

Refunding Savings Analysis

PFM Financial Advisors LLC

October 2024

PFM Financial
Advisors LLC

700 North Saint Mary's
Street, Suite 1400
San Antonio, TX
78205

David Gonzalez
gonzalezd@pfm.com
210.563.1662
pfm.com



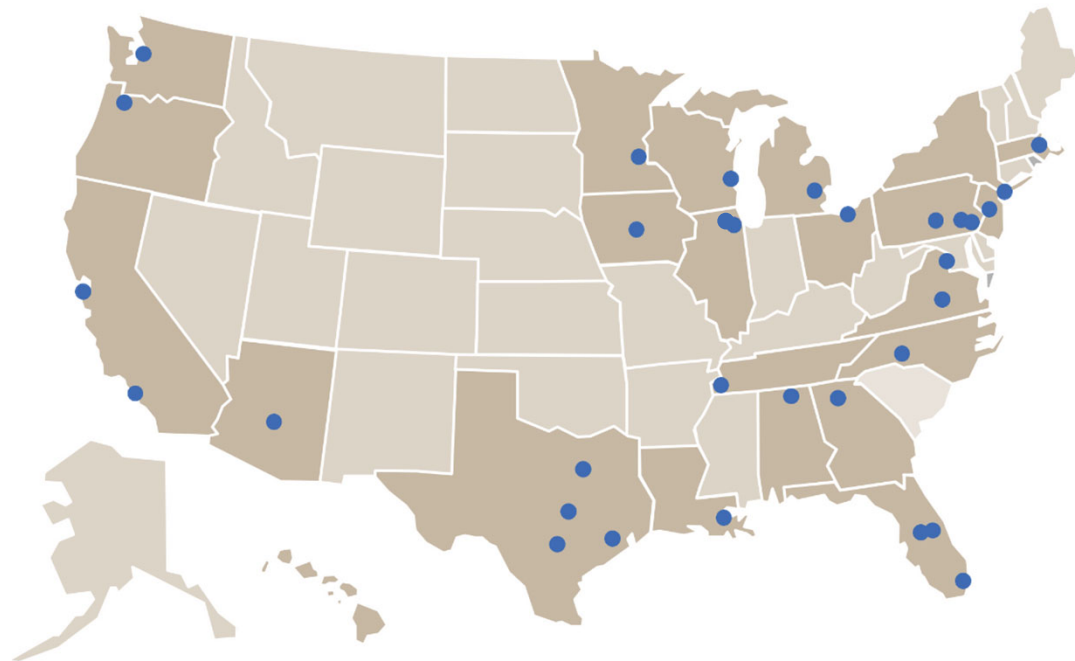
PFM is the nation's leading municipal financial advisory firm

- PFM¹ currently has more than 350 employees² located in 32 offices and locations across the United States.³
- We leverage our strong market presence, expertise and access to information for the benefit of our clients on every engagement.
- PFM has been ranked #1 for the last 29 years⁴ in the public finance industry, maintaining an expansive national presence.



