND ITS PAYMENT RECORD: The District was established as a result of an election held on the 2nd day of November, 1965. At the same election, the Trustees were authorized to issue general obligation bonds in the principal amount of \$2,000,000. which bonds were sold (Moody rating of "A", at an effective interest rate of 3.72%) and constitute the only outstanding bonds of the District. The District has never defaulted.

LEGALITY: Dumas, Huguenin and Boothman, Attys., Dallas, Texas, whose final approving opinion will be printed on each bond sold as a part of Block One.

DELIVERY: Block One (\$700,000. bond issue) - When issued and received - Approximately June 17, 1968.

CONCURRENT AUTHORIZATION OF PARITY BONDS: The Board of Trustees will adopt resolutions and orders authorizing the issuance of two series of bonds (\$700,000. "Board of Trustees of McLennan County Junior College District Revenue Building Bonds, Series 1967-A" and \$1,694,000. "Board of Trustees of McLennan County Junior College District Academic Building Revenue Bonds, Series 1967") at the same meeting upon the receipt of bids. The U. S. Department of Education, Washington, D.C., will submit a proposal to purchase the latter series (\$1,694,000. bonds) at a rate of 3% per annum provided a more favorable bid is not received.

ANTICIPATED DELIVERY OF THE CONCURRENTLY AUTHORIZED BOND: The \$1,694,000. single bond, if purchased by the government will be tendered for payment at approximately the same time as the series of bonds being sold in the open market. It is anticipated such bond would not actually be delivered to such purchaser for a period of at least nine months, but this is subject to the desires of the purchaser. The Loan Agreement by and between the District and the Department of Education (under which the government would purchase the bond) was executed on the 1st day of September, 1967, and Federal funds have been set aside whereby the government may pay for the bonds at the price of par and accrued interest to date of delivery.

OTHER SOURCES OF BUILDING FUNDS: The Junior College District has heretofore issued and sold \$2,000,000. general obligation bonds for school building purposes. From the U. S. Department of Education, the grants-in-aid of construction has been received in the amount of \$1,304,974. Additionally, in its first two years of operation as a District, a tax of 24¢ was levied in 1966 and 16¢ was levied in 1967 for maintenance purposes. The College has been in operation since September 1, 1967.

PURPOSE FOR WHICH BOND PROCEEDS WILL BE USED

Contracts have been approved by the Board of Trustees for the construction of buildings and structures and the improvement of land therefor as follows:

<u>Building or Structure</u>	<u>Present Contract Price</u>	<u>Contractor</u>
Classroom Building	\$335,376.80	Smith Building Company, Inc.
Science Building, Lecture Hall	\$604,742.00	Hooker Construction Company.
Faculty Office Building	\$181,712.88	Smith Building Company, Inc.
Library, Administration, Fine Arts Buildings	\$988,597.04	J. J. Fritch Company, Inc.
Central Utility Equipment Distribution System	\$499,867.51	Central Engineering Company
Central Utility Building	\$ 75,650.00	Smith Building Company, Inc.
Business-Technical Building	\$457,382.00	Hooker Construction Company

Bids have been received for the construction of two additional buildings (Health, Physical Education Building and Student Center), and while the contract has not been awarded, it is anticipated a contract will be let immediately following the opening of the bids for the revenue bonds. Construction base bids were in the amounts of \$460,150. (submitted by Hooker Construction Company) and \$461,812. (submitted by Smith Building Company, Inc.).

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No. Semester Hours	TUITION			Summer School	
	Long-Session Semester		Out-of-State Residents	Residents of	Tuition Charges
	Residents of Texas In-County	Out-of-County			
12 or more	\$65.00	\$80.00	\$200.00	McLennan Co.**	\$7.00 per sem. hr.
Below 12*	\$6.00 per sem. hr.	\$7.00 per sem. hr.	\$17.00 per sem. hr.	State of Texas** (Outside Co.) Out of State	\$8.00 per sem. hr. \$17.00 per sem. hr.

