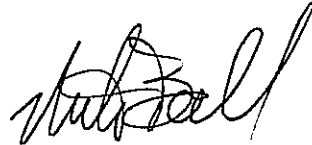




College Station Independent School District

Success....each life....each day....each hour

MEMORANDUM

To: Dr. Eddie Coulson, Acting Superintendent 

From: Mike Ball, Deputy Superintendent for Business and Operations

Date: August 24, 2006

Subject: Bond Refunding Opportunity

Agenda Item: D. 4.

Board Priority/
District Goal: Priority 3, Goal 4

BACKGROUND

The District's Financial Advisors, Southwest Securities, have monitored the status of the outstanding bonds for opportunities to lower the total debt service requirements. During the Spring of 2006, there was an opportunity to refund a portion of the 1996 and 1997 outstanding bonds at a lower interest rate. However, the bond market moved to a point where the transaction did not meet the established parameters.

The market conditions have now moved to a point where \$9,350,000 in debt from the 1996 and 1997 bond issues can be refunded with a net present value savings of 4.39%.

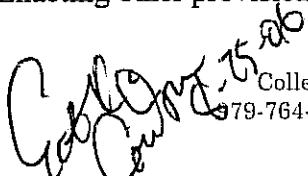
The recommended transaction provides a total cash savings of \$766,021 over 12 years with a net present value of \$410,859.

This potential transaction meets the guidelines established and used for a number of years of a 4% net present value savings.

RECOMMENDATION

It is recommended that the Board of Trustees of College Station Independent School District consider approval of Adoption of an Order Authorizing the Issuance of College Station Independent School District Unlimited Tax Refunding Bonds, Series 2006; Authorizing the Execution of a Bond Purchase Agreement and an Escrow Agreement; Approving an Official Statement; and Enacting other provisions relating to the subject.

MICHAEL BALL, CPA
Deputy Superintendent for
Business and Operations



1812 Welsh
College Station, TX 77840
979-764-5409 FAX 979-694-5618

JIMMY CREEL, Ed.D.
Superintendent of Schools