



Contacts

Nick Bulaich

777 Main Street

Suite 1525

Fort Worth, Texas 76102

817.332.9710

nick.bulaich@hilltopsecurities.com

Steven Murray

777 Main Street

Suite 1525

Fort Worth, Texas 76102

817.332.9710

steven.murray@hilltopsecurities.com

Market Update and Potential Parameter Refunding Presentation

April 14, 2025

White Settlement Independent School District



Presentation Topics

- 2025 Plan of Finance
- 2022 Refunding Recap
- Market Conditions
- Refunding Candidates and Refunding Information
- Parameter Bond Order
- Proposed Parameters

2025 Plan of Finance

2025 Defeasance

- On August 19, 2024, the WSISD School Board approved a resolution authorizing prepayment (defeasance) of existing bonds
- It is anticipated that the District will contribute approximately \$6 million of excess I&S funds to pay off a portion of the 2015B and 2020A bond issues.
- It is anticipated to save over \$10 million in future debt service and retire \$7.38 million of CAB (capital appreciation bond) future value.
- In 2024, the District saved \$8.3 million in future debt service on a planned defeasance in that year.

2025 Bond Refunding

- Like prior bond refundings/refinancings, asking WSISD School Board to consider a Parameter Bond Refunding Order
- Anticipated to refund/refinance the higher coupon maturities of the 2015A and 2015B bond issues for debt service savings.
- Estimated Savings of \$379,000
- Does not extend the final maturity of the original bond issues.



Bond Sale Results/Recap – Series 2022 Refunding Bonds

On January 24, 2022, the Board of Trustees approved a Parameter Order authorizing the refunding/refinancing of various maturities of the District's Series 2014 and 2015-B Bond Issues.

	Parameter	Final / Actual	Parameter Met?
Max Principal	\$ 4,596,888	\$ 4,596,880	✓
Max True Interest Cost	4.00%	3.14%	✓
Minimum Savings	\$600,000	\$735,080	✓
Final Maturity	8/15/2045	8/15/2045	✓

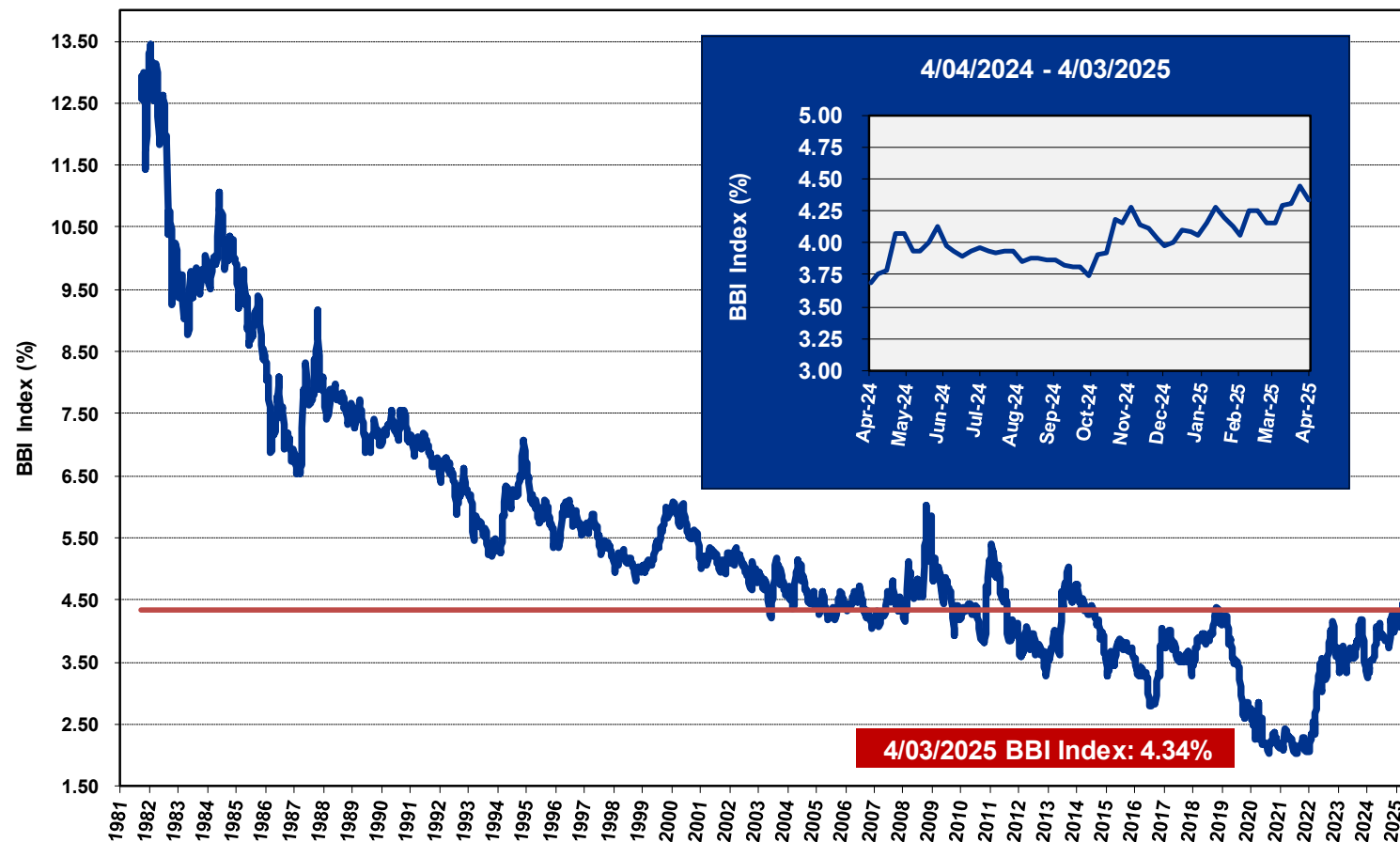
WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

