

# Information Related to Proposed Refunding of Series 2014

# REFUNDING ANALYSIS

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# Bond Issue to be Refunded – Series 2014

| <u>Maturity Date</u> | <u>Par Amount</u>    | <u>Interest Rate</u> | <u>Refunded Amount</u> | <u>Call Date</u> |
|----------------------|----------------------|----------------------|------------------------|------------------|
| 8/15/2024            | \$ 1,315,000         | 5.00%                | \$ 1,315,000           | 8/15/2023        |
| 8/15/2025            | 1,385,000            | 5.00%                | 1,385,000              | 8/15/2023        |
| 8/15/2026            | 1,450,000            | 5.00%                | 1,450,000              | 8/15/2023        |
| 8/15/2027            | 1,525,000            | 4.00%                | 1,525,000              | 8/15/2023        |
| 8/15/2028            | 1,585,000            | 5.00%                | 1,585,000              | 8/15/2023        |
| 8/15/2029            | 1,665,000            | 5.00%                | 1,665,000              | 8/15/2023        |
| 8/15/2030            | 1,750,000            | 3.50%                | 1,750,000              | 8/15/2023        |
| 8/15/2031            | 1,810,000            | 3.50%                | 1,810,000              | 8/15/2023        |
| 8/15/2032            | 1,875,000            | 3.50%                | 1,875,000              | 8/15/2023        |
| 8/15/2033            | 1,940,000            | 3.75%                | 1,940,000              | 8/15/2023        |
| 8/15/2034            | 2,010,000            | 3.75%                | 2,010,000              | 8/15/2023        |
| 8/15/2035            | 2,085,000            | 3.75%                | 2,085,000              | 8/15/2023        |
| 8/15/2036            | 2,165,000            | 5.00%                | 2,165,000              | 8/15/2023        |
| 8/15/2037            | 2,270,000            | 5.00%                | 2,270,000              | 8/15/2023        |
| 8/15/2038            | 2,385,000            | 5.00%                | 2,385,000              | 8/15/2023        |
| 8/15/2039            | 2,505,000            | 5.00%                | 2,505,000              | 8/15/2023        |
| 8/15/2040            | 820,000              | 3.75%                | 820,000                | 8/15/2023        |
| 8/15/2041            | 835,000              | 3.75%                | 835,000                | 8/15/2023        |
| 8/15/2042            | 845,000              | 3.75%                | 845,000                | 8/15/2023        |
| 8/15/2043            | 855,000              | 3.75%                | 855,000                | 8/15/2023        |
| 8/15/2044            | 870,000              | 3.75%                | 870,000                | 8/15/2023        |
| 8/15/2040            | 1,810,000            | 4.00%                | 1,810,000              | 8/15/2023        |
| 8/15/2041            | 1,900,000            | 4.00%                | 1,900,000              | 8/15/2023        |
| 8/15/2042            | 1,995,000            | 4.00%                | 1,995,000              | 8/15/2023        |
| 8/15/2043            | 2,095,000            | 4.00%                | 2,095,000              | 8/15/2023        |
| 8/15/2044            | 2,200,000            | 4.00%                | 2,200,000              | 8/15/2023        |
|                      | <u>\$ 43,945,000</u> |                      | <u>\$ 43,945,000</u>   |                  |

## Unlimited Tax School Building Bonds, Series 2014

- Original Par Amount: **\$49,650,000**
- Callable Principal Amount: **\$43,945,000**
- Callable Principal Maturity Dates: **2024 - 2044**
- Interest Rates: **3.50 – 5.00%**
- Call Date: **August 15, 2023**