350
EMPLOYEES

²Estimated according to PFM internal resources as of August 1, 2023



³According to PFM Internal Resources as of August 1, 2023

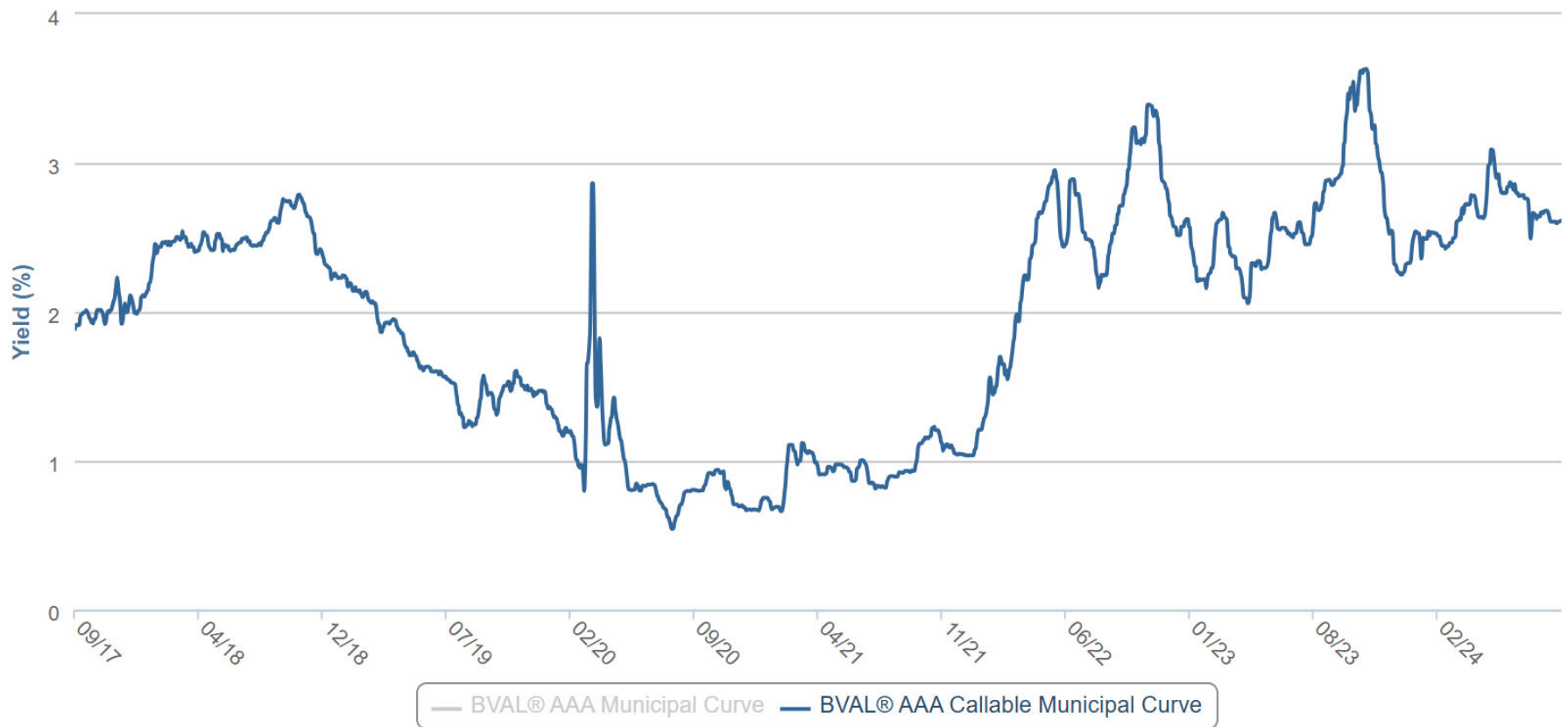


⁴Ranked by Ipreo in terms of par amount as of August 1, 2023



Historical Yield Data

Date Range: to Yield Curves: Years to Maturity:



Source: Bloomberg, treasury.gov
PFM Pricing Group



Southwest Texas JCD maintains “A” underlying bond ratings. This is an upgrade from BBB.

Summary of Rating Agency Views
S&P Global Ratings
AAA (PSF Guarantee) A (Underlying) Stable Outlook
Positive Factors
<ul style="list-style-type: none">— Growing economy with rising assessed value (AV) and a small tax base— Relatively stable enrollment base, which has grown in recent years following a pandemic-induced reduction in demand— Good revenue diversity and significant revenue-raising flexibility given an operations-and-maintenance— Manageable Debt— Strong financial profile
Negative Factors / Factors That Could Lead to Negative Rating Pressure
<ul style="list-style-type: none">— Relatively lean, albeit growing, financial resources— Potential of increased competition risk in the next few years



