

Preliminary Tax Rate Impact Analysis – New Bond Program



September 10, 2009



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Review of District's 2005 Bond Program

Election and Financing Results

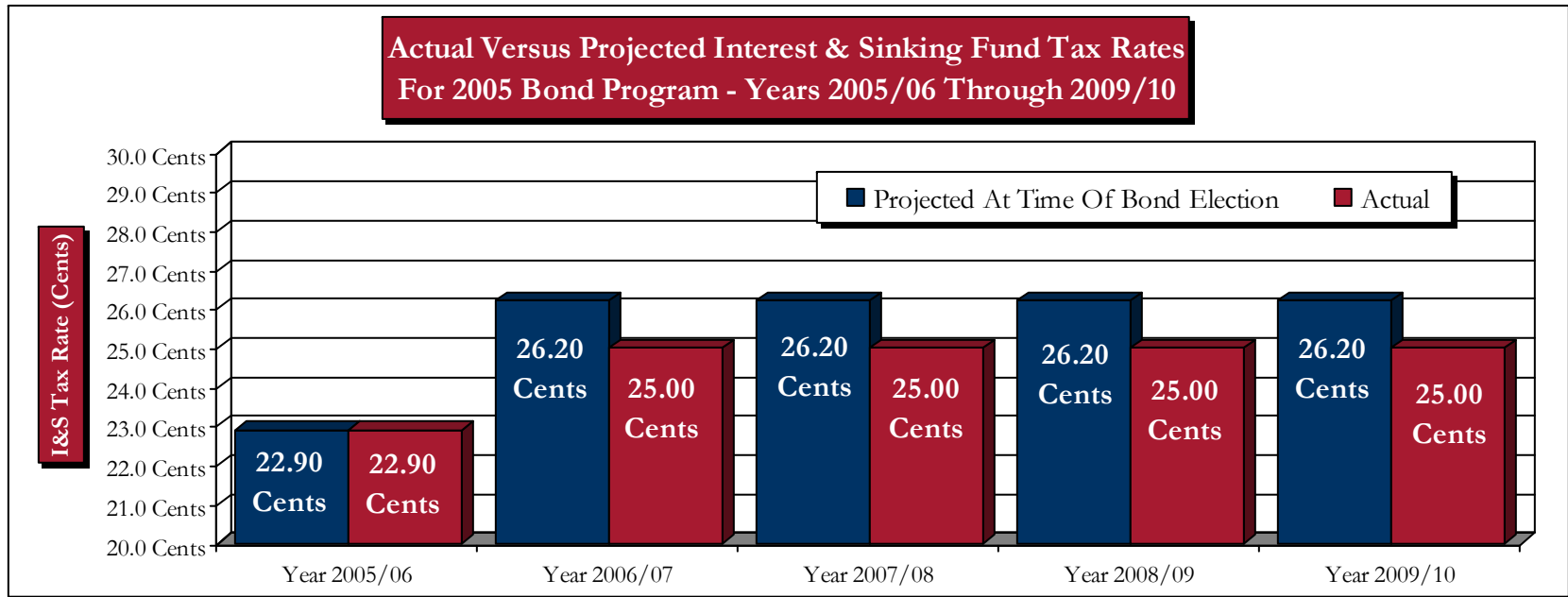
- On September 10, 2005, the voters of Grapevine-Colleyville Independent School District (the “District”) approved the issuance of \$107,910,000 of bonds. The actual results from the bond election (the “2005 Bond Program”) are summarized within the table below.

Proposition: \$107,910,000 – For The Construction, Acquisition And Equipment Of School Buildings In The District, Including The Purchase Of New School Buses, And The Purchase Of The Necessary Sites For School Buildings.	
Number of Votes FOR the Bond Program:	2,298
Percentage of Votes:	68.52%
Number of Votes AGAINST the Bond Program:	1,056
Percentage of Votes:	31.48%



Review of District's 2005 Bond Program (Continued)

- At the time of the 2005 Bond Election, taxpayers were informed the District's Interest & Sinking Fund ("I&S") tax rate (i.e. the tax rate utilized for the repayment of bonds) would increase from 22.9 cents to 26.2 cents, which represented an increase of 3.3 cents.
- The following graph compares the District's actual I&S tax rate with the projected I&S tax rate at the time of the 2005 Bond Election. For year 2009/10, the District's actual I&S tax rate is 25.0 cents, which is 1.2 cents below the projected rate communicated to taxpayers at the time of the 2005 Bond Election. As such, the 2005 Bond Program was fully implemented at 63.6% of the original projected cost.





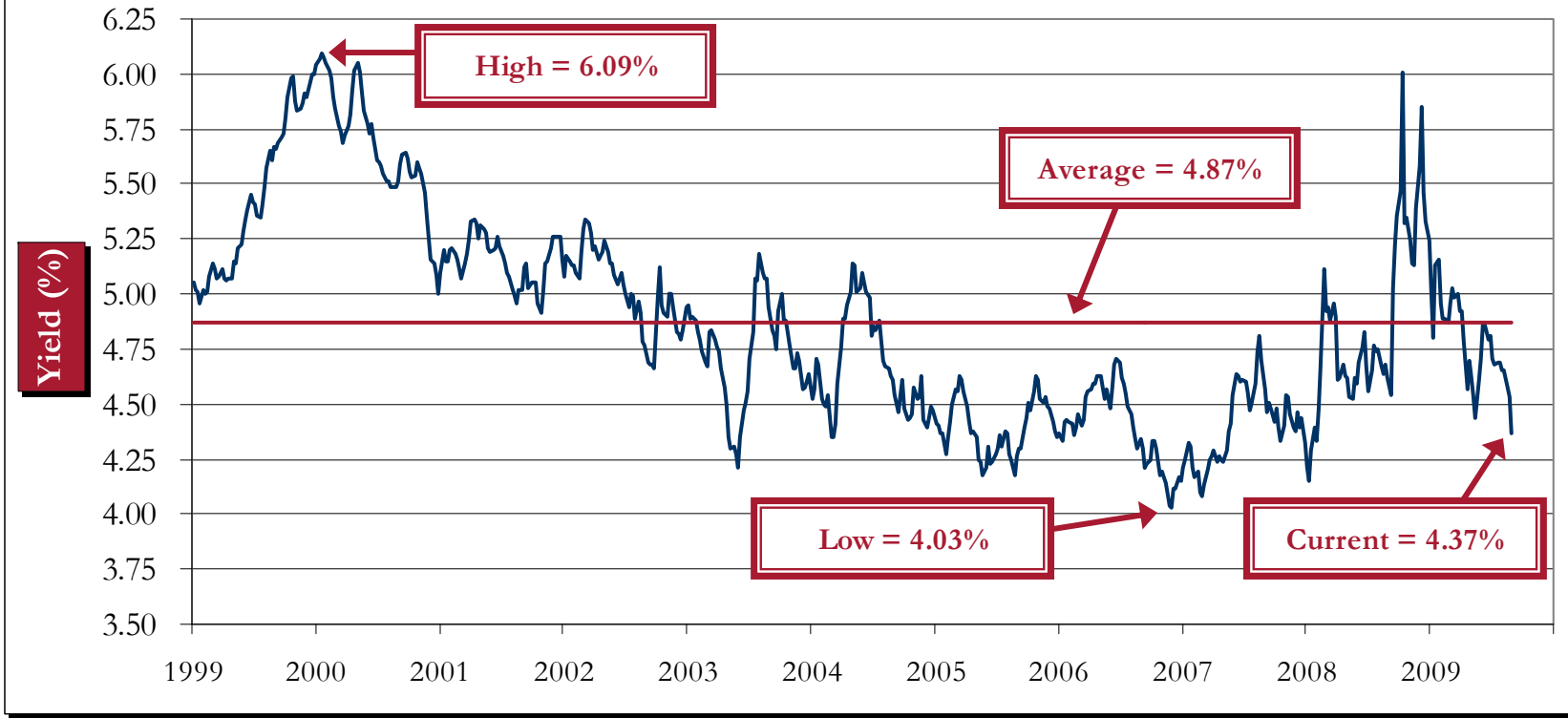
Review of District's 2005 Bond Program (Continued)