C O P P E L L I S D

# Refunding– Series 2014 (based on current market rates)

| Year | Refunded<br>Debt Service | Refunding<br>Debt Service | Savings             |
|------|--------------------------|---------------------------|---------------------|
| 2021 | \$ 936,113               | \$ 932,775                | \$ 3,337            |
| 2022 | 1,872,225                | 1,585,493                 | 286,733             |
| 2023 | 1,872,225                | 1,585,493                 | 286,733             |
| 2024 | 3,187,225                | 2,900,493                 | 286,733             |
| 2025 | 3,191,475                | 2,905,493                 | 285,983             |
| 2026 | 3,187,225                | 2,900,493                 | 286,733             |
| 2027 | 3,189,725                | 2,905,493                 | 284,233             |
| 2028 | 3,188,725                | 2,904,717                 | 284,009             |
| 2029 | 3,189,475                | 2,903,383                 | 286,093             |
| 2030 | 3,191,225                | 2,903,308                 | 287,918             |
| 2031 | 3,189,975                | 2,904,323                 | 285,652             |
| 2032 | 3,191,625                | 2,907,270                 | 284,355             |
| 2033 | 3,191,000                | 2,907,391                 | 283,609             |
| 2034 | 3,188,250                | 2,899,606                 | 288,644             |
| 2035 | 3,187,875                | 2,903,940                 | 283,936             |
| 2036 | 3,189,688                | 2,904,770                 | 284,918             |
| 2037 | 3,186,438                | 2,901,758                 | 284,680             |
| 2038 | 3,187,938                | 2,899,784                 | 288,154             |
| 2039 | 3,188,688                | 2,903,361                 | 285,327             |
| 2040 | 3,188,438                | 2,902,321                 | 286,117             |
| 2041 | 3,190,288                | 2,906,257                 | 284,031             |
| 2042 | 3,187,975                | 2,902,040                 | 285,935             |
| 2043 | 3,186,488                | 2,900,555                 | 285,933             |
| 2044 | 3,190,625                | 2,906,643                 | 283,983             |
|      | <u>\$ 71,650,925</u>     | <u>\$ 65,077,152</u>      | <u>\$ 6,573,773</u> |

|   |               |
|---|---------------|
| Call Date                                   | 8/15/2023     |
| Maturities                                  | 2024-2044     |
| Refunded Principal                          | \$ 43,945,000 |
| Average Coupon of Refunded Bonds            | 4.20%         |
| True Interest Cost (TIC) on Refunding Bonds | 2.42%         |
| Net Present Value Savings                   | \$ 4,979,342  |

**Percentage Savings of Refunded Bonds = 11.331%**

C O P P E L L I S D

# At Recommended Minimum Parameter – 7.00% PV

| Year | Refunded Debt Service | Refunding Debt Service | Savings             |
|------|-----------------------|------------------------|---------------------|
| 2021 | \$ 936,113            | \$ 932,400             | \$ 3,713            |
| 2022 | 1,872,225             | 1,690,779              | 181,446             |
| 2023 | 1,872,225             | 1,690,779              | 181,446             |
| 2024 | 3,187,225             | 3,005,779              | 181,446             |
| 2025 | 3,191,475             | 3,010,779              | 180,696             |
| 2026 | 3,187,225             | 3,005,779              | 181,446             |
| 2027 | 3,189,725             | 3,010,779              | 178,946             |
| 2028 | 3,188,725             | 3,009,283              | 179,442             |
| 2029 | 3,189,475             | 3,012,191              | 177,285             |
| 2030 | 3,191,225             | 3,011,155              | 180,071             |
| 2031 | 3,189,975             | 3,011,056              | 178,919             |
| 2032 | 3,191,625             | 3,012,696              | 178,930             |
| 2033 | 3,191,000             | 3,011,286              | 179,715             |
| 2034 | 3,188,250             | 3,006,736              | 181,514             |
| 2035 | 3,187,875             | 3,008,957              | 178,918             |
| 2036 | 3,189,688             | 3,007,383              | 182,305             |
| 2037 | 3,186,438             | 3,006,663              | 179,775             |
| 2038 | 3,187,938             | 3,006,527              | 181,411             |
| 2039 | 3,188,688             | 3,006,445              | 182,243             |
| 2040 | 3,188,438             | 3,006,345              | 182,093             |
| 2041 | 3,190,288             | 3,010,647              | 179,641             |
| 2042 | 3,187,975             | 3,006,218              | 181,757             |
| 2043 | 3,186,488             | 3,008,972              | 177,516             |
| 2044 | 3,190,625             | 3,008,572              | 182,054             |
|      | <u>\$ 71,650,925</u>  | <u>\$ 67,498,202</u>   | <u>\$ 4,152,723</u> |

|   |               |
|---|---------------|
| Call Date                                   | 8/15/2023     |
| Maturities                                  | 2024-2044     |
| Refunded Principal                          | \$ 43,945,000 |
| Average Coupon of Refunded Bonds            | 4.20%         |
| True Interest Cost (TIC) on Refunding Bonds | 2.75%         |
| Net Present Value Savings                   | \$ 3,052,097  |

