College Station Independent School District

Refinancing Plan for the Series 2010 and 2011 Bond Issues

December 19, 2017

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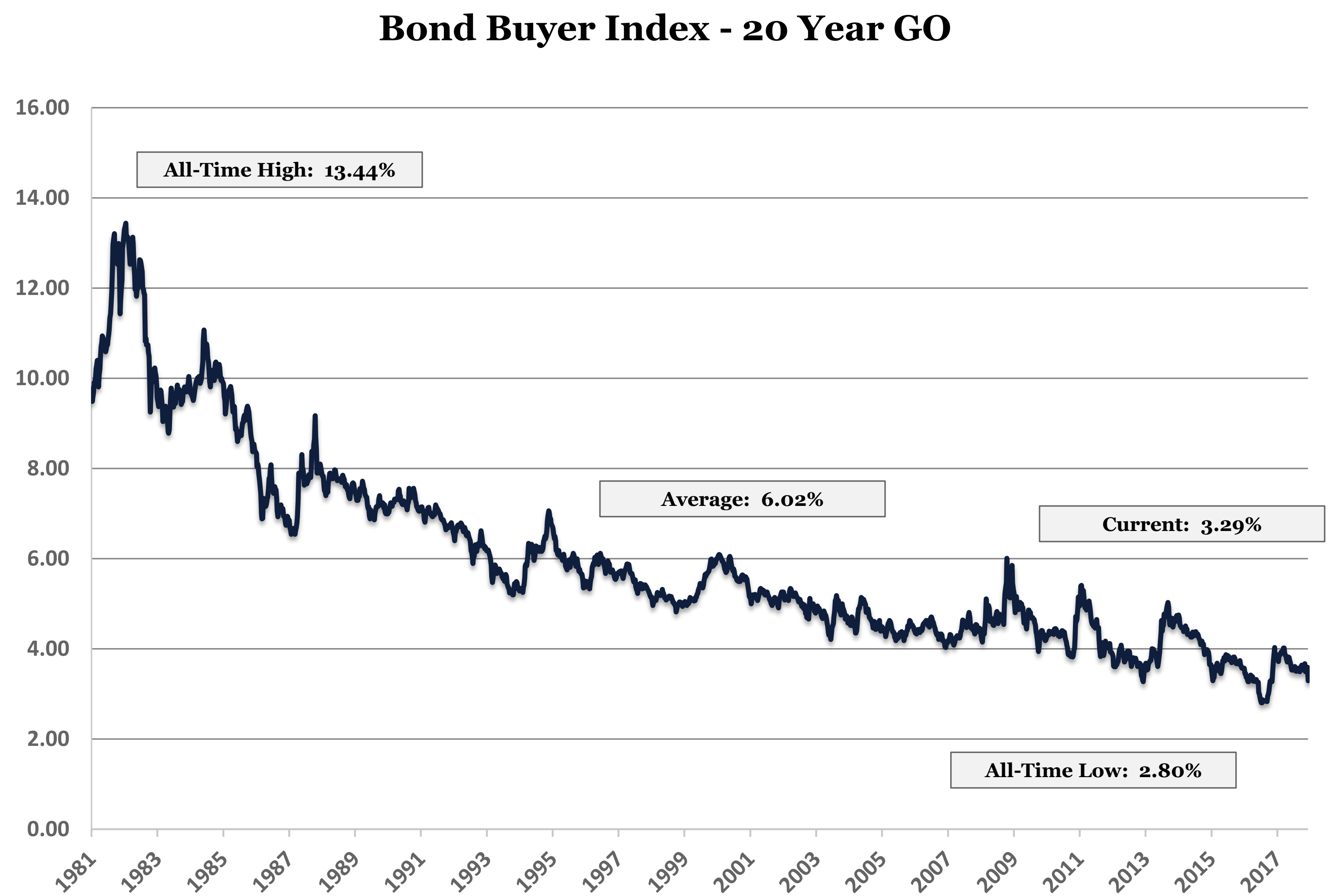
Current Interest Rate Environment



Source: The Bond Buyer.

Impact of Federal Tax Reform

- Retains tax-exempt private activity bonds
- Retains tax-exempt financing of professional stadiums
- Retains mortgage credit certificates and low-income housing tax credit
- **Eliminates tax-exempt advance refundings after December 31, 2017 ***
- Eliminates qualified tax credit bonds issued after December 31, 2017

(*) *Advance refunding is a type of refinancing which occurs more than 90 days from the original bond Call Date.*

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Unlimited Tax Bonds Outstanding

Bond Issue	Interest Rate	Outstanding Principal	Callable Principal	Call Date	Final Maturity
School Building Bonds, Series 2009	3.25% - 4.00%	$ 3,435,000	$ 1,190,000	8/15/2019	8/15/2020
Refunding Bonds, Series 2009	3.50% - 3.75%	1,680,000	-	N/A	2/15/2020
School Building Bonds, Series 2010	**2.00% - 4.00%**	**39,295,000**	**35,070,000**	**8/15/2019**	**8/15/2035**
School Building Bonds, Series 2011	**2.00% - 4.30%**	**32,185,000**	**28,480,000**	**8/15/2020**	**8/15/2036**
Refunding Bonds, Series 2012	3.00% - 4.00%	5,990,000	3,620,000	8/15/2020	8/15/2024
School Building Bonds, Series 2014	3.00% - 5.00%	70,485,000	51,775,000	8/15/2024	8/15/2039
Refunding Bonds, Series 2015	3.00% - 5.00%	43,455,000	12,980,000	8/15/2024	8/15/2027
School Building Bonds, Series 2016	2.00% - 5.00%	62,520,000	43,265,000	8/15/2025	8/15/2041
Refunding Bonds, Series 2016 *	1.75% - 5.00%	36,870,000	13,640,000	8/15/2026	8/15/2034
School Building Bonds, Series 2017	3.00% - 5.00%	65,450,000	49,870,000	8/15/2026	8/15/2042
		$ 361,365,000	**$ 239,890,000**		

