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Series 2019 Parameter Refunding Bond Issuance Information

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Bandera Independent School District

Presentation Topics

- Bond Issue to be Refunded
- Current/Historical Tax Exempt Rates
- Potential Refunding Results
- Parameter Bond Order
- Proposed Parameters

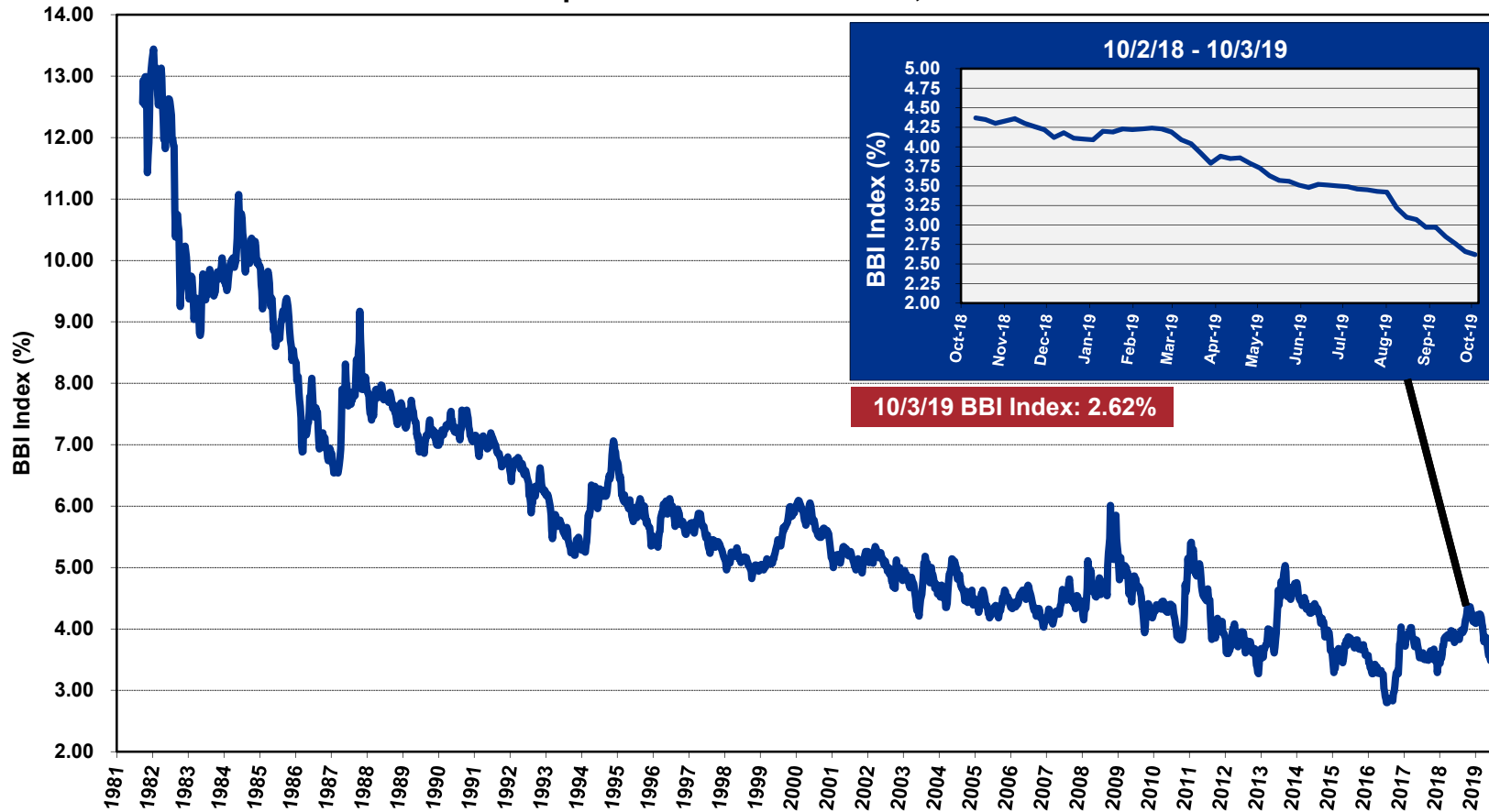
Bond Issue to be Refunded

Unlimited Tax Refunding Bonds, Series 2010	
Total Callable Principal Amount:	\$17,360,000
Callable Maturities:	2021 - 2032
Interest Rates	4.00%
Call Date:	2/15/20
Final Maturity Date:	2/15/32

