

**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**Rockford School District No. 883**

Sources, Uses, and Capitalization Schedule of Potential Building Program  
August 8, 2012

<b>Number of Years</b>	<b>16</b>
<b>Bond Issue Amount</b>	<b>\$27,000,000</b>
<b>Sources of Funds</b>	
Par Amount of Bonds	\$27,000,000
<u>Estimated Investment Earnings*</u>	<u>66,776</u>
Total Sources	\$27,066,776
<b>Uses of Funds</b>	
Allowance for Discount Bidding	\$0
Capitalized Interest **	\$204,000
Legal and Fiscal Costs#	85,800
<b>Net Available for Project Costs</b>	<b>26,776,976</b>
Total Uses	\$27,066,776

\* Estimated investment earnings are based on an average interest rate of 0.25%, and an average life of 12 months for investments.

\*\* Estimate of the amount of the first year's interest that would be paid from bond proceeds.

# Includes fees for financial advisor, bond counsel, rating agency, paying agent and county certificates.

**Rockford School District No. 883**

**Analysis of Possible Structure for Capital and Debt Levies**

**\$27,000,000 Building Program  
16 Year Bond: Wrap Around**

Principal Amount: \$27,000,000  
Dated Date: 2/1/2013  
Avg. Interest Rate: 3.10%

August 8, 2012

Levy Pay. Year	Fiscal Year	Tax Capacity Value* (\$000s)	Existing Commitments					Proposed New Debt				Combined Totals					
			Initial Debt Bldg. Bonds	Service Levies* OPEB Bonds	Est. Debt Excess+	State Debt Aid	Net Levy	Tax Rate	Principal	Interest	Add'l. Debt Excess+	Initial Debt Levy**	Initial Debt Levy**	State Debt Aid	Net Levy	Tax Rate	
2011	2012	10,002	-9.9%	3,155,067	300,094	(232,336)	(17,313)	3,205,512	32.05	-	-	-	-	3,222,825	(17,313)	3,205,512	32.05
2012	2013	9,427	-2.5%	3,153,554	300,681	(156,250)	(106,892)	3,191,093	33.85	-	-	-	-	3,297,985	(106,892)	3,191,093	33.85
2013	2014	9,239	-2.0%	3,151,463	299,885	(57,618)	(194,278)	3,199,453	34.63	-	837,000	++	656,250	4,049,981	(194,278)	3,855,703	41.73
2014	2015	9,239	0.0%	3,151,523	302,904	(138,054)	(213,722)	3,102,651	33.58	265,000	837,000	(26,250)	1,130,850	4,447,223	(592,394)	3,854,828	41.73
2015	2016	9,331	1.0%	3,388,186	294,168	(138,177)	(286,654)	3,257,523	34.91	115,000	828,785	(45,234)	945,740	4,489,917	(597,069)	3,892,848	41.72
2016	2017	9,424	1.0%	3,395,523	294,840	(147,294)	(283,676)	3,259,392	34.59	175,000	825,220	(37,830)	1,012,401	4,555,470	(622,037)	3,933,433	41.74
2017	2018	9,613	2.0%	3,802,746		(147,615)	(399,671)	3,255,460	33.87	290,000	819,795	(40,496)	1,124,789	4,779,920	(768,105)	4,011,815	41.73
2018	2019	9,805	2.0%	3,809,886		(152,110)	(368,772)	3,289,004	33.54	345,000	810,805	(44,992)	1,168,604	4,826,380	(735,841)	4,090,539	41.72
2019	2020	10,001	2.0%	3,822,486		(152,395)	(341,425)	3,328,665	33.28	395,000	800,110	(46,744)	1,208,121	4,878,212	(704,334)	4,173,877	41.73
2020	2021	10,001	0.0%	3,829,626		(152,899)	(312,892)	3,363,835	33.63	340,000	787,865	(48,325)	1,135,933	4,812,660	(638,222)	4,174,437	41.74
2021	2022	10,001	0.0%	3,841,806		(153,185)	(316,308)	3,372,312	33.72	335,000	777,325	(45,437)	1,122,504	4,811,125	(637,793)	4,173,332	41.73
2022	2023	10,001	0.0%	3,855,062		(153,672)	(319,972)	3,381,418	33.81	330,000	766,940	(44,900)	1,106,887	4,808,276	(636,983)	4,171,293	41.71
2023	2024	10,001	0.0%	-		-	-	-	-	3,865,000	756,710	(44,275)	4,808,520	4,808,520	(635,272)	4,173,248	41.73
2024	2025	10,001	0.0%	-		-	-	-	-	3,870,000	636,895	(192,341)	4,539,899	4,539,899	(558,339)	3,981,560	39.81
2025	2026	10,001	0.0%	-		-	-	-	-	3,980,000	516,925	(181,596)	4,540,175	4,540,175	(558,418)	3,981,757	39.81
2026	2027	10,001	0.0%	-		-	-	-	-	4,105,000	393,545	(181,607)	4,541,865	4,541,865	(558,902)	3,982,963	39.83
2027	2028	10,001	0.0%	-		-	-	-	-	4,230,000	266,290	(181,675)	4,539,430	4,539,430	(558,205)	3,981,225	39.81
2028	2029	10,001	0.0%	-		-	-	-	-	4,360,000	135,160	(181,577)	4,538,341	4,538,341	(557,893)	3,980,448	39.80
2029	2030	10,001	0.0%	-		-	-	-	-	-	-	-	-	-	-	-	-
<b>Totals</b>				42,356,926		(3,161,574)	(39,206,318)			27,000,000	10,796,370		38,120,310	80,488,202	(9,678,288)	70,809,914	