(*) Includes Evening School and other part-time students; Minimum of \$18.00 per course.

(**) Minimum tuition charge for six weeks - \$18.00

EXPLANATION OF EXHIBITS

EXHIBIT "A" ENROLMENT PROJECTIONS. Information provided by the college officials and is projected head count as indicated.

EXHIBIT "B" ANTICIPATED GROSS REVENUE. Student hour averages were determined by the college officials and the total was obtained by applying the factors indicated to the corresponding columns in Exhibit "A".

Revenue from Building Use Fees (\$1.00 per semester hour)

Columns II and III -- Average student load is 14 semester hours (each semester)

Columns IV and V -- Average student load is 4.5 semester hours (each term)

Columns VI, VII, and VIII -- Average student load is 5 semester hours (each semester or term)

Columns IX and X -- Average student load is 20 clock hours, or 1.11 semester hour equivalents

Column XI -- Average student load is 15 clock hours, or .83 semester hour equivalents

Revenue from Parking Concession (\$1.00 per course; maximum of \$5.00 per student per semester)

Columns II and III -- Average income per student, \$4.00 (each semester)

Columns IV and V -- Average income per student, \$1.50 (each term)

Columns VI, VII and VIII -- Average income per student, \$1.15 (each semester or term)

Columns IX, X and XI -- Minimum income per student, \$1.00 (each semester or term)

Revenue from Tuition Pledges (\$15.00 per student per semester for long session; \$7.50 per student per term for summer)

Columns II, III, VI and VII -- \$15.00 per student (each semester)

Columns IV, V and VIII -- \$7.50 per student (each term)

ENROLLMENT PROJECTIONS (Head Count)

<u>I</u> <u>School Yr.</u> <u>Beginning</u>	<u>Day School, College Credit</u>				<u>Evening School, College Credit</u>			<u>Day and Evening School, Non-Credit</u>		
	<u>II</u> <u>Fall</u> <u>Sem.</u>	<u>III</u> <u>Spring</u> <u>Sem.</u>	<u>IV</u> <u>Summer</u> <u>1st Term</u>	<u>V</u> <u>Summer</u> <u>2nd Term</u>	<u>VI</u> <u>Fall</u> <u>Sem.</u>	<u>VII</u> <u>Spring</u> <u>Sem.</u>	<u>VIII</u> <u>Summer</u> <u>(9 Wks.)</u>	<u>IX</u> <u>Fall</u> <u>Sem.</u>	<u>X</u> <u>Spring</u> <u>Sem.</u>	<u>XI</u> <u>Summer</u> <u>Sem.</u>
1966	633*	631*	311*	186*	226*	255*				
1967	993*	898*	368	221	287*	264*	190	481*	400*	150
1968	1,166	1,049	466	280	480	432	240	600	540	300
1969	1,331	1,198	532	319	548	493	274	800	720	400
1970	1,513	1,362	605	363	623	561	312	1,000	900	500
1971	1,578	1,420	631	379	650	585	325	1,200	1,080	600
1972	1,586	1,427	634	380	653	588	327	1,400	1,260	700
1973	1,626	1,463	650	390	669	602	335	1,600	1,440	800
1974	1,662	1,496	665	399	684	616	342	1,800	1,620	900
1975	1,734	1,561	694	416	713	642	357	2,000	1,800	1,000
1976	1,853	1,668	741	445	762	686	381	2,200	1,980	1,100
1977	1,993	1,794	797	478	820	738	410	2,400	2,160	1,200
1978	2,140	1,926	856	514	881	793	441	2,600	2,340	1,300
1979	2,248	2,023	899	539	926	833	463	2,800	2,520	1,400
1980	2,334	2,101	934	560	961	865	481	3,000	2,700	1,500
1981	2,429	2,186	972	583	1,000	900	500	3,200	2,880	1,600
1982	2,506	2,255	1,002	601	1,031	928	516	3,400	3,060	1,700
1983	2,622	2,360	1,049	629	1,078	970	539	3,600	3,240	1,800
1984	2,731	2,458	1,092	655	1,123	1,011	562	3,800	3,420	1,900
1985	2,866	2,579	1,155	693	1,178	1,060	589	4,000	3,600	2,000
1986	2,988	2,689	1,195	717	1,227	1,104	614	4,200	3,780	2,100
1987	3,110	2,799	1,244	746	1,267	1,140	634	4,400	3,960	2,200
1988	3,205	2,885	1,282	769	1,306	1,175	653	4,600	4,140	2,300
1989	3,323	2,991	1,329	797	1,354	1,219	677	4,800	4,320	2,400
1990	3,426	3,083	1,370	822	1,396	1,256	698	5,000	4,500	2,500
1991	3,532	3,179	1,413	848	1,439	1,295	720	5,200	4,680	2,600
1992	3,655	3,290	1,462	877	1,489	1,340	745	5,400	4,860	2,700
1993	3,794	3,415	1,518	905	1,546	1,391	773	5,600	5,040	2,800
1994	3,950	3,555	1,580	948	1,610	1,449	805	5,800	5,220	2,900
1995	4,114	3,703	1,646	988	1,678	1,510	839	6,000	5,400	3,000
1996	4,284	3,856	1,714	1,028	1,747	1,572	874	6,200	5,580	3,100
1997	4,468	4,021	1,787	1,072	1,822	1,640	911	6,400	5,760	3,200
1998	4,656	4,190	1,862	1,117	1,899	1,708	950	6,600	5,940	3,300
1999	4,860	4,374	1,944	1,166	1,983	1,785	992	6,800	6,120	3,400
2000	5,068	4,561	2,027	1,216	2,068	1,861	1,034	7,000	6,300	3,500