Bond Sales Completed – 2005 Bond Program

Series	Sale Date	Principal Amount Issued	True Interest Rate
Unlimited Tax School Building & Refunding Bonds, Series 2005-A	November 9, 2005	\$66,725,000	4.71%
Variable Rate Unlimited Tax School Building Bonds, Series 2007	February 26, 2007	\$41,185,000	3.83% ^(A)

^(A) Represents District's initial variable rate for the time period of April 17, 2007 through July 31, 2012.

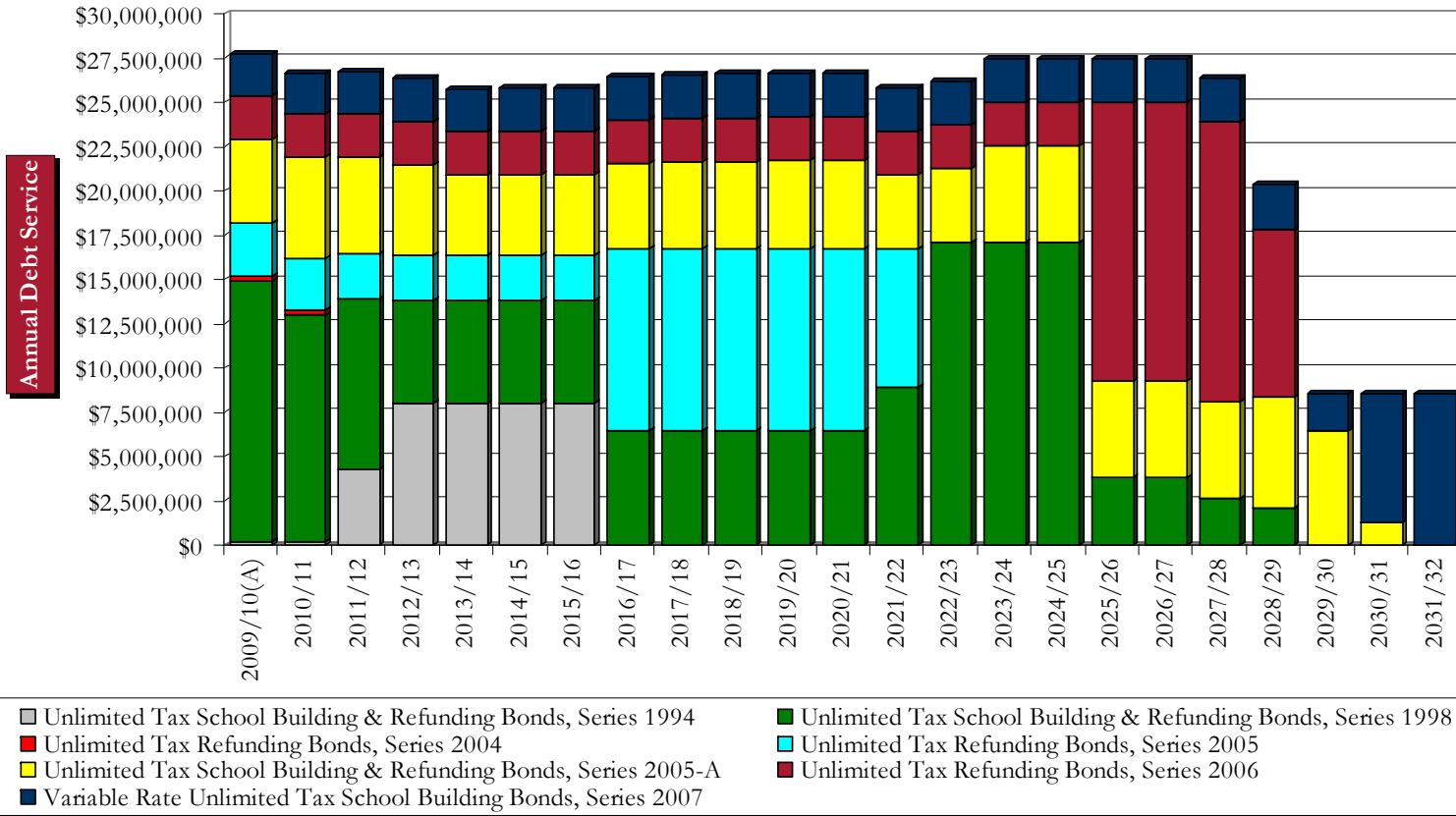
The Bond Buyer 20-Bond Index - A Tax-Exempt General Obligation Bond Yield Index January 1, 1999 To The Present



■ Based upon a \$50.0 million bond program amortized over 25-years, an interest rate difference of 0.25% changes the District's interest cost by approximately \$2,700,000.

Outstanding Unlimited Tax Debt Service

Outstanding Unlimited Tax Debt Service By Series



(A) Assumes a \$1,890,000 redemption of the District's Series 1998 Bonds on August 15, 2010.