**Percentage Savings of Refunded Bonds = 6.945%**

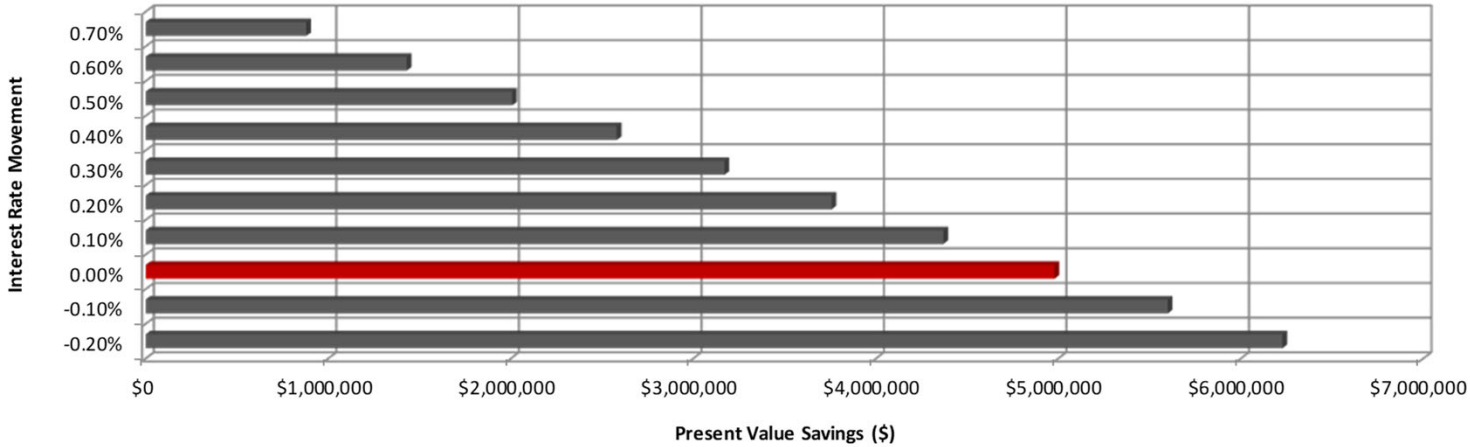
C O P P E L L I S D

# Forward Refunding Savings Sensitivity

Recommended Minimum PV



| Interest Rate Change | -0.20%    | -0.10%    | 0.00%     | 0.10%     | 0.20%     | 0.30%     | 0.40%     | 0.50%     | 0.60%     | 0.70%   |
|----------------------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|-----------|---------|
| PV Savings (\$)      | 6,229,056 | 5,599,887 | 4,979,342 | 4,370,526 | 3,758,571 | 3,171,824 | 2,581,431 | 2,008,265 | 1,430,768 | 880,307 |
| PV Savings (%)       | 14.175%   | 12.743%   | 11.331%   | 9.945%    | 8.553%    | 7.218%    | 5.874%    | 4.570%    | 3.256%    | 2.003%  |



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## PARAMETER BOND SALE

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Same as Series 2009, 2011, 2012,  
2013A&B, 2014, 2016ABC&D, 2018,  
2019, 2019A, 2020 and 2020A

# Parameter Bond Sale

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- ❑ **Board delegates final pricing authority to Pricing Officer(s)**
- ❑ **Board establishes bond sale parameters:**

**Section 1207 of the Government Code allows refunding bonds via a Parameter Sale**

- ▶ Maximum Interest Rate
  - ▶ Minimum Savings Threshold for Refunding
  - ▶ Aggregate Principal Amount of Issue
  - ▶ Final Maturity Date
  - ▶ Expiration of Delegated Authority
    - 6 Months
- ❑ **Pricing Officer(s) can only approve sale if Board parameters are met**