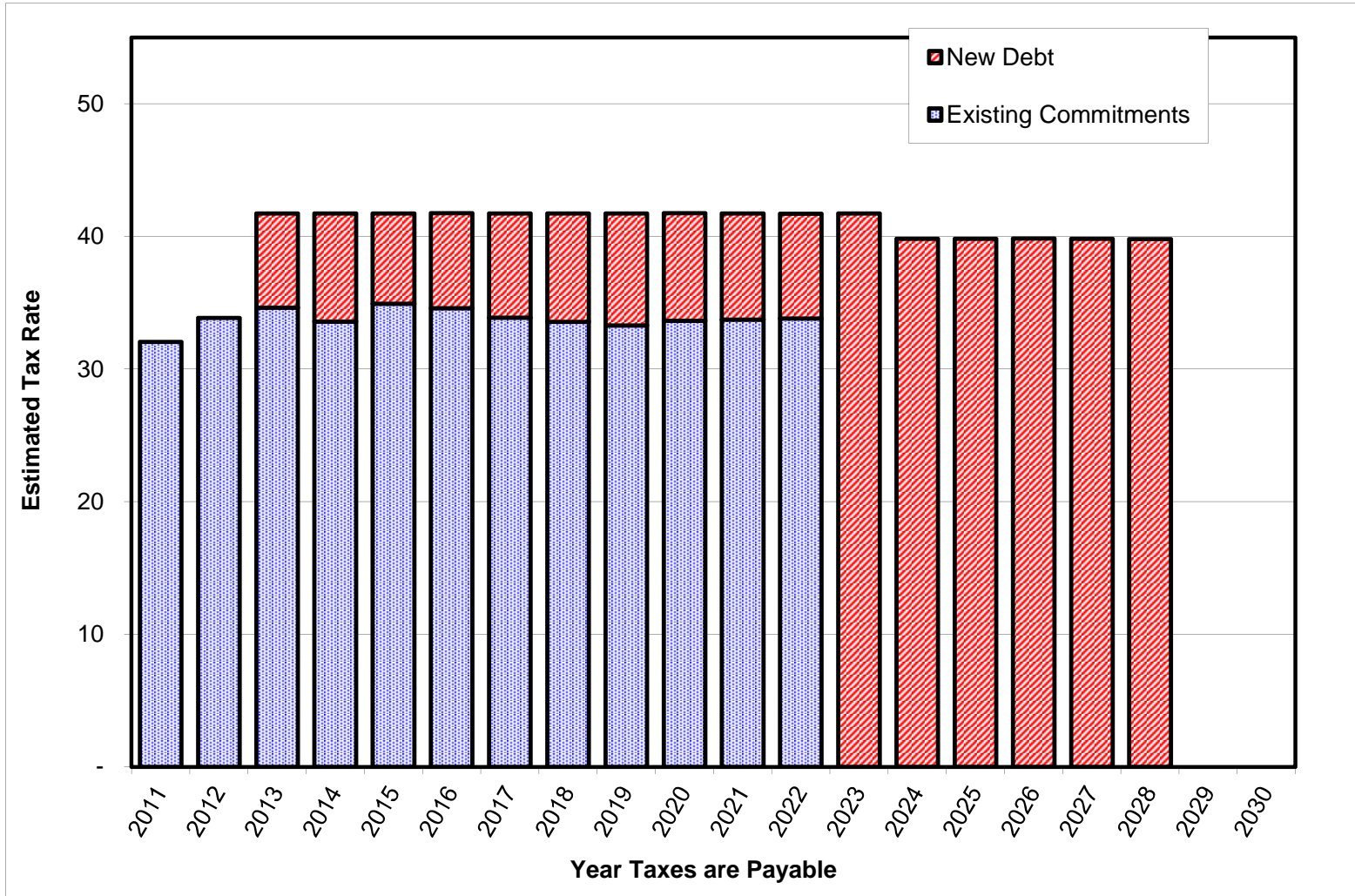
\* Tax capacity values for taxes payable in 2011 and 2012 are actual tax rate determination values provided by Wright County. Estimates for future years are based on estimated percentage changes shown above.  
 \*\* Initial debt service levies (prior to subtracting debt equalization aid) are set at 105 percent of the principal and interest payments during the next fiscal year.  
 + The debt excess levy reductions for taxes payable in 2011 and 2012 are based on actual fund balances and levy amounts. For taxes payable in 2013, debt excess is estimated based on MDE's formula. For payable 2014 and beyond, debt excess is calculated at 4% of the prior year's tax levy.  
 ++ The district would not qualify for debt equalization aid for payments on the new bonds due during fiscal year 2014. To hold the tax levy payable in 2013 to the amount shown above, a portion of the FY14 payments, estimated at \$212,000, would have to be made from funds on hand or bond proceeds.