* *An amount of $16,110,000 of the S-2010 and S-2011 Bonds were refinanced in 2016.*

Summary of Maturities Generating 4% Savings *

The following table summarizes the District's callable Series 2010 and Series 2011 bonds expected to be advance refunded by Series 2017 (1):

Summary of Bonds to be Refunded					
Issue Outstanding	Call Date	Eligible Amount To Be Refunded	Principal Amount To Be Refunded	Maturities To Be Refunded	Coupon Range
School Building Bonds, Series 2010	08/15/19	$35,070,000	**$23,615,000**	2027 - 2030; 2033 - 2035	3.50%-4.00%
School Building Bonds, Series 2011	08/15/20	28,480,000	**22,640,000**	2027 - 2036	4.00%-4.30%
	TOTAL:	$63,550,000	**$46,255,000**	AVERAGE COUPON:	4.03%

<u>Footnotes</u>:

* *As of December 19, 2017 market conditions, subject to change.*

(1) *Anything greater than 4.00% is considered a prudent refinancing to pursue.*

Refinancing Summary [A]

	Old Bonds	New Bonds [B]
Series	2010 & 2011	2017
Principal Refinanced	$46,255,000	
Interest Rate (All-In TIC)	4.03%	3.10%
Debt Service Savings [C]		$3,694,140
Net Present Value Savings [C]		$2,801,078
Net Present Value Savings Ratio [D]		6.05%
Opportunity Cost in Escrow Account		$905,851

(A) *PSF NBQ market rates as of December 19, 2017. Preliminary, subject to change.*
(B) *Assumes closing and delivery on December 28, 2017.*
(C) *Net of any costs of issuance associated with the refinancing transaction.*
(D) *Anything greater than 4.00% is considered a prudent refinancing to pursue.*

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Annual Debt Service Savings Illustration

FYE 8/31	Series 2010 & 2011 Debt Service @ 4.03%	Series 2017 Debt Service @ 3.10%	Debt Service Savings
2018	$1,855,850	$1,694,190	$161,660
2019	1,855,850	1,715,250	140,600
2020	1,855,850	1,715,250	140,600
2021	1,855,850	1,715,250	140,600
2022	1,855,850	1,715,250	140,600
2023	1,855,850	1,715,250	140,600
2024	1,855,850	1,715,250	140,600
2025	1,855,850	1,715,250	140,600
2026	1,855,850	1,715,250	140,600
2027	6,540,850	6,300,250	240,600
2028	6,567,825	6,326,850	240,975
2029	6,587,425	6,345,050	242,375
2030	6,608,425	6,369,850	238,575
2031	3,260,425	3,020,650	239,775
2032	3,277,825	3,037,050	240,775
2033	6,946,025	6,706,350	239,675
2034	6,978,825	6,738,600	240,225
2035	7,000,565	6,758,200	242,365
2036	2,899,540	2,657,200	242,340
Total	$73,370,380	$69,676,240	**$3,694,140**

Next Steps for a Successful Refinancing

- December 19, 2017 — Board approves delegated authority (*parameter sale order*)
- December 20, 2017 — Pricing of the Bonds (*lock in lower interest rate*)
- December 28, 2017 — Closing of the bond transaction (*no meeting necessary*)

Delegated Authority (Parameter Sale Order)

- The Parameter Sale Order under consideration at the Board meeting allows the administration and consultants to proceed with the refinancing subject to certain parameters being met:
  - Maximum Bond Amount = $63,550,000
  - Minimum Present Value Savings Ratio = 4.00%

- If the parameters are met, the District has the option to lock in a lower interest rate and delegates the authority to sign final documents to Dr. Ealy or Mr. Martindale without having to reconvene at a board meeting for further action

- The Parameter Sale Order allows the District up to six (6) months to complete the refinancing

Terms Sheet for the Series 2017 Refunding Bonds

Sale Date:	December 20, 2017
Closing Date:	December 28, 2017
Tax Status:	Tax-Exempt
Interest Rate:	Fixed Rate
Interest Dates:	Semi-annually on 2/15 and 8/15; first payment due on 2/15/2018
Principal Dates:	Annually beginning 8/15/2018; ending on 8/15/2036
Call Option:	8/15/2027 at Par
Security:	Ad Valorem Property Taxes
Rating:	"AA-" by S&P Ratings
Credit Enhancement:	"AAA" PSF Bond Guarantee Program
Sale Type:	Negotiated Sale Method
Underwriters:	Citigroup; FTN Financial Capital Markets; and Hutchinson, Shockey, Erley & Co.

RECENT HISTORY OF REFINANCINGS

Series	Principal	Savings
2015	$47,425,000	$4,774,997
2016	$39,255,000	$4,366,479
2017 *	$46,255,000	$3,694,140
	Total	$12,835,615

(*) Projected savings amount as of December 19, 2017.

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