PROPOSED NEW BOND ISSUE

DEBT SERVICE ANALYSIS

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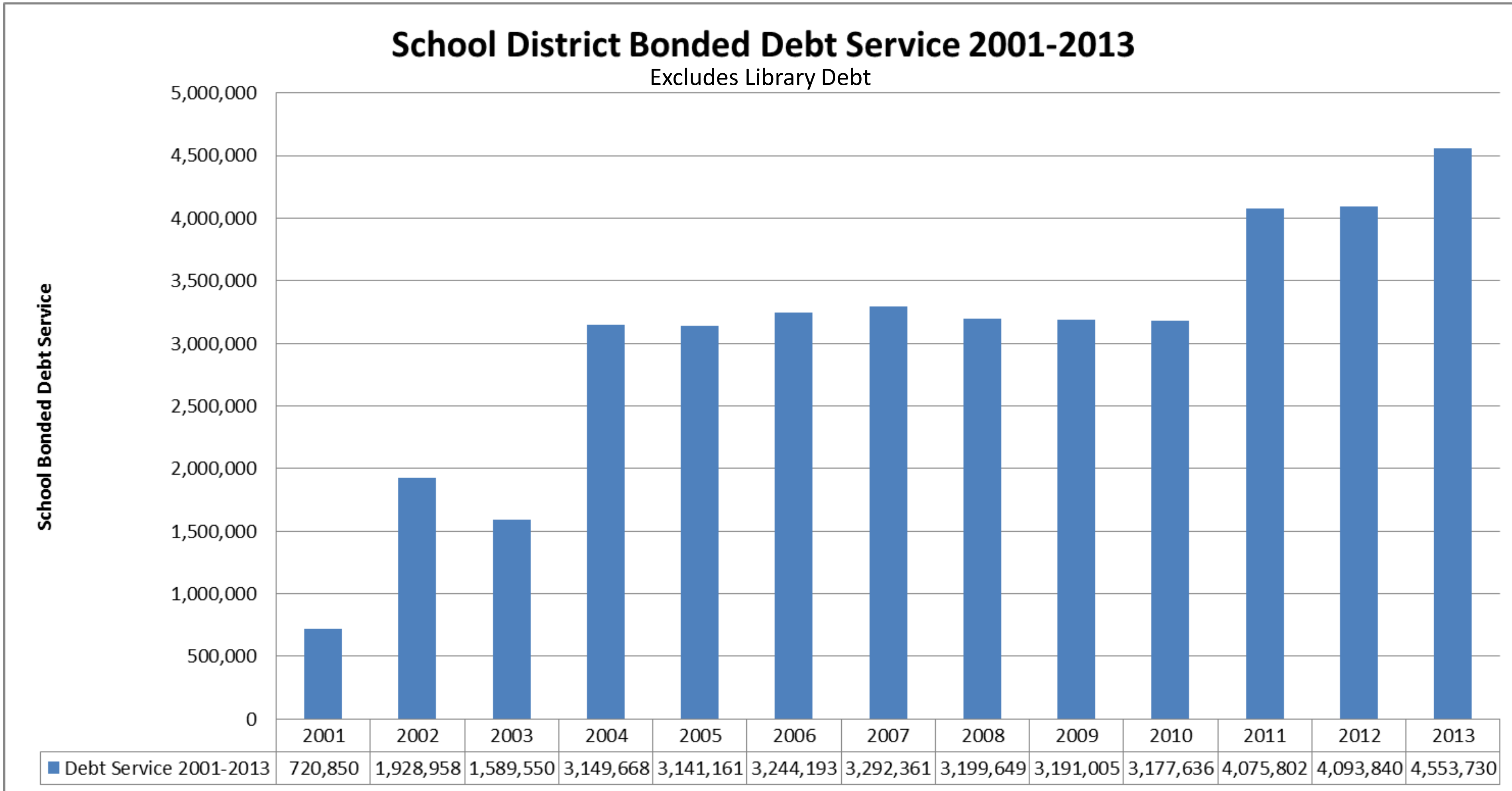
November 6, 2014



