

Information on Defeasance / I&S Tax Rate Management Programs | August 3, 2020

Bellville Independent School District



SPECIALIZED PUBLIC FINANCE INC.
FINANCIAL ADVISORY SERVICES

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Existing Debt Profile

Bond Issue	Interest Rate	Par Amount Issued	Outstanding Principal	Callable Principal	Call Date	Final Maturity
U/L Tax Ref Bonds, Series 2016	3.00% - 4.00%	\$ 5,170,000	\$ 3,375,000	\$ 1,875,000	2/15/2026	2/15/2037
U/L Tax Ref Bonds, Series 2015	1.60% - 4.00%	\$ 7,415,000	\$ 6,795,000	\$ 5,285,000	8/15/2024	2/15/2036
U/L Tax Ref Bonds, Series 2013	2.00% - 4.00%	\$ 8,885,000	\$ 8,560,000	\$ 7,870,000	2/15/2022	2/15/2036
		\$ 21,470,000	\$ 18,730,000	\$ 15,030,000		

Defeasance / I&S Tax Rate Management Program

- Holding the 14.00¢ I&S tax rate in Fiscal Year 2021 and using approximately \$555,463 of I&S tax revenues would allow the District to eliminate a portion of the Series 2013 bonds and generate savings of \$284,536.67 based on current escrow reinvestment rates.
- In addition to paying off existing bonds ahead of schedule, an amount of \$9,000,000 in future bond capacity may be pursued while maintaining an a 14.00¢ I&S tax rate.
- To keep the 14.00¢ I&S tax rate for FYE 8/31/2021, the board would approve a “Defeasance Resolution” at the same meeting with the budget and tax rate is adopted.
- A preliminary Fiscal Year 2021 summary would be as follows:

Closed	Defeased Bonds							Net D/S Savings
	Issue	Maturities	Call Date	Interest Rates	Principal	Interest	Total P&I	
Est. 8/15/20	Portion of Series 2013 Refunding	2036	2/15/22	4.00%	525,000	315,000	840,000	284,537
					\$ 525,000	\$ 315,000	\$ 840,000	\$ 284,537

Note: 2020 defeasance information is as of August 3, 2020 for purposes of illustration only. Preliminary, subject to change.

Preliminary Calculation of FY 2021 Defeasance Funds

FY 2021 I&S Tax Rate	\$	0.1400	11.9058%
FY 2021 M&O Tax Rate	\$	1.0359	88.0942%
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Total FY 2020 Tax Rate	\$	1.1759	
Assumed Tax Collection Rate		98.00%	
FY 2021 Freeze-Adjusted AV	\$	1,237,133,928	
Projected I&S Tax Revenue	\$	1,697,348	
Total Frozen Revenues	\$	2,656,204	
I&S Portion of Frozen Revenues	11.9058%	\$ 309,917	at 98.00% collections
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Projected Total I&S Tax Revenues	\$	2,007,265	
Less: Scheduled FY 2021 Debt Service Payments			
Series 2013	\$	648,638	
Series 2016		610,410	
Series 2016		192,000	
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Total Debt Service	\$	1,451,048	
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AMOUNT AVAILABLE FOR DEFEASANCE	\$	556,217	