# Parameter Bond Sale

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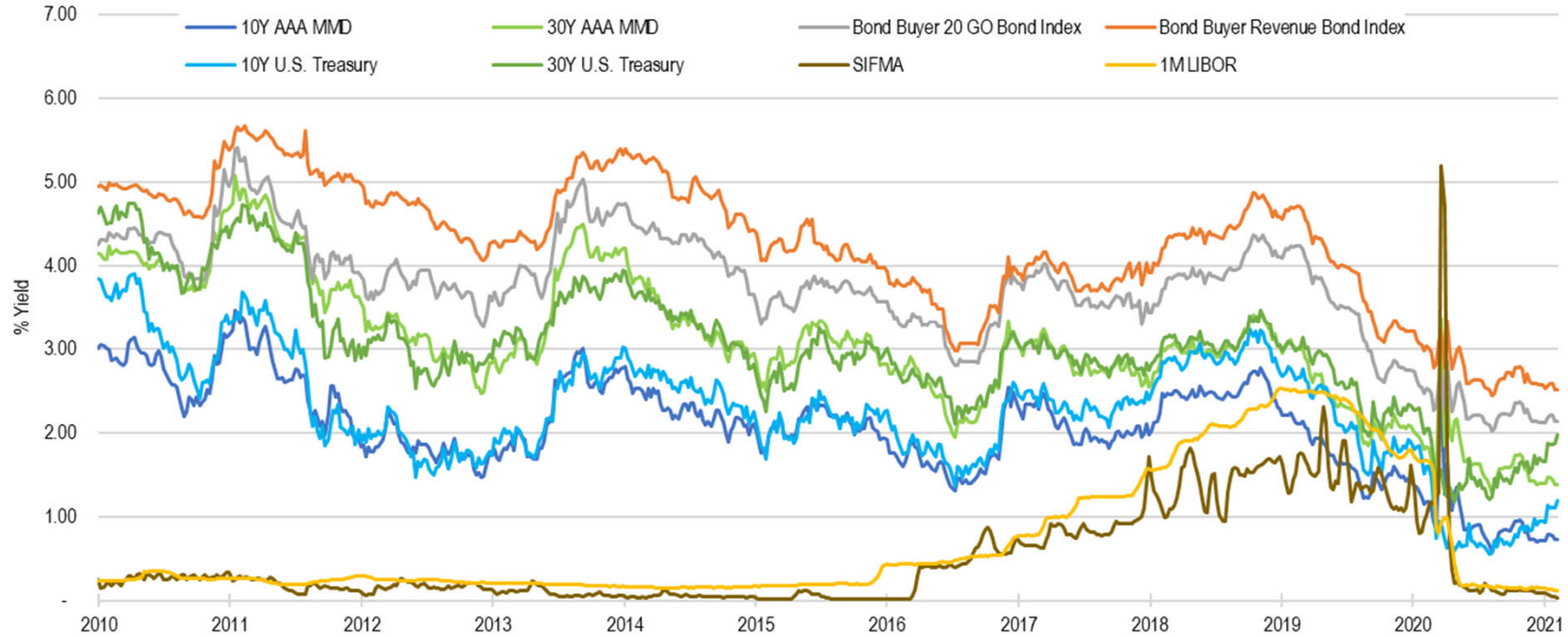
Reason for Parameter Bond Sale = FLEXIBILITY

**Market Timing** – Bond issue is in ‘Day-to-Day’ mode, meaning bonds can be priced at any time and in an interest rate environment that is advantageous rather than being locked into pricing on the date of a Board meeting.

