

**CAYUSE PRAIRIE SCHOOL GYM DRIVE**

Dear Neighbor:

We have outgrown our current 40 year-old Gym facility. Cayuse Prairie kids need you to vote **YES** in the ballot coming to your mailbox soon. We are asking for your support to approve a bond to build a new Gym and Performing Arts Center.

School functions (i.e. Christmas programs, 8<sup>th</sup> grade graduation, and seasonal performances) leave many attendees standing and crowded at back doors, in the lunchroom or simply unable to attend due to the lack of seating. Acoustics in the existing facility are inadequate. Sporting events consist of spectators seated on folding chairs with their feet **ON** the court. The basketball/volleyball court is not regulation size (disproportionately smaller) so accommodations of the rules are dramatically modified to allow Cayuse Prairie to host sporting events.

Cayuse Prairie is currently debt free, which means that we have not requested your support for a bond since 1994. School District 10 has a debt capacity of over \$3,000,000, however we are only requesting \$1,950,000.

Cayuse Prairie School District 10 wants to use some of the money from the stimulus package, and has been approved for a government grant that allows us to create an interest free bond\* at **0% interest cost to us!! This represents an interest savings of \$1,179,000 to us the taxpayers.**

This is a first come, first serve grant. **If we do not use it now, we will forever lose this “use it or lose it” opportunity as the stimulus package grant expires at the end of this year.**

<b>Mill Levy Computation:</b>	<b>20 year bond with 5% interest</b>	<b>15 year bond with 0% interest</b>	<b>Estimated Savings</b>
Principal Amount of Bonds:	<u>\$1,950,000</u>	<u>\$1,950,000</u>	<u>\$0</u>
Total Interest Over Life of Bonds (1):	\$1,179,000	\$0	<b>\$1,179,000</b>
Estimated Annual Bond Payment (1):	\$156,450	\$130,000	<b>\$26,450</b>
LESS: Estimated Annual State Aid for Debt Service (2):	<u>\$14,996</u>	<u>\$14,996</u>	<b>\$0</b>
EQUALS: Estimated Net Annual Debt Service:	\$141,454	\$115,004	<b>\$26,450</b>
DIVIDED BY: FY 2008/09 Mill Value:	<u>\$4,255</u>	<u>\$4,255</u>	<b>--</b>
EQUALS: Estimated Number of Mills Required:	33.24	27.03	<b>6.22</b>

<b>Value of Residential Property</b>	<b>Estimated Annual Tax on 20 year bond with 5% interest</b>	<b>Estimated Annual Tax on 15 year bond with 0% interest</b>	<b>Estimated Savings</b>
\$25,000	\$16.51	\$13.42	<b>\$3.09</b>
\$50,000	\$33.02	\$26.85	<b>\$6.17</b>
\$75,000	\$49.53	\$40.27	<b>\$9.26</b>
\$100,000	\$66.04	\$53.69	<b>\$12.35</b>
\$150,000	\$99.07	\$80.54	<b>\$18.52</b>
\$200,000	\$132.09	\$107.39	<b>\$24.70</b>
\$250,000	\$165.11	\$134.24	<b>\$30.87</b>

\*As this QSCB market develops some QSCB Bonds being issued with small interest rates attached versus the 0%. For example, Dorsey & Whitney as Bond Counsel closed a QSCB in South Dakota (\$2,480,000) on September 1, the interest rate was 0.70%. For us, a supplemental rate of 0.70% would add \$13,650 in interest costs annually over the term of the Bonds because the entire \$1,950,000 with QSCBs remain outstanding until the full amount is paid to the purchaser of the Bond at maturity in 15 years. As with all bonds, the final rate has not yet been set and will not be determined until the final sale of the bond. However, the interest rate will still be substantially lower than a traditional bond.

Please check your mailbox for the ballot and Vote *BEFORE* November 10, 2009.

Visit [www.cayuseprairie.com](http://www.cayuseprairie.com) for more information. This web site contains a calendar providing pre-vote informational meeting dates at Cayuse Prairie or call School Superintendent Rick Nadeau at 756-4560.