



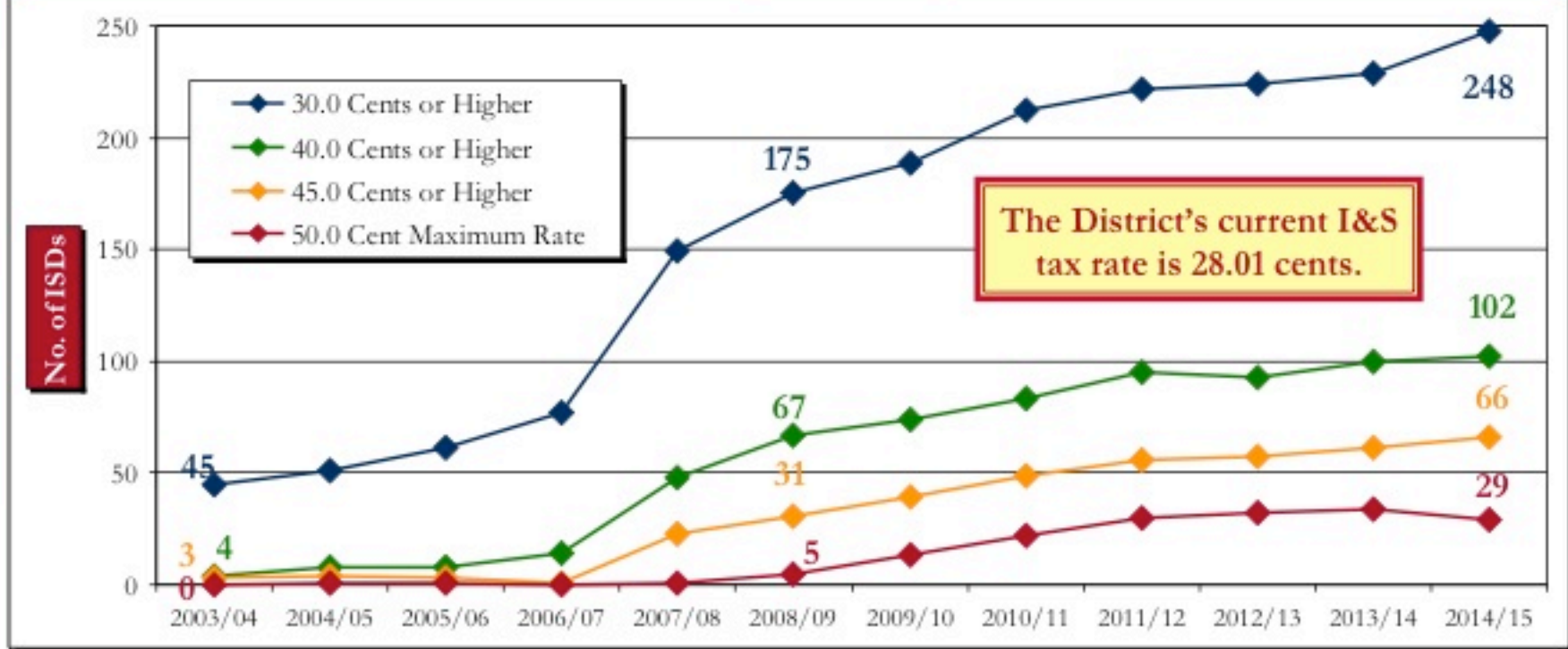
Grapevine *Colleyville* *Independent School District*

Preliminary Tax Rate Impact Analysis – New Bond Program

Tuesday, August 11, 2015

- Although not a current concern for Grapevine-Colleyville Independent School District (the “District”), the District may only issue new bonds to the degree it can prove, prior to sale, its Interest & Sinking Fund (“I&S”) tax rate will not exceed 50.0 cents.