(*) Actual

ENROLLMENT PROJECTIONS

Enrollment projections are based almost entirely upon McLennan County public school population and general population. Thus, the establishment of other institutions of higher education in Texas, especially junior colleges, will not affect the MCC enrollment projections. A survey of the 859 students in 1966 (state audit classification) revealed that 97% (836) were from McLennan County, 45 were from other Texas counties and only eight were from out of state.



THE UNIVERSITY OF TEXAS
COLLEGE OF EDUCATION
AUSTIN, TEXAS 78712

*Professor and Consultant in
Junior College Education
Greenwood 1-3655*

September 27, 1967

Mr. Noel Johnson
Columbian Securities Corporation of Texas
1307 Kirby Building
Dallas, Texas 75201

Dear Mr. Johnson:

Dr. Wilbur A. Ball, President of McLennan Community College in Waco, Texas, asked me to evaluate his enrollment projections for the McLennan Community College.

I have gone over his raw data, his procedures and I find I agree very well with his projections. For instance, I note that his data projects 2,950 students by 1986-87. I had done an independent projection last July on his area and I had projected 2,860 students. In other words, that is within 90 of what he projected. However, I did not consider all the surrounding counties from which he might draw students. So I think he is probably conservative on 2,950 by that time with the surrounding territory as full of high school graduates as it is. I did not go on to the year 2000 as he did, but I think he is certainly within reasonable limits for the projections for the year 2000.

As stated above, these projections agree largely with the ones I have already made for McLennan County area and also in line with projections I have made in other colleges in this state and in the states of Mississippi, North Carolina, Colorado, Washington and others.

Sincerely,

A handwritten signature in cursive script, appearing to read "C. C. Colvert".

