



# Conroe Independent School District

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## Overview of Refunding and Cash Defeasance Opportunities for Interest Cost Savings

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August 8, 2023



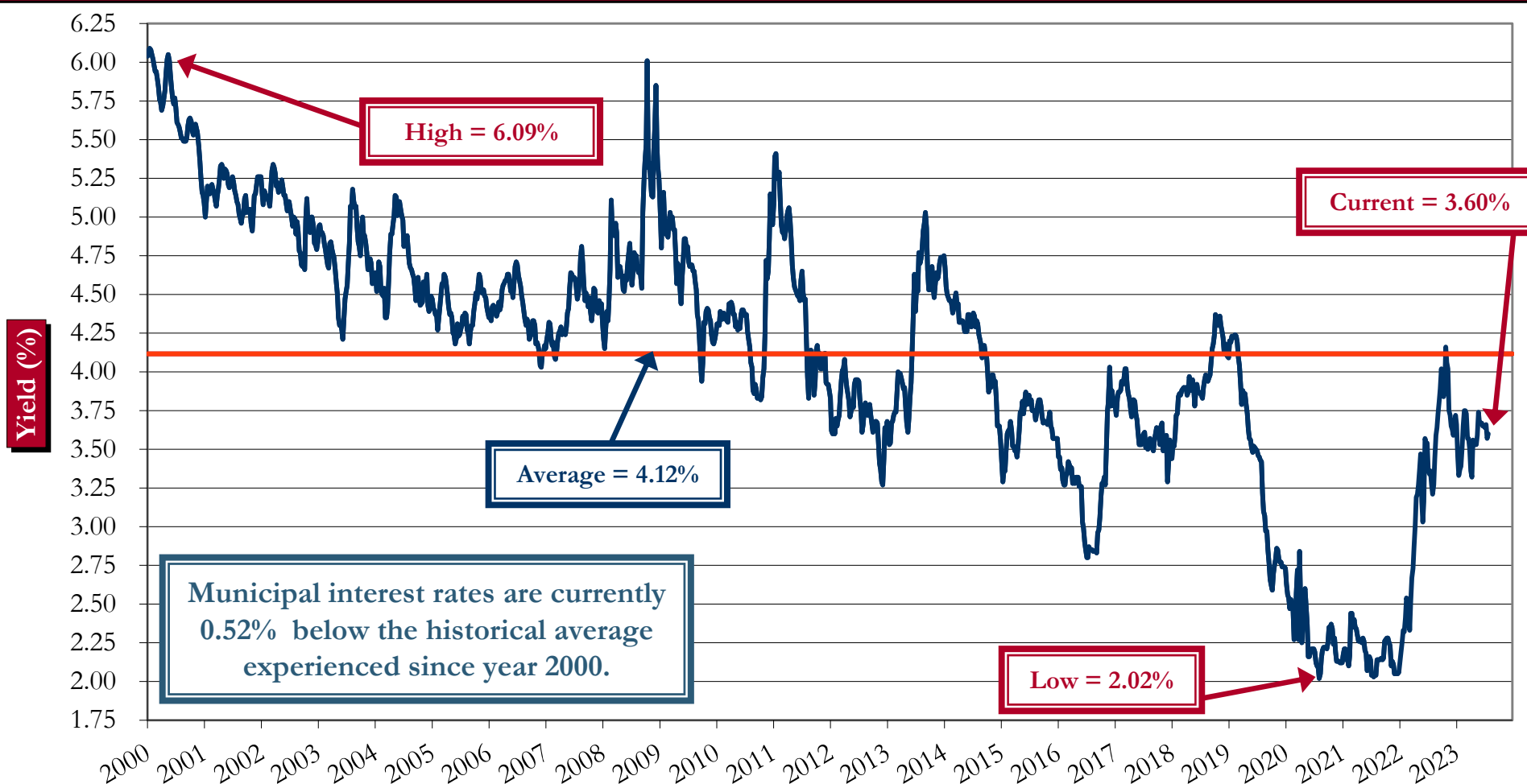
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# Overview of Current Bond Market – Bond Buyer Index

**The Bond Buyer Index**  
January 1, 2000 To The Present



The Bond Buyer Index is published every Thursday. The rate consists of general obligation bonds maturing in 20 years with an average rating equivalent to Moody's "Aa2" and S&P's "AA."