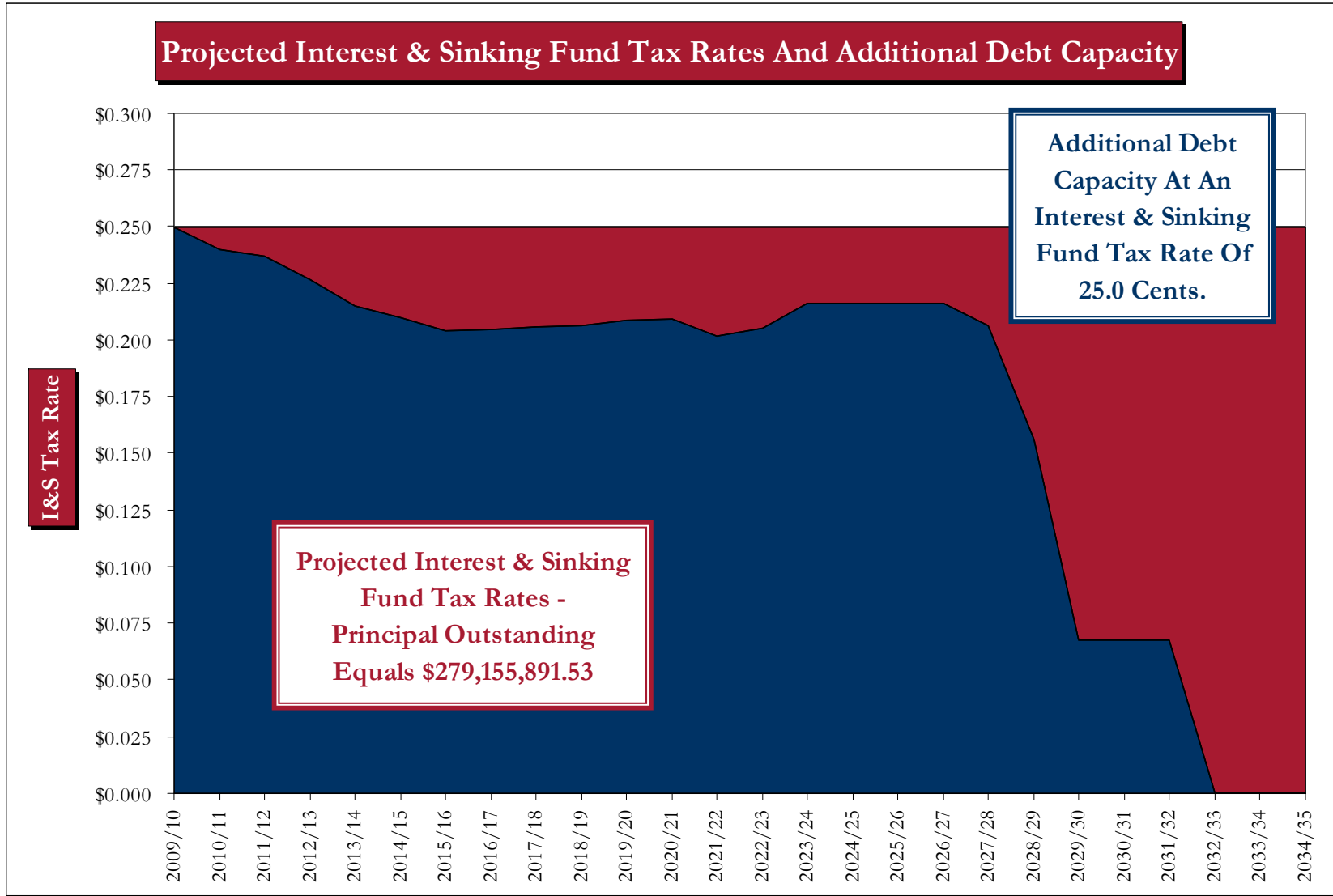
Note: Debt service payments reflect payments from September 1 through August 31.

■ The District has a total principal amount of bonds outstanding equal to \$279,155,891.53.



Outstanding Unlimited Tax Debt Service (Continued)

Projected Interest & Sinking Fund Tax Rates And Additional Debt Capacity





Preliminary Tax Rate Impact Analysis – New Bond Program

Scenarios Presented

- Scenario 1: Maximum Dollar Amount Of Bonds To Be Issued Without An Interest & Sinking Fund Tax Rate Increase;
- Scenario 2: \$80.0 Million Bond Program;
- Scenario 3: \$100.0 Million Bond Program; and
- Scenario 4: \$120.0 Million Bond Program.



Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

Assumptions

- The bond program is sold in July 2010 at an interest rate of 5.75%. Current market rates of interest rate approximately 4.85%.
- I&S tax rate increase associated with the bond program, if any, occurs in Year 2010/11.
- Bonds are amortized over a 25-year period and will be structured to allow the District to prepay the bonds prior to scheduled maturity, if appropriate in future years.
- At least \$17.5 million of bonds have a short-term amortization (i.e. 5-10 years) for technology and equipment related projects.
- Tax collection rate of 98.5%.



Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

Summary Of Assumed Taxable Assessed Valuations

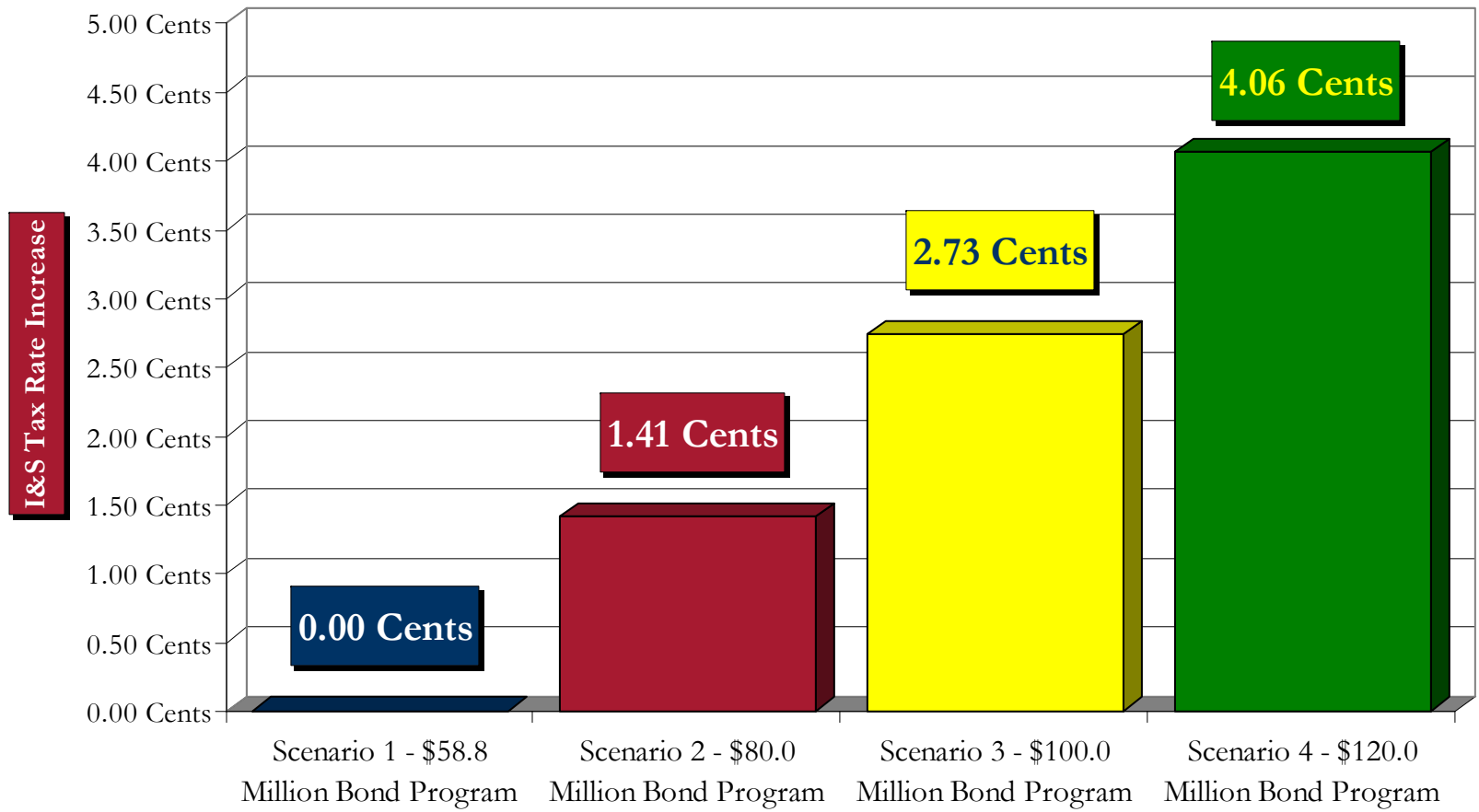
A	B	C	D	E	F	G
Fiscal Year	“Base” Taxable Assessed Valuation	Percentage Taxable Assessed Valuation Growth	Plus: Colleyville TIRZ Taxable Assessed Valuation	Plus: Gaylord Texan TIRZ Taxable Assessed Valuation	Plus: Grapevine Mills TIRZ Taxable Assessed Valuation	Total Assumed Taxable Assessed Valuation
2009/10	\$9,906,173,864	---%	\$262,680,232	\$250,507,970	\$0	\$10,419,362,056
2010/11	9,906,173,864	0.00%	262,680,232	250,507,970	0	10,419,362,056
2011/12	10,054,766,472	1.50%	262,680,232	250,507,970	0	10,567,954,664
2012/13	10,356,409,466	3.00%	262,680,232	250,507,970	0	10,869,597,658
2013/14	10,667,101,750	3.00%	262,680,232	250,507,970	0	11,180,289,942
2014/15	10,987,114,803	3.00%	262,680,232	250,507,970	0	11,500,302,995
2015/16	11,316,728,247	3.00%	262,680,232	250,507,970	0	11,829,916,439
2016/17 & Thereafter	11,316,728,247	---%	262,680,232	250,507,970	263,929,156	12,093,845,595

■ On average, the District’s tax base has increased by approximately 4.8% per year over the last five years.



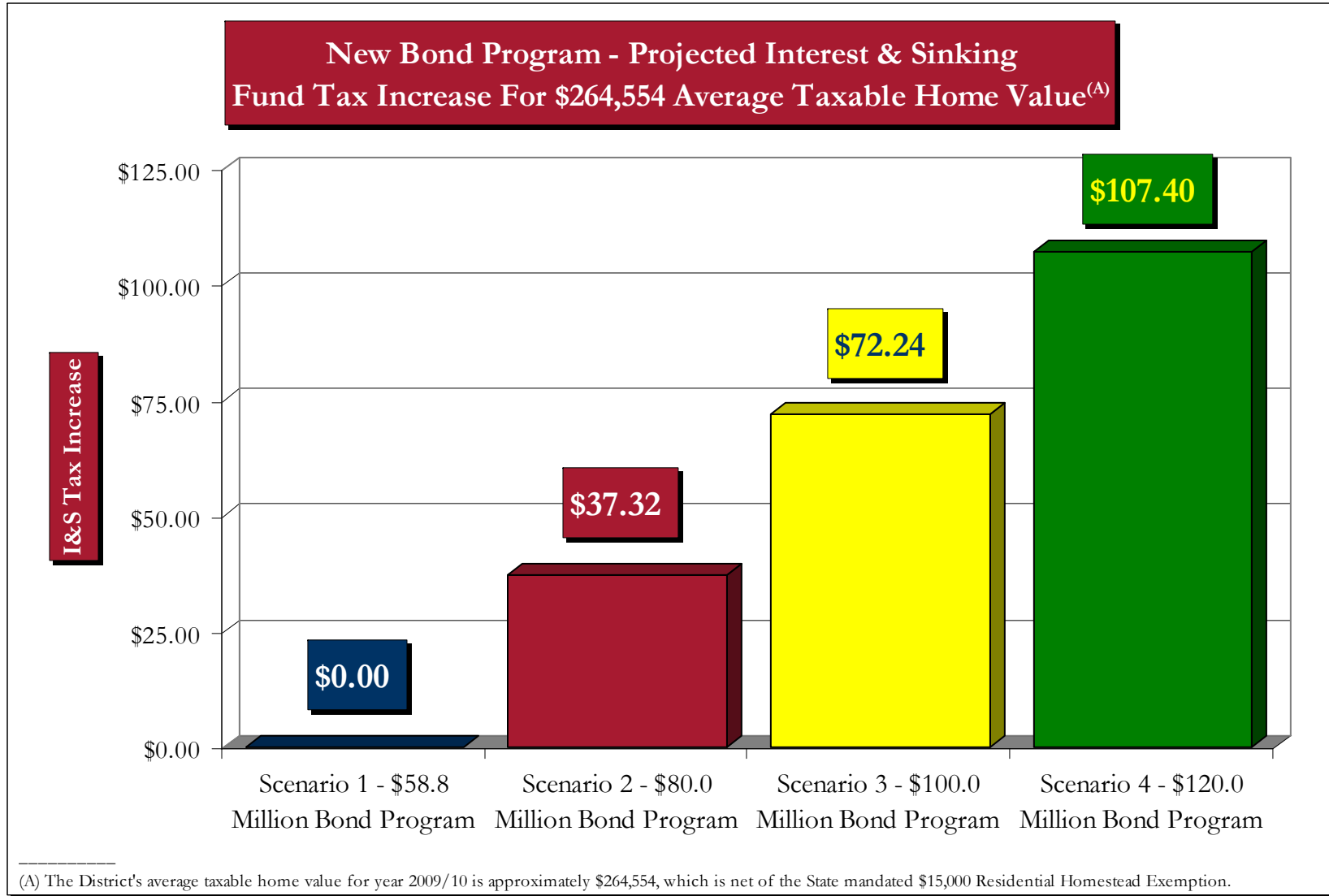
Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