I&S Tax Rate Model based on the Defeasement of Bonds

(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)	(L)	(M)
FYE 8/31	Freeze-Adj. Assessed Valuation	<i>Est.</i> <i>Growth</i>	Existing U/L Tax D/S	Less: Defeased D/S	\$9,000,000 Series 2021 8/18 2.31%	Projected Total D/S	Less: Est. State Assistance	Less: Available D/S Funds	Plus: Prelim Defeasance Cost	Less: Frozen Tax Revenues	Projected Total Net D/S	Projected I&S Tax Rate
2020	\$ 1,488,862,035		\$ 1,818,233	\$ -	\$ -	\$ 1,818,233	\$ -	\$ -	\$ -	\$ (294,059)	\$ 1,524,173	\$ 0.1400
2021	1,237,133,928	-16.91%	1,451,048	-	-	1,451,048	-	-	555,463	(309,812)	1,696,698	0.1399
2022	1,237,133,928	0.00%	1,455,938	(21,000)	571,877	2,006,814	-	-	-	(309,854)	1,696,960	0.1400
2023	1,237,133,928	0.00%	1,455,138	(21,000)	568,800	2,002,938	-	-	-	(309,317)	1,693,620	0.1397
2024	1,237,133,928	0.00%	1,456,613	(21,000)	567,800	2,003,413	-	-	-	(309,383)	1,694,030	0.1397
2025	1,237,133,928	0.00%	1,455,088	(21,000)	571,300	2,005,388	-	-	-	(309,657)	1,695,731	0.1399
2026	1,237,133,928	0.00%	1,454,263	(21,000)	569,300	2,002,563	-	-	-	(309,265)	1,693,297	0.1397
2027	1,237,133,928	0.00%	1,454,263	(21,000)	571,800	2,005,063	-	-	-	(309,612)	1,695,451	0.1398
2028	1,237,133,928	0.00%	1,457,888	(21,000)	568,800	2,005,688	-	-	-	(309,698)	1,695,989	0.1399
2029	1,237,133,928	0.00%	1,453,800	(21,000)	570,300	2,003,100	-	-	-	(309,340)	1,693,760	0.1397
2030	1,237,133,928	0.00%	1,460,413	(21,000)	566,300	2,005,713	-	-	-	(309,702)	1,696,011	0.1399
2031	1,237,133,928	0.00%	1,456,250	(21,000)	571,700	2,006,950	-	-	-	(309,873)	1,697,077	0.1400
2032	1,237,133,928	0.00%	1,452,125	(21,000)	571,400	2,002,525	-	-	-	(309,260)	1,693,265	0.1397
2033	1,237,133,928	0.00%	1,457,856	(21,000)	565,600	2,002,456	-	-	-	(309,250)	1,693,206	0.1397
2034	1,237,133,928	0.00%	1,455,200	(21,000)	569,200	2,003,400	-	-	-	(309,381)	1,694,019	0.1397
2035	1,237,133,928	0.00%	1,451,800	(21,000)	572,000	2,002,800	-	-	-	(309,298)	1,693,502	0.1397
2036	1,237,133,928	0.00%	1,456,200	(546,000)	574,000	1,484,200	-	-	-	(235,421)	1,248,779	0.1030
2037	1,237,133,928	0.00%	198,900	-	575,200	774,100	-	-	-	(127,463)	646,637	0.0533
2038	1,237,133,928	0.00%	-	-	575,600	575,600	-	-	-	(95,789)	479,811	0.0396
2039	1,237,133,928	0.00%	-	-	580,100	580,100	-	-	-	(96,514)	483,586	0.0399
2040	1,237,133,928	0.00%	-	-	578,700	578,700	-	-	-	(96,289)	482,411	0.0398
2041	1,237,133,928	0.00%	-	-	581,400	581,400	-	-	-	(96,724)	484,676	0.0400
2042	1,237,133,928	0.00%	-	-	-	-	-	-	-	-	-	-
			\$ 25,301,011	\$ (840,000)	\$ 11,441,177	\$ 35,902,188	\$ -	\$ -	\$ 555,463	\$ (5,684,961)	\$ 30,772,690	

Assumptions:

- (1) FY 2021 Freeze-Adj. Assessed Valuation ("AV") taken from the Austin County Appraisal District as of July 23, 2020. Projected AV assumed to remain constant.
- (2) All financing assumptions are as of July 31, 2020 for purposes of illustration only. Preliminary, subject to change.
- (3) Total frozen tax revenues of \$2,656,204 for FY 2021 taken from the Austin County Appraisal District as of July 23, 2020. Total frozen revenues are assumed to remain constant and the portion attributable to the I&S tax rate is calculated on a pro rata basis assuming a constant M&O tax rate of \$1.0359 (at 98.00% collections).
- (4) Est. tax collection rate: 98.00%