# Historical Refunding Results

## Summary of District's Debt Management Strategies

Summary of Interest Cost Savings Since 2009				
Bond Refunding Programs				
Issue	Series Refunded	Principal Refunded	Total Savings	
U/L Tax Rfdg Bds, Srs 2009	1998, 1999, 2000, 2001A	\$ 17,965,000	\$ 1,828,610	
U/L Tax Rfdg Bds, Srs 2011	2001A&B, 2003, 2003A, 2004A, 2005A, 2005C, 2006	140,845,000	9,242,972	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2012	2003, 2003A, 2004A, 2005C	46,740,000	7,477,526	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2012A	2001A, 2003A, 2005C	156,215,000	26,369,382	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2014	2003, 2004A, 2005A, 2005C, 2006	37,850,000	3,604,726	
U/L Tax Rfdg Bds, Srs 2014B	2005B	22,500,000	4,130,224	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2014A	2005A, 2006, 2008	97,655,000	12,719,312	
U/L Tax Rfdg Bds, Srs 2015	2008, 2009A	118,995,000	18,667,588	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2016	2006	28,080,000	5,891,870	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2016A	2010, 2011, 2011 Rfdg	72,295,000	9,314,300	
U/L Tax Rfdg Bds, Srs 2017	2010, 2011, 2012, 2012A	102,775,000	14,509,251	
U/L Tax Rfdg Bds, Srs 2019	2004B, 2009, 2011, 2011 Rfdg	73,945,000	8,321,522	
U/L Tax Sch Bldg & Rfdg Bds, Srs 2020A	2012, 2012A	199,630,000	50,067,475	
Totals:		\$ 1,115,490,000	\$ 172,144,758	

Cash Defeasance (Prepayment) Programs				
Action	Series Defeased	Principal Defeased	Total Savings	
Defeasance of Bonds (November 2018)	2010, 2011	\$ 7,515,000	\$ 2,064,461	
Defeasance of Bonds (February 2023)	2014	3,485,000	2,689,068	
Totals:		\$ 11,000,000	\$ 4,753,529	

Grand Total:	---	\$ 1,126,490,000	\$176,898,287	
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**Since 2009, the District's debt management bond refunding and cash defeasance strategies have generated \$176,898,287 of savings for District taxpayers!**



# Summary of Callable Bonds Outstanding

## Summary of District's Call Provisions on Outstanding Bond Issues

### Conroe Independent School District Summary of Callable Unlimited Tax Bonds Outstanding As of June 1, 2023

Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons on Callable Maturities
U/L Tax School Building & Refunding Bonds, Series 2014	02/15/2024	46,745,000	42,300,000	2025-2038	2038	4.00% - 5.00%
U/L Tax School Building & Refunding Bonds, Series 2014A	02/15/2024	70,135,000	65,675,000	2025-2039	2039	3.00% - 5.00%
U/L Tax Refunding Bonds, Series 2014B	02/15/2024	15,355,000	14,555,000	2025-2030	2030	4.00% - 5.00%
U/L Tax Refunding Bonds, Series 2015	02/15/2025	106,305,000	99,600,000	2026-2035	2035	3.00% - 5.00%
U/L Tax School Building & Refunding Bonds, Series 2016	02/15/2026	113,285,000	98,515,000	2027-2041	2041	3.00% - 5.00%
U/L Tax School Building & Refunding Bonds, Series 2016A	02/15/2026	182,275,000	154,660,000	2027-2042	2042	3.00% - 5.00%
U/L Tax Refunding Bonds, Series 2017	02/15/2027	89,995,000	53,325,000	2028-2035	2035	3.00% - 5.00%
U/L Tax School Building Bonds, Series 2018	02/15/2028	167,860,000	157,835,000	2029-2043	2043	3.25% - 5.00%
U/L Tax Refunding Bonds, Series 2019	Non-Callable	28,430,000	N/A	N/A	2026	N/A
U/L Tax School Building Bonds Series 2020	02/15/2030	112,425,000	101,760,000	2031-2045	2045	2.55% - 5.00%
U/L Tax School Building & Refunding Bonds, Series 2020A	02/15/2030	309,800,000	188,200,000	2031-2046	2046	2.25% - 5.00%
U/L Tax School Building Bonds Series 2022	02/15/2032	160,175,000	135,850,000	2033-2047	2047	2.50% - 4.00%
U/L Tax School Building Bonds Series 2022A	02/15/2032	147,500,000	103,760,000	2033-2047	2047	4.00% - 5.00%
Totals	---	\$1,550,285,000	\$ 1,216,035,000	---	---	---