**New Bond Program -
Projected Interest & Sinking Fund Tax Rate Increase - Year 2010/11**





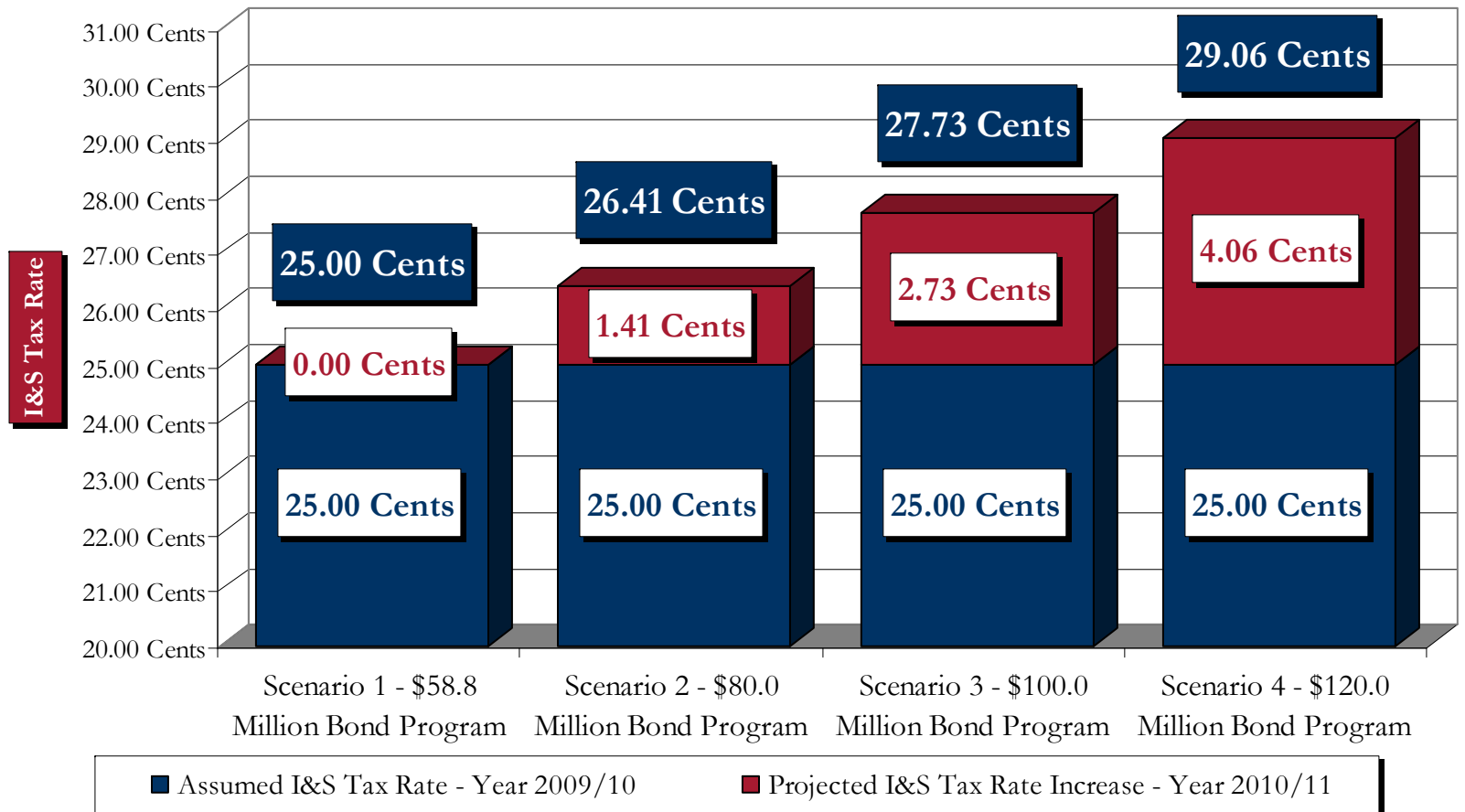
Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)





Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

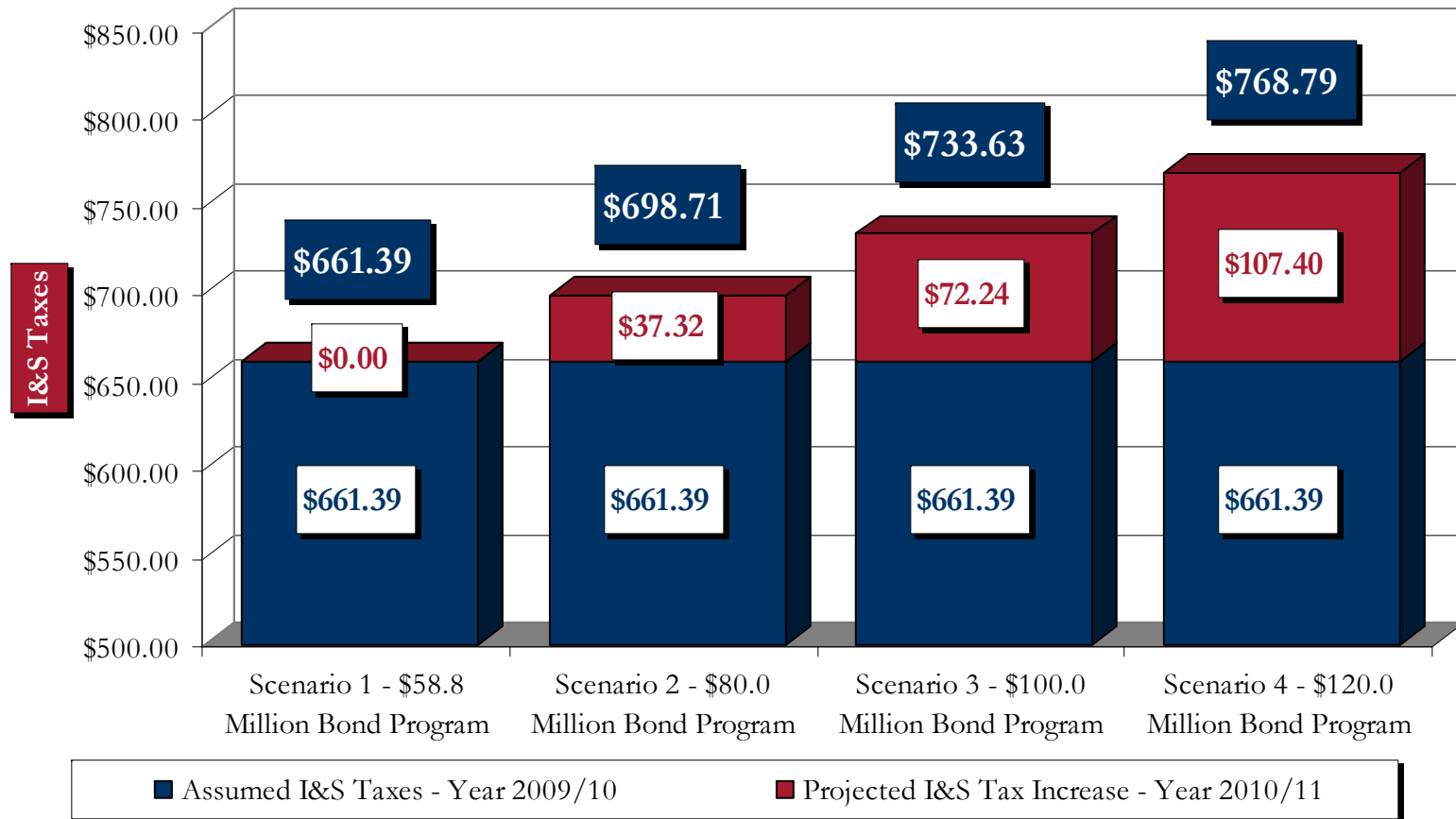
Maximum Projected Interest & Sinking Fund Tax Rate - With New Bond Program





Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

**Maximum Projected Interest & Sinking Fund Tax Increase For \$264,554
Average Taxable Home Value^(A) - With New Bond Program**



(A) The District's average taxable home value for year 2009/10 is approximately \$264,554, which is net of the State mandated \$15,000 Residential Homestead Exemption.



Preliminary Bond Election Timetable

Financing Team Members

GCISD	---	Grapevine-Colleyville Independent School District – Issuer
BOSC	---	BOSC, Inc. – Financial Advisor
MPH	---	McCall, Parkhurst & Horton L.L.P. – Bond Counsel

Preliminary Bond Election Timetable – May 8, 2010

Date	Action	Responsibility
On or Prior to February 25, 2010^(A)	Board Meeting – Board of Trustees Calls the Bond Election	GCISD, BOSC, MPH
April 8 – 28, 2010	Publish Notice of Election	GCISD, MPH
Prior to April 19, 2010	Post Notice of Election	GCISD, MPH
April 26 – May 4, 2010	Early Voting Period	GCISD
May 8, 2010	Bond Election	GCISD, BOSC
May 11 – 19, 2010	Board Meeting – Canvass Election Results	GCISD, BOSC
June 10 – 18, 2010	30-Day Contest Period Ends	N/A
July 2010	Bond Sale (Interest Rates Locked-In)	GCISD, BOSC, MPH
August 2010	Bond Closing (District Receives Bond Proceeds)	GCISD, BOSC, MPH

^(A) For bond elections held on the May uniform election date, State law requires a bond election to be called by the Board of Trustees at least 62 days prior to the date of the election and the Department of Justice requires 60 days for approval of election procedures. Should the District desire to receive Department of Justice approval prior to the beginning of “Early Voting,” the District must call the election at least 72 days prior to the election date.



Recent D/FW School District Bond Elections

- The following table summarizes successful bond elections held by Dallas/Fort Worth school districts since January 1, 2008.

Recent Successful Dallas/Fort Worth School District Bond Elections		
School District	Election Date	Dollar Amount Approved
Allen Independent School District	11/04/08	\$219,000,000
Allen Independent School District	05/09/09	119,400,000
Carroll Independent School District	05/09/09	138,000,000
Celina Independent School District	11/04/08	34,310,000
Coppell Independent School District	05/09/09	55,900,000
Dallas Independent School District	05/10/08	1,350,000,000
Decatur Independent School District	05/10/08	27,900,000
Eagle Mountain-Saginaw Independent School District	05/10/08	394,000,000
Ennis Independent School District	05/10/08	48,985,000
Highland Park Independent School District	05/10/08	75,400,000
Jacksboro Independent School District	11/04/08	21,000,000
Keller Independent School District	11/04/08	142,300,000
Lewisville Independent School District	05/10/08	697,670,000
Northwest Independent School District	05/10/08	260,000,000
Plano Independent School District	05/10/08	490,000,000
Princeton Independent School District	05/10/08	46,000,000
Springtown Independent School District	05/10/08	35,000,000



District Is Highly Rated By Individual Rating Agency

- The District maintains very strong bond ratings from the national credit rating agencies.
 - The District is rated “Aa3” by Moody’s Investors Service which puts the District in the top 12% of all Texas school districts rated by Moody’s Investors Service.
 - The District is rated “AA” by Standard & Poor’s Ratings Services, ranking the District in the top 13% of all Texas school districts rated by Standard & Poor’s Ratings Services.
- For five consecutive years, the District has achieved a rating of “Superior Achievement” pursuant to the Texas’ Schools Financial Integrity Rating System (“FIRST”). The “Superior Achievement” rating is the highest rating available, demonstrating the quality of the District’s financial management and reporting systems.



Comparison of Selected Metroplex School Districts

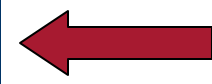
Selected Dallas/Fort Worth Metroplex School Districts – Comparison Of Outstanding Debt Per Taxable Assessed Valuation – Year 2008/09

School District	Principal Amount Of Bonds Outstanding & Authorized Bonds – As Of August 31, 2009	Year 2008/09 Taxable Assessed Valuation	Year 2008/09 Debt Per Taxable Assessed Valuation
1.) Eagle Mountain-Saginaw Independent School District	\$789,227,505	\$5,633,208,893	14.01%
2.) Frisco Independent School District	1,667,817,031	15,896,849,820	10.49%
3.) Grand Prairie Independent School District	464,110,913	5,023,550,670	9.24%
4.) Allen Independent School District	598,997,217	6,561,806,907	9.13%
5.) Mansfield Independent School District	740,112,835	8,345,981,827	8.87%
6.) Denton Independent School District	743,458,437	9,389,732,627	7.92%
7.) Mesquite Independent School District	544,694,767	7,039,326,498	7.74%
8.) Northwest Independent School District	707,158,638	9,437,595,840	7.49%
9.) Keller Independent School District	735,369,467	9,958,022,227	7.38%
10.) Lewisville Independent School District	1,499,746,982	21,994,517,006	6.82%
11.) Irving Independent School District	606,272,217	10,167,445,042	5.96%
12.) McKinney Independent School District	482,635,000	8,516,706,682	5.67%
13.) Carroll Independent School District	267,305,512	5,088,302,639	5.25%
14.) Duncanville Independent School District	166,834,880	3,541,115,849	4.71%
15.) Plano Independent School District	1,273,117,453	32,007,243,523	3.98%
16.) Birdville Independent School District	255,639,102	7,061,242,485	3.62%
17.) Garland Independent School District	474,379,793	14,160,512,570	3.35%
18.) Carrollton-Farmers Branch Independent School District	453,520,000	15,075,526,107	3.01%
19.) Hurst-Euless-Bedford Independent School District	212,152,032	8,318,054,269	2.55%
20.) Grapevine-Colleyville Independent School District	279,155,892	11,025,454,955	2.53%
21.) Richardson Independent School District	444,244,988	17,813,807,034	2.49%
22.) Coppell Independent School District	178,078,629	7,642,278,309	2.33%
23.) Arlington Independent School District	405,251,261	20,900,898,049	1.94%

