

**BOARD OF EDUCATION  
BEEVILLE INDEPENDENT SCHOOL DISTRICT**

Date: February 17, 2009

Subject: Refunding for the District's  
outstanding Series 1998 and  
2002 bond issues.

Submitted by: Linda O'Connell

Related Pages: 2

Supt's Approval: \_\_\_\_\_

**ACTION**

**BACKGROUND INFORMATION:**

We are currently paying 4.58% interest on the 1998 bond and 4.27% interest on the 2002 bond.

**ITEMS ADDRESSED:**

By refunding these bonds the new interest rate will be approximately 2.79%. The total net savings over the life of the bond is \$501,800 and the average annual savings is \$45,618.

**RECOMMENDED ACTION:**

Approve the refunding for the Series 1998 and 2002 bonds.

**BUDGETARY INFORMATION:**

None

## Beeville Independent School District

### Refunding Analysis for the Series 1998 & 2002 Bonds

#### *Savings Summary*

Issue	<u>1998</u>	<u>2002</u>	<u>2009</u>
Amount	5,170,000	3,580,000	<b>8,750,000</b>
Interest Rate	4.58%	4.27%	<b>2.79%</b>
Net Savings			<b>501,800</b>
Average Annual Savings *			<b>45,618</b>
Present Value Savings			<b>405,326</b>
<b><i>Present Value Saving Ratio **</i></b>			<b>4.63%</b>

\* The State funds approximately 60% of the annual debt service through their IFA program. The District would have a savings of \$18,247 per year.

\*\* General rule of thumb is to target a minimum PV Savings Ratio of 3.00%.

Updated on: 1/28/2009

J Steve Elliott  
Victor Quiroga, Jr.  
Southwest Securities  
San Antonio, Texas  
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SAVINGS

\$8,750,000\*

BEEVILLE INDEPENDENT SCHOOL DISTRICT  
 Unlimited Tax School Refunding Bonds, Series 2009  
 Refunded Bonds: Series 1998 & 2002  
 Market Scale: Bank Qualified - Solution Savings: Uniform  
 Preliminary Numbers: As of January 28, 2009

Date	Prior Debt Service	Refunding Debt Service	Refunding Receipts	Refunding Net Cash Flow	Savings	Present Value to 03/15/2009 @ 2.6387032%
08/31/2009	195,516.25	111,793.33	9,543.33	102,250.00	93,266.25	92,356.75
08/31/2010	1,119,270.00	1,080,400.00		1,080,400.00	38,870.00	37,234.50
08/31/2011	1,124,845.00	1,082,650.00		1,082,650.00	42,195.00	39,494.00
08/31/2012	1,128,413.75	1,086,700.00		1,086,700.00	41,713.75	38,093.49
08/31/2013	1,594,175.00	1,552,800.00		1,552,800.00	41,375.00	31,628.99
08/31/2014	1,594,482.50	1,555,725.00		1,555,725.00	38,757.50	28,384.28
08/31/2015	1,621,077.50	1,581,925.00		1,581,925.00	39,152.50	27,822.62
08/31/2016	607,810.00	566,850.00		566,850.00	40,960.00	28,363.85
08/31/2017	610,880.00	571,250.00		571,250.00	39,630.00	26,316.59
08/31/2018	612,340.00	570,125.00		570,125.00	42,215.00	27,461.24
08/31/2019	617,140.00	573,475.00		573,475.00	43,665.00	27,608.97
	10,825,950.00	10,333,693.33	9,543.33	10,324,150.00	501,800.00	404,765.29

Savings Summary

PV of savings from cash flow	404,765.29
Plus: Refunding funds on hand	561.08
Net PV Savings	<u>405,326.37</u>

Note: \*Preliminary subject to change.