Galveston Independent School District

Refunding Analysis

Unlimited Tax Refunding Bonds

Taxable Series 2021

January 19, 2021

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Austin **Houston** **Dallas**

Refunding Information

Galveston Independent School District

Refunding Analysis

Refunded Bonds:		Series 2011 & 2013
Assumptions:		TAXABLE
Dated Date:		4/1/2021
Delivery Date:		4/7/2021
		Series 2021
Refunding Bond Par Amount:	$	33,404,963
Refunded Bond Par Amount:	$	33,405,000
PV Savings:	$	1,737,692
PV % Savings:		5.21%
Cash Flow Savings:	$	1,814,976
Est. Annual Cash Flow Savings:	$	213,527
True Interest Cost:		1.057%
Average Life - Years (Refunding Bonds):		4.493
Average Coupon (Refunded Bonds):		3.88%
Value of Negative Arbitrage:	$	463,926
Negative Arbitrage as % of PV Savings		26.70%

	Maturity				Maturity	Call
Refunded Bonds	Year	Date	Coupon		Amount	Date
Unlimited Tax Refunding Bonds, Series 2011						
	2022	Feb. 1	3.000%	$	3,690,000	**4/7/2021**
Unlimited Tax Refunding Bonds, Series 2013						
	2023	Feb 1.	5.000%		3,670,000	
	2024	Feb. 1	5.000%		3,865,000	**2/1/2023**
	2025	Feb. 1	5.000%		4,055,000	**2/1/2023**
	2026	Feb. 1	5.000%		4,270,000	**2/1/2023**
	2027	Feb. 1	4.000%		4,465,000	**2/1/2023**
	2028	Feb. 1	3.000%		4,625,000	**2/1/2023**
	2029	Feb. 1	3.000%		4,765,000	**2/1/2023**
				$	33,405,000	

SOURCES AND USES OF FUNDS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Dated Date	04/01/2021
Delivery Date	04/07/2021

Sources:	
Bond Proceeds:	
Par Amount	33,404,962.50
Premium	2,830,931.25
	36,235,893.75
Uses:	
Refunding Escrow Deposits:	
Cash Deposit	3,710,295.19
SLGS Purchases	32,153,968.00
	35,864,263.19
Delivery Date Expenses:	
Cost of Issuance	205,000.00
Underwriter's Discount	163,061.52
	368,061.52
Other Uses of Funds:	
Additional Proceeds	3,569.04
	36,235,893.75

SAVINGS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Date	Prior Debt Service	Refunding Debt Service	Savings	Present Value to 04/07/2021 @ 0.9484520%
08/31/2021	682,000.00	594,457.21	87,542.79	87,280.88
08/31/2022	4,998,650.00	4,784,800.00	213,850.00	209,829.43
08/31/2023	4,831,550.00	4,614,352.00	217,198.00	211,569.98
08/31/2024	4,838,175.00	4,624,023.75	214,151.25	207,007.50
08/31/2025	4,830,175.00	4,615,245.00	214,930.00	206,209.41
08/31/2026	4,837,050.00	4,619,014.50	218,035.50	207,635.80
08/31/2027	4,836,000.00	4,618,136.75	217,863.25	205,813.10
08/31/2028	4,837,325.00	4,623,707.00	213,618.00	200,085.25
08/31/2029	4,836,475.00	4,618,687.50	217,787.50	202,260.75
	39,527,400.00	37,712,423.71	1,814,976.29	1,737,692.10

Savings Summary

PV of savings from cash flow	1,737,692.10
Plus: Refunding funds on hand	3,569.04
Net PV Savings	1,741,261.14

SUMMARY OF REFUNDING RESULTS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Dated Date	04/01/2021
Delivery Date	04/07/2021
Arbitrage yield	0.948452%
Escrow yield	0.119537%
Value of Negative Arbitrage	463,925.66
Bond Par Amount	33,404,962.50
True Interest Cost	1.056571%
Average Life	4.493
Par amount of refunded bonds	33,405,000.00
Average coupon of refunded bonds	3.879822%
Average life of refunded bonds	4.531
PV of prior debt to 04/07/2021 @ 0.948452%	37,973,585.85
Net PV Savings	1,741,261.14
Percentage savings of refunded bonds	5.212576%
Percentage savings of refunding bonds	5.212582%