Source: Municipal Advisory Council of Texas.

■ The average “Debt Per Taxable Assessed Valuation,” a measure of “debt burden,” among the selected D/FW Metroplex school districts is 5.93%.

■ The District’s “Debt Per Taxable Assessed Valuation” is 2.53%.



Note: Coppell ISD recently approved a \$55.9 million bond election.
Arlington ISD is currently considering a proposed \$197.5 million bond election.



Comparison of Selected Metroplex School Districts

Selected Dallas/Fort Worth Metroplex School Districts – Comparison Of Final Bond Amortizations – Existing Bonds

School District	Final Bond Payment Due As Of August 31, 2009
1.) Eagle Mountain-Saginaw Independent School District	2048
2.) Frisco Independent School District	2041
3.) Grand Prairie Independent School District	2040
4.) Denton Independent School District	2038
5.) Irving Independent School District	2038
6.) Carroll Independent School District	2035
7.) Keller Independent School District	2035
8.) Allen Independent School District	2034
9.) Coppell Independent School District	2034
10.) McKinney Independent School District	2034
11.) Northwest Independent School District	2034
12.) Plano Independent School District	2034
13.) Richardson Independent School District	2034
14.) Carrollton-Farmers Branch Independent School District	2033
15.) Duncanville Independent School District	2033
16.) Mansfield Independent School District	2033
17.) Mesquite Independent School District	2033
18.) Birdville Independent School District	2032
19.) Grapevine-Colleyville Independent School District	2032
20.) Garland Independent School District	2029
21.) Arlington Independent School District	2028
22.) Hurst-Euless-Bedford Independent School District	2028
23.) Lewisville Independent School District	2028

Source: Municipal Advisory Council of Texas.

- The median final bond amortization among the selected D/FW Metroplex school districts is year 2034 or 25 years.
- The District's current debt portfolio has a final maturity date of 2032.





Comparison of Selected Metroplex School Districts

Selected Dallas/Fort Worth Metroplex School Districts – Comparison Of Interest & Sinking Fund Tax Rates

School District	Year 2008/09 Interest & Sinking Fund Tax Rates
1.) McKinney Independent School District	\$0.4800
2.) Eagle Mountain-Saginaw Independent School District	0.4700
3.) Denton Independent School District	0.4500
4.) Allen Independent School District	0.4303
5.) Grand Prairie Independent School District	0.4250
6.) Mansfield Independent School District	0.4100
7.) Duncanville Independent School District	0.3780
8.) Keller Independent School District	0.3769
9.) Carroll Independent School District	0.3750
10.) Irving Independent School District	0.3710
11.) Birdville Independent School District	0.3700
12.) Frisco Independent School District	0.3700
13.) Mesquite Independent School District	0.3600
14.) Lewisville Independent School District	0.3400
15.) Northwest Independent School District	0.3350
16.) Carrollton-Farmers Branch Independent School District	0.3223
17.) Richardson Independent School District	0.3000
18.) Plano Independent School District	0.2634
19.) Hurst-Euless-Bedford Independent School District	0.2555
20.) Grapevine-Colleyville Independent School District	0.2500
21.) Coppell Independent School District	0.2390
22.) Arlington Independent School District	0.2320
23.) Garland Independent School District	0.2133

Source: Municipal Advisory Council of Texas.

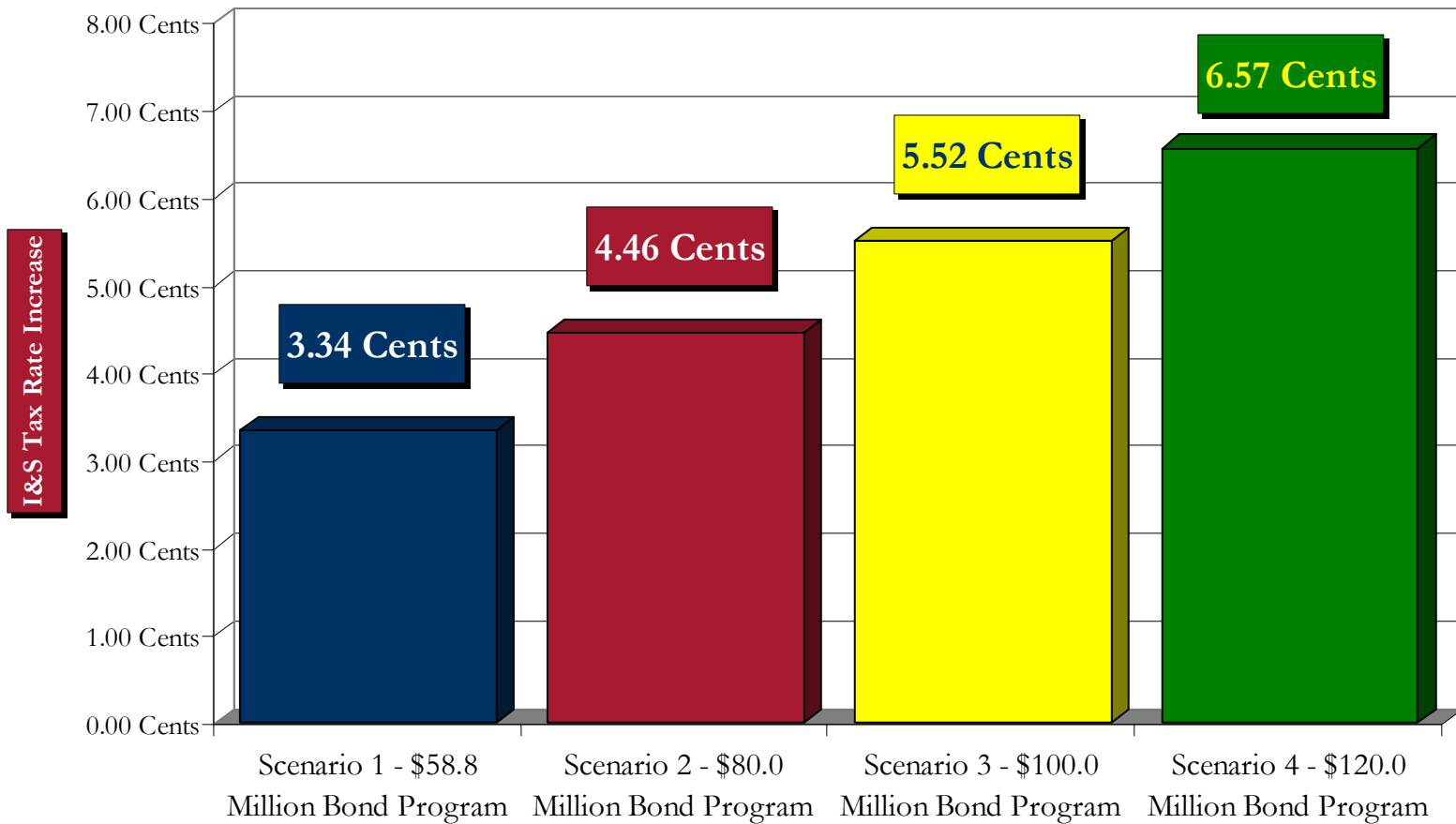
- The average Interest & Sinking Fund tax rate during year 2008/09 among the selected D/FW Metroplex school districts was 34.86 cents.
- The District's year 2008/09 Interest & Sinking Fund tax rate was 25.2 cents.



