

FINANCIAL ADVISORY

Lori Lombard
Vice President
Municipal Finance



Tax Impact

- Tax impact schedules demonstrate the total impact of a project on the average home within the community including short-term and existing debt.

20 YEARS PERMANENT BOND (Assumes Bonding in Fiscal year 2017 and Equal Principal Payments)

Fiscal Year	Outstanding		Interest 4.00%	Debt Service	Town A			Town B		
	Principal	Principal			18.0400%	Impact (1)	Average Annual Impact (1)	81.9600%	Impact (2)	Average Annual Impact (2)
2018	1,700,000	85,000	68,000	153,000	27,601	0.150	35.40	125,399	0.231	53.99
2019	1,615,000	85,000	64,600	149,600	26,988	0.146	34.61	122,612	0.226	52.79
2020	1,530,000	85,000	61,200	146,200	26,374	0.143	33.82	119,826	0.221	51.59
2021	1,445,000	85,000	57,800	142,800	25,761	0.140	33.04	117,039	0.216	50.39
2022	1,360,000	85,000	54,400	139,400	25,148	0.136	32.25	114,252	0.210	49.19
2023	1,275,000	85,000	51,000	136,000	24,534	0.133	31.47	111,466	0.205	47.99
2024	1,190,000	85,000	47,600	132,600	23,921	0.130	30.68	108,679	0.200	46.79
2025	1,105,000	85,000	44,200	129,200	23,308	0.126	29.89	105,892	0.195	45.59
2026	1,020,000	85,000	40,800	125,800	22,694	0.123	29.11	103,106	0.190	44.39
2027	935,000	85,000	37,400	122,400	22,081	0.120	28.32	100,319	0.185	43.19
2028	850,000	85,000	34,000	119,000	21,468	0.116	27.53	97,532	0.180	41.99
2029	765,000	85,000	30,600	115,600	20,854	0.113	26.75	94,746	0.175	40.79
2030	680,000	85,000	27,200	112,200	20,241	0.110	25.96	91,959	0.169	39.59
2031	595,000	85,000	23,800	108,800	19,628	0.106	25.17	89,172	0.164	38.39
2032	510,000	85,000	20,400	105,400	19,014	0.103	24.39	86,386	0.159	37.19
2033	425,000	85,000	17,000	102,000	18,401	0.100	23.60	83,599	0.154	35.99
2034	340,000	85,000	13,600	98,600	17,787	0.096	22.81	80,813	0.149	34.79
2035	255,000	85,000	10,200	95,200	17,174	0.093	22.03	78,026	0.144	33.59
2036	170,000	85,000	6,800	91,800	16,561	0.090	21.24	75,239	0.139	32.39
2037	85,000	85,000	3,400	88,400	15,947	0.086	20.45	72,453	0.133	31.19
	1,700,000	714,000	2,414,000		435,486			1,978,514		

(1) Based on 2017 Assessed Valuation of \$184,485,525. Based on Median Home Value of \$236,600.
 (2) Based on 2017 Assessed Valuation of \$542,840,725. Based on Median Home Value of \$233,700.

Role of Bond Counsel

- Drafts articles and votes
- Approves legality of bonds and notes
- Advise on tax-exempt status of issue
- Consults with the parties to each transaction
- Render an opinion as to the validity of the bonds or notes

Authorization of Debt

- "VOTED: That for the purpose of paying costs of designing and constructing _____, including the payment of all other costs incidental and related thereto, there be and hereby is authorized, under and pursuant to Chapter 71, Section 16(d), of the General Laws and the District Agreement, as amended, the incurring of debt on the full faith and credit of the District by the issuance and sale at one time or from time to time of bonds or notes in an aggregate principal amount of \$500,000. Any premium received by the District upon the sale of any bonds or notes approved by this vote, less any such premium applied to the payment of the costs of issuance of such bonds or notes, may be applied to the payment of costs approved by this vote in accordance with Chapter 44, Section 20 of the General Laws, thereby reducing the amount authorized to be borrowed to pay such costs by a like amount

Notice to Incur Debt

- Within seven (7) days from the date on which the vote is adopted the Secretary of the District notifies the Board of Selectmen of each of the member towns as to the amount and general purposes of the debt authorized, as required by Chapter 71, Section 16(d), of the General Laws, and by the District Agreement.
- The District cannot incur any debt until the expiration of 60 days after the date on which the debt was voted. Within the 60 day period, the member towns may hold a town meeting and if they disapprove the debt, the debt cannot be issued.

