

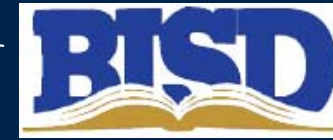


## **Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007**

**Thursday, January 25, 2007**



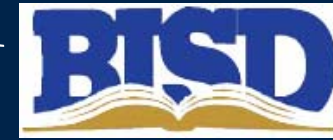
# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



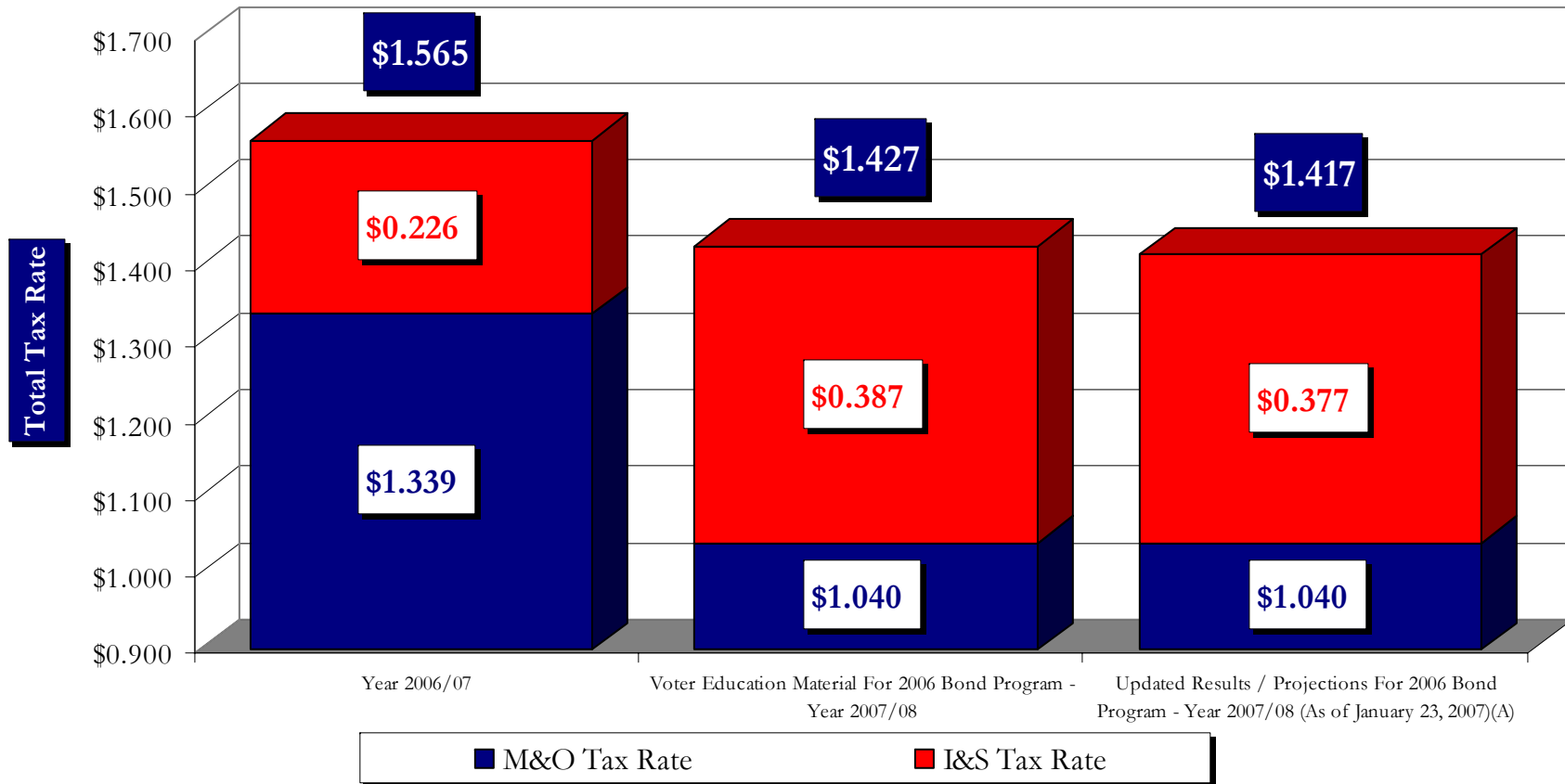
## Summary Of Final Pricing Results

- ✓ On Tuesday, January 23, 2007, the District successfully marketed its \$96,507,115.41 Unlimited Tax School Building and Refunding Bonds, Series 2007 (the "Series 2007 Bonds") at a fixed interest rate of 4.45%.
- ✓ A portion of the Series 2007 Bonds were used to refund a portion of the District's outstanding bonds at a lower interest rate and the District was able to lower its interest cost by \$3,276,700 (net of all costs).
- ✓ Series 2007 Bonds did not refund any of the District's outstanding bonds for "restructuring" purposes.
- ✓ In conjunction with the bond sale, the independent credit rating agencies of Moody's Investors Service, Fitch Ratings and Standard & Poor's affirmed the District's credit ratings of "Aa3," "AA" and "AA," respectively. The "AA" rating assigned by Fitch Ratings and Standard and Poor's is the highest rating assigned to any Texas school district by such agency.
- ✓ Based upon the actual results of the Series 2007 Bonds, the updated financing plan projects the tax impact associated with the 2006 Bond Program to be 1.0 cent below the amount communicated to voters during the November 7, 2006 Bond Election (see graph on the next page). Currently, 1.0 cent on the District's tax rate represents approximately \$620,000.

# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



**Projected Maximum Total Tax Rate - With 2006 Bond Program**



(A) Includes actual results from initial sale of \$90.0 million from 2006 Bond Program at an interest rate of 4.45%.

Note: The District's actual tax rates will be set by the Board of Trustees in each year based upon prevailing taxable assessed valuations and other revenues available at such time.

Should the District's 2005 Bond Program and 2006 Bond Program qualify for EDA State funding assistance, the District could potentially receive approximately \$9,500,000 in EDA State funding over the life of the Bond Programs.

# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



## Components Of Series 2007 Bonds

### Component No. 1 – “New Bonds”

- ✓ Bonds with proceeds totaling \$90,000,000 were issued pursuant to the District’s November 7, 2006 Bond Election.