Debt Portfolio Overview – Basic Composition

◆ Outstanding Par totals **\$15.5 million**

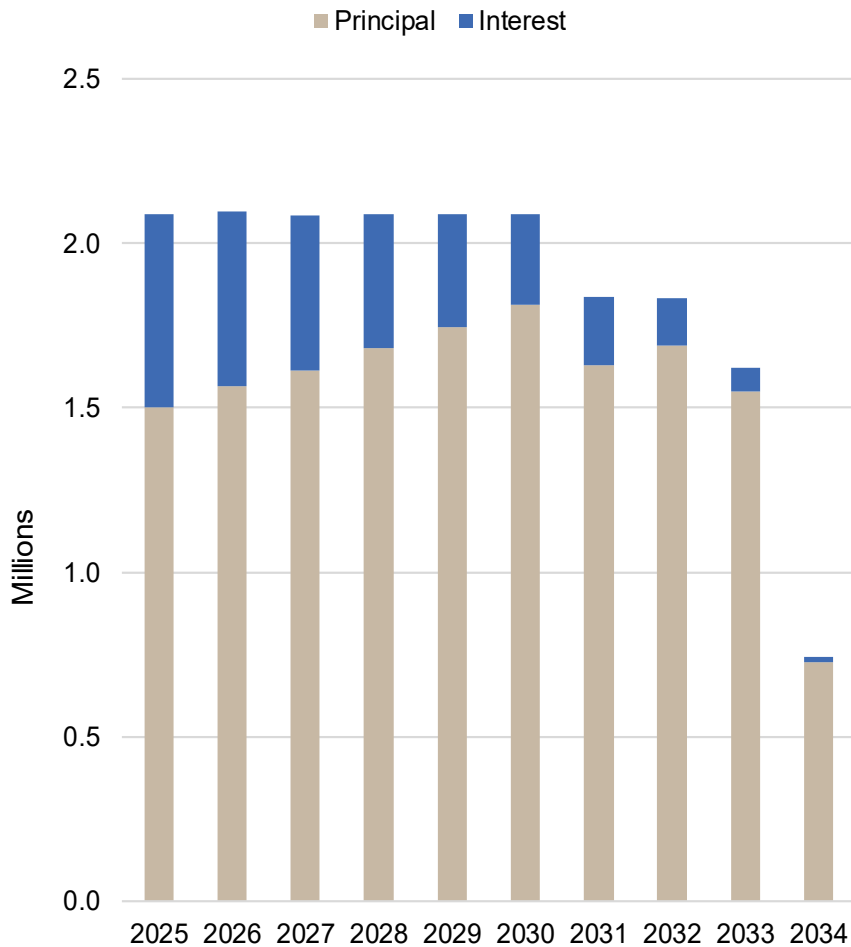
Southwest Texas Junior College District Debt Summary								
Series Name	Tax Status	Status	Issue Size	Delivery Date	Final Maturity	Par Outstanding	Call Date	Callable Par
Combined Fee Rev Ref Bds Ser 2016	Tax-Exempt	Refunding	\$ 2,540,000	7/15/2016	4/1/2032	\$ 1,415,000	4/1/2026	\$ 1,100,000
Combined Fee Rev Bds Ser 2014A	Tax-Exempt	New Money	3,000,000	10/15/2014	10/1/2029	1,380,000	10/1/2024	1,380,000
Combined Fee Rev Bds Ser 2014	Tax-Exempt	New Money	10,000,000	3/1/2014	10/1/2033	5,995,000	10/1/2019	5,500,000
Combined Fee Rev Bds Ser 2012	Tax-Exempt	New Money	7,500,000	10/1/2012	10/1/2032	4,060,000	10/1/2022	4,060,000
Combined Fee Rev Bds Ser 2006A	Tax-Exempt	New Money	2,900,000	5/15/2006	4/1/2033	2,665,000	6/8/2006	2,665,000
Total			\$ 25,940,000			\$ 15,515,000		\$ 14,705,000