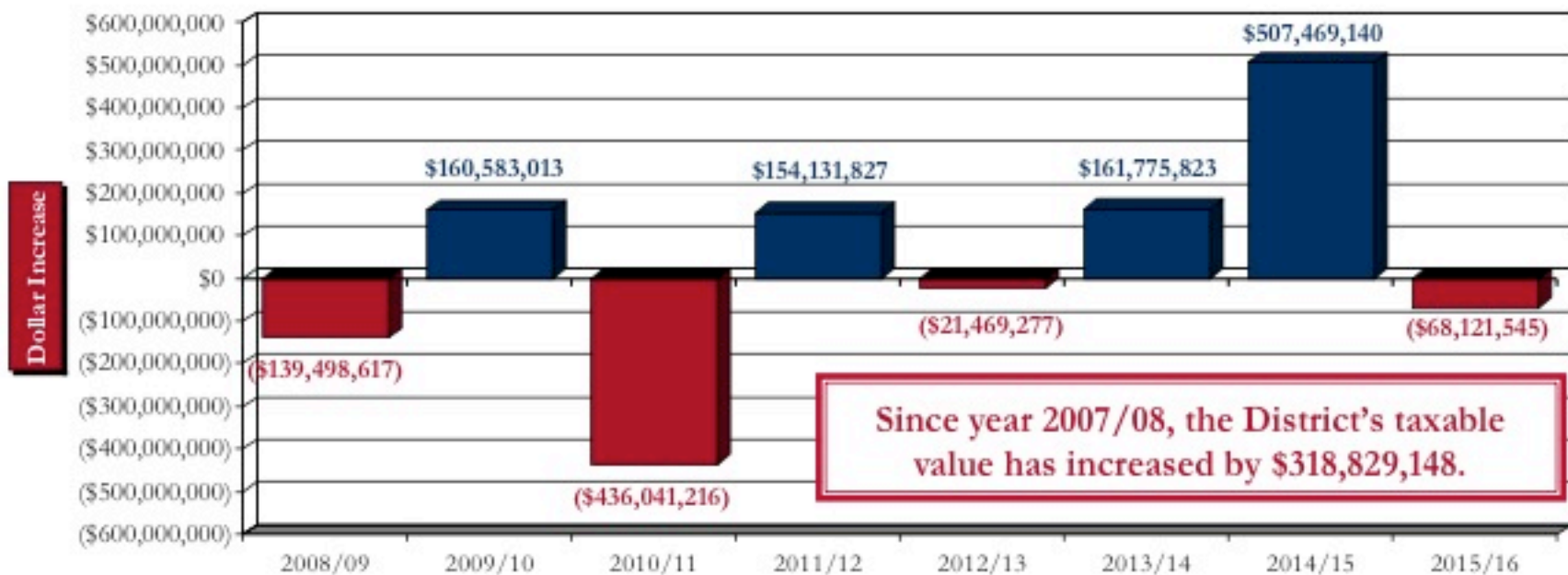
Historical Trend of Texas School District I&S Tax Rates Years 2003/04 – 2014/15



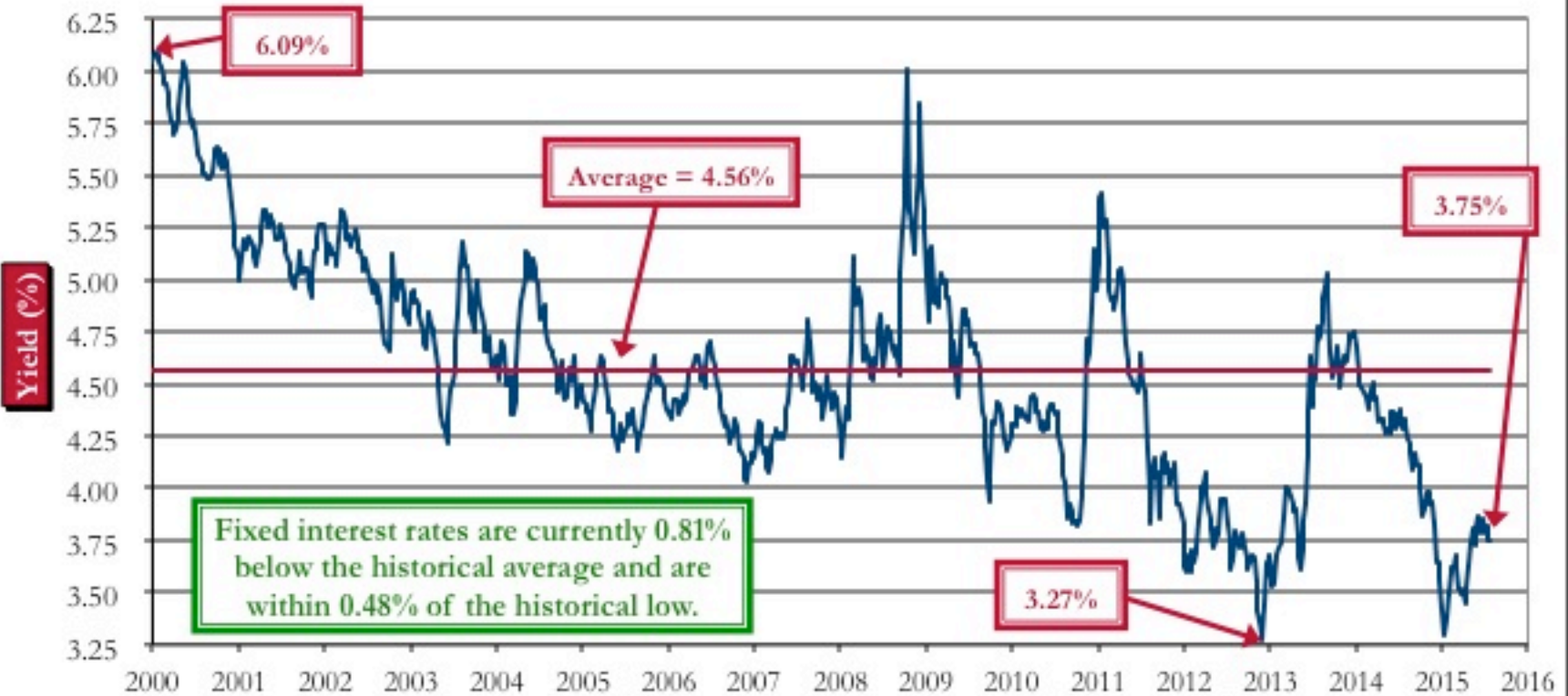
Debt Factors – Taxable Assessed Valuation