NOTE: Tax Reform that went into effect on 1/1/2018 only allows for tax exempt refundings to settle within 90 days of the call date on the bonds being refunded

Current/Historical Tax Exempt Rates – 20 Year BBI

Bond Buyer 20 Year GO Index September 1981 - October 3, 2019



BANDERA INDEPENDENT SCHOOL DISTRICT

Bond Buyer 20 Year GO Index is a weekly index estimating the composite yield on 20 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.

Potential Refunding Results – 10/7/19 Rates + 0.25%

ASSUMPTIONS

Dated / Delivery Date:
First Coupon:
Avg. Interest Rate on Refunded Bonds:

12/1/2019
2/15/2020
4.00%

POTENTIAL REFUNDING RESULTS

Gross Debt Service Savings: \$ 2,134,294
Present Value Debt Service Savings: \$ 1,834,123
True Interest Cost: 2.17%
PV Savings as a % of Refunded Principal: 10.57%

PROJECTED DEBT SERVICE SAVINGS USING 'AAA/Aaa' PSF TAX EXEMPT INTEREST RATES AS OF 10/7/19 PLUS 0.25%

Year Ending 31-Dec	Series 2010 Refunded Debt Service			Series 2019 Refunding Debt Service			Projected Savings
	Principal	Interest	Total	Principal	Interest	Total	
2020	\$ -	\$ 694,400	\$ 694,400	\$ 315,000	\$ 376,981	\$ 691,981	\$ 2,419
2021	1,130,000	671,800	1,801,800	1,110,000	514,900	1,624,900	176,900
2022	1,180,000	625,600	1,805,600	1,145,000	481,075	1,626,075	179,525
2023	1,230,000	577,400	1,807,400	1,185,000	446,125	1,631,125	176,275
2024	1,285,000	527,100	1,812,100	1,225,000	409,975	1,634,975	177,125
2025	1,340,000	474,600	1,814,600	1,265,000	372,625	1,637,625	176,975
2026	1,400,000	419,800	1,819,800	1,310,000	334,000	1,644,000	175,800
2027	1,460,000	362,600	1,822,600	1,350,000	294,100	1,644,100	178,500
2028	1,525,000	302,900	1,827,900	1,395,000	252,925	1,647,925	179,975
2029	1,590,000	240,600	1,830,600	1,440,000	210,400	1,650,400	180,200
2030	1,665,000	175,500	1,840,500	1,505,000	158,700	1,663,700	176,800
2031	1,740,000	107,400	1,847,400	1,575,000	97,100	1,672,100	175,300
2032	1,815,000	36,300	1,851,300	1,640,000	32,800	1,672,800	178,500
Totals	\$ 17,360,000	\$ 5,216,000	\$ 22,576,000	\$ 16,460,000	\$ 3,981,706	\$ 20,441,706	\$ 2,134,294

Bonds to be Refunded

	Principal Refunded	Maturities Refunded	Refunded Bonds Interest Rate	Refunded Bonds Call Date
U/L Tax Refunding Bonds, Series 2010	\$ 17,360,000	2021 - 2032	4.00%	2/15/2020

Parameter Refunding Bond Order

- ❑ Allowed under Section 1207 of Texas Government Code
- ❑ Board delegates final pricing authority to Board selected Pricing Officers
- ❑ Board establishes and approves bond sale parameters within Parameter Refunding Order:
 - Maximum Principal Amount
 - Minimum Savings Threshold
 - Maximum Interest Rate
 - Final Maturity Date
 - Expiration of Delegated Authority
- ❑ **Pricing Officers can only approve sale if Board parameters are met**

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

Proposed Parameters Included in Bond Order

- Delegated Pricing Officers: **Superintendent or Business Manager**
- Maximum Principal Amount : **\$17,360,000**
- Minimum Savings: **6.00% Present Value**
- Maximum True Interest Cost: **3.00%**
- Final Maturity Date: **2/15/32**
- Expiration of Parameter Authority: **180 Days**

Delegated Pricing Officers can only approve transaction if these parameters are met