	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010	2011	2012	2013
Debt Service 2001-2013	720,850	1,928,958	1,589,550	3,149,668	3,141,161	3,244,193	3,292,361	3,199,649	3,191,005	3,177,636	4,075,802	4,093,840	4,553,730

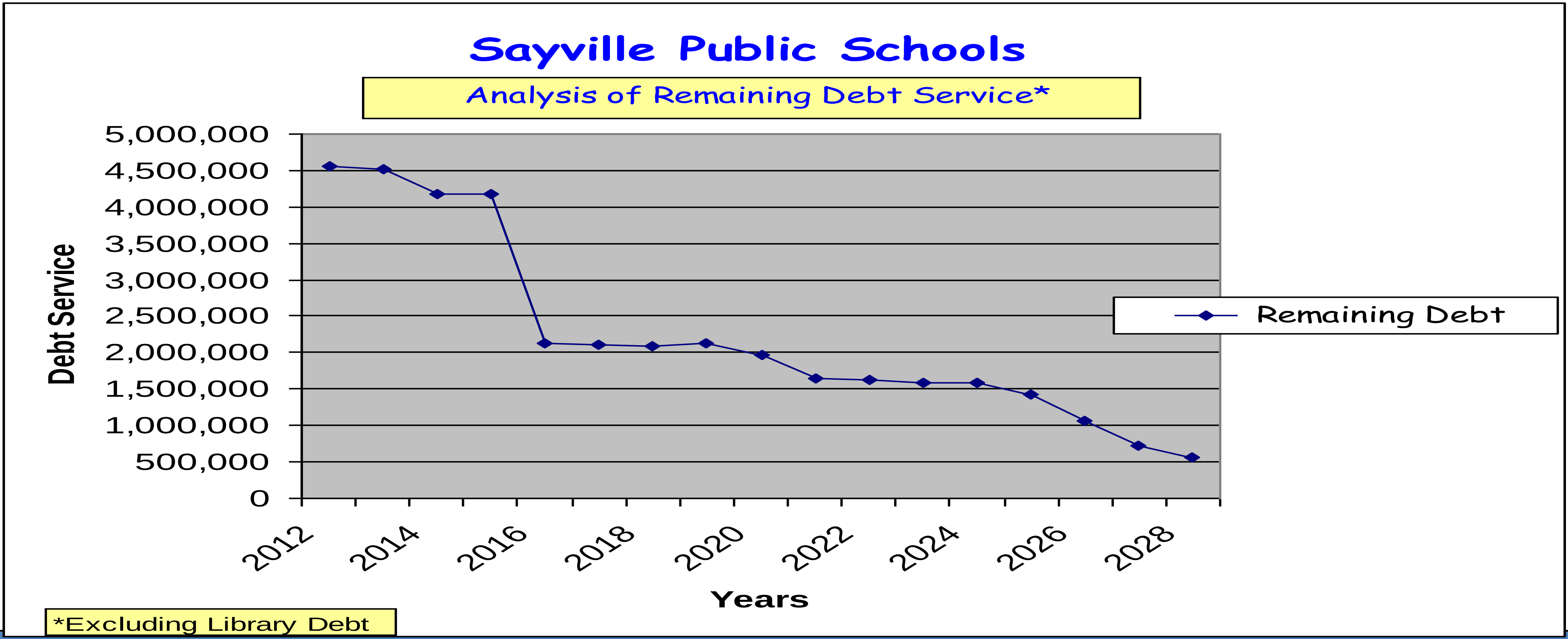
Phase—in begins for Debt Service $30.5 Bond

