

EXECUTIVE SUMMARY

Proposed Unlimited Tax School Building & Refunding Bonds, Series 2015

April 13, 2015

NEW MONEY PORTION

- The Series 2015 bonds will provide for the issuance of \$95,000,000 from the May 2014 authorization for new construction. The amortization length of the new bonds will not exceed 30 years. The interest rate on the new bonds will not exceed 4.75% in accordance with the parameter Order.
- Following the sale of the Series 2015 bonds, the District will have \$510,000,000 of authorized but unissued bonds from the May 2014 bond election totaling \$775,000,000.
- Principal amortization (retirement) will occur annually in accordance with the useful life of the assets being financed from the bond proceeds.

REFUNDING (REFINANCING) PORTION

- The proposed refunding will consider refinancing the following outstanding series of bonds subject to meeting the established savings goal defined below:

\$50,990,000 - Series 2005C School Building and Refunding Bonds ("PSF")

Maturities to be Refunded include 2016 through 2034 callable August 15, 2015
Interest Rates on the Bonds to be Refunded range from 3.90% to 5.00%
Interest Rate Yields on the Refunding Bonds range from 0.65% to 4.00%

- The target level of interest cost savings to the District for the refunding bonds will be set at no less than 5% (based on the present value savings as a percentage of the bonds to be refunded). Under current market conditions, the refunding is estimated to produce over \$5,000,000 of total interest cost savings. Additional outstanding bonds may be added to the Series 2015 bond sale should interest rate market conditions provide interest cost savings to the District.
- The Texas Education Agency has approved the bonds to be guaranteed by the Texas Permanent School Fund Guarantee Program. Standard and Poor's and Moody's Investor Service are expected to assign ratings of "AAA" and "Aaa" respectively to the Series 2015 bonds based on the Permanent School Fund Guarantee and review the District's current underlying credit ratings of "AA+" and "Aa1".
- The pricing of the bonds is expected to occur as early as the week of May 19th, which will provide for a bond closing and transfer of funds to the District's construction fund by June 17th.

Projected Use of Funds from May 2015 Bond Sale

Balance of Funds From Previous Sale	\$	156,000,000	
Reedy HS	\$	(23,500,000)	
Lebanon Trail HS	\$	(44,500,000)	
Memorial HS	\$	(21,750,000)	
CTE Addition	\$	(5,700,000)	
Trent MS	\$	(8,440,000)	
Pearson MS	\$	(15,000,000)	
Nelson MS	\$	(23,000,000)	
Norris ES	\$	(8,070,000)	
Miller ES	\$	(13,150,000)	
Vaughn ES	\$	(13,150,000)	
2015 Summer Projects	\$	(8,500,000)	
Memorial Stadium & Natatorium	\$	(3,485,000)	
Barrow Reconstruction	\$	(1,326,000)	
JOC Projects	\$	(1,000,000)	
Security	\$	(1,410,000)	
Estimated FF&E, FA and Athletics	\$	(20,000,000)	(Average 2M/month for 10 Months)
Technology and Transportation	\$	(15,000,000)	(9,000,000 Fouche/6,000,000 Buses)
Architect Fees	\$	(15,000,000)	(Average 1.5M/month for 10 Months)
Contingency	\$	(9,019,000)	(Miscellaneous Project)
Cash Needed Thru January 2016		(251,000,000.00)	
Proceeds Needed From May 2015 Sale	\$	(95,000,000)	