



DECATUR

INDEPENDENT SCHOOL DISTRICT



Defeasance & Parameter Bond Refunding Information

July 14, 2025



Presentation Topics

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Decatur ISD Defeasance History

	<u>FINAL</u> 8/30/2022	<u>FINAL</u> 8/22/2023	<u>FINAL</u> 8/7/2024	<u>PROJECTED</u> 8/5/2025	
FYE	<u>\$570,000</u>	<u>\$1,670,000</u>	<u>\$3,730,000</u>	<u>\$3,455,000</u>	
31-Dec	Defeasance	Defeasance	Defeasance	Defeasance	TOTAL
2022	\$ 600,235				\$ 600,235
2023	(28,500)	\$ 1,751,286			1,722,786
2024	(350,250)	(66,800)	\$ 3,753,057		3,336,007
2025	(246,000)	(466,800)	-	\$ 3,627,605	2,914,805
2026		(430,800)	-	(73,200)	(504,000)
2027		(360,600)	(730,000)	(73,200)	(1,163,800)
2028		(322,600)	(765,000)	(483,200)	(1,570,800)
2029		(275,600)	(815,000)	(588,200)	(1,678,800)
2030			(1,105,000)	(1,178,200)	(2,283,200)
2031			(1,100,000)	(73,200)	(1,173,200)
2032				(1,313,200)	(1,313,200)
2033				(313,600)	(313,600)
2034				(312,000)	(312,000)
2035					-
	<u>\$ (24,515)</u>	<u>\$ (171,914)</u>	<u>\$ (761,943)</u>	<u>\$ (780,395)</u>	<u>\$ (1,738,767)</u>

Defeasance - Bond principal that is not yet callable is defeased/'paid off' by funding a closed, interest-bearing escrow account that makes the semi-annual payments on the bonds being defeased and ultimately pays them off on the maturity date or the call date, whichever comes first.