**The District currently has \$1,216,035,000 of existing Fixed Rate bonds eligible to be repaid/refinanced prior to final maturity, of which \$475,305,000 are callable within the next 3 years.**



# Unlimited Tax Refunding Bonds, Series 2023

## Summary of Potential Bonds to be Refunded\*

Series	Maturity Date	Principal Amount *	Call Date/Price	Interest Rate	Series	Maturity Date	Principal Amount *	Call Date/Price	Interest Rate
Unlimited Tax School Building and Refunding Bonds, Series 2014	2/15/2025	\$4,945,000	2/15/2024 @ 100	5.000%	Unlimited Tax School Building and Refunding Bonds, Series 2014A	2/15/2030	6,695,000	2/15/2024 @ 100	3.750%
	2/15/2026	5,705,000	2/15/2024 @ 100	5.000%		2/15/2031	2,010,000	2/15/2024 @ 100	3.750%
	2/15/2027	6,780,000	2/15/2024 @ 100	5.000%		2/15/2032	2,085,000	2/15/2024 @ 100	3.750%
	2/15/2028	1,780,000	2/15/2024 @ 100	5.000%	(Continued)	2/15/2033	2,165,000	2/15/2024 @ 100	3.750%
	2/15/2029	1,870,000	2/15/2024 @ 100	5.000%		2/15/2034	2,250,000	2/15/2024 @ 100	3.750%
	2/15/2030	1,965,000	2/15/2024 @ 100	4.000%		***	***	***	***
	2/15/2031	2,105,000	2/15/2024 @ 100	4.000%		2/15/2037 (a)	\$2,230,000	2/15/2024 @ 100	5.000%
	2/15/2032	2,215,000	2/15/2024 @ 100	3.000%		2/15/2038 (a)	2,350,000	2/15/2024 @ 100	5.000%
	2/15/2033	2,330,000	2/15/2024 @ 100	4.000%		2/15/2039 (a)	2,465,000	2/15/2024 @ 100	5.000%
	2/15/2034	2,445,000	2/15/2024 @ 100	5.000%					
	2/15/2035	2,560,000	2/15/2024 @ 100	4.000%	Unlimited Tax Refunding Bonds, Series 2014B	2/15/2025	810,000	2/15/2024 @ 100	4.000%
	2/15/2036 (a)	2,565,000	2/15/2024 @ 100	5.000%		2/15/2026	825,000	2/15/2024 @ 100	4.000%
	2/15/2037 (a)	2,700,000	2/15/2024 @ 100	4.000%		2/15/2027	3,280,000	2/15/2024 @ 100	4.000%
	2/15/2038 (a)	2,335,000	2/15/2024 @ 100	5.000%		2/15/2028	3,245,000	2/15/2024 @ 100	4.000%
Unlimited Tax School Building and Refunding Bonds, Series 2014A	2/15/2027	\$5,875,000	2/15/2024 @ 100	5.000%		2/15/2029	3,210,000	2/15/2024 @ 100	4.000%
	2/15/2028	11,470,000	2/15/2024 @ 100	4.000%		2/15/2030	3,185,000	2/15/2024 @ 100	5.000%
	2/15/2029 (b)	6,150,000	2/15/2024 @ 100	4.000%					
	2/15/2029 (b)	5,280,000	2/15/2024 @ 100	3.750%					
Total Bonds to be Refunded:							<b><u>\$107,880,000</u></b>		

\* Preliminary, subject to change. Based on current federal tax law, represents the District's debt obligations that can be refunded on a tax-exempt basis on or after November 15, 2023.

(a) Represents a Term Bond.



