

Memo

To: Board of Education
Ronald Drzewicki, Superintendent
Cheryl Wald, CPA, Chief Financial Officer

From: Jesse Nelson, CPA, Partner
Amy Thurston
H.J. Umbaugh & Associates

Subject: Bond Sale – 2018 School Building and Site Bonds, Series I

Date: April 16, 2018

Today the bond sale for the 2018 School Building and Site Bonds, Series I (the “2018 Bonds”) was completed. The school district received strong competition for the 2018 Bonds as a total of 7 bids were received. The low bidder was UBS Financial Services as they provided a True Interest Cost (“TIC”) bid of 3.37084%.

Actual debt service (principal and interest) for the 2018 Bonds is \$51,160,884. The budgeted debt service figure included in the Michigan Department of Treasury (“Treasury”) application was \$54,969,358 for a favorable variance of \$3,808,474.

The actual deposit to the construction account for the 2018 Bonds is \$34,046,844. The budgeted debt service figure included in Treasury application was \$33,704,036 for a favorable variance of \$342,808.

Further schedules detailing the 2018 Bonds are enclosed with this memorandum. 7 bids received, 29 year TIC of 3.37084%, and an recent bond rating upgrade to A+ are all compliments to the work of the school district and the Mason Community. We at Umbaugh could not be happier with the result and are honored to be a part of this project. Please let us know if you have any questions or comments and have a great week.

**MASON PUBLIC SCHOOLS
COUNTY OF INGHAM, STATE OF MICHIGAN**

SUMMARY OF 2018 SCHOOL BUILDING AND SITE BONDS, SERIES I

I. <u>Bond Rating</u>				<u><u>A+/AA-</u></u>
II. <u>Bids Received</u>				<u>True Interest Cost ("TIC")</u>
UBS Financial Services Inc.				3.370840%
Hilltop Securities				3.396318%
Bank of America Merrill Lynch				3.426224%
Mesirow Financial, Inc.				3.444350%
J.J.B Hilliard, W.L. Lyons, Inc.				3.451714%
Robert W. Baird Co., Inc.				3.454799%
Fifth Third Securities, Inc.				3.524142%
III. <u>Actual Construction Funding to Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	
Deposit to construction account	<u>\$34,046,844.25</u>	<u>\$33,704,036.00</u>	<u>\$342,808.25</u>	
IV. <u>Actual Debt Service to Budget</u>	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>	
Bond principal	\$32,515,000.00	\$34,205,000.00	(\$1,690,000.00)	
Bond interest	<u>18,645,883.78</u>	<u>20,764,358.00</u>	<u>(2,118,474.22)</u>	
Total	<u>\$51,160,883.78</u>	<u>\$54,969,358.00</u>	<u>(\$3,808,474.22)</u>	

**MASON PUBLIC SCHOOLS
COUNTY OF INGHAM, STATE OF MICHIGAN**

**SCHEDULE OF AMORTIZATION OF \$32,515,000 PRINCIPAL AMOUNT
OF PROPOSED 2018 SCHOOL BUILDING AND SITE BONDS, SERIES I**

(Unlimited Tax - General Obligation)

Michigan School Bond Qualification and Loan Program Qualified

Principal payable annually on May 1st.

Interest payable semiannually on May 1st and November 1st.