Begins $13.2 M Bond

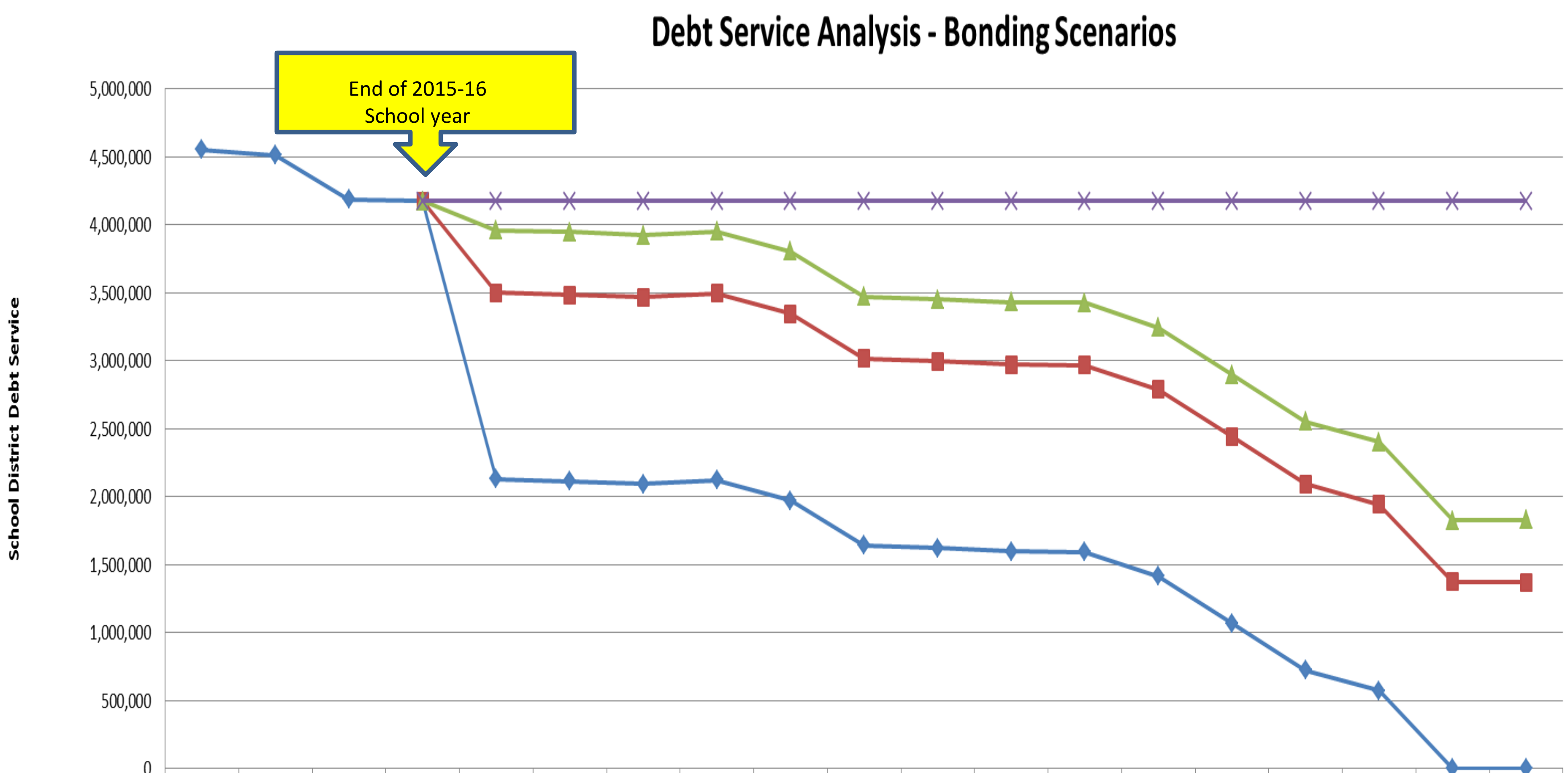
Begins EPC and
Re-Finance of 2002 Debt*

*EPC paid for by guaranteed energy savings &
Re-Financed Debt Saved $743,589 over nine year period

Current Debt Service Analysis



In November 2012 we refinanced a portion of the District's outstanding debt, saving $743,589 over a nine-year period.



	2013	2014	2015	2016	2017	2018	2019	2020	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Current Debt	4,553,730	4,512,048	4,185,573	4,175,273	2,128,523	2,111,723	2,094,123	2,119,973	1,972,848	1,644,048	1,620,968	1,595,991	1,594,111	1,415,948	1,069,974	724,000	572,000	0	0
$15M Bonds				4,175,273	3,501,023	3,482,986	3,467,873	3,494,723	3,347,111	3,016,336	2,994,793	2,969,654	2,965,911	2,789,186	2,442,737	2,094,375	1,943,075	1,374,650	1,370,888
$20M Bonds				4,175,273	3,958,523	3,945,073	3,923,911	3,949,498	3,805,198	3,472,098	3,452,806	3,429,279	3,426,511	3,245,123	2,898,587	2,554,500	2,401,625	1,825,988	1,829,588
Trend - Level Debt				4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273	4,175,273

Assumes a 4.25% interest rate for new bonding

What is the effect on the *budget* if the voters approve a $15 or $20M Bond Referendum?

