

Pro Forma Finance Model - Recommended Plan

(Based on project estimate of November 3, 2011)

Budget Committee

Revised February 2, 2012

Givens:	• Face value of final Bond	\$10,995,519
	(Total project cost of \$11,306,519 minus \$311,000 Emergency Authorization)	
	• Interest Rate on 20-year loan	5%
	• RIDE rebate on Principal and Interest	40%

Results:	• Annual payment (Principal + Interest)	\$882,309
	• Total after 20 years	\$17,646,178
	• Annual RIDE rebate on Principal + Interest	\$352,924
	• Town's share of annual payout	\$529,385
	• Net 20-year cost to Town	\$10,587,707
	• Net 20-year cost to RIDE	\$7,058,471
	• Estimated increase in Tax Rate per \$1,000	29¢

The actual financed amount and thus the resulting tax impact will likely be slightly less than is presented here. The School Department will apply a significant portion of its accumulated budget surplus toward the payment of up-front costs such as design, construction, management, and temporary housing during construction. We expect this contribution will allow the bond to be discounted by 5% or more from the full \$10,995,519. An updated finance picture will be prepared and presented in the information sessions prior to the referendum.