- ✓ These funds will be deposited into the District’s Construction Fund on February 20, 2007 and all such funds will be available to fund capital improvements within the District.

### Component No. 2 – “Refunding For Debt Service Savings”

- ✓ Bonds in a principal amount of \$9,805,564.80 were issued to refund a portion of the District’s outstanding Unlimited Tax School Building and Refunding Bonds, Series 1997 and Unlimited Tax School Building Bonds, Series 2000 (collectively, the “Refunded Bonds”) at a lower interest rate to reduce the District’s interest cost.

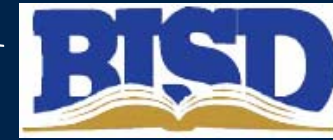
### Component No. 3 – “Capitalized Interest”

- ✓ A premium of \$1,521,432.54 was generated on the Series 2007 Bonds to fund the interest payment associated with the Series 2007 Bonds on August 15, 2007, thereby potentially qualifying such bonds for State funding assistance from the Existing Debt Allotment Program.

### Component No. 4 – “Costs Of Issuance”

- ✓ A premium was generated on the Series 2007 Bonds to fully fund all the costs of issuance and underwriters’ discount associated with the Series 2007 Bonds to allow the District to utilize all \$90,000,000 authorized by voters for its Capital Improvement Program.

# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007

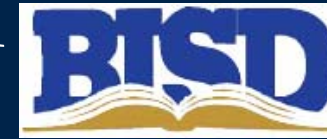


## Summary Of Debt Service Savings

DESCRIPTION	FINDING
Total Principal Amount Of The Refunded Bonds	\$ 9,805,564.80
Total Maturity Value Of The Refunded Bonds	\$ 23,400,000.00
True Interest Rate On The Refunded Bonds	6.51%
True Interest Rate On Series 2007 Bonds	4.45%
Total Debt Service Savings	\$ 3,276,700
Present Value Debt Service Savings	\$ 2,217,788
<b>Total Debt Service Savings As A Percentage Of Total Debt Service On The Refunded Bonds</b>	<b>12.47%</b>
Note: Savings are net of all costs associated with the Refunding Bond Program.	

Please note, the savings presented herein do not consider the impact on the District's State funding from the Existing Debt Allotment ("EDA") and Instructional Facilities Allotment ("IFA") Programs. For year 2006/07, the District is projected to receive EDA and IFA State assistance totaling 14.50% of the Refunded Bonds annual debt service requirement. As such, the savings referenced above may be reduced by 14.50% given the District's existing wealth per student.

# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



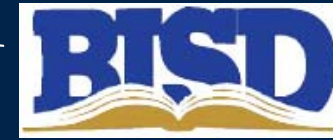
## Summary Of Bonds To Be Refunded

<u>SERIES</u>	<u>MATURITIES TO BE REFUNDED</u>	<u>PRINCIPAL AMOUNT TO BE REFUNDED</u>	<u>MATURITY AMOUNT TO BE REFUNDED</u>	<u>TRUE INTEREST RATE</u>	<u>REDEMPTION DATE</u>	<u>REDEMPTION PRICE</u>
Unlimited Tax School Building & Refunding Bonds, Series 1997 [Current Interest Bonds]	02/15/2015	\$ 2,405,000.00	\$ 2,405,000	5.60%	05/01/2007	Par
Unlimited Tax School Building Bonds, Series 2000 [Current Interest Bonds]	02/15/2021	2,135,000.00	2,135,000	6.00%	02/15/2010	Par
Unlimited Tax School Building Bonds, Series 2000 [Capital Appreciation Bonds]	02/15/2018 – 2021	5,265,564.80	18,860,000	6.74%	02/15/2010	Par
		_____	_____	_____		
	<b><u>TOTAL</u></b>	<b><u>\$ 9,805,564.80</u></b>	<b><u>\$ 23,400,000</u></b>	<b><u>6.51%</u></b>		

## Summary Of Savings Achieved By The District – Recent Refunding Programs

<u>ISSUE</u>	<u>SALE DATE</u>	<u>SERIES REFUNDED</u>	<u>TOTAL DEBT SERVICE SAVINGS</u>
Unlimited Tax Refunding Bonds, Series 2002A	November 5, 2002	1994 & 1996	\$ 808,893.74
Unlimited Tax Refunding Bonds, Series 2003	October 20, 2003	1994	1,647,364.59
Unlimited Tax Refunding Bonds, Series 2004	March 25, 2004	1994, 1997 & 1997A	1,157,110.00
Unlimited Tax School Building & Refunding Bonds, Series 2007	January 25, 2007	1997 & 2000	3,726,700.00
<b>Totals</b>	---	---	<b>\$ 7,340,068.33</b>

# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



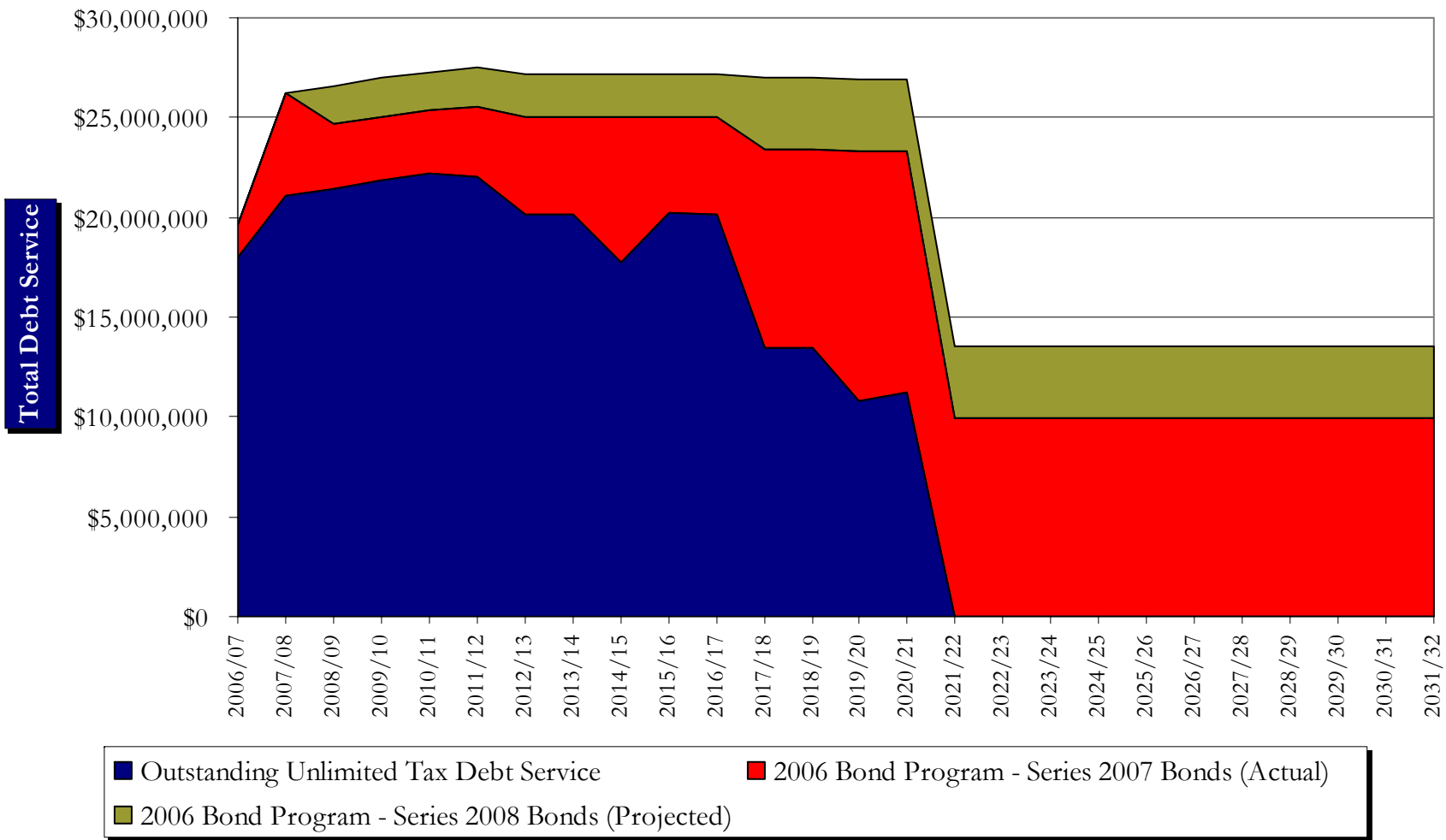
## Summary Of Credit Ratings

- ✓ The Series 2007 Bonds were rated “AAA,” the highest rating available, by Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Ratings Services based upon the Permanent School Fund Guarantee.
- ✓ Fitch Ratings, Moody’s Investors Service and Standard & Poor’s Ratings Services affirmed the District’s stand-alone credit ratings (without consideration of the Permanent School Fund Guarantee) of “AA,” “Aa3,” and “AA,” respectively.
- ✓ The “AA” ratings assigned by Fitch Ratings and Standard & Poor’s Ratings Services is the highest rating assigned to any Texas school district by such agency.
- ✓ The rating agencies cited the following reasons for the District’s stand-alone credit rating:
  - ❖ Good management practices;
  - ❖ Strong financial performance and healthy General Fund Balance;
  - ❖ Competitive property tax rate and tax rate capacity;
  - ❖ Sizeable, diversified tax base; and
  - ❖ Manageable student enrollment growth.

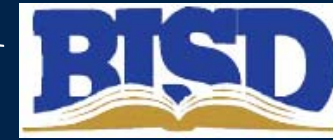
# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



Summary Of Outstanding Debt Service And 2006 Bond Program



# Final Pricing Results – Unlimited Tax School Building And Refunding Bonds, Series 2007



## Bonds Subject To Redemption Prior To Final Maturity

- ✓ \$84,852,299.96 of the Series 2007 Bonds maturing in years 2018-2032 are redeemable prior to final maturity, without penalty, beginning on February 15, 2017 (Year 2016/17), at the option of the District.
- ✓ This will provide the District with the flexibility to redeem such bonds prior to maturity, should its taxable assessed valuation and/or State funding increase more than assumed within the financing plan and allow such bonds to be refunded at a lower interest rate in the future, if market conditions permit.

# BIRDVILLE INDEPENDENT SCHOOL DISTRICT

Ratings: Fitch "AAA"

Moody's "Aaa"

S&P "AAA"

(See "RATINGS" and "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM")

## OFFICIAL STATEMENT

Dated: January 25, 2007

### **NEW ISSUE: BOOK-ENTRY-ONLY**

*In the opinion of Bond Counsel, interest on the Bonds is excludable from gross income for federal income tax purposes under statutes, regulations, published rulings and court decisions existing on the date thereof, subject to the matters described under the caption "TAX MATTERS" herein, including the alternative minimum tax on corporations.*