# Unlimited Tax Refunding Bonds, Series 2023

## Estimated Debt Service Requirements and Interest Cost Savings

Fiscal Year Ending (8/31)	Current Debt Service Requirements	Less: Debt Service on the Refunded Bonds*	Plus: The Series 2023 Refunding Bonds		Total Debt Service Requirements	Estimated Debt Service Savings (b)
			Principal*	Interest (a)		
2023	\$137,026,873				\$137,026,873	
2024	130,565,548	\$4,822,438	\$670,000	\$3,693,367	130,106,477	
2025	124,827,098	10,437,613	5,075,000	4,898,875	124,363,360	<b>\$463,738</b>
2026	124,827,523	10,913,663	5,825,000	4,626,375	124,365,235	<b>462,288</b>
2027	123,348,723	19,777,563	15,220,000	4,100,250	122,891,410	<b>457,313</b>
2028	123,349,873	19,616,788	15,835,000	3,323,875	122,891,960	<b>457,913</b>
2029	123,349,866	18,960,038	15,975,000	2,528,625	122,893,454	<b>456,413</b>
2030	114,096,873	13,707,806	11,405,000	1,844,125	113,638,191	<b>458,681</b>
2031	114,098,866	5,633,213	3,710,000	1,466,250	113,641,904	<b>456,963</b>
2032	114,099,854	5,633,431	3,900,000	1,276,000	113,642,423	<b>457,431</b>
2033	114,097,173	5,635,119	4,100,000	1,076,000	113,638,054	<b>459,119</b>
2034	114,098,485	5,632,963	4,310,000	865,750	113,641,273	<b>457,213</b>
2035	81,283,623	3,343,450	2,180,000	703,500	80,823,673	<b>459,950</b>
2036	81,281,585	3,233,125	2,180,000	594,500	80,822,960	<b>458,625</b>
2037	80,795,893	5,410,750	4,525,000	426,875	80,337,018	<b>458,875</b>
2038	78,397,663	4,925,375	4,260,000	207,250	77,939,538	<b>458,125</b>
2039	75,356,825	2,526,625	2,015,000	50,375	74,895,575	<b>461,250</b>
2040	75,355,925				75,355,925	
2041	75,355,925				75,355,925	
2042	75,355,925				75,355,925	
2043	56,256,331				56,256,331	
2044	41,250,213				41,250,213	
2045	41,252,218				41,252,218	
2046	33,355,068				33,355,068	
2047	21,054,881				21,054,881	
<b>Totals</b>	<b>\$2,274,138,824</b>	<b>\$140,209,956</b>	<b>\$101,185,000</b>	<b>\$31,681,992</b>	<b>\$2,266,795,859</b>	<b>\$6,883,894</b>
<b>Present Value Savings:</b>						<b>4.926%</b>

\* Preliminary, subject to change.

(a) Interest estimated at current market tax-exempt interest rates, for illustrative purposes only.

(b) Includes estimated transaction costs and any necessary debt service fund transfers.



# Tentative Schedule of Events

**\$101,185,000\***

## Unlimited Tax Refunding Bonds, Series 2023

August - 2023						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

September - 2023						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

October - 2023						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

November - 2023						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30		

Date	Action	Role
<b>Tuesday, August 15, 2023</b>	<b>Board Meeting</b> Review Schedule of Events, Plan of Finance and Approve Parameter Order	CISD, BOKFS, OHS
Wednesday, August 16, 2023	Submit PSF Guarantee Application	BOKFS
Monday, August 28, 2023	First Draft of Preliminary Official Statement ("POS")	BOKFS, OHS
Tuesday, September 5, 2023	Receive PSF Guarantee Preliminary Approval	CISD, FA
Monday, September 11, 2023	Second Draft of POS	CISD, BOKFS, OHS, UW
Monday, September 25, 2023	Third Draft of POS	CISD, BOKFS, OHS, UW
Week of September 25, 2023	Rating Agency Calls	CISD, FA
Week of October 2, 2023	Underwriter Due Diligence Call	CISD, FA, BC, UW
Friday, October 6, 2023	Final Draft of POS	CISD, BOKFS, OHS, UW
Monday, October 9, 2023	Print/Distribute POS	BOKFS
<b>Tuesday, October 17, 2023</b>	<b>Bond Pricing/Sale - Lock in Interest Rates</b> Approval of Bond Sale by Pricing Officer	CISD, BOKFS, OHS, UW
<b>Thursday, November 16, 2023</b>	<b>Bond Closing/Delivery</b>	CISD, BOKFS, OHS, UW



# Overview of Cash Defeasance

## Summary of Potential Bonds to be Defeased\*

The District has an opportunity to defease/pay-off a portion of its outstanding debt for interest cost savings and to assist in the management the 2023/2024 Debt Service Tax Rate. Below is a summary of the proposed Bond to be Defeased:

