



PROMOTING EXCELLENCE • CREATING THE FUTURE

Overview of Proposed 2026 Refunding Program – Issuance of Unlimited Tax Refunding Bonds, Series 2026

Monday, July 13, 2026



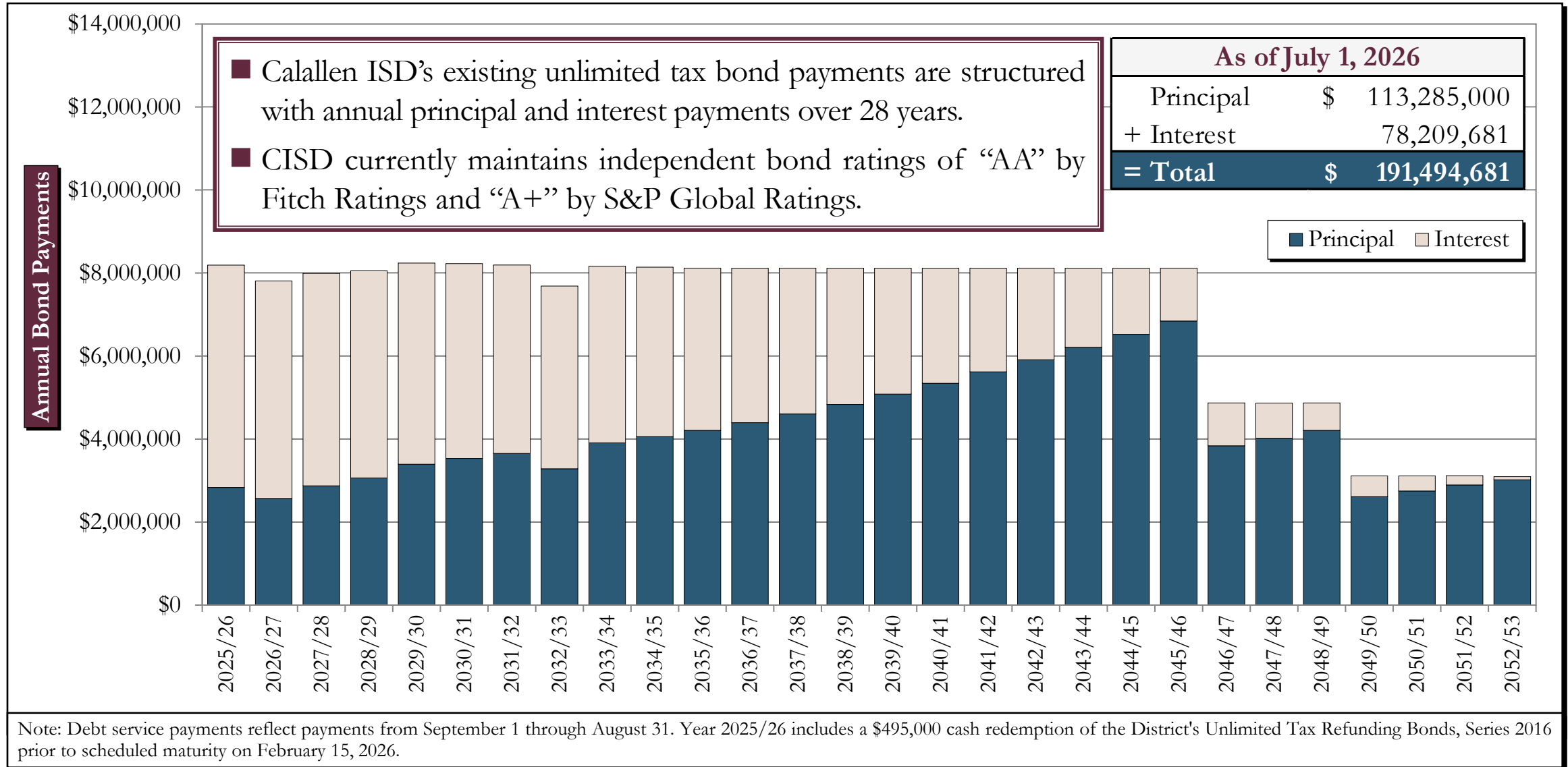
Savings from District’s Debt Management Practices