- ❑ The value of the District's tax base is the primary factor impacting the cost of a new bond program – As this determines the annual revenues generated from the District's I&S tax rate.
- The District's taxable assessed valuation (net of frozen values, TIRZ values and the anticipated \$10,000 increase in the residential homestead exemption) is \$10,124,143,115 for fiscal year 2015/16 and taxable values have been volatile over the last 8-years.

Historical Increases/(Decreases) in Taxable Valuations (Net of Frozen and TIRZ Values) Years 2008/09 – 2015/16

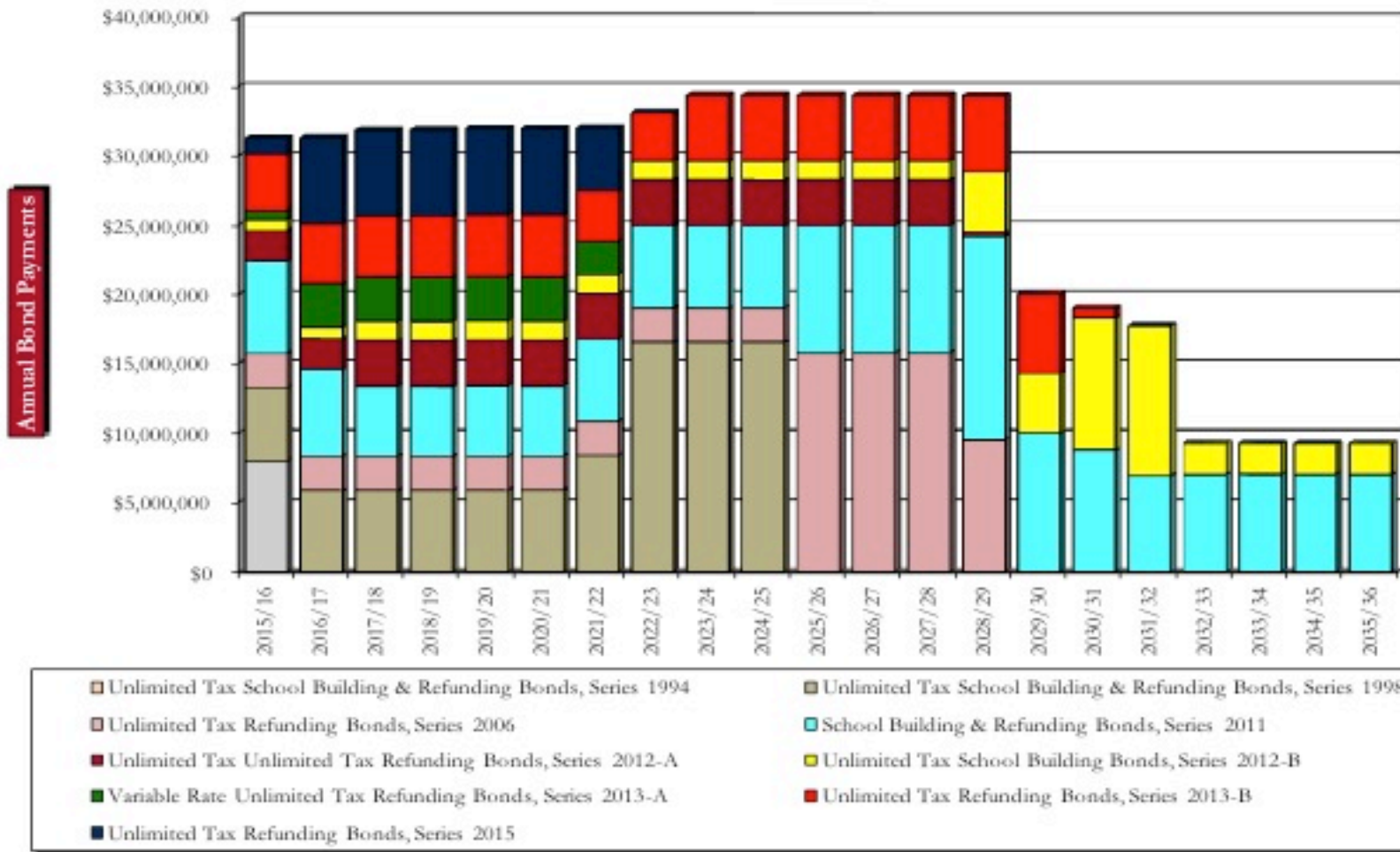


The Bond Buyer 20-Bond Index – A Tax-Exempt General Obligation Bond Yield Index – January 1, 2000 To The Present



- Based upon the \$200.0 million bond program repaid over a 25-year period, an interest rate difference of 0.25% changes the District's interest cost by approximately \$7,550,000.

