

Kaufman Independent School District

Updated Refunding Analysis

October 6, 2025



Capital
Markets

Current Market Review



Economic Update

U.S. Economic Overview (As of September 29th, 2025)

- US equities declined last week, with the DJIA, S&P500 and Nasdaq slipping 0.2%, 0.3%, and 0.7%, respectively.
- 2Q GDP growth was revised up from 3.3% to 3.8%; the GDP price index rose from 2.0% to 2.1%, and core rose from 2.5% to 2.6%.
- The PCE price index rose from an annualized 2.6% in July to 2.7% in August; core PCE held steady at 2.9%.
- Negotiations to avoid a government shutdown continue; if no agreement is reached, the shutdown begins at 12:01am on October 1st.
- The combination of a steep muni yield curve and tight ratios inside of ten years has driven lighter demand in that part of the curve.
- MMD underperformed Treasuries by three ratios in five years, held at 70% in ten years, and underperformed by one ratio in 30 years.
- Municipal bond funds snapped a five-week stretch of inflows, reporting modest outflows of \$18mm last week; LT funds saw \$482mm of outflows.

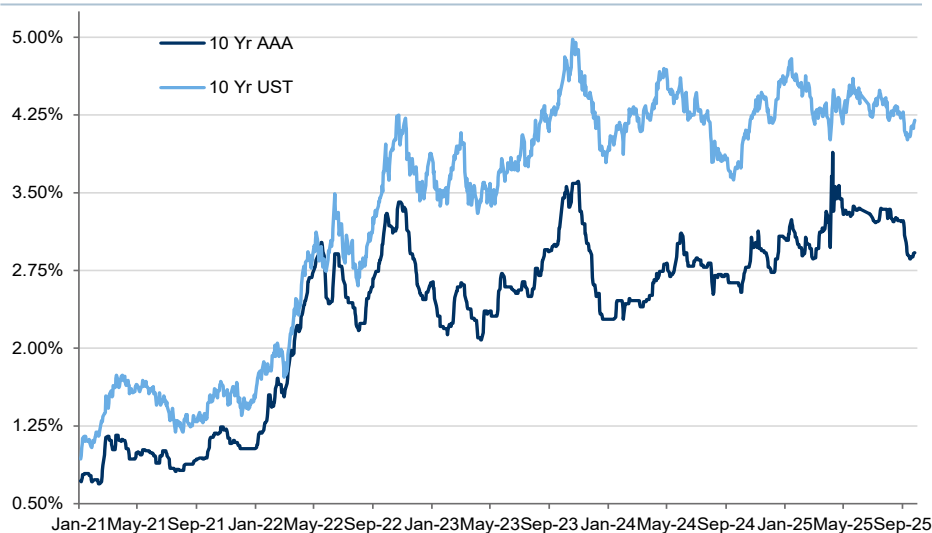
RBC Economic Outlook and Interest Rate Forecasts⁽¹⁾

	Q3'25	Q4'25	Q1'26	Q2'26	Q3'26
Real GDP (QoQ)	0.50	1.00	1.20	1.50	1.70
Core Inflation (YoY)	2.90	3.00	2.70	2.80	2.60
Fed Funds*	4.13	3.88	3.38	2.88	2.88
2-Year Notes	3.60	3.50	3.30	3.15	3.25
5-Year Notes	3.65	3.55	3.40	3.35	3.40
10-Year Notes	4.15	4.00	3.85	3.75	3.85
30-Year Bonds	4.80	4.70	4.60	4.55	4.55