- Calallen Independent School District (“CISD” or the “District”) has actively deployed various debt management practices to lower the borrowing costs of taxpayers. Such actions have reduced the cost of voter-approved bonds and provided District taxpayers with more than **\$15.089 million** of direct savings since year 2010!

Summary of Interest Cost Savings – Bond Refunding Programs / Prepayment of Bonds			
Issue / Description	Series Refunded / Redeemed	Par Amount Refunded / Redeemed	Total Savings
Unlimited Tax Refunding Bonds, Series 2010	1994, 1998	\$ 3,550,000	\$ 234,836
Unlimited Tax Refunding Bonds, Series 2015	2008	8,700,000	1,481,233
Unlimited Tax Refunding Bonds, Series 2016	2008	8,885,000	1,982,906
Unlimited Tax Refunding Bonds, Series 2017	2008	9,200,000	2,336,083
Unlimited Tax Refunding Bonds, Series 2018-A	2008	9,480,000	1,224,248
Total - Bond Refunding Programs at a Lower Interest Rate	---	\$ 39,815,000	\$ 7,259,306
Prepayment of Series 2008 Bonds - August 2017	2008	\$ 710,000	\$ 710,000
Prepayment of Series 2008 Bonds - February 2018	2008	1,550,000	1,550,000
Prepayment of Series 2018 Bonds - August 2020	2018	775,000	744,485
Prepayment of Series 2018 Bonds - August 2021	2018	1,280,000	1,229,600
Prepayment of Series 2018 Bonds - February 2022	2018	1,675,000	1,541,350
Prepayment of Series 2018 Bonds - February 2023	2018	2,230,000	1,916,356
Prepayment of Series 2016 Bonds - February 2026	2016	495,000	138,600
Total - Prepayment of Bonds Prior to Scheduled Maturity	---	\$ 8,715,000	\$ 7,830,391
Totals	---	\$ 48,530,000	\$ 15,089,697



Dollar Amount and Structure of District's Existing Unlimited Tax Bonds





Summary of Existing and Callable Unlimited Tax Bonds

- Calallen ISD currently has **\$107,375,000** of outstanding callable bonds eligible to be repaid or refinanced prior to maturity, as summarized within the table below.

Calallen ISD - Summary of Callable Unlimited Tax Bonds Outstanding - As of July 1, 2026						
Issue Description	Call Date	Principal Amount Outstanding	Principal Amount Callable	Callable Maturities	Final Maturity	Coupons: Callable Maturities
Unlimited Tax Refunding Bonds, Series 2015	Any Date	\$ 3,810,000	\$ 3,810,000	2027 - 2029	2029	4.000%
Unlimited Tax Refunding Bonds, Series 2016	Any Date	7,955,000	7,955,000	2029 - 2033	2033	4.000%
Unlimited Tax Refunding Bonds, Series 2017	Any Date	8,850,000	8,850,000	2033 - 2037	2037	3.250% - 4.000%
Unlimited Tax School Building Bonds, Series 2018 [Short Call]	Any Date	1,855,000	1,855,000	2046	2046	3.625%
Unlimited Tax School Building Bonds, Series 2018 [Long Call]	02/15/2027	24,455,000	23,880,000	2028 - 2045	2045	3.000% - 5.000%
Unlimited Tax Refunding Bonds, Series 2018-A	02/15/2027	3,050,000	3,050,000	2037 - 2038	2038	4.000%
Unlimited Tax School Building Bonds, Series 2023	02/15/2033	51,795,000	47,925,000	2034 - 2053	2053	5.000%
Unlimited Tax School Building Bonds, Series 2024	02/15/2034	11,515,000	10,050,000	2035 - 2049	2049	4.000% - 5.000%
Totals	---	\$ 113,285,000	\$ 107,375,000	---	---	---

- Based upon prevailing market conditions and pursuant to current Federal Tax law, **\$19,485,000** of CISD’s outstanding Unlimited Tax Refunding Bonds, Series 2015, Series 2016, and Series 2017, that are eligible to be refunded on a “tax-exempt” basis on any date, may be refunded at a lower interest rate.