TOTAL PROJECTED INTEREST SAVINGS = \$1,738,767

TOTAL DEBT SERVICE REDUCTION = \$11,470,950

NOTE: 2025 Defeasance projection based on interest rates as of 7/8/2025



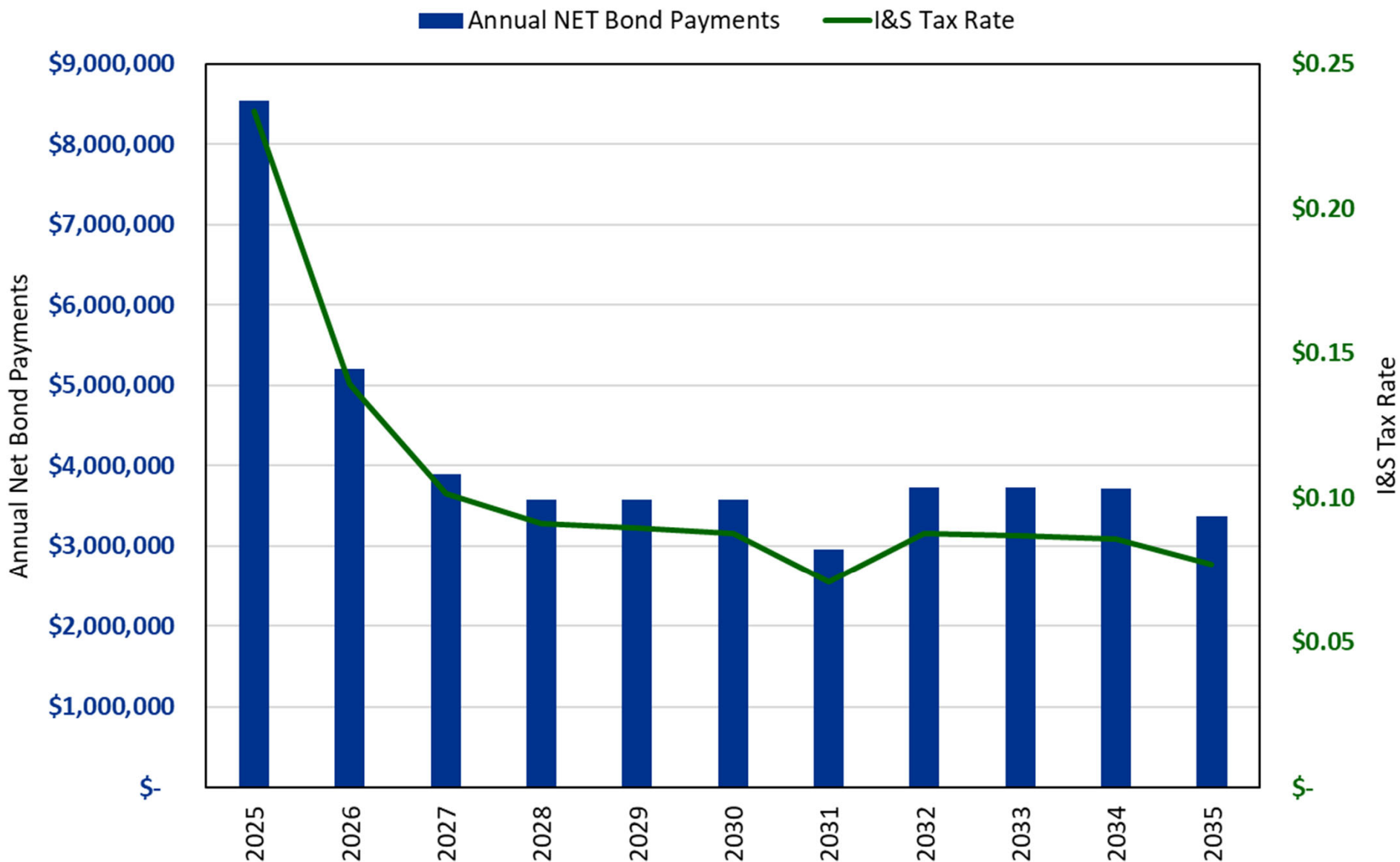
Decatur ISD Tax Rate History

<u>1</u>	<u>4</u>	<u>5</u>	<u>6</u>
Fiscal Year	M&O Tax Rate	I&S Tax Rate	Total Tax Rate
2016	\$1.0400	\$0.2900	\$1.3300
2017	\$1.0400	\$0.3000	\$1.3400
2018	\$1.0400	\$0.3000	\$1.3400
2019	\$1.0400	\$0.2650	\$1.3050
2020	\$0.9700	\$0.2400	\$1.2100
2021	\$0.9664	\$0.2337	\$1.2001
2022	\$0.9120	\$0.2337	\$1.1457
2023	\$0.8546	\$0.2337	\$1.0883
2024	\$0.6692	\$0.2337	\$0.9029
2025	\$0.6692	\$0.2337	\$0.9029

NOTE: DISD's total tax rate the last two years are the lowest it has been since fiscal year **1993**

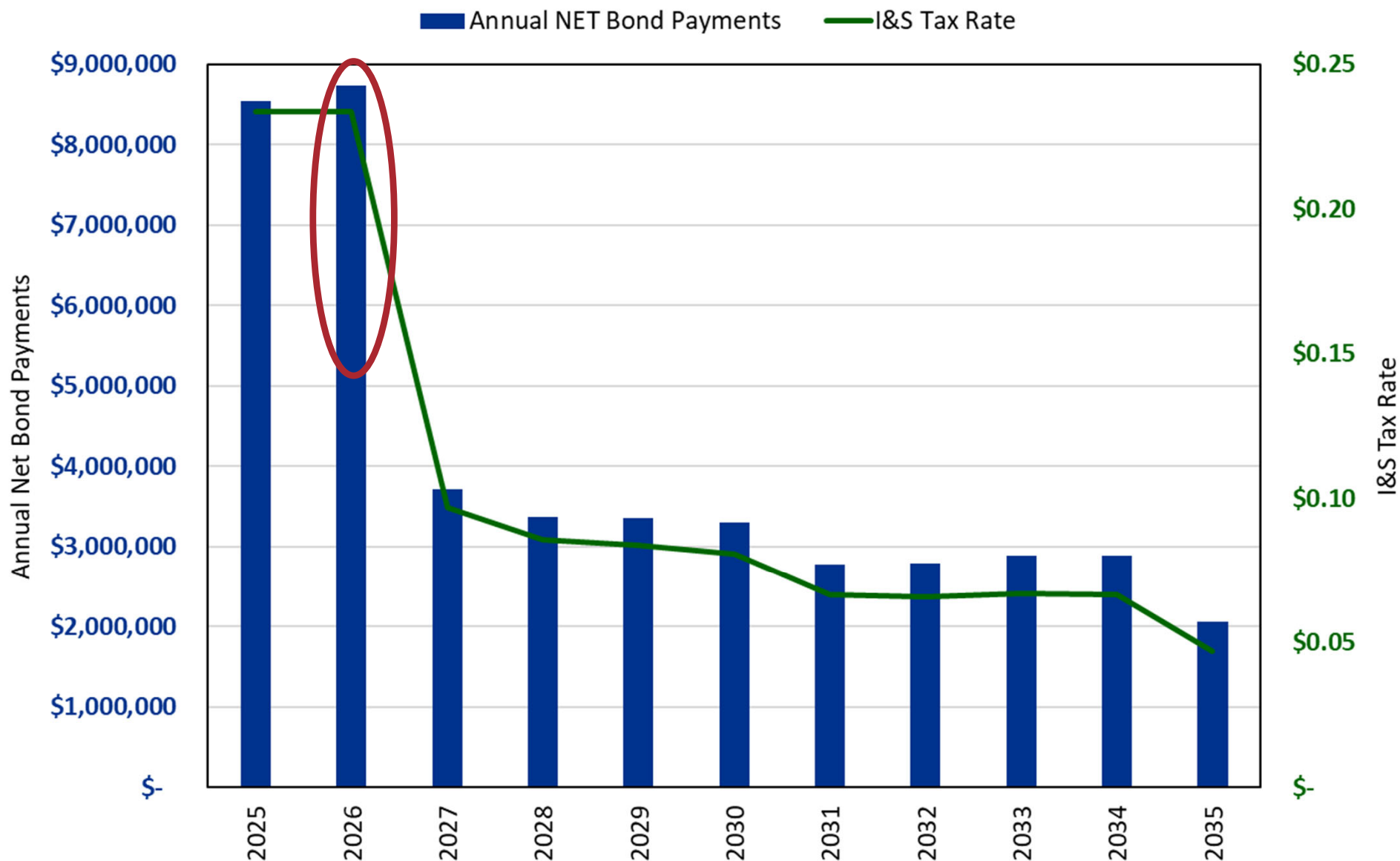
SOURCE: Municipal Advisory Council of Texas website