Note: Assumptions as of September 30, 2024

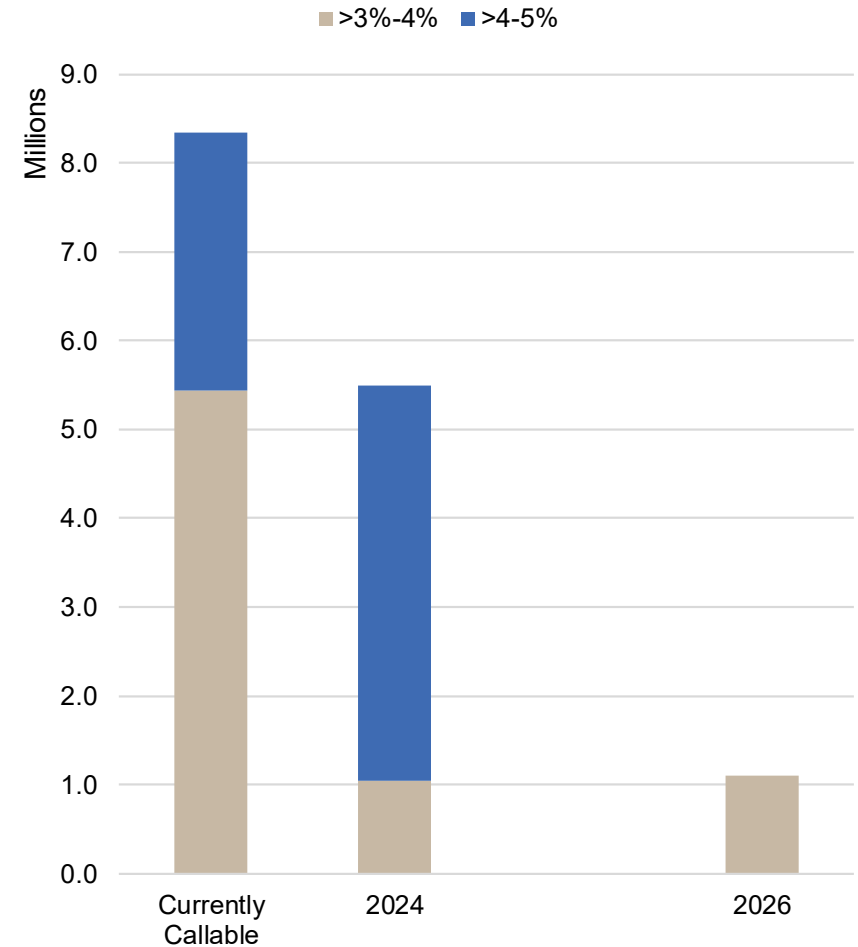


Debt Portfolio Overview – Aggregate Debt Service

Debt Service (8/31 Basis)



Distribution of Call Options By Coupon



Note: Assumptions as of September 30, 2024



2024 Current Refunding Scenario

Combined Fee Refunding Candidates

Series	Principal Amount to be Refunded	Maturities Refunded	Interest Rates	Call Date
Combined Fee Revenue Bonds, Series 2014	\$ 4,450,000	2027-2033	4.125-4.500%	1/5/2025
	\$ 4,450,000			

Projected Annual Savings

FYE 8/31	Prior Debt Service	Refunding Debt Service	Savings	Present Value Savings
2025	97,603	121,210	(23,607)	(23,403)
2026	195,206	199,250	(4,044)	(3,930)
2027	195,206	199,250	(4,044)	(3,828)
2028	738,759	667,250	71,509	66,393
2029	739,988	677,375	62,613	56,618
2030	739,806	676,000	63,806	56,191
2031	742,663	678,250	64,413	55,252
2032	738,525	674,125	64,400	53,806
2033	738,150	673,625	64,525	52,508
2034	741,313	676,500	64,813	51,370
2035	\$ 5,667,219	\$ 5,242,835	\$ 424,383	\$ 360,976

Projected Savings Summary

Par of Refunding Bonds:	\$3,985,000
Par of Refunded Bonds:	\$4,450,000
Average Refunded Coupon:	4.430%
PV of savings from cash flow	\$360,976
Plus: Refunding funds on hand	\$595,001
NPV Savings:	\$218,266
% Savings of Refunded Bonds:	4.905%
Average Annual Savings:	42,438
Negative Arbitrage:	\$0.96



PFM's Financial Advisory Team

Financial Advisory Team



Blake Roberts
Managing Director
Austin, TX
(512) 614-5234
robertsb@pfm.com



David Gonzalez
Director
Austin, TX
(210) 563-1662
gonzalezd@pfm.com



Daniel Kardish
Senior Managing Consultant
Austin, TX
(215) 557-1444
kardishd@pfm.com

Bond Pricing Group



Todd Fraizer, CFA
Managing Director
Bond Pricing Advisory
Charlotte, NC
(704) 319-7901
fraizert@pfm.com



Shannon Lee
Senior Analyst
Quantitative Support
Dallas, TX
(214) 247-7074
lees@pfm.com



Catherine Holley
Analyst
Quantitative Support
Austin, TX
(512) 614-5326
holleyc@pfm.com



Rebecca Oblites
Analyst
Quantitative Support
Austin, TX
(512) 614-5327
oblitesr@pfm.com

Quantitative Support



pfm