Potential Bond Refunding Opportunity: Structure Savings for I&S Tax Rate Management Purposes

- Calallen ISD may refund certain of its outstanding Unlimited Tax Refunding Bonds, Series 2015, Series 2016, and Series 2017 and structure the new bond payments to manage the year 2026/27 Interest & Sinking Fund tax rate, maximize State funding assistance for the repayment of debt and provide an interest cost savings to taxpayers.

Summary of Estimated Refunding Results	
Par Amount of Refunded Bonds	\$ 19,485,000
Interest Rate on Refunded Bonds	4.00%
"All-In" True Interest Cost on Refunding Bonds	3.43%
Total Debt Service Savings	\$ 843,833
Present Value Debt Service Savings	514,796
Present Value Debt Service Savings (% of Refunded Bonds)	2.64%
Escrow Yield (SLGS)	3.76%
Positive/(Negative) Arbitrage	\$ 10,178

Sensitivity Analysis	
Total Savings @ Current Market Rates Plus 0.25%	\$ 576,417
Total Savings @ Current Market Rates Minus 0.25%	1,103,883

Summary of Refunded Bonds			
Series	Maturities	Par Amount	Call Date
2015 (Refunding)	2027 - 2029	\$ 3,810,000	09/28/2026
2016 (Refunding)	2029 - 2033	7,955,000	09/28/2026
2017 (Refunding)	2034 - 2037	7,720,000	09/28/2026
Total Refunded Bonds		\$ 19,485,000	

Summary of Annual Savings (Structured Savings)			
Year	Refunded Debt Service	Refunding Debt Service	Estimated Savings
2026/27	\$ 2,411,100	\$ 3,504,592	\$ (1,093,492)
2027/28	2,413,100	2,220,750	192,350
2028/29	2,373,100	2,180,875	192,225
2029/30	2,474,000	2,280,625	193,375
2030/31	2,469,900	2,273,875	196,025
2031/32	2,472,600	2,277,750	194,850
2032/33	864,700	673,000	191,700
2033/34	2,660,800	2,465,625	195,175
2034/35	2,662,800	2,469,000	193,800
2035/36	2,660,800	2,466,625	194,175
2036/37	224,400	30,750	193,650
Totals	\$ 23,687,300	\$ 22,843,467	\$ 843,833



Potential Bond Refunding Opportunity: Structure Savings for I&S Tax Rate Management Purposes

Proposed 2026 Refunding Program - Structured Savings - Maintain 27.08-Cent I&S Tax Rate (As of July 3, 2026)