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Arlington ISD is currently considering a proposed \$197.5 million bond election.

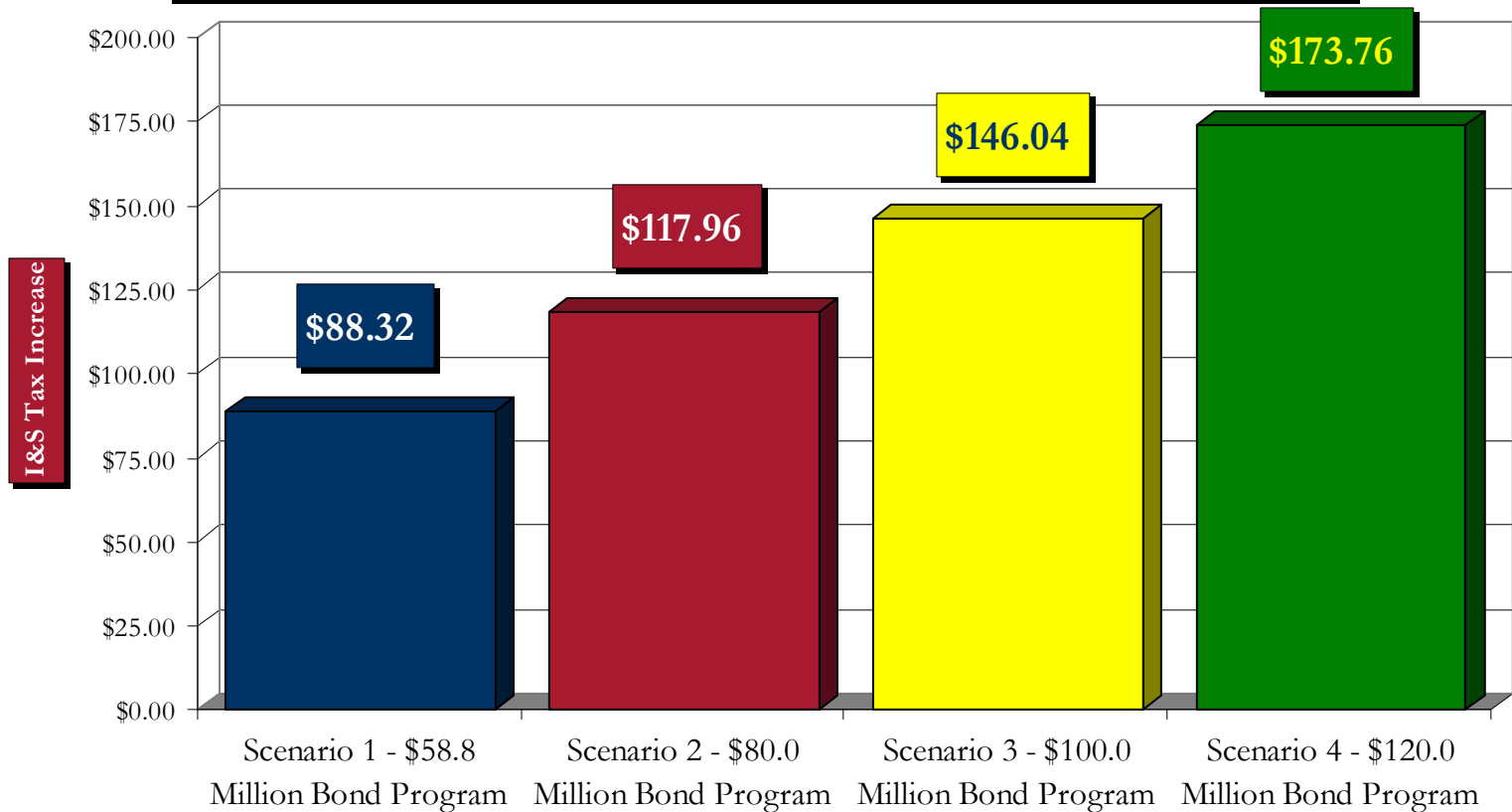
Preliminary Tax Rate Impact Analysis – New Bond Program

**New Bond Program -
\$15.0, \$20.0 & \$25.0 Million Amortized In 5, 10 & 15 Years, Respectively -
Projected Interest & Sinking Fund Tax Rate Increase - Year 2010/11**



Preliminary Tax Rate Impact Analysis – New Bond Program (Continued)

**New Bond Program -
 \$15.0, \$20.0 & \$25.0 Million Amortized In 5, 10 & 15 Years, Respectively -
 Projected Interest & Sinking Fund Tax Increase
 For \$264,554 Average Taxable Home Value^(A)**



(A) The District's average taxable home value for year 2009/10 is approximately \$264,554, which is net of the State mandated \$15,000 Residential Homestead Exemption.

**\$58.8 Million Bond Program - Comparison Of Bond Amortizations -
 No Interest & Sinking Fund Tax Rate Increase Versus
 Short-Amortization For Technology And Equipment Related Projects**