Debt Factors – Dollar Amount and Structure of District's Existing Bonds



Note: Debt service payments reflect payments from September 1 through August 31. Interest on the District's Series 2012-B Bonds is calculated at its actual 1.29% interest rate through July 31, 2017 and a 4.25% interest rate thereafter.

The District has a total principal amount of existing bonds equal to \$326,820,150.

The Preliminary Tax Rate Impact Analysis is based upon the assumptions summarized herein. To the extent the District's actual results differ from the assumptions herein, the financial impact to the District will correspondingly change.

☐ Scenarios Presented

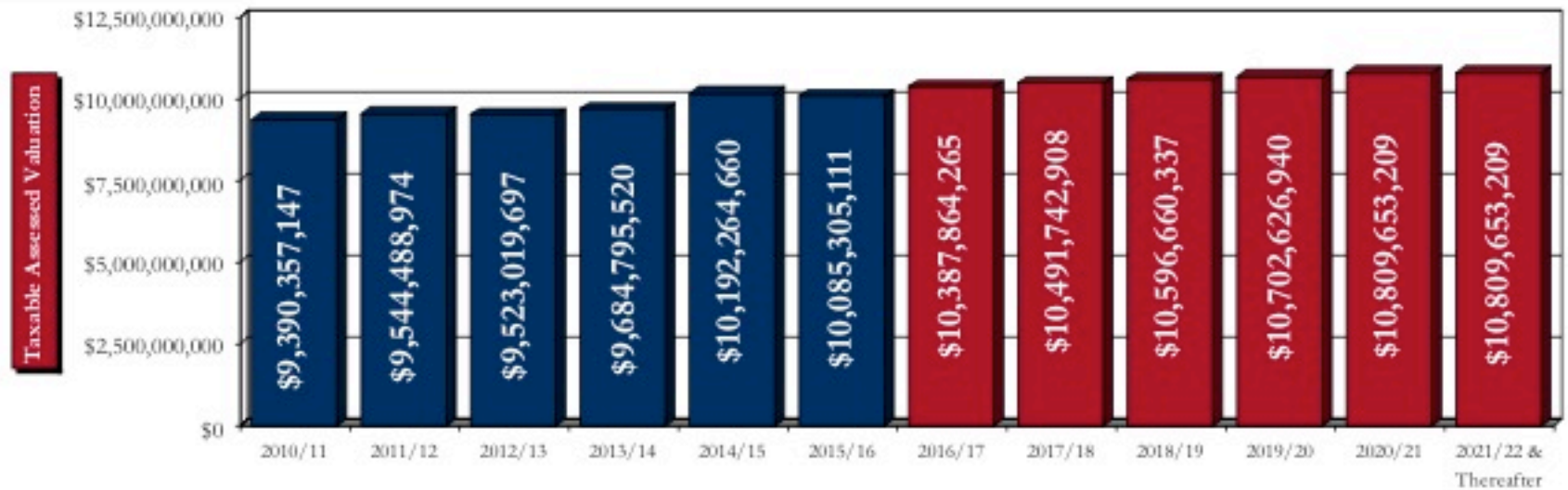
- Scenario 1: \$100.0 Million Bond Program;
- Scenario 2: \$125.0 Million Bond Program;
- Scenario 3: \$150.0 Million Bond Program;
- Scenario 4: \$175.0 Million Bond Program; and
- Scenario 5: \$200.0 Million Bond Program.