A	B	C	D	E	F	G	H	I	J	K	L	M	N	O	P	Q
Year	Total Existing Bond Payments	Less: Series 2015, Series 2016, & Series 2017 Bonds To Be Refunded	Plus: August-26 Fixed Rate Series 2026 Refunding For Savings	Estimated Savings	Total Combined Bond Payments	Less: Projected IFA & EDA State Funding Assistance	Less: Projected ASAHE State Funding Assistance	Less: Frozen Levy, Delinquent Tax Collections & Interest Earnings	Net Combined Bond Payments	"Base" Taxable Assessed Valuation (Net of Frozen)	Equistar Chemicals 313 Agreement	TexStar Midstream 313 Agreement	EPIC Y-Grade Logistics 313 Agreement	"Total" Taxable Assessed Valuation (Net of Frozen)	Projected I&S Tax Rate	I&S Tax Rate Difference
2025/26	\$8,190,163	\$0	\$0	\$0	\$8,190,163	\$0	\$782,219	\$104,015	\$7,303,929	\$1,945,326,415	\$415,283,250	\$172,221,580	\$220,099,000	\$2,752,930,245	\$0.2708	
2026/27	7,808,813	2,411,100	3,504,592	(1,093,492)	8,902,304	0	1,492,452	104,015	7,305,837	1,945,326,415	415,283,250	172,221,580	220,099,000	2,752,930,245	0.2708	\$0.0000
2027/28	7,994,688	2,413,100	2,220,750	192,350	7,802,338	0	783,689	104,015	6,914,634	1,945,326,415	415,283,250	172,221,580	220,099,000	2,752,930,245	0.2563	
2028/29	8,053,688	2,373,100	2,180,875	192,225	7,861,463	0	783,225	104,015	6,974,223	1,945,326,415	415,283,250	172,221,580	220,099,000	2,752,930,245	0.2585	
2029/30	8,240,713	2,474,000	2,280,625	193,375	8,047,338	0	784,545	104,015	7,158,778	1,945,326,415	415,283,250	172,221,580	220,099,000	2,752,930,245	0.2653	
2030/31	8,227,238	2,469,900	2,273,875	196,025	8,031,213	0	782,764	104,015	7,144,434	1,945,326,415	415,283,250	172,221,580	219,634,799	2,752,466,044	0.2649	
2031/32	8,194,713	2,472,600	2,277,750	194,850	7,999,863	0	780,409	104,015	7,115,439	1,945,326,415	415,283,250	172,221,580	208,920,559	2,741,751,804	0.2648	
2032/33	7,687,491	864,700	673,000	191,700	7,495,791	0	716,894	104,015	6,674,882	1,945,326,415	415,283,250	172,221,580	198,742,031	2,731,573,276	0.2493	
2033/34	8,163,744	2,660,800	2,465,625	195,175	7,968,569	0	780,685	104,015	7,083,869	1,945,326,415	415,283,250	172,221,580	189,072,430	2,721,903,675	0.2656	
2034/35	8,142,019	2,662,800	2,469,000	193,800	7,948,219	0	778,567	104,015	7,065,637	1,945,326,415	415,283,250	172,221,580	179,886,308	2,712,717,553	0.2658	
2035/36	8,116,944	2,660,800	2,466,625	194,175	7,922,769	0	776,783	104,015	7,041,971	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2657	
2036/37	8,116,169	224,400	30,750	193,650	7,922,519	0	775,996	104,015	7,042,508	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2658	
2037/38	8,117,519	0	0	0	8,117,519	0	837,545	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2038/39	8,114,669	0	0	0	8,114,669	0	834,695	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2039/40	8,116,669	0	0	0	8,116,669	0	836,695	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2040/41	8,115,919	0	0	0	8,115,919	0	835,945	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2041/42	8,116,794	0	0	0	8,116,794	0	836,820	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2042/43	8,118,544	0	0	0	8,118,544	0	838,570	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2043/44	8,115,544	0	0	0	8,115,544	0	835,570	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2044/45	8,114,769	0	0	0	8,114,769	0	834,795	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2045/46	8,118,597	0	0	0	8,118,597	0	838,623	104,015	7,175,959	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.2708	
2046/47	4,869,875	0	0	0	4,869,875	0	280,000	104,015	4,485,860	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1693	
2047/48	4,869,550	0	0	0	4,869,550	0	279,944	104,015	4,485,591	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1693	
2048/49	4,870,650	0	0	0	4,870,650	0	279,809	104,015	4,486,826	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1693	
2049/50	3,113,625	0	0	0	3,113,625	0	279,573	104,015	2,730,037	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1030	
2050/51	3,114,500	0	0	0	3,114,500	0	279,652	104,015	2,730,833	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1031	
2051/52	3,118,375	0	0	0	3,118,375	0	280,000	104,015	2,734,360	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1032	
2052/53	3,095,500	0	0	0	3,095,500	0	277,946	104,015	2,713,539	1,945,326,415	415,283,250	172,221,580	171,159,493	2,703,990,738	0.1024	
Total	\$197,037,475	\$23,687,300	\$22,843,467	\$843,833	\$196,193,642	\$0	\$19,504,408	\$2,912,420	\$173,776,814							