**\$96,507,115.41**

**BIRDVILLE INDEPENDENT SCHOOL DISTRICT**

**(Tarrant County, Texas)**

**Unlimited Tax School Building and Refunding Bonds, Series 2007**

**Dated Date: January 15, 2007**

**Due: February 15, as shown on page ii**

The Birdville Independent School District (the "District") is issuing \$96,507,115.41 Unlimited Tax School Building and Refunding Bonds, Series 2007 (the "Bonds") in accordance with the Constitution and general laws of the State of Texas, including particularly Sections 45.001 and 45.003(b)(1) of the Texas Education Code, as amended, and Chapter 1207, Texas Government Code, as amended. The Bonds are being issued in part as Current Interest Bonds ("CIBs") and in part as Premium Capital Appreciation Bonds ("CABs"). The Bonds constitute direct obligations of the District and are payable as to principal, Maturity Amount (as defined below) and interest from the proceeds of an annual ad valorem tax levied, without legal limit as to rate or amount, against all taxable property located within the District. The payment of the Bonds will be additionally guaranteed by the corpus of the Permanent School Fund of the State of Texas (see "THE PERMANENT SCHOOL FUND GUARANTEE PROGRAM").

Interest on the CIBs will accrue from January 15, 2007 and will be payable on February 15 and August 15 of each year, commencing August 15, 2007, until maturity or prior redemption. The CIBs will be issued in principal denominations of \$5,000 or any integral multiple thereof within a maturity. Interest on the CABs will accrete from the date they are initially delivered to the initial purchasers (the "Underwriters"), will compound semiannually on each February 15 and August 15 (each an "Accretion Date"), commencing August 15, 2007, and will be payable at maturity or on a prior redemption date. The CABs will be issued as fully registered obligations in "Maturity Amount" denominations of \$5,000 or any integral multiple thereof within a maturity. The "Maturity Amount" for the CABs represents the total amount of principal, plus the initial premium, if any, paid therefor, and the accreted/compounded interest thereon at maturity. Interest accruing on the CIBs and the accreted/compounded interest on the CABs will be calculated on the basis of a 360-day year of twelve 30-day months (see "THE BONDS – General Description").

The District intends to use the Book-Entry-Only System of The Depository Trust Company ("DTC"), but use of such system could be discontinued. The principal and Maturity Amounts of the Bonds at maturity or amounts due upon a prior redemption date, and interest on the CIBs will be payable to Cede & Co., as nominee for DTC, by The Bank of New York Trust Company, National Association, Dallas, Texas, as the initial Paying Agent/Registrar (the "Paying Agent/Registrar") for the Bonds. **No physical delivery of the Bonds will be made to the beneficial owners thereof.** Such Book-Entry-Only System will affect the method and timing of payment and the method of transfer of the Bonds (see "BOOK-ENTRY-ONLY SYSTEM").

Proceeds from the sale of the Bonds will be used to (i) construct, acquire and equip school buildings in the District and purchase the necessary sites for school buildings, (ii) capitalize interest on the Bonds, (iii) refund a portion of the District's outstanding bonds (see "Schedule I – SCHEDULE OF BONDS TO BE REFUNDED") and (iv) pay costs of issuance related to the issuance of the Bonds (see "THE BONDS – Authorization and Purpose"). The refunding is being undertaken to lower the District's debt service payments and will result in a present value savings to the District.

**CUSIP PREFIX: 090874**

**MATURITY SCHEDULE & 9 DIGIT CUSIP**

See Schedule on Page ii

*The Bonds are offered when, as and if issued, and accepted by the Underwriters, subject to the approving opinion of the Attorney General of the State of Texas and the opinion of McCall, Parkhurst & Horton L.L.P., Bond Counsel, Dallas, Texas. Certain legal matters will be passed upon for the Underwriters by their counsel, Fulbright & Jaworski L.L.P., Dallas, Texas. The Bonds are expected to be available for initial delivery through the services of DTC on or about February 20, 2007.*

### UBS INVESTMENT BANK

**BANC OF AMERICA SECURITIES LLC**

**MORGAN KEEGAN & COMPANY**

**FIRST SOUTHWEST COMPANY**

**SOUTHWEST SECURITIES**



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## MATURITY SCHEDULE

**\$96,507,115.41**  
**BIRDVILLE INDEPENDENT SCHOOL DISTRICT**  
 (Tarrant County, Texas)  
**UNLIMITED TAX SCHOOL BUILDING AND REFUNDING BONDS, SERIES 2007**