□ Assumptions

- The District's I&S tax rate will remain at 28.01 cents in year 2015/16.
- Any I&S tax rate increase associated with the new bond program occurs in year 2016/17.
- The new bond program is sold at an interest rate of 5.00%. Current market rates are approximately 4.00%.
- Bonds issued pursuant to the new bond program are repaid over a 25-year period and are structured to allow the District to prepay the bonds prior to scheduled maturity, without penalty.
- **Short-Term Projects:** \$15.0 million for technology related projects (computers, infrastructure, etc.) is repaid within 7-years and \$30.0 million for equipment, buses and other short-term assets is repaid within 15-years.
- District will NOT receive any "hold harmless" funds for the payment of bonds due to the proposed \$10,000 increase in the residential homestead exemption. If such funds are received, the District is estimated to receive an additional \$469,925 per year for repayment of bonds.
- Tax collection rate of 98.5%.

Preliminary Tax Rate Impact Analysis (Continued)

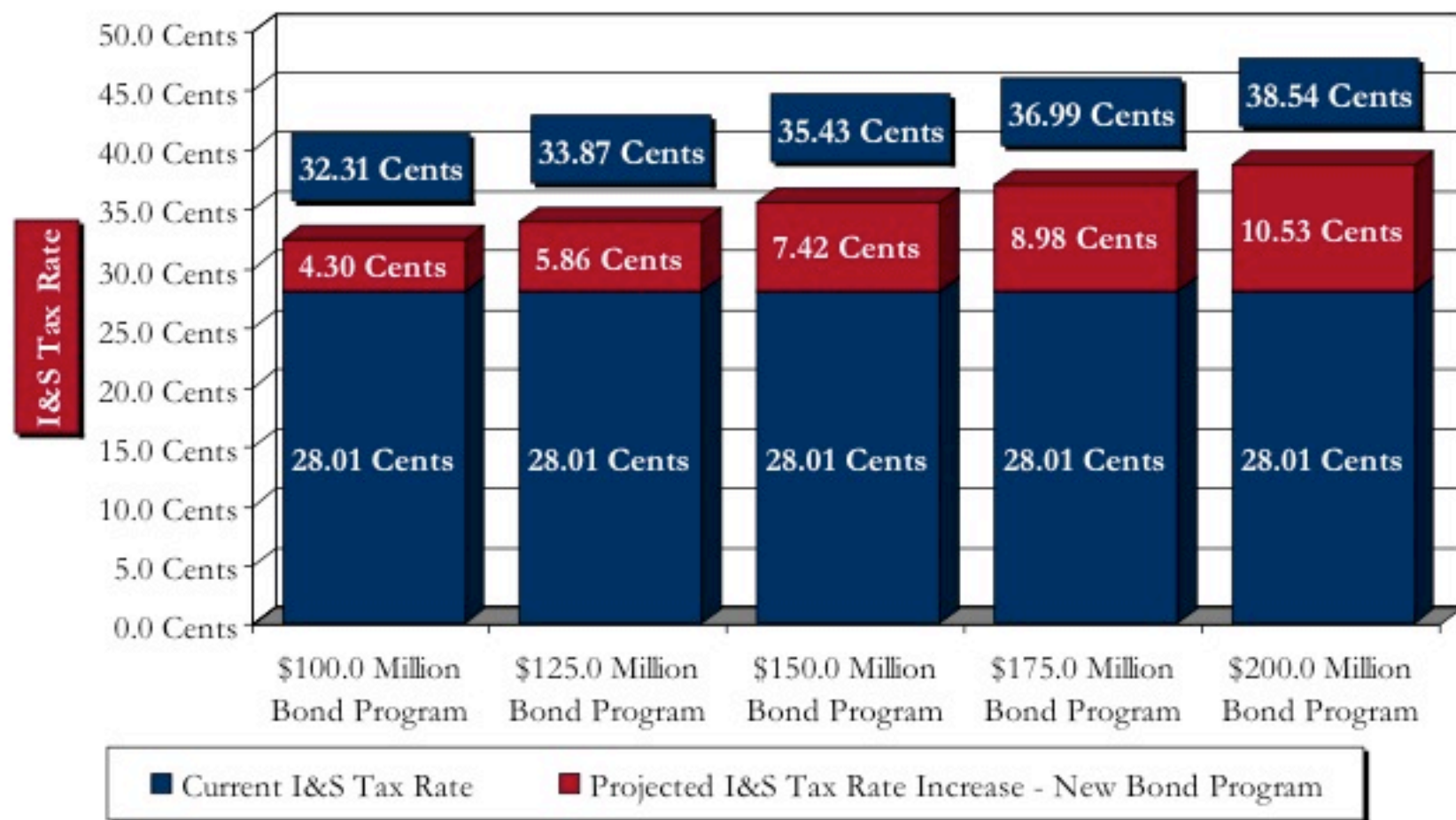
Historical and Assumed Taxable Valuations (Net of Frozen Levy and TIRZ Values)