Bonds dated May 16, 2018

Payment Date	Principal Balance (-----In \$1,000's-----)	Principal	Interest Rate (%)	Interest	Total (-----In Dollars-----)	Levy Year Total	Fiscal Year Total
05/01/19	\$32,515	\$375	5.000	\$1,267,389.84	\$1,642,389.84		\$1,642,389.84
11/01/19	32,140			651,871.88	651,871.88	\$2,294,261.72	
05/01/20	32,140	715	5.000	651,871.88	1,366,871.88		2,018,743.76
11/01/20	31,425			633,996.88	633,996.88	2,000,868.76	
05/01/21	31,425	885	5.000	633,996.88	1,518,996.88		2,152,993.76
11/01/21	30,540			611,871.88	611,871.88	2,130,868.76	
05/01/22	30,540	790	5.000	611,871.88	1,401,871.88		2,013,743.76
11/01/22	29,750			592,121.88	592,121.88	1,993,993.76	
05/01/23	29,750	790	5.000	592,121.88	1,382,121.88		1,974,243.76
11/01/23	28,960			572,371.88	572,371.88	1,954,493.76	
05/01/24	28,960	390	5.000	572,371.88	962,371.88		1,534,743.76
11/01/24	28,570			562,621.88	562,621.88	1,524,993.76	
05/01/25	28,570	1,110	5.000	562,621.88	1,672,621.88		2,235,243.76
11/01/25	27,460			534,871.88	534,871.88	2,207,493.76	
05/01/26	27,460	1,140	5.000	534,871.88	1,674,871.88		2,209,743.76
11/01/26	26,320			506,371.88	506,371.88	2,181,243.76	
05/01/27	26,320	1,180	5.000	506,371.88	1,686,371.88		2,192,743.76
11/01/27	25,140			476,871.88	476,871.88	2,163,243.76	
05/01/28	25,140	1,205	5.000	476,871.88	1,681,871.88		2,158,743.76
11/01/28	23,935			446,746.88	446,746.88	2,128,618.76	
05/01/29	23,935	1,265	5.000	446,746.88	1,711,746.88		2,158,493.76
11/01/29	22,670			415,121.88	415,121.88	2,126,868.76	
05/01/30	22,670	1,325	5.000	415,121.88	1,740,121.88		2,155,243.76
11/01/30	21,345			381,996.88	381,996.88	2,122,118.76	
05/01/31	21,345	1,385	5.000	381,996.88	1,766,996.88		2,148,993.76
11/01/31	19,960			347,371.88	347,371.88	2,114,368.76	
05/01/32	19,960	1,445	4.000	347,371.88	1,792,371.88		2,139,743.76
11/01/32	18,515			318,471.88	318,471.88	2,110,843.76	
05/01/33	18,515	1,500	4.000	318,471.88	1,818,471.88		2,136,943.76
11/01/33	17,015			288,471.88	288,471.88	2,106,943.76	
05/01/34	17,015	1,550	3.250	288,471.88	1,838,471.88		2,126,943.76
11/01/34	15,465			263,284.38	263,284.38	2,101,756.26	
05/01/35	15,465	1,600	3.250	263,284.38	1,863,284.38		2,126,568.76
11/01/35	13,865			237,284.38	237,284.38	2,100,568.76	
05/01/36	13,865	1,650	3.250	237,284.38	1,887,284.38		2,124,568.76
11/01/36	12,215			210,471.88	210,471.88	2,097,756.26	
05/01/37	12,215	1,700	3.375	210,471.88	1,910,471.88		2,120,943.76
11/01/37	10,515			181,784.38	181,784.38	2,092,256.26	
05/01/38	10,515	1,755	3.375	181,784.38	1,936,784.38		2,118,568.76
11/01/38	8,760			152,168.75	152,168.75	2,088,953.13	
05/01/39	8,760	1,810	3.375	152,168.75	1,962,168.75		2,114,337.50
11/01/39	6,950			121,625.00	121,625.00	2,083,793.75	
05/01/40	6,950	1,870	3.500	121,625.00	1,991,625.00		2,113,250.00
11/01/40	5,080			88,900.00	88,900.00	2,080,525.00	
05/01/41	5,080	1,935	3.500	88,900.00	2,023,900.00		2,112,800.00
11/01/41	3,145			55,037.50	55,037.50	2,078,937.50	
05/01/42	3,145	2,000	3.500	55,037.50	2,055,037.50		2,110,075.00
11/01/42	1,145			20,037.50	20,037.50	2,075,075.00	
05/01/43	1,145	745	3.500	20,037.50	765,037.50		785,075.00
11/01/43	400			7,000.00	7,000.00	772,037.50	
05/01/44	400	100	3.500	7,000.00	107,000.00		114,000.00
11/01/44	300			5,250.00	5,250.00	112,250.00	
05/01/45	300	100	3.500	5,250.00	105,250.00		110,500.00
11/01/45	200			3,500.00	3,500.00	108,750.00	
05/01/46	200	100	3.500	3,500.00	103,500.00		107,000.00
11/01/46	100			1,750.00	1,750.00	105,250.00	
05/01/47	100	100	3.500	1,750.00	101,750.00	101,750.00	103,500.00
Totals		<u>\$32,515</u>		<u>\$18,645,883.78</u>	<u>\$51,160,883.78</u>	<u>\$51,160,883.78</u>	<u>\$51,160,883.78</u>

Optional Redemption:

Callable on May 1, 2028.

Original Par Amount

\$32,515,000