**\$12,205,000.00 Serial Current Interest Bonds**

<u>Maturity Date (2/15)</u>	<u>Principal Amount</u>	<u>Interest Rate</u>	<u>Yield</u>	<u>CUSIP Suffix<sup>(A)</sup></u>
2008	\$ 2,085,000	4.000%	3.650%	EZ(7)
2009	110,000	4.000	3.700	FA(1)
2010	85,000	4.000	3.740	FB(9)
****	****	****	****	****
2015	2,140,000	5.500	3.890	FF(0)
****	****	****	****	****
2025	570,000	4.375	4.500	FS(2)
2026	7,215,000	5.000	4.240 <sup>(B)</sup>	FU(7)

(Interest Accrues from January 15, 2007)

**\$51,755,000.00 Term Current Interest Bonds**

\$23,940,000, 5.000% Term Current Interest Bonds due February 15, 2029, Price 105.883%, Yield 4.270%<sup>(B)</sup>, CUSIP Suffix<sup>(A)</sup> FV(5)

\$27,815,000, 5.000% Term Current Interest Bonds due February 15, 2032, Price 105.634%, Yield 4.300%<sup>(B)</sup>, CUSIP Suffix<sup>(A)</sup> FW(3)

(Interest Accrues from January 15, 2007)

**\$32,547,115.41 Premium Capital Appreciation Bonds**

<u>Maturity Date (2/15)</u>	<u>Original Principal Amount</u>	<u>Yield To Maturity</u>	<u>Maturity Amount</u>	<u>Initial Offering Price Per \$5,000 In Maturity Amount</u>	<u>CUSIP Suffix<sup>(A)</sup></u>
2012	\$ 381,295.35	4.020%	\$ 465,000	\$ 4,099.95	FC(7)
2013	1,449,598.05	4.070	1,845,000	3,928.45	FD(5)
2014	1,393,253.50	4.100	1,850,000	3,765.55	FE(3)
2015	1,501,978.50	4.180	2,090,000	3,593.25	FG(8)
2016	1,279,184.85	4.240	1,865,000	3,429.45	FH(6)
2017	1,229,505.20	4.460	1,910,000	3,218.60	FJ(2)
2018	2,925,879.81	4.520	6,935,000	3,059.90	FK(9)
2019	2,786,876.66	4.580	6,935,000	2,905.65	FL(7)
2020	3,622,590.55	4.640	9,545,000	2,755.95	FM(5)
2021	3,308,109.24	4.700	9,155,000	2,610.90	FN(3)
2022	3,473,875.60	4.740	7,010,000	2,477.80	FP(8)
2023	3,304,584.10	4.760	7,010,000	2,357.05	FQ(6)
2024	3,142,232.50	4.780	7,010,000	2,241.25	FR(4)
2025	2,748,151.50	4.800	6,450,000	2,130.35	FT(0)

(Interest to Accrete from Date of Initial Delivery)

**OPTIONAL REDEMPTION...** The CIBs maturing on and after February 15, 2018, are subject to redemption at the option of the District, prior to maturity, in whole or in part, in principal amounts of \$5,000 or any integral multiple thereof, on February 15, 2017 or any date thereafter, at a redemption price equal to the principal amount thereof plus accrued interest to the date fixed for redemption (see "THE BONDS – Redemption Provisions").

The CABs maturing on and after February 15, 2018 are subject to optional redemption prior to maturity, in whole or in part, in Maturity Amounts of \$5,000 or any integral multiple thereof, on February 15, 2017, or on any date thereafter, at the redemption price of the "Accreted Value" as of the date of redemption (such "Accreted Value" as defined herein under the caption "THE BONDS – General Description" and to be calculated in accordance with such definition)(see "THE BONDS – Redemption Provisions").

**MANDATORY REDEMPTION...** The CIBs maturing on February 15, 2029 and February 15, 2032 (the "Term CIBs") are also subject to mandatory sinking fund redemption as described herein (see "THE BONDS – Redemption Provisions").

<sup>(A)</sup> CUSIP is a registered trademark of the American Bankers Association. CUSIP data herein is provided by Standard & Poor's CUSIP Service Bureau, a division of The McGraw-Hill Companies, Inc. CUSIP numbers have been assigned to this issue by the CUSIP Service Bureau and are included solely for the convenience of the owners of the Bonds. This data is not intended to create a database and does not serve in any way as a substitute for the CUSIP services. Neither the District, the Financial Advisor nor the Underwriters shall be responsible for the selection or correctness of the CUSIP numbers set forth herein.

<sup>(B)</sup> Yield is calculated to first optional redemption date of February 15, 2017.