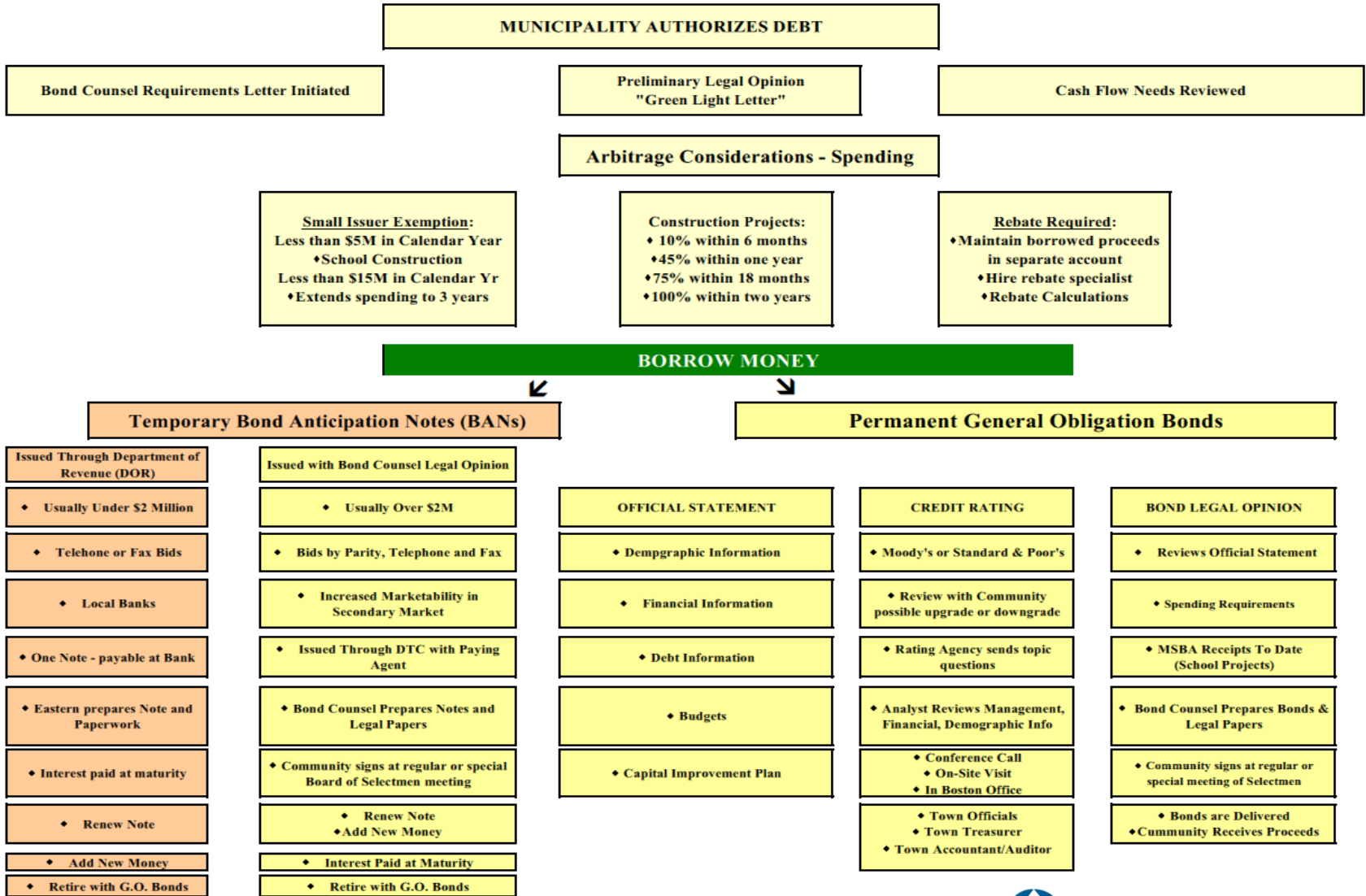
Preliminary Legal Opinion

- If the District vote is \$500,000 or more, a Preliminary Legal Opinion is required from a recognized bond counsel. In addition, the following information may be provided:
 - Certified copies of District bylaws and vote;
 - District secretary certification;
 - Copies of proposed leases or arrangements with private parties for use of the project;
 - MSBA Project Funding Agreement
 - Certificates from member towns
 - Additional town meeting votes