- From the 2015-16 to the 2016-17 school year, the District will see a decrease in debt service which will provide for a reduction in budgetary expenditures;
- In the 2016-17 school year, the debt service for a:
  - $20M Bond will DECREASE approximately $216,750;
  - $15M Bond will DECREASE approximately $674,250;
- After the above referenced decrease in the 2016-17 school year, the school bonded debt service remains level through the 2019-20 school year, then declines thereafter.
  (See Debt Service Analysis-Bonding Scenario's Chart)

This does not include Library Debt since the Library pays for 100% of all Library debt

Looking At New Debt In Isolation

School Year

School Year	15M Bond Cost	Assumes 85% Aidable	Aid Rate 68%	Cost to Taxpayers
2016-17	1,372,500	1,166,625	793,305	579,195
	1,371,263	1,165,574	792,590	578,673
	1,373,750	1,167,688	794,028	579,723
	1,374,750	1,168,538	794,606	580,145
	1,374,263	1,168,124	794,324	579,939
	1,372,288	1,166,445	793,182	579,106
	1,373,825	1,167,751	794,071	579,754
	1,373,663	1,167,614	793,977	579,686
	1,371,800	1,166,030	792,900	578,900
	1,373,238	1,167,252	793,732	579,506
	1,372,763	1,166,849	793,457	579,306
	1,370,375	1,164,819	792,077	578,298
	1,371,075	1,165,414	792,481	578,594
	1,374,650	1,168,453	794,548	580,102
2030-31	1,370,888	1,165,255	792,373	578,515
		Average Annual Cost:		579,296

20M Bond Cost	Assumes 85% Aidable	Aid Rate 68%	Cost to Taxpayers
1,830,000	1,555,500	1,057,740	772,260
1,833,350	1,558,348	1,059,676	773,674
1,829,788	1,555,320	1,057,617	772,171
1,829,525	1,555,096	1,057,465	772,060
1,832,350	1,557,498	1,059,098	773,252
1,828,050	1,553,843	1,056,613	771,437
1,831,838	1,557,062	1,058,802	773,036
1,833,288	1,558,295	1,059,640	773,648
1,832,400	1,557,540	1,059,127	773,273
1,829,175	1,554,799	1,057,263	771,912
1,828,613	1,554,321	1,056,938	771,675
1,830,500	1,555,925	1,058,029	772,471
1,829,625	1,555,181	1,057,523	772,102
1,825,988	1,552,090	1,055,421	770,567
1,829,588	1,555,150	1,057,502	772,086
	Average Annual Cost:		772,375

Based on 2014-15 Tax Base

Estimated Annual Cost to Taxpayer: $75.00
Estimated Monthly Cost to Taxpayer: $6.25

Estimated Annual Cost to Taxpayer: $100.00
Estimated Monthly Cost to Taxpayer: $8.34

What if we consider not having a new bond?

- In the 2016-17 school year, debt service would decrease by $2,046,750
- Many high cost capital items would still have to be addressed (i.e. MS Roof, Boilers, etc.)
- Funding would have to be included in the budget – ***taxpayers shoulder the fiscal burden of 100% of the project costs in one budget year***; while State aid is still paid out over the life of the project;
  - For example: including the MS roof in the budget ($3.5M) = +6.16% to tax rate; then there are the other items to address – boilers, etc.
- Not a prudent fiscal approach to funding <u>***major***</u> capital improvements

Other Funding Options

- The best funding option is to bond over 15 years;
- This will serve to align the annual debt service with building aid payments from the State;
- The Board also has the option of bonding over 20 or 25 years:
  - Lowers annual payments
  - Increases overall interest costs
  - May extend debt payments beyond aid payments thus creating a increased burden on the tax rate