BOND PRICING

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Offer Price per $5,000 at Maturity	CAB Value at Maturity	Premium (-Discount)
Bond Component:								
	08/01/2021	515,000.00	0.130%	0.130%	100.00000000			
	02/01/2022	4,540,000.00	0.240%	0.240%	100.00000000			
	02/01/2024	4,395,000.00	0.470%	0.470%	100.00000000			
	02/01/2025	4,410,000.00	0.610%	0.610%	100.00000000			
	02/01/2026	4,445,000.00	0.800%	0.800%	100.00000000			
	02/01/2027	4,485,000.00	1.030%	1.030%	100.00000000			
	02/01/2028	4,540,000.00	1.160%	1.160%	100.00000000			
	02/01/2029	4,590,000.00	1.250%	1.250%	100.00000000			
		31,920,000.00						
CAB:								
	02/01/2023	1,484,962.50		0.750%	290.63991515	4,932.45	4,375,000	2,830,931.25
		33,404,962.50					4,375,000	2,830,931.25

Dated Date	04/01/2021	
Delivery Date	04/07/2021	
First Coupon	08/01/2021	
Par Amount	33,404,962.50	
Premium	2,830,931.25	
Production	36,235,893.75	100.000000%
Underwriter's Discount	-163,061.52	-0.450000%
Purchase Price	36,072,832.23	99.550000%
Accrued Interest		
Net Proceeds	36,072,832.23	

BOND SUMMARY STATISTICS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Dated Date	04/01/2021
Delivery Date	04/07/2021
Last Maturity	02/01/2029
Arbitrage Yield	0.948452%
True Interest Cost (TIC)	1.056571%
All-In TIC	1.193492%
Average Life (years)	4.493
Weighted Average Maturity (years)	4.284
Duration of Issue (years)	4.189
Par Amount	33,404,962.50
Bond Proceeds	36,235,893.75
Total Interest	1,417,423.71
Net Interest	-1,250,446.02
Total Debt Service	37,712,423.71
Maximum Annual Debt Service	4,784,800.00
Average Annual Debt Service	4,824,617.11
Underwriter's Fees (per $1000)	
Average Takedown	
Other Fee	4.500000
Total Underwriter's Discount	4.500000
Bid Price	107.986447

Bond Component	Par Value	Price	Average Coupon	Average Life	Average Maturity Date	Duration	PV of 1 bp change
CAB	1,484,962.50	290.640		1.817	01/30/2023	1.817	787.50
Bond Component	31,920,000.00	100.000	0.962%	4.618	11/18/2025	4.515	14,189.30
	33,404,962.50			4.493			14,976.80

	TIC	All-In TIC	Arbitrage Yield
Par Value	33,404,962.50	33,404,962.50	33,404,962.50
+ Accrued Interest			
+ Premium (Discount)	2,830,931.25	2,830,931.25	2,830,931.25
- Underwriter's Discount	-163,061.52	-163,061.52	
- Cost of Issuance Expense		-205,000.00	
- Other Amounts			
Target Value	36,072,832.23	35,867,832.23	36,235,893.75
Target Date	04/07/2021	04/07/2021	04/07/2021
Yield	1.056571%	1.193492%	0.948452%

BOND DEBT SERVICE

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service	Annual Debt Service
08/01/2021	515,000.00	0.130000%	79,457.21		594,457.21	
08/31/2021						594,457.21
02/01/2022	4,540,000.00	0.240000%	125,124.00		4,665,124.00	
08/01/2022			119,676.00		119,676.00	
08/31/2022						4,784,800.00
02/01/2023	1,484,962.50	69.265871%	119,676.00	2,890,037.50	4,494,676.00	
08/01/2023			119,676.00		119,676.00	
08/31/2023						4,614,352.00
02/01/2024	4,395,000.00	0.470000%	119,676.00		4,514,676.00	
08/01/2024			109,347.75		109,347.75	
08/31/2024						4,624,023.75
02/01/2025	4,410,000.00	0.610000%	109,347.75		4,519,347.75	
08/01/2025			95,897.25		95,897.25	
08/31/2025						4,615,245.00
02/01/2026	4,445,000.00	0.800000%	95,897.25		4,540,897.25	
08/01/2026			78,117.25		78,117.25	
08/31/2026						4,619,014.50
02/01/2027	4,485,000.00	1.030000%	78,117.25		4,563,117.25	
08/01/2027			55,019.50		55,019.50	
08/31/2027						4,618,136.75
02/01/2028	4,540,000.00	1.160000%	55,019.50		4,595,019.50	
08/01/2028			28,687.50		28,687.50	
08/31/2028						4,623,707.00
02/01/2029	4,590,000.00	1.250000%	28,687.50		4,618,687.50	
08/31/2029						4,618,687.50
	33,404,962.50		1,417,423.71	2,890,037.50	37,712,423.71	37,712,423.71