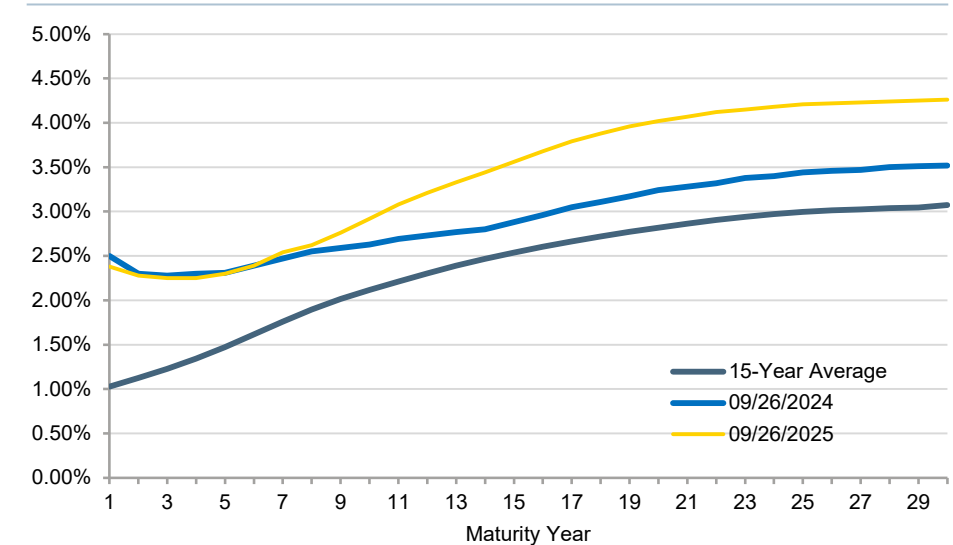
⁽¹⁾ RBC Rate and Economic Forecast as of September 11th, 2025.

*Midpoint of range.