C. C. Colvert
Professor and Consultant in
Junior College Education

EXHIBIT "B"

McLENNAN COUNTY JUNIOR COLLEGE DISTRICT

Projected Gross Revenue

School Year Beg.	Revenue from Building Use Fees	Revenue from Parking Concession	Revenue from Tuition Pledges	Total
1967		--Period of Construction--		
1968				
1969	\$ 47,650.50	\$ 14,344.75	\$ 71,587.50	\$133,582.75
1970	54,386.00	16,472.40	82,485.00	153,343.40
1971	57,077.00	17,461.00	87,907.50	162,445.50
1972	57,805.00	17,896.20	90,667.50	166,368.70
1973	59,636.00	18,642.90	94,912.50	173,191.40
1974	61,350.00	19,356.30	99,015.00	179,721.30
1975	64,285.00	20,413.80	104,752.50	189,451.30
1976	68,836.00	21,926.35	112,687.50	203,449.85
1977	74,115.50	23,643.70	121,612.50	219,371.70
1978	79,644.00	25,431.25	130,882.50	235,957.75
1979	83,815.00	26,836.30	138,307.50	248,958.80
1980	87,248.00	28,034.05	144,727.50	260,009.55
1981	90,967.50	29,312.50	151,537.50	271,817.50*
.....				
1982	94,062.50	30,414.75	157,492.50	281,969.75
1983	98,514.00	31,900.05	165,277.50	295,691.55
1984	102,727.50	33,316.90	172,762.50	308,806.90
1985	107,881.00	35,003.05	181,522.50	324,406.55
1986	112,467.00	36,522.75	189,465.00	338,454.75
1987	117,006.00	38,038.15	197,220.00	352,264.15
1988	120,739.50	39,320.60	204,045.00	364,105.10
1989	125,253.00	40,822.50	211,927.50	378,003.00
1990	129,240.00	42,176.50	219,090.00	390,506.50
1991	133,358.50	43,567.60	226,432.50	403,358.60
1992	138,045.50	45,118.60	234,540.00	417,704.10
1993	143,259.50	46,817.00	243,360.00	433,436.50
1994	149,106.00	48,695.60	253,057.50	450,859.10
1995	155,226.00	50,650.05	263,122.50	468,998.55
1996	161,524.00	52,654.95	273,405.00	487,583.95
1997	168,296.50	54,793.45	284,340.00	507,529.95
1998	175,219.50	56,974.20	295,477.50	527,671.20
1999	182,711.00	59,315.00	307,395.00	549,421.00
2000	190,314.50	61,687.95	319,447.50	571,449.95

*For computation purposes this amount is the maximum used for Master Bond Maturity Schedule.

