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November 11, 2015

Ms. Debby Sanders  
Superintendent of Schools  
Aubrey Independent School District  
415 Tisdell Lane  
Aubrey, Texas 76227

Dr. James Monaco  
Chief Financial Officer  
Aubrey Independent School District  
415 Tisdell Lane  
Aubrey, Texas 76227

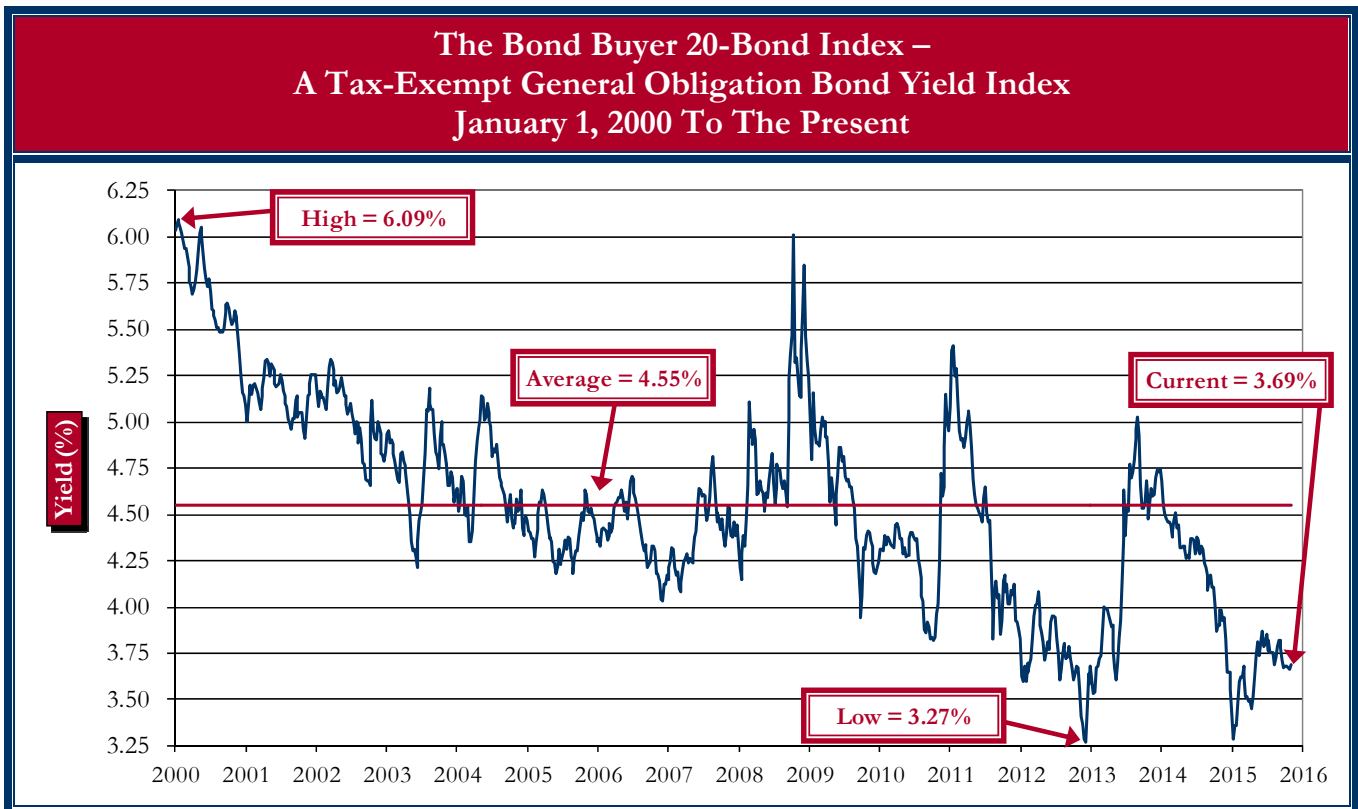
**Re: Aubrey ISD – Update of Potential Refunding Opportunity (November 2015)**

Dear Ms. Sanders and Dr. Monaco:

As discussed during the September 16, 2015 Board of Trustees meeting, this letter updates the savings potentially available to Aubrey Independent School District (the “District”) by “current refunding” its existing Unlimited Tax School Building and Refunding Bonds, Series 2007 (the “Series 2007 Bonds”) at a lower interest rate. For your review and consideration, we have included herein the preliminary financing plan and timetable to realize such savings for the District’s taxpayers, as deemed appropriate.

**Current Interest Rates**

As represented by “The Bond Buyer 20-Bond Index” in the graph below, municipal interest rates remain favorable and are currently 0.86% below the historical average experienced since year 2000.



### Financing Structure and Savings Available

The financing structure to complete the Refunding Program is identical to the District's prior refunding bond sales summarized below – Which have generated \$2,947,902 of savings for District taxpayers over the last 2-years.

Summary of Interest Cost Savings Achieved By The District – Since Year 2014			
Issue	Series Refunded	Principal Amount Refunded	Total Savings
Unlimited Tax Refunding Bonds, Series 2014	2007	\$ 7,427,571	\$ 1,041,226
Unlimited Tax Refunding Bonds, Series 2015	2002 & 2007	9,403,313	1,906,676
<b>Totals</b>	---	<b>\$ 16,650,884</b>	<b>\$ 2,947,902</b>

### ■ Bonds to be Refunded

The following table summarizes the District's outstanding Series 2007 Bonds to be refunded at a lower interest rate.