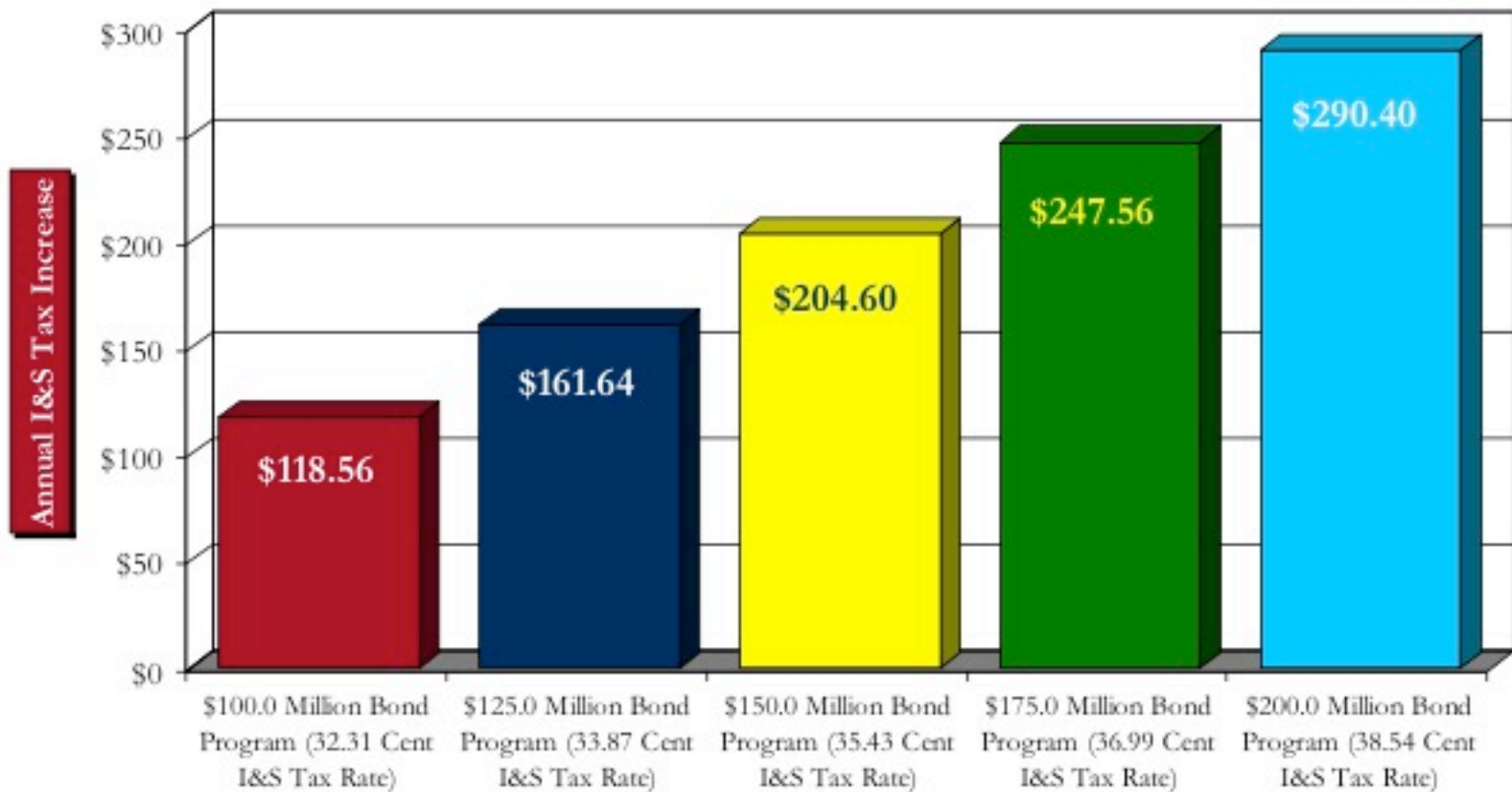
Fiscal Year	2010/11	2011/12	2012/13	2013/14	2014/15	2015/16	Average Annual Increase – Years 2011/12 – 2015/16
Taxable Assessed Valuation	\$9,390,357,147	\$9,544,488,974	\$9,523,019,697	\$9,684,795,520	\$10,192,264,660	\$10,124,143,115	---
Dollar Change	\$ ---	\$154,131,827	(\$21,469,277)	\$161,775,823	\$507,469,140	(\$68,121,545)	\$146,757,194
Percentage Change	---	1.64%	(0.22%)	1.70%	5.24%	(0.67%)	1.52%