“Parameters Bond Order” – Proposed 2026 Refunding Program

- ❑ Calallen ISD’s Board of Trustees may adopt a “Parameters Bond Order” designating the ability to approve the issuance of its Unlimited Tax Refunding Bonds, Series 2026 (the “Series 2026 Refunding Bonds”) to the District’s Administration if each of the established parameters is met.
 - ❑ The Board of Trustees may consider a “Parameters Bond Order” at its **Monday, July 13, 2026** Board meeting and the following is a representative listing of the primary parameters we recommend for the Series 2026 Refunding Bonds:
 - 1) The District achieves a savings of at least **\$650,000** (net of all costs);
 - 2) Maximum principal amount of Series 2026 Refunding Bonds to be issued – **\$19,485,000** (i.e., the principal amount of the eligible Series 2015, Series 2016, and Series 2017 Bonds that may potentially provide a savings, if refunded);
 - 3) Maximum “All-In” True Interest Rate (must not exceed) – **3.65%**;
 - 4) Final maturity of the Series 2026 Refunding Bonds – **February 15, 2037** (i.e., the same final maturity as the eligible Series 2017 Bonds to be refunded at a savings); and
 - 5) The Refunding Program must be completed prior to **January 9, 2027** (i.e., 6-months).
 - ❑ Unless each parameter listed above can be achieved, the Series 2026 Refunding Bonds will not be issued until additional direction is received from the District.
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Preliminary Timetable – Proposed 2026 Refunding Program

June 2026							July 2026							August 2026							September 2026							October 2026						
S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S	S	M	T	W	T	F	S
	1	2	3	4	5	6				1	2	3	4							1			1	2	3	4	5							1
7	8	9	10	11	12	13	5	6	7	8	9	10	11	2	3	4	5	6	7	8	6	7	8	9	10	11	12	4	5	6	7	8	9	10
14	15	16	17	18	19	20	12	13	14	15	16	17	18	9	10	11	12	13	14	15	13	14	15	16	17	18	19	11	12	13	14	15	16	17
21	22	23	24	25	26	27	19	20	21	22	23	24	25	16	17	18	19	20	21	22	20	21	22	23	24	25	26	18	19	20	21	22	23	24
28	29	30					26	27	28	29	30	31		23	24	25	26	27	28	29	27	28	29	30				25	26	27	28	29	30	31
														30	31																			

Board Meeting Closing – Receipt of Funds

Preliminary Timetable – Proposed 2026 Refunding Program	
Date*	Action Necessary
July 13, 2026	Board Meeting – Discuss proposed 2026 Refunding Program and consider a “Parameters Bond Order” authorizing the issuance of the Series 2026 Refunding Bonds.
July 24, 2026	Completion of all actions necessary to sell the Series 2026 Refunding Bonds (i.e., Preliminary Official Statement is completed, the Permanent School Fund guarantee is received, obtain bond ratings, etc.).
To Be Determined	Bond Sale – Pricing of the Series 2026 Refunding Bonds pursuant to specified parameters and the District’s Administration approves the necessary legal documents – Interest rates and savings locked-in at this time.
August 27, 2026	Closing – Proposed 2026 Refunding Program is completed and Calallen ISD begins paying the lower interest rate on the Series 2026 Refunding Bonds.
* Preliminary, subject to change.	



Questions