PRELIMINARY INFORMATION - FOR DISCUSSION ONLY

**Rockford School District No. 883**  
**Estimated Tax Rates for Capital and Debt Service Levies**  
**Existing Commitments and Proposed New Debt**

**\$27,000,000 Bond Issue**  
**16 Year Bond: Wrap Around**

Date Prepared: August 8, 2012



**PRELIMINARY INFORMATION - FOR DISCUSSION ONLY**

**Rockford School District No. 883**

August 8, 2012

**Analysis and Comparison of Tax Impact for Proposed Bond Issue**

<b>Bond Amount</b>	<b>\$27,000,000</b>
<b>Number of Years</b>	<b>16</b>
<b>Pay 2013 Tax Rate Projection - Existing Debt</b>	34.63%
<b>Pay 2013 Tax Rate Projection - With New Debt</b>	41.73%
<b>Estimated Increase in Debt Service Tax Rate for Potential Bond Issue, Payable in 2013*</b>	7.10%

<b>Type of Property</b>	<b>Estimated Market Value</b>	<b>Estimated Increase in Taxes For Taxes Payable 2013 *</b>
Residential Homestead	\$100,000	\$51
	125,000	70
	150,000	90
	175,000	109
	200,000	128
	250,000	167
	300,000	206
	350,000	244
	400,000	283
	500,000	355
Commercial/Industrial+	600,000	444
	\$200,000	\$231
	300,000	373
	500,000	657
Apartments	1,000,000	1,367
	\$200,000	\$178
	500,000	444
	1,000,000	888
Agricultural Homestead **	2,000,000	1,775
	\$300,000	\$143
	500,000	214
Agricultural Non-Homestead (dollars per acre)	1,000,000	391
	1,500,000	619
	\$2,000	\$1.42
	2,500	1.78
	3,000	2.13

\* The figures in the table are based on school district taxes for bonded debt only, and do not include tax levies for other purposes. The values are Estimated Market Value and will appear with this label on your tax statements. Tax increases shown above are gross increases, not including the impact of the state Property Tax Refund ("Circuit Breaker") program. Some owners of homestead property will qualify for a refund, based on their income and total property taxes. This will decrease the net effect of the proposed bond issue for a number of property owners.

\*\* For agricultural homestead property, a value of \$150,000 was assumed for the house, garage, and one

+ For commercial-industrial property, the estimates above are for property in Wright County. The tax impact for commercial-industrial property in Hennepin County will be lower, due to the impact of the Twin Cities Fiscal Disparities program.