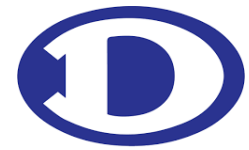
Projected Net Bond Payments & I&S Tax Rates BEFORE Refunding





Net Bond Payments & I&S Tax Rates AFTER Refunding





Projected Bond Refunding Details – Accelerate Principal in 2026

ASSUMPTIONS

Dated / Delivery Date:

8/28/2025

First Payment:

2/15/2026

Average Interest Rate on Refunded Bonds:

5.00%

Call Date on Refunding Bonds

2/15/2034

POTENTIAL REFUNDING RESULTS

True Interest Cost (TIC) on Refunding Bonds:

3.93%

Gross Debt Service Savings:

\$ 1,530,188

Present Value Debt Service Savings:

\$ 218,990

PV Savings as a % of Refunded Principal:

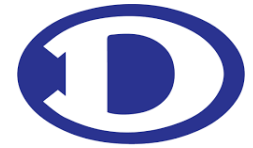
3.74%

POTENTIAL DEBT SERVICE SAVINGS - 7/8/25 PSF AAA Tax Exempt Interest Rates PLUS 0.10%

Year Ending 31-Aug	Series 2015 Refunded Debt Service			Series 2025 Refunding Debt Service			Potential Savings
	Principal	Interest	Total	Principal	Interest	Total	
2026	\$ -	\$ 296,250	\$ 296,250	\$ 3,635,000	\$ 191,063	\$ 3,826,063	\$ 3,529,813
2027	-	296,250	296,250	-	110,750	110,750	(185,500)
2028	-	296,250	296,250	-	110,750	110,750	(185,500)
2029	-	296,250	296,250	-	110,750	110,750	(185,500)
2030	-	296,250	296,250	-	110,750	110,750	(185,500)
2031	-	296,250	296,250	-	110,750	110,750	(185,500)
2032	735,000	277,875	1,012,875	-	110,750	110,750	(902,125)
2033	765,000	240,375	1,005,375	-	110,750	110,750	(894,625)
2034	800,000	201,250	1,001,250	-	110,750	110,750	(890,500)
2035	3,625,000	90,625	3,715,625	2,215,000	55,375	2,270,375	(1,445,250)
Totals	\$ 5,925,000	\$ 2,587,625	\$ 8,512,625	\$ 5,850,000	\$ 1,132,438	\$ 6,982,438	\$ (1,530,188)

Bonds to be Refunded

	Principal Refunded	Maturities Refunded	Refunded Bonds Interest Rate	Refunded Bonds Call Date
U/L Tax Refunding Bonds, Series 2015	\$ 5,925,000	2032 - 2035	5.00%	Currently Callable



Parameter Bond Order

- Allowed Under Section 1371 (New Money) and 1207 (Refunding) Texas Government Code
- Board delegates final pricing authority to Board selected Pricing Officers – *Superintendent or Chief Financial Officer or Interim Chief Financial Officer*
- Board establishes and approves bond sale parameters within Refunding Parameter Order:
 - Maximum Principal Amount of Issue – *‘Not-to-exceed amount’*
 - Maximum True Interest Cost Rate
 - Minimum Savings Threshold - *Refundings*
 - Final Maturity Date
 - Expiration of Delegated Authority
- Delegated Pricing Officers can only approve bond issue if parameters in Board-approved Order are met

Proposed Series 2025 Refunding Parameters Included in Order



- Delegated Pricing Officers: Superintendent or CFO or Interim CFO
- Maximum Principal Amount: \$5,925,000
- Maximum True Interest Cost: 4.50%
- Minimum Savings Threshold: Positive PV Savings
- Final Maturity Date: 2/15/35 (Term Not Extended)
- Delegation Expiration: 365 Days

Delegated Pricing Officers can only approve transaction if these parameters are met