Series	Maturity Date	Original Principal Amount	Principal Amount to be Defeased *	Call Date/Price	Interest Rate	Remaining Principal Amount
Unlimited Tax School Building & Refunding Bonds, Series 2016	2/15/2027 ***	\$6,180,000 ***	\$1,500,000 (a) ***	2/15/2026 @ 100 ***	5.000% ***	\$4,680,000 ***
	2/15/2038	6,550,000	1,175,000 (a)	2/15/2026 @ 100	5.000%	5,375,000
	2/15/2039	6,885,000	6,885,000	2/15/2026 @ 100	5.000%	0
<b>Totals:</b>		<b><u>\$19,615,000</u></b>	<b><u>\$9,560,000</u></b>			<b><u>\$10,055,000</u></b>

\* Preliminary, subject to change.

(a) Represents a partial defeasance of stated maturity.





# Overview of Cash Defeasance

Fiscal Year Ending (8/31)	Current Total Debt Service	Less: Proposed Cash Defeasance (Series 2016 Bonds)			Total Debt Service	Estimated Debt Service Difference
		Principal	Interest	Debt Service to Call *		
2024	\$137,026,873		\$239,000	\$10,066,945	\$136,787,873	\$239,000
2025	130,565,548		478,000		130,087,548	478,000
2026	124,827,098		478,000		124,349,098	478,000
2027	124,827,523	\$1,500,000	440,500		122,887,023	1,940,500
2028	123,348,723	0	403,000		122,945,723	403,000
2029	123,349,873	0	403,000		122,946,873	403,000
2030	123,349,866	0	403,000		122,946,866	403,000
2031	114,096,873	0	403,000		113,693,873	403,000
2032	114,098,866	0	403,000		113,695,866	403,000
2033	114,099,854	0	403,000		113,696,854	403,000
2034	114,097,173	0	403,000		113,694,173	403,000
2035	114,098,485	0	403,000		113,695,485	403,000
2036	81,283,623	0	403,000		80,880,623	403,000
2037	81,281,585	0	403,000		80,878,585	403,000
2038	80,795,893	1,175,000	373,625		79,247,268	1,548,625
2039	78,397,663	6,885,000	172,125		71,340,538	7,057,125
2040	75,356,825				75,356,825	
2041	75,355,925				75,355,925	
2042	67,656,013				67,656,013	
2043	56,256,331				56,256,331	
2044	41,250,213				41,250,213	
2045	41,252,218				41,252,218	
2046	33,355,068				33,355,068	
2047	21,054,881				21,054,881	
<b>Totals</b>	<b>\$2,191,082,986</b>	<b>\$9,560,000</b>	<b>\$6,211,250</b>	<b>\$10,066,945</b>	<b>\$2,175,311,736</b>	<b>\$15,771,250</b>
<b>Cost of Defeasance (a):</b>						<b>\$10,081,945</b>
<b>Debt Service Savings:</b>						<b>\$5,689,305</b>

\* Preliminary, subject to change.

(a) Includes a cash deposit of approximately \$10,084,838 and estimated costs of issuance of \$15,000. Preliminary, subject to change.



# Tentative Schedule of Events

## Partial Cash Defeasance of Unlimited Tax School Building and Refunding Bonds, Series 2016

August - 2023						
S	M	T	W	T	F	S
		1	2	3	4	5
6	7	8	9	10	11	12
13	14	15	16	17	18	19
20	21	22	23	24	25	26
27	28	29	30	31		

January - 2024						
S	M	T	W	T	F	S
	1	2	3	4	5	6
7	8	9	10	11	12	13
14	15	16	17	18	19	20
21	22	23	24	25	26	27
28	29	30	31			

February - 2024						
S	M	T	W	T	F	S
				1	2	3
4	5	6	7	8	9	10
11	12	13	14	15	16	17
18	19	20	21	22	23	24
25	26	27	28	29		

Date	Action	Role
Tuesday, August 15, 2023	<b>Board Meeting</b> Review Schedule of Events, Plan of Finance and Approve Escrow and Defeasance Resolution	CISD, BOKFS, OHS
Thursday, February 1, 2024	Solicit Bids, Structure, Size and Verify Defeasance Escrow	CISD, BOKFS, OHS
Thursday, February 15, 2024	Defeasance/Pay-Off Closing	CISD, BOKFS, OHS