Highlights:

- The District maintained its 'A+' rating from Fitch (*the District is now rated AA- from Fitch*). Additionally, the District qualified for the 'AAA' PSF Guarantee.
- The 2022 Refunding Bonds were priced on February 9, 2022.
- The District had a net CAB (Capital Appreciation Bond) reduction of \$450,000

Interest Rate Analysis – Bond Buyers Index

**Bond Buyer 20 Year GO Index
September 1981 - April 3, 2025**



Bond Buyer 20 Year GO Index is a weekly index estimating the composite yield on 20 year general obligation bonds rated "A" or better.

This graph depicts historical interest rates. Future interest rates are dependent upon many factors such as, but not limited to, interest rate trends, tax rates, the supply and demand of short term securities, changes in laws, rules and regulations, as well as changes in credit quality and rating agency considerations. The effect of changes in such factors individually or in any combination could materially affect the relationships and effective interest rates. These results should be viewed with these potential changes in mind as well as the understanding that there may be interruptions in the short term market or no market may exist at all.

Refunding Candidates



	Series 2015A Ref	Series 2015B Ref
Principal Amount:	\$10,220,000	\$1,763,826
Maturities:	2026 - 2037	2026 - 2041
Interest Rates:	3.625% - 5.000%	2.750% - 4.440%
Call Date:	8/15/2025	8/15/2025
Final Maturity:	8/15/2037	8/15/2041

WHITE SETTLEMENT INDEPENDENT SCHOOL DISTRICT

Refunding Information



White Settlement ISD

Unlimited Tax Refunding Bonds, Series 2025

ANNUAL SAVINGS ANALYSIS

<u>1</u>	<u>2</u>	<u>3</u>	<u>4</u>
Year Ending	Old Debt Service	New Debt Service	Savings*
12/31/2025	\$ 215,888	\$ 215,888	\$ -
12/31/2026	1,356,775	1,322,750	34,025
12/31/2027	1,349,775	1,318,500	31,275
12/31/2028	1,517,025	1,482,250	34,775
12/31/2029	1,350,125	1,315,500	34,625
12/31/2030	1,347,125	1,314,250	32,875
12/31/2031	1,346,625	1,310,500	36,125
12/31/2032	1,523,375	1,489,250	34,125
12/31/2033	270,563	236,250	34,313
12/31/2034	62,000	52,500	9,500
12/31/2035	111,438	77,500	33,938
12/31/2036	584,000	551,250	32,750
12/31/2037	582,400	551,250	31,150
	11,617,113	11,237,638	\$ 379,475

Net Present Value ("PV") Savings: \$ 296,303

REFUNDING RESULTS*:

- ❑ Par Amount of Refunded Bonds**: \$9,180,000
- ❑ Total Savings*: \$379,475
- ❑ Net PV Savings: \$296,303
- ❑ True Interest Cost on New Bonds: 3.71%
- ❑ Average Interest Rate on Refunded Bonds: 4.62%
- ❑ Final Maturity **NOT** Extended
- ❑ Savings are **AFTER** any and all transaction costs
(i.e. no 'out of pocket' costs)

* - Interest Rate Scale as of April 7, 2025 + 0.20%; preliminary and subject to change.

** - Includes refunding only the prior bonds that produce savings and does not include the prior bonds expected to be prepaid in 2025.

Parameter Bond Refunding Order

- Allowed Under Section 1207 Texas Government Code
- Board delegates final pricing authority to Board selected Pricing Officer(s)
- Board establishes and approves bond sale parameters within Parameter Order:
 - Maximum Interest Rate
 - Minimum Savings Threshold for Refundings
 - Maximum Aggregate Principal Amount of Issue
 - Final Maturity Date
 - Expiration of Delegated Authority
- **Delegated Pricing Officer can only approve refunding if Board parameters are met**
- If Parameter is not met, District's outstanding debt service remains unchanged

Parameter Bond Refunding Order

*Reason for Parameter Bond Sale = **FLEXIBILITY***

- **Market Timing** – Bond issue is in ‘Day-to-Day’ mode meaning that bonds can be priced at any time and in an interest rate environment that is advantageous to WSISD rather than being locked into pricing on the date of a Board meeting.
- WSISD has utilized the parameter bond sale method its past refunding transactions.
 - From 2012 to 2022, WSISD has executed refunding transactions that have saved nearly \$44 million in future interest costs.

Proposed Parameters

Included in Parameter Order for Board Consideration/Action

- Delegated Pricing Officers: **Superintendent or Assistant Superintendent for Finance and Operations**
- Maximum True Interest Cost: **4.00%**
- Minimum Savings Threshold: **\$250,000 minimum savings**
- Maximum Principal Amount: **\$11,983,826 (par not increased - includes principal that will likely be prepaid in June)**
- Final Maturity Date: **August 15, 2041 (maturity not extended)**
- Expiration of Parameter Authority: **180 Days**