Financial Documents

- Audited Financial Statements
- Unaudited Balance Sheet and Revenues and Expenditures
- Member Town Financial Statements

Borrowing Flowchart



Official Statements

Rating: _____

FINAL OFFICIAL STATEMENT DATED AUGUST 23, 2016

NEW ISSUE

In the opinion of Locke Lord LLP, Bond Counsel, based upon an analysis of existing law and assuming, among other matters, compliance with certain covenants, interest on the Bonds is excluded from gross income for federal income tax purposes under the Internal Revenue Code of 1986 (the "Code"). Interest on the Bonds is not a specific preference item for purposes of the federal individual or corporate alternative minimum taxes, although such interest is included in adjusted current earnings when calculating corporate alternative minimum taxable income. Under existing law, interest on the Bonds is exempt from Massachusetts personal income taxes, and the Bonds are exempt from Massachusetts personal property taxes. Bond Counsel expresses no opinion regarding any other tax consequences related to the ownership or disposition of, or the accrual or receipt of interest on, the Bonds. The Bonds will be designated as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code. See "Tax Exemption" herein.

\$ 7,805,000

**District, Massachusetts
General Obligation School Bonds
Unlimited Tax**

**Dated: August 31, 2016
below)**

Due: (As shown

MATURITIES, AMOUNTS, RATES, YIELDS AND CUSIP NUMBERS

Due:	Principal			CUSIP	Due:	Principal			CUSIP
<u>June 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>846032</u>	<u>June 1</u>	<u>Amount</u>	<u>Rate</u>	<u>Yield</u>	<u>846032</u>
2017	\$235,000	2.000%	0.550%	CA6	2028	\$360,000	2.000%	1.800%	CM0
2018	265,000	4.000	0.660	CB4	2029	370,000	2.000	1.900	CN8
2019	275,000	4.000	0.740	CC2	2030	375,000	2.250	2.000	CP3
2020	285,000	4.000	0.830	CD0	2031	385,000	2.250	2.100	CQ1
2021	295,000	4.000	0.970	CE8	2032	390,000	2.250	2.250	CR9
2022	310,000	4.000	1.150	CF5	2033	400,000	2.500	2.300	CS7
2023	320,000	4.000	1.200	CG3	2034	410,000	2.500	2.350	CT5
2024	335,000	2.000	1.350	CH1	2035	420,000	2.750	2.400	CU2
2025	340,000	2.000	1.450	CJ7	2036	435,000	2.750	2.450	CV0
2026	345,000	2.000	1.600	CK4	2037	445,000	2.750	2.500	CW8
2027	355,000	2.000	1.700	CL2	2038	455,000	2.750	2.550	CX6

The provisions of the accompanying documents entitled "NOTICE OF SALE AND PRELIMINARY OFFICIAL STATEMENT, DATED AUGUST 15, 2016" as supplemented and modified hereby, are incorporated in and made a part of this FINAL OFFICIAL STATEMENT.

Principal of the Bonds will be payable on June 1 of the years in which the Bonds mature. Interest will be payable on December 1, 2016 and semi-annually thereafter on each June 1 and December 1. The Bonds maturing on and before June 1, 2026 are not subject to redemption prior to their stated dates of maturity. Bonds maturing after June 1, 2026 are subject to redemption in accordance with the terms described herein.

The Bonds will be issued by means of a book-entry system, evidencing ownership of the Bonds in principal amounts of \$5,000 or integral multiples thereof, with transfers of ownership effected on the records of The Depository Trust Company, New York, New York, ("DTC"), and its participants pursuant to rules and procedures adopted by DTC participants. No physical distribution of the Bonds will be made to the public. One certificate for each maturity of the Bonds will be issued to DTC, and immobilized in its custody.

The Bonds will be approved by Locke Lord LLP, Boston, Massachusetts, Bond Counsel to the District. It is expected that the Bonds, in definitive form, will be delivered to DTC, or its custodial agent, on or about August 31, 2016 against payment in Federal Reserve Funds.

- Notice of Sale
 - Details of the Sale
- Preliminary Official Statement
 - Description of the Issuer
 - Regional Agreement
 - Facilities and Enrollments
 - Indebtedness
 - Property Tax Limitation
 - Financial
 - Member Town Information
- Final Official Statement
 - Pricing Information



Working Group

