

DPS 2010 Bond Election - Bond Repayment Analysis

Tax Year	Net Assessed Value (1)	Total Property Tax Revenue		DPS Property Tax Revenue		DPS Funding Areas		
		Current (3)	Proposed (4)	Current (5)	Proposed	DPS General Fund (6)	DPS Building Fund (7)	DPS Sinking Fund (8)
		0.09562	0.10519	0.06649	0.07606	0.07606		
		10.0% Increase		Millage Rate		Millage Rate		0.03572 Current Millage Rate
2010-2011	\$147,137,392	\$14,069,277	\$15,477,382	\$9,783,165	\$11,191,270	\$5,255,748	\$750,401	\$5,185,122
2011-2012	\$153,011,609	\$14,630,970	\$16,095,291	\$10,173,742	\$11,638,063	\$5,465,575	\$780,359	\$5,392,129
2012-2013	\$159,120,344	\$15,215,087	\$16,737,869	\$10,579,912	\$12,102,693	\$5,683,779	\$811,514	\$5,607,401
2012-2014	\$165,472,961	\$15,822,525	\$17,406,101	\$11,002,297	\$12,585,873	\$5,910,694	\$843,912	\$5,831,267
2012-2015	\$172,079,195	\$16,454,213	\$18,101,011	\$11,441,546	\$13,088,344	\$6,146,669	\$877,604	\$6,064,071
2012-2016	\$178,949,172	\$17,111,120	\$18,823,663	\$11,898,330	\$13,610,874	\$6,392,064	\$912,641	\$6,306,169
2012-2017	\$186,093,422	\$17,794,253	\$19,575,167	\$12,373,352	\$14,154,266	\$6,647,257	\$949,076	\$6,557,932
2012-2018	\$193,522,894	\$18,504,659	\$20,356,673	\$12,867,337	\$14,719,351	\$6,912,638	\$986,967	\$6,819,747
2012-2019	\$201,248,975	\$19,243,427	\$21,169,380	\$13,381,044	\$15,306,997	\$7,188,613	\$1,026,370	\$7,092,014
2012-2020	\$209,283,507	\$20,011,689	\$22,014,532	\$13,915,260	\$15,918,104	\$7,475,607	\$1,067,346	\$7,375,151
2012-2021	\$217,638,805	\$20,810,623	\$22,893,426	\$14,470,804	\$16,553,608	\$7,774,058	\$1,109,958	\$7,669,591
2012-2022	\$226,327,674	\$21,641,452	\$23,807,408	\$15,048,527	\$17,214,483	\$8,084,425	\$1,154,271	\$7,975,787
2012-2023	\$235,363,432	\$22,505,451	\$24,757,879	\$15,649,315	\$17,901,743	\$8,407,182	\$1,200,354	\$8,294,207
2012-2024	\$244,759,928	\$23,403,944	\$25,746,297	\$16,274,088	\$18,616,440	\$8,742,825	\$1,248,276	\$8,625,340
2012-2025	\$254,531,563	\$24,338,308	\$26,774,175	\$16,923,804	\$19,359,671	\$9,091,867	\$1,298,111	\$8,969,692
2012-2026	\$264,693,314	\$25,309,975	\$27,843,090	\$17,599,458	\$20,132,573	\$9,454,845	\$1,349,936	\$9,327,792
2012-2027	\$275,260,757	\$26,320,434	\$28,954,679	\$18,302,088	\$20,936,333	\$9,832,314	\$1,403,830	\$9,700,189
2012-2028	\$286,250,087	\$27,371,233	\$30,110,647	\$19,032,768	\$21,772,182	\$10,224,853	\$1,459,875	\$10,087,453
		\$360,558,640	\$396,644,670	\$250,716,837	\$286,802,867	\$134,691,012	\$19,230,800	\$132,881,055

(9) Less the balance of existing bond issues: (\$10,448,914)
Balance available for new bond issues: \$122,432,141

NOTES:

- 1) The net assessed value is typically 11% to 13% of the actual market value of real and personal property.
- 2) 3.99% is the average of the increases in net assessed value over the past 26 years (please see the attached illustration). The annual increase in net assessed value is made up of two components. The first is an increase in the value of existing property and improvements which is capped at 5% annually by law unless a change in ownership occurs. The second is the increase in value of any new development.
- 3) The 0.09562 millage rate is the rate you see on your property tax statement. See the attached statement as an illustration.
- 4) The 0.10519 millage rate will be the projected new rate you will see on your property tax statement if the bond passes. This is a 10% increase over the current millage rate.
- 5) The 0.06649 millage rate is the portion of the total 0.09562 millage rate allocated to DPS. This is approximately 70% of the total property tax millage rate. The balance of the property tax collected is allocated to Stephens County and the Technology Center.
- 6) These funds are used for the general operations of DPS.
- 7) These funds are used for maintenance of existing DPS facilities.
- 8) These funds are used to pay for DPS bond obligations. As a point of reference, the current sinking fund millage rate for Jenks Public Schools is 0.033 and 0.037 for Newcastle Public Schools.
- 9) Existing bond issue obligations remain through 2012.
- 10) The interest rate for the initial 5 year bond issue is assumed to be 3.75%. Rates on subsequent 2 year bond issues are assumed to be 2.75%. Interest rates on 2 year bonds are less than 5 year bonds due to the shorter duration and reduction in associated risk. Bond interest is not subject to federal or Oklahoma state taxes. Therefore, bond coupon rates are significantly less than those of taxable bonds. In general, Oklahoma public school bonds maintain a very low interest rate due to tax exemption and local participation in bond sales (i.e. local banks). Additionally, Oklahoma public school bonds often maintain a rating equivalent to AAA bonds due to state laws that limit the amount of bonds outstanding at any time to 10% of the net assessed value of property.
- 11) If the interest rates on the subsequent 2 year bond issues were assumed to be 5.00% rather than 2.75% the total bond payback amount would increase by approximately \$5,000,000 and would require that tax millage rates increase by 11.4% rather than 10%.