Tax-Exempt and Taxable Yield Trends: January 1, 2021 - Present



Today's MMD Yield Curve in Context

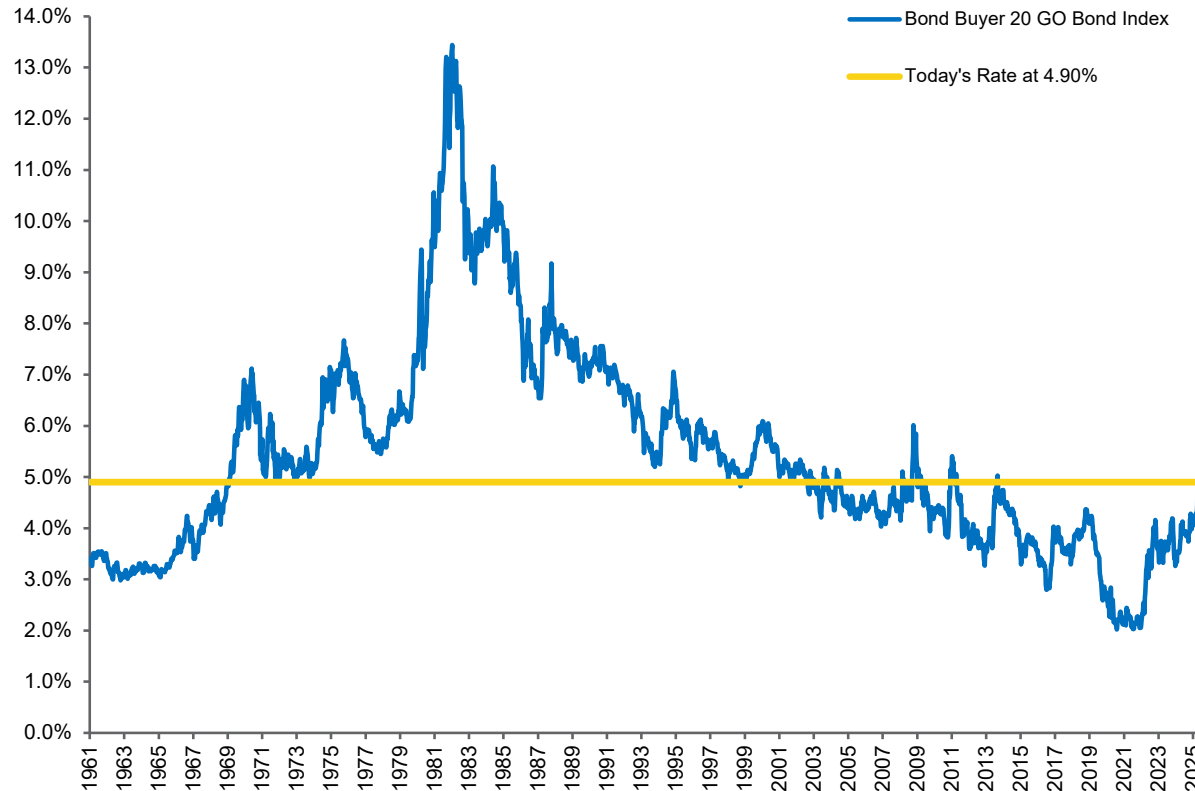


Current Market Review



Historical Perspective

Bond Buyer 20 GO Index since January 1961



% of Time in Each Range Since 1961

Yield Range		
Less than 3.50%	14.23%	
3.50% - 4.00%	12.56%	
4.01% - 4.50%	11.35%	
4.51% - 5.00%	9.06%	
5.01% - 5.50%	13.10%	
5.51% - 6.00%	8.70%	
6.01% - 6.50%	6.74%	
6.51% - 7.00%	6.15%	
7.01% - 7.50%	5.55%	
7.51% - 8.00%	3.27%	
Greater than 8.00%	9.30%	
Total	100.00%	

Source: Bloomberg as of September 25th, 2025

Weekly yields and indexes released by the Bond Buyer. Updated every Thursday at approximately 6:00pm EST. 20 Bond General Obligation Yield with 20 year maturity, rated Aa2 by Moody's Arithmetic Average of 20 bonds' yield to maturity.

Today's 4.90% level is lower than 55.09% of historical rates since July 1961.

Overview of Outstanding Debt

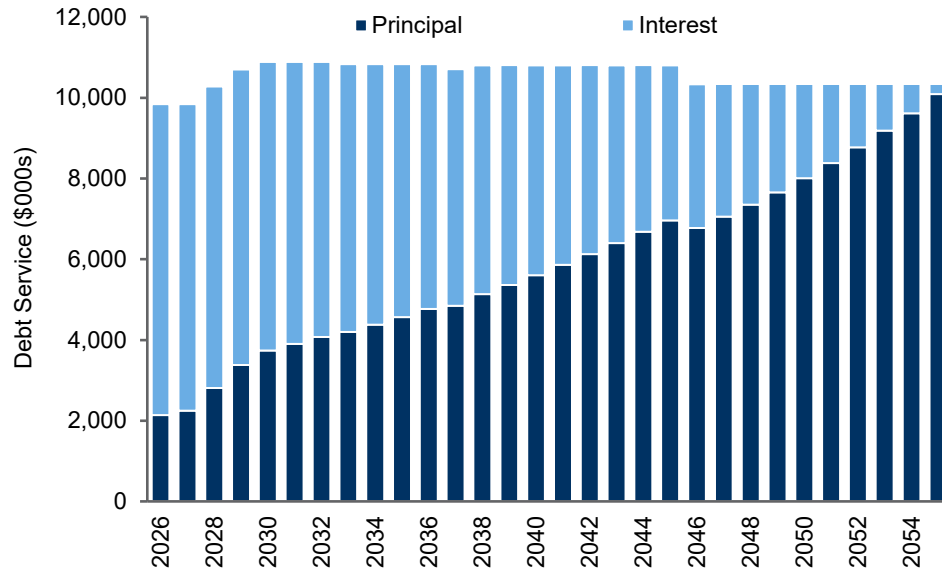


Summary of Outstanding Unlimited Tax Debt ("A+" / "A1")