BOND DEBT SERVICE

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Period Ending	Principal	Coupon	Interest	Compounded Interest	Debt Service
08/31/2021	515,000.00	0.130000%	79,457.21		594,457.21
08/31/2022	4,540,000.00	0.240000%	244,800.00		4,784,800.00
08/31/2023	1,484,962.50	69.265871%	239,352.00	2,890,037.50	4,614,352.00
08/31/2024	4,395,000.00	0.470000%	229,023.75		4,624,023.75
08/31/2025	4,410,000.00	0.610000%	205,245.00		4,615,245.00
08/31/2026	4,445,000.00	0.800000%	174,014.50		4,619,014.50
08/31/2027	4,485,000.00	1.030000%	133,136.75		4,618,136.75
08/31/2028	4,540,000.00	1.160000%	83,707.00		4,623,707.00
08/31/2029	4,590,000.00	1.250000%	28,687.50		4,618,687.50
	33,404,962.50		1,417,423.71	2,890,037.50	37,712,423.71

SUMMARY OF BONDS REFUNDED

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Bond	Maturity Date	Interest Rate	Par Amount	Call Date	Call Price
U/L Tax Refunding Bonds, Series 2011, SERIES11, BOND:					
	02/01/2022	3.000%	3,690,000.00	04/07/2021	100.000
U/L Tax Refunding Bonds, Series 2013, SERIES13, BOND:					
	02/01/2023	5.000%	3,670,000.00		
	02/01/2024	5.000%	3,865,000.00	02/01/2023	100.000
	02/01/2025	5.000%	4,055,000.00	02/01/2023	100.000
	02/01/2026	5.000%	4,270,000.00	02/01/2023	100.000
	02/01/2027	4.000%	4,465,000.00	02/01/2023	100.000
	02/01/2028	3.000%	4,625,000.00	02/01/2023	100.000
	02/01/2029	3.000%	4,765,000.00	02/01/2023	100.000
			29,715,000.00		
			33,405,000.00		

PRIOR BOND DEBT SERVICE

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Period Ending	Principal	Coupon	Interest	Debt Service
08/31/2021			682,000	682,000
08/31/2022	3,690,000	3.000%	1,308,650	4,998,650
08/31/2023	3,670,000	5.000%	1,161,550	4,831,550
08/31/2024	3,865,000	5.000%	973,175	4,838,175
08/31/2025	4,055,000	5.000%	775,175	4,830,175
08/31/2026	4,270,000	5.000%	567,050	4,837,050
08/31/2027	4,465,000	4.000%	371,000	4,836,000
08/31/2028	4,625,000	3.000%	212,325	4,837,325
08/31/2029	4,765,000	3.000%	71,475	4,836,475
	33,405,000		6,122,400	39,527,400

ESCROW DESCRIPTIONS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

	Type of Security	Type of SLGS	Maturity Date	First Int Pmt Date	Par Amount	Rate	Max Rate
Apr 7, 2021:							
	SLGS	Certificate	08/01/2021	08/01/2021	614,658	0.070%	0.070%
	SLGS	Certificate	02/01/2022	02/01/2022	607,703	0.090%	0.090%
	SLGS	Note	08/01/2022	08/01/2021	608,152	0.100%	0.100%
	SLGS	Note	02/01/2023	08/01/2021	30,323,455	0.120%	0.120%
					32,153,968		

SLGS Summary

SLGS Rates File	19JAN21
Total Certificates of Indebtedness	1,222,361.00
Total Notes	30,931,607.00
Total original SLGS	32,153,968.00

ESCROW COST

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Type of Security	Maturity Date	Par Amount	Rate	Total Cost
SLGS	08/01/2021	614,658	0.070%	614,658.00
SLGS	02/01/2022	607,703	0.090%	607,703.00
SLGS	08/01/2022	608,152	0.100%	608,152.00
SLGS	02/01/2023	30,323,455	0.120%	30,323,455.00
		32,153,968		32,153,968.00

Purchase Date	Cost of Securities	Cash Deposit	Total Escrow Cost	Yield
04/07/2021	32,153,968	3,710,295.19	35,864,263.19	0.119537%
	32,153,968	3,710,295.19	35,864,263.19	