# MARKET UPDATE

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# Weekly Benchmark Interest Rates



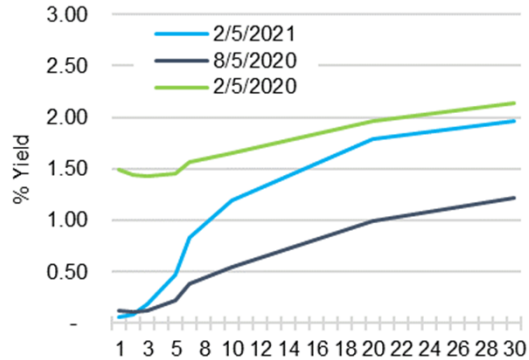
Rates Analysis – 1/1/10 to 2/5/21

|              | 10Y AAA MMD | 30Y AAA MMD | Bond Buyer<br>20 GO Bond Index | Bond Buyer<br>Revenue Bond Index | 10Y<br>U.S. Treasury | 30Y<br>U.S. Treasury | SIFMA | 1M LIBOR |
|--------------|-------------|-------------|--------------------------------|----------------------------------|----------------------|----------------------|-------|----------|
| Current      | 0.73        | 1.38        | 2.14                           | 2.51                             | 1.19                 | 1.97                 | 0.03  | 0.12     |
| Maximum      | 3.46        | 5.08        | 5.41                           | 5.67                             | 3.90                 | 4.75                 | 5.20  | 2.52     |
| Minimum      | 0.58        | 1.27        | 2.02                           | 2.44                             | 0.55                 | 1.17                 | 0.01  | 0.12     |
| Average      | 2.06        | 3.06        | 3.74                           | 4.27                             | 2.26                 | 3.03                 | 0.49  | 0.69     |
| % Time Lower | 1.7%        | 0.5%        | 1.9%                           | 0.3%                             | 8.4%                 | 8.8%                 | 7.9%  | 0.0%     |

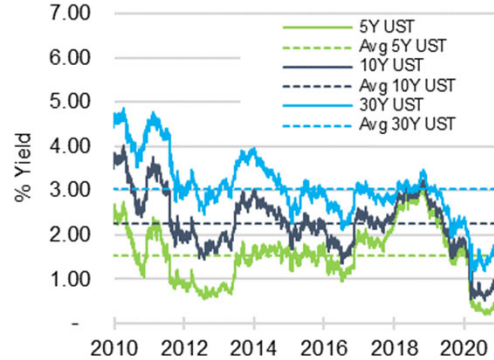
Source: Refinitiv Municipal Market Data, U.S. Treasury and Bloomberg

# Taxable Market Overview | U.S. Treasuries

UST Yield Curve Comparison



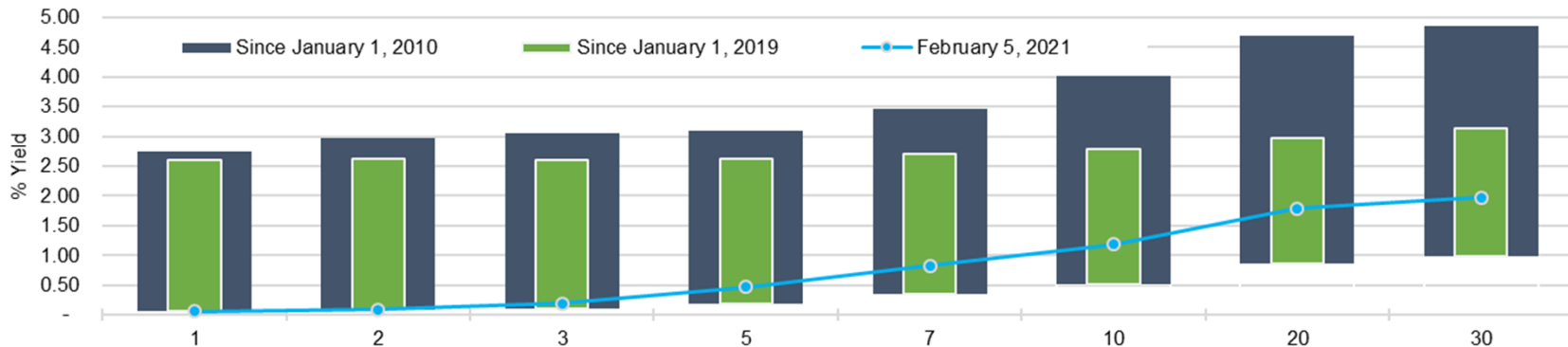
UST Rates – 1/1/10 to 2/5/21



UST Yield Curve Steepness - 1/1/10 to 2/5/21



Maximum and Minimum UST Yields



Source: U.S. Treasury Department

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