PRINCIPAL AND INTEREST SCHEDULE SHOWING ISSUES TO BE INCLUDED IN SYSTEM

Board of Trustees of McLennan County
Junior College District, Texas

F/Y End. 8-31	Projected Gross Revenues (See Exhibit "B")	\$700,000. (Block 1)			\$1,694,000. (Block 2)			Annual Debt Requirement Grand Total \$2,394,000	
		Revenue Building Bonds - Series 1967-A	Principal	Interest (a)	Total	Academic Bldg. Rev. Bds. - Series 1967	Principal		Interest (b)
1968									
1969				\$38,500.	\$38,500.		\$29,645. (c)	\$29,645.	\$ 29,645. (To
1970	\$133,582.75	\$10,000.	38,500.	48,500.		50,820. (c)	50,820.	89,320.	
1971	153,343.40	10,000.	37,950.	47,950.		50,820.	50,820.	99,320.	
1972	162,445.50	10,000.	37,400.	47,400.		50,820.	50,820.	98,770.	
1973	166,368.70	15,000.	36,850.	51,850.	\$ 4,000.	50,820.	54,820.	106,670.	
1974	173,191.40	15,000.	36,025.	51,025.	5,000.	50,700.	55,700.	106,725.	
1975	179,721.30	15,000.	35,200.	50,200.	5,000.	50,550.	55,550.	105,750.	
1976	189,451.30	20,000.	34,375.	54,375.	5,000.	50,400.	55,400.	109,775.	
1977	203,449.85	20,000.	33,275.	53,275.	5,000.	50,250.	55,250.	108,525.	
1978	219,371.70	20,000.	32,175.	52,175.	10,000.	50,100.	60,100.	112,275.	
1979	235,957.75	25,000.	31,075.	56,075.	10,000.	49,800.	59,800.	115,875.	
1980	248,958.80	25,000.	29,700.	54,700.	10,000.	49,500.	59,500.	114,200.	
1981	260,009.55	30,000.	28,325.	58,325.	10,000.	49,200.	59,200.	117,525.	
1982	271,817.50	30,000.	26,675.	56,675.	10,000.	48,900.	58,900.	115,575.	
1983	271,817.50	35,000.	25,025.	60,025.	15,000.	48,600.	63,600.	123,625.	
1984		35,000.	23,100.	58,100.	15,000.	48,150.	63,150.	121,250.	
1985		40,000.	21,175.	61,175.	15,000.	47,700.	62,700.	123,875.	
1986		40,000.	18,975.	58,975.	15,000.	47,250.	62,250.	121,225.	
1987		45,000.	16,775.	61,775.	15,000.	46,800.	61,800.	123,575.	
1988		45,000.	14,300.	59,300.	20,000.	46,350.	66,350.	125,650.	
1989		50,000.	11,825.	61,825.	20,000.	45,750.	65,750.	127,575.	
1990		50,000.	9,075.	59,075.	20,000.	45,150.	65,150.	124,225.	
1991		55,000.	6,325.	61,325.	20,000.	44,550.	64,550.	125,875.	
1992		60,000.	3,300.	63,300.	20,000.	43,950.	63,950.	127,250.	
1993					85,000.	43,350.	128,350.	128,350.	
1994					90,000.	40,800.	130,800.	130,800.	
1995					90,000.	38,100.	128,100.	128,100.	
1996					95,000.	35,400.	130,400.	130,400.	
1997					95,000.	32,500.	127,500.	127,500.	
1998					100,000.	29,800.	129,700.	129,700.	
1999					100,000.	26,700.	126,700.	126,700.	
2000					105,000.	23,700.	128,700.	128,700.	
2001					105,000.	20,550.	125,550.	125,550.	
2002					110,000.	17,400.	127,400.	127,400.	
2003					110,000.	14,100.	124,100.	124,100.	
2004					115,000.	10,800.	125,800.	125,800.	
2005					120,000.	7,350.	127,350.	127,350.	
2006					125,000.	3,750.	128,750.	128,750.	

For computation purposes this amount is the maximum used for Master Bond Maturity Schedule.

(a) Calc. @ 5-1/2% for illustration.
 (b) Calc. @ 3% for illustration.
 (c) Interest escrowed

Annual Average Debt Service Coverage 1970/1992-2.01X
 Annual Average Debt Service Coverage 1970/2006-2.06X
 Maximum Debt Service Coverage 1982 - 2.35X

271,817.50

SUMMARY OF PROVISIONS AUTHORIZING
THE BONDS BEING SOLD AND THE PARITY
BONDS BEING CONCURRENTLY ISSUED

The resolutions and order authorizing the issuance of the bonds being sold to the public (\$700,000.) and those which it is anticipated will be sold to the government (\$1,694,000.) are substantially identical with respect to provisions relating to the security and payment of bonds. No one bond of either series has preference or priority over any bond of the other series.

Pledged Revenues - The revenues pledged to the payment of both series of bonds are:

- (1) The building use fee established for the use of the project, being the buildings and improvements to be constructed with bond proceeds - see the enumeration above, and
- (2) Tuition charges, being the charge collected from each student attending the colleges, in the amount of \$15.00 per enrolled student during each long term and \$7.50 per enrolled student during each of the two summer terms, and
- (3) The revenues of any revenue producing facilities hereafter acquired or constructed with the proceeds of additional bonds.