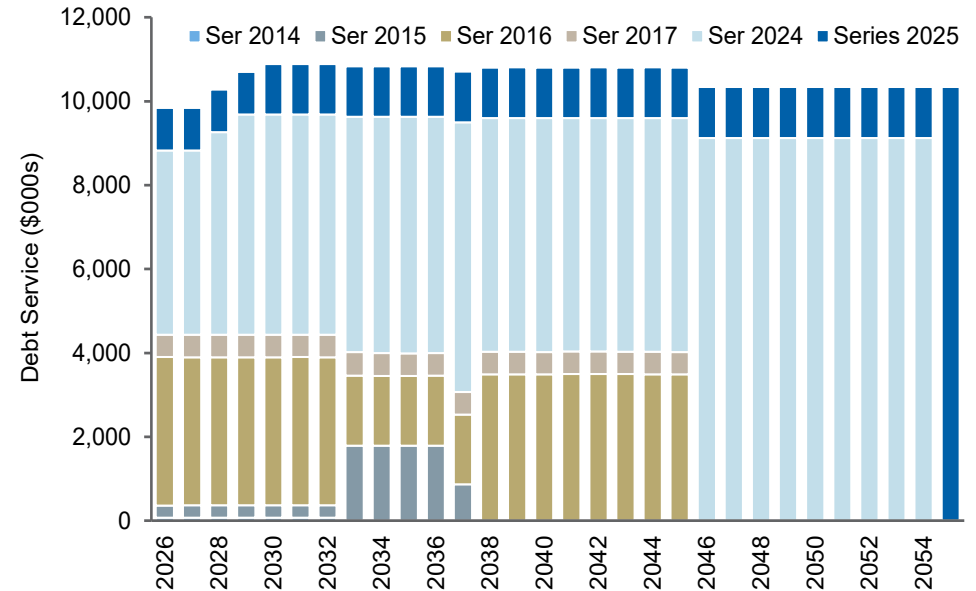
Issue	Issued Par Amount	Outstanding Par Amount	Callable Par Amount	Coupon Range of Callable Bonds	First Call Date	Final Maturity	Structure
U/L Tax Ref Bds Ser 2014	\$763,351	\$455,000	\$455,000	4.000%	08/15/2024	02/15/2032	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2015	8,295,000	7,350,000	7,350,000	4.000%	02/15/2025	02/15/2037	Fixed Rate
U/L Tax Sch Bldg & Ref Bds Ser 2016	54,750,000	42,155,000	40,305,000	3.000% - 5.000%	02/15/2026	02/15/2045	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2017	9,235,000	7,415,000	6,920,000	4.000%	02/15/2027	02/15/2045	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2024	98,775,000	98,775,000	91,385,000	4.000% - 5.000%	02/15/2034	02/15/2054	Fixed Rate
U/L Tax Sch Bldg Bds Ser 2025	19,985,000	19,985,000	18,650,000	5.000% - 5.250%	02/15/2035	02/15/2055	Fixed Rate
Total	\$191,803,351	\$176,135,000	\$165,065,000				

- Bonds which may be considered for refunding.

Outstanding Unlimited Tax Debt by Principal and Interest



Outstanding Unlimited Tax Debt by Series



Note: Debt service does not include QSC Maintenance Tax Notes, Taxable Series 2010 payable from the District's M&O tax levy.



Summary of Refunding Results

We present the following scenario for the District's consideration:

Refunding Scenario: Series 2014, Series 2015 & 2016

"Current" refund portions of the District's Series 2014, Series 2015 and Series 2016 on a tax-exempt basis to create level debt service savings (to the extent possible) in 2026/27–2036/37. (Amounts and maturities of each series to be refunded is subject to change based on market conditions.)

The refunding scenario is based upon the assumptions detailed below:

- Assumes current market tax-exempt rates as of September 29, 2025. (Subject to change.)
- The final maturity of the refunding bonds will be the same as the final maturity of the refunded bonds.
- Assumes the delivery date of the refunding bonds is November 18, 2025. (Subject to change.)
- The refunding bonds are assumed to be sold with a 10-year call option.
- Since all the bonds included in this refunding were originally guaranteed by the Permanent School Fund ("PSF") guarantee program and the refunding bonds generate a present value debt service savings, they will qualify for the PSF guarantee and will not need private bond insurance. The analysis assumes the refunding bonds are sold with a PSF enhanced rating of "AAA" and an underlying rating of "A+" by S&P. (PSF approval has not been confirmed by TEA.)
- The projected savings do not consider the impact on the District's State funding from EDA, IFA and/or ASAHE programs. Last fiscal year, the funding percentage of the District's outstanding debt service is 8% from the State. Therefore, it is initially projected that 8% of the actual savings achieved pursuant to a refunding transaction will accrue to the State in the form of a reduction in State assistance. (Subject to change.)
- The strategy for effecting the refunding would be for the Board to authorize the Administration to move forward with the transaction given certain Board approved parameters are met. Those approved parameters are memorialized in an Order. This approach would authorize District administration to approve the transaction and execute the necessary documents when the transaction terms have been set.