Summary of the Series 2007 Bonds to be Refunded						
Issue Outstanding	Principal Amount To Be Refunded	Maturity Amount To Be Refunded	Maturities To Be Refunded	Interest Rate	Redemption Date	Redemption Price
Unlimited Tax School Building & Refunding Bonds, Series 2007	\$16,952,770	\$17,710,000	02/15/2017 – 2041	4.50%	02/15/2016	100.0%

### ■ Summary of Savings

Based upon current market conditions, the table below summarizes the savings available to the District by refunding its outstanding Series 2007 Bonds, which potentially total \$2,079,244. Please note, the savings are net of all costs associated with the Refunding Program.

Summary of Savings Available	
Description	Summary Of Results
Principal Amount of Series 2007 Bonds to be Refunded	\$ 16,952,770
Interest Rate on the Series 2007 Bonds to be Refunded	4.50%
True Interest Rate on the Refunding Bonds ("All-In TIC")	3.93%
Total Debt Service Savings	\$ 2,079,244
Average Annual Savings (i.e. Years 2016/17 – 2040/41) (25-Years)	83,170
Present Value Debt Service Savings (@ All-In TIC)	1,284,684
Present Value Savings as a Percentage of the Principal Amount/Accreted Value of the Series 2007 Bonds to be Refunded	7.33%

As shown below, the Refunding Program is anticipated to provide savings over the same repayment period of the District's existing Series 2007 Bonds.

Refunding Program – Estimated Annual Savings					
A	B	C	D	E	F
Fiscal Year	Existing Bond Payments	Less: Series 2007 Bond Payments – Bonds to be Refunded	Plus: Bond Payments – Refunding Bonds	Bond Payments – After Refunding Program	Savings <sup>(A)</sup> (Col. B – E)
2015/16	\$ 3,528,240	\$ 755,200	\$ 755,200	\$ 3,528,240	\$ ---
2016/17	3,782,340	895,200	811,088	3,698,228	84,113
2017/18	3,786,440	915,200	831,088	3,702,328	84,113
2018/19	3,786,440	915,200	831,088	3,702,328	84,113
2019/20	3,777,934	916,694	836,088	3,697,328	80,606
2020/21	3,781,315	914,575	831,088	3,697,828	83,488
2021/22	3,786,234	912,244	831,088	3,705,078	81,156
2022/23	3,786,668	914,478	831,088	3,703,278	83,391
2023/24	3,781,031	916,166	831,088	3,695,953	85,078
2024/25	3,787,574	1,078,509	995,388	3,704,453	83,122
2025/26	3,786,149	1,081,509	998,763	3,703,403	82,747
2026/27	3,777,553	952,163	868,713	3,694,103	83,450
2027/28	3,761,840	1,004,225	919,353	3,676,968	84,872
2028/29	3,769,528	1,004,488	923,431	3,688,471	81,056
2029/30	3,747,887	1,004,075	921,669	3,665,481	82,406
2030/31	3,814,428	1,002,988	919,119	3,730,559	83,869
2031/32	3,808,956	1,001,225	920,906	3,728,637	80,319
2032/33	3,812,705	1,003,675	921,919	3,730,949	81,756
2033/34	3,816,878	1,005,225	922,147	3,733,799	83,078
2034/35	3,806,748	1,000,988	916,656	3,722,416	84,331
2035/36	3,812,100	1,000,963	920,344	3,731,481	80,619
2036/37	3,814,890	1,987,313	1,902,700	3,730,278	84,613
2037/38	3,836,408	2,844,225	2,760,400	3,752,583	83,825
2038/39	3,832,888	2,847,288	2,762,400	3,748,000	84,888
2039/40	3,832,138	2,845,175	2,760,400	3,747,363	84,775
2040/41	3,834,413	2,847,663	2,764,200	3,750,950	83,463
2041/42	3,834,375	---	---	3,834,375	---
Totals	\$102,284,095	\$33,566,650	\$31,487,406	\$100,204,851	\$2,079,244
<sup>(A)</sup> At this time, the District receives approximately \$66,400 for each 1-cent of I&S tax effort.					

### Use of a “Parameters Bond Order” for Approval of Refunding Bond Sale

As previously utilized for the sale of the District’s prior refunding programs, the District’s Board of Trustees may adopt a “Parameters Bond Order” to complete the sale of the Refunding Bonds. The following is a representative listing of parameters we recommend the District utilize for its refunding program.

- 1.) The District achieves savings of at least \$1,500,000;
- 2.) The maximum principal amount of Refunding Bonds that may be issued is \$16,952,770.46;
- 3.) The maximum interest rate (All-In TIC) on the Refunding Bonds is 4.25%;
- 4.) The final maturity of the Refunding Bonds may not exceed February 15, 2041 – The same final maturity as the existing bonds; and
- 5.) The Refunding Program must be completed prior to May 16, 2016.

Unless each parameter listed above is achieved, the Refunding Bonds would not be issued unless additional direction is received from the District’s Board of Trustees.

### Preliminary Timetable


The preliminary timetable for the sale of the Refunding Bonds is listed below.

Preliminary Timetable – Refunding Bonds	
Date	Action Necessary
November 18, 2015	Board Meeting – Discuss Refunding Program and Consider “Parameters Bond Order” authorizing issuance of Refunding Bonds.
<b>December 11, 2015</b>	<b>Completion of all actions necessary to complete the Refunding Program.</b>
TBD	Pricing – Sale of the Refunding Bonds within the specified parameters – Savings locked-in at this time.
1-Business Day After Pricing	The District’s Administration approves sale of Refunding Bonds.
On or Prior to May 16, 2016	Closing – The Refunding Program is completed and the District begins paying the lower interest rate on the Refunding Bonds.

### Closing

We hope this information is helpful as you manage the District’s financial and debt position. Should any questions arise, additional material is preferred or we may be of any assistance, please let us know. We look forward to visiting with you soon and hope all is well!

Sincerely,

  
William J. Gumbert  
Managing Director

  
Joshua M. McLaughlin  
Managing Director