Flow of Funds - All pledged revenues, as received, are deposited in the "1967 Revenue Fund Account" with the depository bank; thereafter, transfers are made as follows:

- (1) To the Bond Interest and Sinking Fund Account, amounts equal to the principal and interest requirements on all bonds payable out of pledged revenues. Interest during construction of the facilities (2 years) deposited out of bond proceeds; regular deposits commence March 15, 1970, and are made September 15 and March 15 thereafter.
- (2) On September 15, 1970 and on each March 15 and September 15 thereafter, deposits are made to the Reserve Fund. During time only that \$700,000. bonds are outstanding, \$2,637.50 is deposited on each of said payment dates until \$52,750. is accumulated in the Fund; when \$1,694,000. bonds become outstanding, the amount of semi-annual deposits is increased to \$12,800, and the amount to be accumulated in the Reserve Fund is increased to \$128,000. (in cash and current market value of securities).
- (3) After making deposits required for that fiscal year (and curing any deficiencies), moneys in the System Fund may be used (upon the order of the Board) for the retirement of bonds secured by a first lien on the pledged revenues by purchasing the same for cancellation or by calling them for redemption, or it may be transferred to the general funds of the District and used for any lawful purpose.

Investment of Reserve Fund - The Board may direct the investment of the Reserve Fund in direct obligation or obligations the principal and interest on which are guaranteed by the United States Government. The obligations must mature within five (5) years of making the investment. Investments of the Reserve Fund will be valued as of June 30 and December 31 each year.

Investment income or increment remains a part of the Fund until the full amount required to be on deposit therein is obtained; then any such income or increment may be transferred to the System Fund.

Insurance - Upon the acceptance of buildings, the Board will procure fire and extended coverage on the facilities up to at least 80% of the insurable value. Boiler insurance of at least \$50,000. for each boiler.

Issuance of Additional Bonds - In addition to the right to issue bonds of inferior lien, the District reserves the right to issue additional parity bonds (other than the \$700,000. and the \$1,694,000. being concurrently authorized) upon the following conditions:

- (1) The Board is not in default as to any covenant or condition or obligation contained in the resolutions authorizing the bonds now being issued;
- (2) The laws then in force permit such bonds to be issued;
- (3) The Reserve Fund established by the resolutions contains the amounts then required to be on deposit therein;

- (4) Provision is made to increase the amount to be deposited in the Reserve Fund to an amount not less than the average annual principal and interest requirements on all bonds to be payable from the pledged revenues and secured by a first lien thereon, and provision is made for such amount to be deposited therein within 10 years from the date of the additional bonds; the amount to be deposited in the Interest and Sinking Fund is increased to provide for the payment of the principal and interest on additional bonds as they become due.
- (5) The pledged revenues for the fiscal year preceding are equal to 1-1/4 times the average annual principal and interest requirements on all bonds to be similarly secured after giving effect to the issuance of the additional bonds, all as shown by a report of a Certified Public Accountant or Licensed Public Accountant;
- (6) The additional bonds mature April 1 in each of the years they are scheduled to mature;
- (7) Revenues derived from the ownership and operation of the additional facilities acquired with the additional bonds are pledged to the payment of the bonds and additional bonds.

Accounts and Reports - Not later than ninety (90) days after the close of a fiscal year (fiscal year closes August 31), an audit by a Certified Public Accountant for the preceding fiscal year is required. Such report is to cover the financial condition of the College and its records of operation, as well as the pledged revenue sources, current rates and charges, the amounts of rates and charges collected, enrollment, insurance, etc. A copy of the audit will be furnished the original purchaser and any other bondholder who may request the same in writing.

GENERAL FINANCIAL INFORMATION

The following financial information of the District is shown as a matter of information only, as these bonds are payable wholly from the revenues to be derived as shown in Exhibits "A" and "B" (See Explanation of Exhibits-Page 7)

Assessed Valuation 1967 (22.14% of Actual*) -----	\$205,094,260
General Obligation Debt -----	\$1,945,000
Less: Interest and Sinking Fund -----	<u>41,781</u>
NET DEBT -----	\$ 1,903,219

Ratio Net Debt to Assessed Valuation - 0.93%

Population 1960 Census - 150,091	Per Capita Net Debt - \$11.20
1968 Est. - 170,000	

Area - 1.035 Square Miles

(*) Based on assessment to sales ratio studies by Texas Tax Commissioners Association 1962.