Fiscal Year	2016/17	2017/18	2018/19	2019/20	2020/21	2021/22 & Thereafter	Average Annual Increase – Years 2016/17 – 2020/21
Taxable Assessed Valuation	\$10,427,867,408	\$10,532,146,082	\$10,637,467,543	\$10,743,842,218	\$10,851,280,640	\$10,851,280,640	---
Dollar Change	\$303,724,293	\$104,278,674	\$105,321,461	\$106,374,675	\$107,438,422	\$---	\$145,427,505
Percentage Change	3.00%	1.00%	1.00%	1.00%	1.00%	---	1.40%

Maximum Projected I&S Tax Rate – With New Bond Program

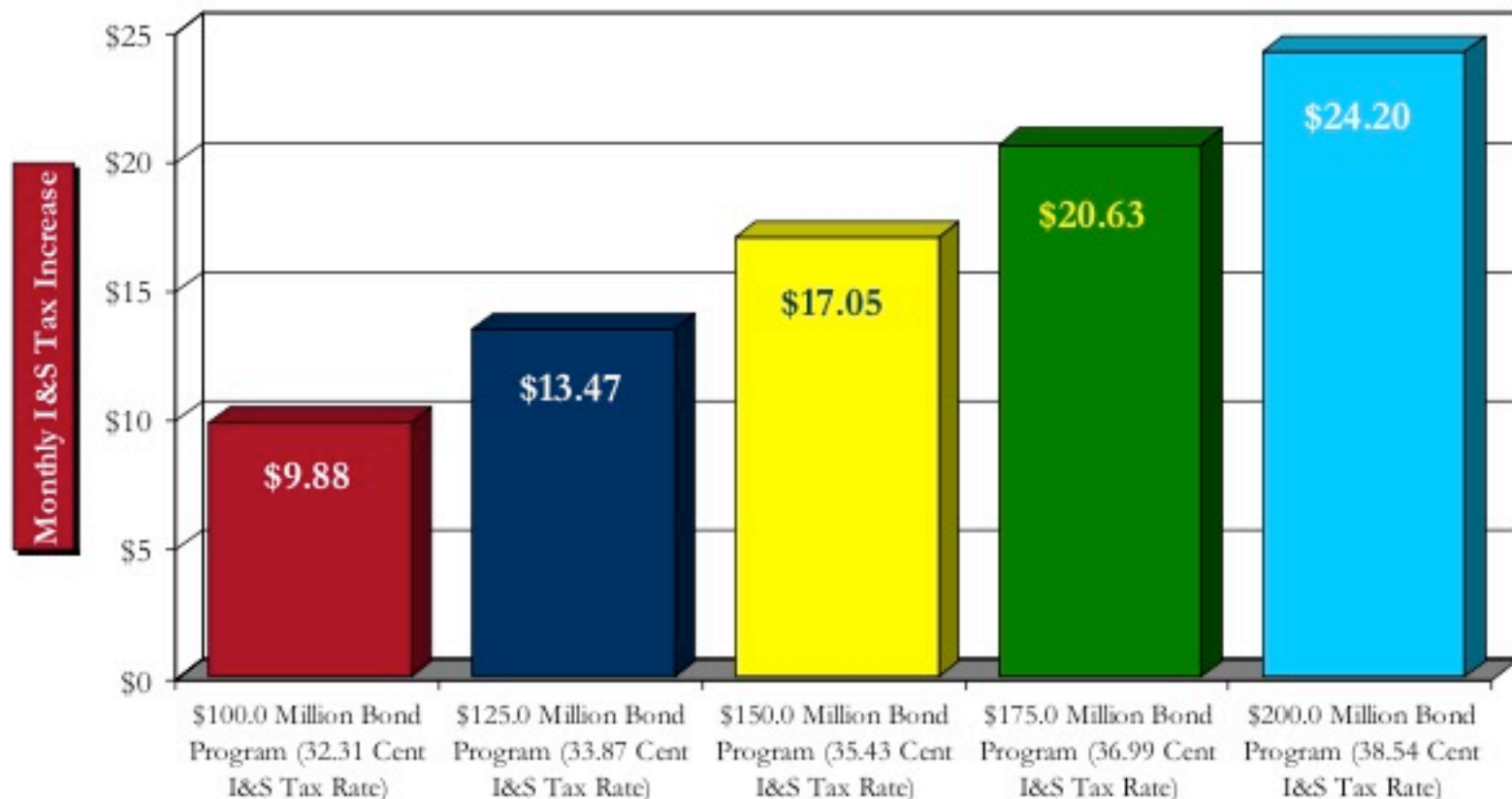


Projected Annual I&S Tax Increase For \$275,739 Average Taxable Home Value



Note: The State Property Tax Code allows for school property taxes on an individual homestead to be "frozen" at the age of 65. If you are 65 years of age or older and you have filed for the "Over 65 Homestead Exemption", there is a ceiling on the amount of school taxes to be paid – The only exception is if improvements are made to a home. As such, a tax increase from a new bond program cannot increase the applicable tax ceiling of a taxpayer that has qualified for the "Over 65 Homestead Exemption."