Updated Refunding Analysis



Summary of Refunding Results

Summary of Projected Debt Service Savings:

Description	Findings as of:	
	Aug-25-2025	Sep-29-2025
Original Principal Amount of Refunded Bonds:	\$18,285,000	\$20,860,000
Average Coupon of Refunded Bonds:	4.151%	4.117%
"All-In" TIC of Refunding Bonds:	3.410%	3.357%
Total Debt Service Savings:	\$723,693	\$974,760
Average Annual Savings:	\$80,308	\$88,434
Net Present Value of Debt Service Savings:	\$622,794	\$818,178
Net PV Savings as a % of Refunded Par:	3.406%	3.922%
Positive Arbitrage:	\$39,946	\$58,838
Positive Arbitrage as a % of Net PV Savings:	6.414%	6.884%
Rate Decrease of 25 bps (-0.25%)		
Net Present Value of Debt Service Savings:		\$1,094,591
Net PV Savings as a % of Refunded Par:		5.247%
Rate Increase of 25 bps (+0.25%)		
Net Present Value of Debt Service Savings:		\$546,991
Net PV Savings as a % of Refunded Par:		2.622%

Summary of Cash Flows:

FYE (8/31)	Series 2014, 2015 & 2016 Refunded Debt Service	Series 2025 Refunding Debt Service	Debt Service Savings*
2026	\$895,550	\$893,565	\$1,985
2027	2,840,975	2,755,125	85,850
2028	2,844,200	2,756,000	88,200
2029	2,842,200	2,752,125	90,075
2030	2,841,300	2,753,250	88,050
2031	2,847,100	2,758,875	88,225
2032	2,844,000	2,753,875	90,125
2033	1,793,400	1,705,000	88,400
2034	1,791,000	1,703,250	87,750
2035	1,791,100	1,702,875	88,225
2036	1,793,500	1,703,625	89,875
2037	867,000	779,000	88,000
Total	\$25,991,325	\$25,016,565	\$974,760

*Net present value savings is \$818,178.

Summary of Bonds Considered in Refunding Analysis

Series	Maturities To Be Refunded	Principal To Be Refunded	Average Coupon	Redemption Date	Redemption Price
U/L Tax Ref Bds, Ser 2014*	2027 - 2032	\$400,000	4.000%	2/15/2026	100%
U/L Tax Sch Bldg Bds, Ser 2015	2033 - 2037	7,350,000	4.000%	2/15/2026	100%
U/L Tax Sch Bldg & Ref Bds, Ser 2016	2027 - 2032	13,110,000	4.274%	2/15/2026	100%
Total		\$20,860,000			

*Includes Term Bonds with mandatory sinking fund payments.

Note: Analysis reflects current market rates as of September 29th, 2025. Rates subject to change.

Preliminary Timetable



Unlimited Tax Refunding Bonds, Series 2025*

Sep-2025							Oct-2025							Nov-2025						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29
														30						

Financing Team Members

- KISD - Kaufman Independent School District (Issuer)
- RBC - RBC Capital Markets (Financial Advisor)
- NRF - Norton Rose Fulbright US LLP (Bond Counsel)
- UW - Underwriter(s)

Date	Action	Responsibility
04-Sep-25	Request Information for Preliminary Official Statement ("POS")	RBC
10-Sep-25	Submit Application for PSF Guarantee	RBC
11-Sep-25	Request for Information Returned to RBC	KISD
15-Sep-25	Send Draft POS and Credit Info to Rating Agency	RBC
19-Sep-25	Distribute Draft POS for Comments	RBC
24-Sep-25	Receive Notice Regarding PSF Guarantee	All Parties
25-Sep-25	Conference Call with Credit Rating Agency	KISD, RBC
26-Sep-25	Deadline for Comments to Draft POS	All Parties
06-Oct-25	Regular Board Meeting - Review Preliminary Financing Plan and Formally Approve Parameters Order	KISD, RBC, NRF
07-Oct-25	Receive Credit Ratings	KISD, RBC
08-Oct-25	Distribute POS to Potential Purchasers	KISD, RBC
15-Oct-25	Negotiated Bond Sale - Pricing of the Bonds	KISD, RBC, UW
15-Oct-25	District Official Approves Pricing Certificate for the Bonds (Interest Rates Locked In)	KISD, RBC, NRF
16-Oct-25	Submit Documents to Attorney General for Approval	NRF
16-Oct-25	Distribute Draft of Final Official Statement ("OS") for Comments	RBC
21-Oct-25	Receive Comments, Finalize & Distribute OS	All Parties
18-Nov-25	Closing - Transfer of Funds and Bonds Delivered	All Parties

*Preliminary, subject to change.



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