RATE RESOLUTION

SUBSTANTIALLY, the following Resolution will be adopted at the time of the authorization of the Bonds:

WHEREAS, this Board of Trustees of the McLENNAN COUNTY JUNIOR COLLEGE DISTRICT has heretofore authorized the issuance of bonds payable from and secured by a first lien on and pledge of a building use fee and tuition charges, such bonds being known as "BOARD OF TRUSTEES OF McLENNAN COUNTY JUNIOR COLLEGE DISTRICT REVENUE BUILDING BONDS, SERIES 1967-A", dated October 1, 1967, authorized in the principal sum of \$700,000.; and "BOARD OF TRUSTEES OF McLENNAN COUNTY JUNIOR COLLEGE DISTRICT ACADEMIC BUILDING REVENUE BONDS, SERIES 1967", dated September 1, 1967, authorized in the principal sum of \$1,694,000.; and

WHEREAS, the proceeds of the aforesaid two series of bonds, together with a portion of the proceeds from the sale of \$2,000,000. general obligation bonds of the District, and certain grants from the Federal Government, are to be used for the construction of certain buildings and facilities as follows: Administration Building, Library Building, Fine Arts Building, Faculty Office Building, Science Building, Science Lecture Hall, Classrooms, Central Utility Plant, Business-Technical Building, Health and Physical Education Building and Student Center, and

WHEREAS, most of the buildings to be constructed (all buildings except the Administration Building and the Faculty Office Building) will be used and utilized by the students of the McLennan Community College at such time as the facilities are available, and it is now proper to establish a building use fee for the use of such buildings; and

WHEREAS, the term "building use fee" is defined in the resolutions authorizing the issuance of the bonds as being the fee established for the use of all or part of the project, and the term "project" is then defined as certain buildings (including those hereinabove enumerated), together with all improvements constructed with the proceeds of the bonds, and it is proper to provide for the collection of a building use fee under the provisions of Article 2815r-1, V.A.T.C.S., and the provisions of Article 2919j, V.A.T.S.C.; and,

WHEREAS, it is further proper to establish the amount to be set aside out of tuition as pledged revenues; therefore;

BE IT RESOLVED BY THE BOARD OF TRUSTEES OF THE McLENNAN COUNTY JUNIOR COLLEGE DISTRICT:

SECTION 1: As of the date hereinafter provided, a portion of the tuition charged (under State law) for each student enrolled in McLennan Community College shall be and is hereby set aside for the purpose of paying the requirements of the bonds mentioned in the preamble hereof, the amount so set aside being hereafter referred to as tuition charges. The tuition charges hereby established are \$15.00 per enrolled student for each semester during the long term and \$7.50 per enrolled student for each of the two summer terms. The charges established by the provisions of this resolution (and the resolutions authorizing the \$700,000. "Board of Trustees of McLennan County Junior College District Revenue Building Bonds, Series 1967-A," and the \$1,694,000. Board of Trustees of McLennan County Junior College District Academic Building Revenue Bonds, Series 1967,") shall remain in force and effect until the revenue bonds hereinabove described and all interest thereon have been fully paid and discharged.

SECTION 2: As of the date hereafter provided, a building use fee (as such term is defined in the resolutions authorizing the aforesaid revenue bonds), is hereby initially established in the amount of \$1.00 for each semester hour of college work (whether college credit is sought or not) during each of the long and summer terms. It is expressly provided that the term "building use fee" does not include income of auxiliary enterprises of the College such as income of the cafeteria, book store, vending machines, etc., irrespective of whether such auxiliary enterprises are conducted in any building mentioned in the preamble hereof or a building hereafter constructed.

SECTION 3: As of the date hereafter provided (under the provisions of Article 2815r-1 and Article 2919j, V.A.T.C.S.), there is hereby initially established a charge of \$1.00 per course for each student utilizing a designated parking area on the campus of the McLennan Community College, provided that the maximum charge for any one student shall be \$5.00 for each long or summer term.