Projected Monthly I&S Tax Increase For \$275,739 Average Taxable Home Value



Note: The State Property Tax Code allows for school property taxes on an individual homestead to be "frozen" at the age of 65. If you are 65 years of age or older and you have filed for the "Over 65 Homestead Exemption", there is a ceiling on the amount of school taxes to be paid – The only exception is if improvements are made to a home. As such, a tax increase from a new bond program cannot increase the applicable tax ceiling of a taxpayer that has qualified for the "Over 65 Homestead Exemption."

- Since year 2008, there have been 836 bond elections held by Texas school districts and \$38.4 billion of bonds have been approved by voters to provide the capital improvements desired in local communities.

Historical Texas School District Bond Election Results – Years 2008 Through 2014

Year	No. Of Elections	Dollar Amount Of Bond Elections	Dollar Amount Approved		Dollar Amount Failed	
			Dollar Amount	Percentage	Dollar Amount	Percentage
2008	132	\$ 10,027,332,101	\$ 8,753,708,101	87.3%	\$ 1,273,624,000	12.7%
2009	79	2,447,569,995	1,597,039,995	65.3%	850,530,000	34.7%
2010	110	4,584,668,000	3,231,587,000	70.5%	1,353,081,000	29.5%
2011	94	3,943,308,215	3,302,979,215	83.8%	640,329,000	16.2%
2012	70	3,729,657,339	3,410,612,339	91.5%	319,045,000	8.5%
2013	144	7,387,300,049	5,428,117,049	73.5%	1,959,183,000	26.5%
2014	127	10,318,550,976	9,440,196,675	91.5%	878,354,301	8.5%
May 2015	80	4,527,729,046	3,313,433,471	73.2%	1,214,295,575	26.8%
Totals	836	\$ 46,966,115,721	\$ 38,477,673,845	81.9%	\$ 8,488,441,876	18.1%

- Grapevine-Colleyville ISD's last successful bond election on May 14, 2011 totaled \$124,500,000.

BOSC, Inc. – Specialized Texas School District Finance Professionals



William J. Gumbert

Head of Municipal (Tier I) Sales, Trading and Underwriting
Managing Director, Co-Director of Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: wgumbert@boscin.com
Direct: 214.576.0880 | **Mobile:** 214.212.3153 | **Fax:**
214.576.0890



Joshua M. McLaughlin

Managing Director, Co-Director of Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: jmcLaughlin@boscin.com
Direct: 214.576.0878 | **Mobile:** 972.897.0503 | **Fax:**
214.576.0890

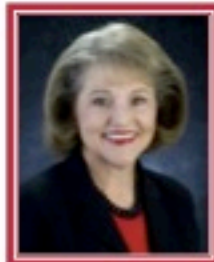


Mike Jolly

Investment Banker, Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: mjolly@boscin.com
Direct: 512.868.1980 | **Mobile:** 512.751.0479 | **Fax:**
214.576.0890



Dr. Cathy Bryce

Investment Banker, Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: cbryce@boscin.com
Mobile: 214.477.5972 | **Fax:** 214.576.0890



Omar Garcia

Investment Banker, Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: ogarcia@boscin.com
Direct: 512.243.5917 | **Mobile:** 512.565.7005 | **Fax:**
214.576.0890



Alison M. Long

Investment Banker, Texas Public Finance



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: alison.long@boscin.com
Direct: 214.576.0881 | **Mobile:** 254.744.4555 | **Fax:**
214.576.0890



John Robuck

Investment Banker, Texas Public Finance



1401 McKinney Street, Suite 1000 | Houston, Texas 77010
E-Mail: jrobuck@boscin.com
Direct: 713.289.5897 | **Mobile:** 281.610.8335 | **Fax:**
713.354.0257



Allen Mattson, CFA

Senior Vice President | Manager, Municipal Trading and Underwriting



333 West Campbell Road, Suite 350 | Richardson, Texas 75080
E-Mail: amattson@boscin.com
Direct: 214.576.0872 | **Mobile:** 203.556.1808 | **Fax:**
214.576.0890