ESCROW CASH FLOW

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Date	Principal	Interest	Net Escrow Receipts	Present Value to 04/07/2021 @ 0.1195366%
08/01/2021	614,658.00	11,991.91	626,649.91	626,412.82
02/01/2022	607,703.00	18,947.68	626,650.68	626,039.41
08/01/2022	608,152.00	18,498.15	626,650.15	625,664.94
02/01/2023	30,323,455.00	18,194.07	30,341,649.07	30,275,850.83
	32,153,968.00	67,631.81	32,221,599.81	32,153,968.00

Escrow Cost Summary

Purchase date	04/07/2021
Purchase cost of securities	32,153,968.00
Target for yield calculation	32,153,968.00

ESCROW SUFFICIENCY

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Date	Escrow Requirement	Net Escrow Receipts	Excess Receipts	Excess Balance
04/07/2021	3,710,295.00	3,710,295.19	0.19	0.19
08/01/2021	626,650.00	626,649.91	-0.09	0.10
02/01/2022	626,650.00	626,650.68	0.68	0.78
08/01/2022	626,650.00	626,650.15	0.15	0.93
02/01/2023	30,341,650.00	30,341,649.07	-0.93	
	35,931,895.00	35,931,895.00	0.00	

ESCROW STATISTICS

Galveston Independent School District
U/L Tax Refunding Bonds, Taxable Series 2021

Total Escrow Cost	Modified Duration (years)	Yield to Receipt Date	Yield to Disbursement Date	Perfect Escrow Cost	Value of Negative Arbitrage	Cost of Dead Time
Global Proceeds Escrow:						
35,864,263.19	1.757	0.119537%	0.119537%	35,400,337.52	463,925.66	0.01
35,864,263.19				35,400,337.52	463,925.66	0.01

Delivery date	04/07/2021
Arbitrage yield	0.948452%

GALVESTON INDEPENDENT SCHOOL DISTRICT
$33,405,000 UNLIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021
DISTRIBUTION LIST

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UNDERWRITERS – CO-MANAGERS
TBD

UNDERWRITERS' COUNSEL
TBD

GALVESTON INDEPENDENT SCHOOL DISTRICT

$34,405,000 UNLIMITED TAX REFUNDING BONDS, TAXABLE SERIES 2021

Timetable of Events

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

FEBRUARY						
S	M	T	W	Th	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28						

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

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

Date	Action	Responsibility
1/6	Submit draft of bond documents and agenda language to working group	FA, BC
1/19	**Finance Committee Meeting** – discuss refunding transaction (2021 Taxable Series) and review parameter bond Order and other related matters	ISD, FA, BC
1/20	**Regular Board Meeting -** adopt parameter bond Order authorizing the sale of the Bonds and other related matters	ISD, FA, BC
1/22	Submit application to Permanent School Fund (PSF) guarantee program	FA
1/22	Submit request to the District for information for the offering documents	FA
2/1	Receive information from District for offering documents	ISD
2/3	First draft of POS to working group	FA
2/3	Submit draft of POS to rating agency	FA
2/8	Receive PSF guarantee	FA
2/10	Comments from working group on first draft of POS	BC, FA, UC
2/10-11	Rating agency meeting/conference call	ISD, FA
2/12	Second draft of POS to working group	FA
2/19	Second draft of comments from working group on POS	BC, FA, UC
2/24	Final draft of POS to working group	FA
2/26	Final comments from working group on POS	BC, FA, UC

Date	Action	Responsibility
3/2	Notify Texas Bond Reporter, The Bond Buyer, and Bloomberg of sale	FA
3/2	Print and distribute final POS and order CUSIPs	FA, U, UC
3/3	Receive ratings	ISD, FA
3/9	**Bond Pricing**	ISD, FA, U
3/9	Execute the Bond Purchase Agreement (BPA) authorizing the sale of the Bonds and any other related matters	ISD, FA, BC, UC
3/15	Bond counsel compiles transcript of proceedings and submits to Texas Attorney General	BC
3/16	Print and distribute final offering documents	FA, U, UC
3/31	Prepare and distribute closing memorandum	FA
4/7	**Deliver Bonds**	BC, FA, U, UC

Financing Team Members:

ISD	-	Galveston Independent School District
BC	-	Bond Counsel – Bracewell LLP
FA	-	Financial Advisor – U.S. Capital Advisors
U	-	Underwriters – TBD
UC	-	Underwriter’s Counsel – TBD