SECTION 4: The building use fee and tuition charges established for the payment and security of the said revenue bonds shall be paid into the "1967 Revenue Fund Account" established by the resolutions authorizing the issuance of the said revenue bonds as the same are received.

SECTION 5: The tuition charge shall be effective as of the beginning of the Fall semester, 1968. The building use fee and the charge for parking (established by Sections 2 and 3 hereof) shall be effective as soon as the building or facilities for which the charge is made are placed in use.

SECTION 6: The Board specifically covenants that the fees provided in Sections 2 and 3 will be established or re-established from time to time and in such amounts as may be required to enable this Board to meet all covenants and conditions of the resolutions authorizing the aforesaid revenue bonds.

SECTION 7: The President of the College is directed to cause the preparation of such rules and regulations as may be required or helpful to implement this resolution, and the same shall be presented to this Board for adoption.

PASSED AND APPROVED, this the _____ day of _____, 1968,

BOARD OF TRUSTEES OF McLENNAN
COUNTY JUNIOR COLLEGE DISTRICT

By _____
President

ATTEST:

Secretary

(District Seal)

McLENNAN COUNTY is a metropolitan Central Texas county, established in 1850, deriving economic support from manufacturing and agriculture.

THE CITY OF WACO, the COUNTY SEAT (1960 Pop. 97,808; 1968 Est. 115,000) is a major metropolitan center of Central Texas, and was the 12th largest city in the State in 1960.

Waco was established on the village grounds of the Huaco Indians about 1844. The City grew first as an Indian and frontier trading post, and then as the trading center for the plantation economy existing along the Brazos River at the time of the Civil War. Being located on the Chisolm Trail, the City's growth resumed after the war during the great cattle drives of the 1870's and '80's. Three railroads entered Waco during this period establishing its position as the distribution center for Central Texas. As agricultural production increased along the Brazos River, a number of related industries located in Waco. An era of basic industry arrived during World War II and after, with the establishment of such plants as General Tire and Owens-Illinois Glass.

Located on the Brazos River, it is centered to the four largest cities in the State, being 90 miles directly south of the Dallas-Fort Worth complex, and 180 miles north of Houston and San Antonio. Its geographical location places it in-the-middle of the consumer and industrial markets in Texas and the Southwest. Direct access to these markets is assured by Waco's excellent transportation facilities. The Waco Metropolitan Area has demonstrated a steady, consistent growth for the past 20 years. The County's principal industries are located in or near Waco.

Located on the south city limits of Waco is a U. S. Veterans Hospital. It is a \$25,000,000. installation located on a 345-acre reservation, containing scores of splendid buildings which accomodate more than 2,000 patients and all facilities for their care and comfort. Also located in the City is a Methodist Home, maintained by the Methodist Church for more than 400 homeless children.

Educational Institutions: Waco is the home of Baylor University, oldest institution of higher learning in Texas, and world's largest Baptist denominational university. Baylor University was founded in 1845 under charter of the Republic of Texas, and has a present enrollment of more than 6,000. Waco is also the home of Paul Quinn College, and new Texas A&M vocational school.

Transportation: Waco is served by four major railroads - The Cotton Belt (St. Louis Southwestern); MKT (Missouri-Kansas-Texas); Missouri-Pacific; and Southern Pacific. It is actively served by fifteen common motor freight carriers, ten offering intrastate service and nine interstate service from Waco. These carriers offer direct single-carrier service with all thirty-two Standard Metropolitan Areas in the Southwest. The City is served by Trans-Texas Airways, a regional carrier, and is only 32 minutes by air, 90 minutes by car from the Dallas air hub which offers scheduled flights throughout the nation. U. S. Interstate Highway 35 - the trans-continental highway from Kansas City-Oklahoma City to San Antonio and Laredo, routes through Waco. The City is also served by U. S. Highways 84, 77, and 81; and State Highways 6 and 31. The City is served by four bus carriers offering 116 schedules daily.