



**H.J. Umbaugh & Associates**  
Certified Public Accountants, LLP  
2150 Association Drive, Suite 100  
Okemos, MI 48864  
Phone: 517-321-0110  
Fax: 517-321-8866

DATE: May 2, 2016

TO: Charlie Glaes, Superintendent  
Stephen Goss, Assistant Superintendent  
Vicksburg Community Schools

FROM: Jesse Nelson, CPA  
H.J. Umbaugh & Associates

SUBJECT: \$4,650,000 - 2016 School Building and Site Bonds, Series II

Bids were received for the School District's \$4,650,000 2016 School Building and Site Bonds, Series II on May 2, 2016. The lowest bid was received by CFC Capital with a True Interest Cost ("TIC") of 1.6906%. The bonds are being issued to fund capital projects approved by the voters of the school district.

The pricing of the bonds is within the parameters established by the Board of Education resolution authorizing the issuance of the 2016 School Building and Site Bonds, Series II.

It is our recommendation the School District accepts the bid submitted by CFC Capital.



**H.J. Umbaugh & Associates**  
Certified Public Accountants, LLP  
2150 Association Drive  
Suite 100  
Okemos, MI 48864  
Phone: 517-321-0110  
Fax: 517-321-8866

May 2, 2016

Mr. Steve Goss, Assistant Superintendent  
Vicksburg Community Schools  
301 South Kalamazoo Ave.  
P.O. Box 158  
Vicksburg, MI 49097

Re: 2016 School Building and Site Bonds, Series II

Dear Steve:

The attached schedules (listed below) present unaudited and limited information for the purpose of discussion and consideration in the planning stage of a bond issue by the appropriate officers, officials and advisors of Vicksburg Community Schools. The use of these schedules should be restricted to this purpose, for internal use only as the information is subject to future revision and final report.

Page(s)

**PRO FORMAL FINANCIAL DATA**

- |   |  |
|---|--|
| 2 | Summary of Bids and Actual to Budget Comparison  |
| 3 | Schedule of Amortization of \$4,650,000 Principal Amount of Proposed 2016<br>School Building and Site Bonds, Series II |
| 4 | Schedule of Combined Debt Service – Voter Approved Bonds Only  |

We would appreciate your questions or comments on this information and would provide additional information upon request.

Sincerely,

UMBAUGH

Jesse R. Nelson, CPA

VICKSBURG COMMUNITY SCHOOLS  
Counties of Kalamazoo and St. Joseph, State of Michigan

PRO FORMA FINANCIAL DATA

**VICKSBURG COMMUNITY SCHOOLS  
COUNTIES OF KALAMAZOO AND ST. JOSEPH, STATE OF MICHIGAN**

**SUMMARY OF BIDS AND ACTUAL TO BUDGET COMPARISON**

**I. Summary of Bids Received**

<u>Bidder</u>	<u>TIC*</u> (%)
CFC Capital	1.6906
Fifth Third Securities	1.7085
J.J.B. Hilliard, W.L. Lyons, Inc.	1.7620
PNC Capital Markets LLC	1.8336
City Securities Corp.	1.8380
Robert W. Baird & Co. Inc.	1.8474
Stifel, Nicolaus & Co., Inc.	1.9019
Raymond James & Assoc., Inc.	1.9217
First Merit Bank	2.0501

\*True Interest Cost.

**II. Comparison of Actual to Budget**

	<u>Actual</u>	<u>Budget</u>	<u>Difference</u>
Underwriter's discount	\$0.00	\$39,525.00	(\$39,525.00)
Bond issuance costs	45,735.00	51,650.00	(5,915.00)
Deposit to construction account	4,604,265.00	4,558,825.00	45,440.00
Par amount of bonds	<u>\$4,650,000.00</u>	<u>\$4,650,000.00</u>	<u>\$0.00</u>
Bond principal amount	\$4,650,000.00	\$4,650,000.00	\$0.00
Interest payments	364,198.99	1,464,841.00	(1,100,642.01)
Total principal and interest	<u>\$5,014,198.99</u>	<u>\$6,114,841.00</u>	<u>(\$1,100,642.01)</u>

(Subject to the attached letter dated May 2, 2016)  
(Preliminary - Subject to Change)  
(Internal Use Only)

**VICKSBURG COMMUNITY SCHOOLS  
COUNTIES OF KALAMAZOO AND ST. JOSEPH, STATE OF MICHIGAN**

**SCHEDULE OF AMORTIZATION OF \$4,650,000 PRINCIPAL AMOUNT  
OF PROPOSED 2016 SCHOOL BUILDING AND SITE BONDS, SERIES II**

(General Obligation-Unlimited Tax)

Principal payable semi-annually on May 1st and November 1st.

Interest payable semi-annually on May 1st and November 1st.

Bonds dated May 24, 2016

Payment Date	Principal		Interest		Fiscal Year	
	Balance (----In \$1,000's----)	Principal	Rate (%)	Interest (-----In Dollars-----)	Total	Total
11/01/16	\$4,650	\$235	0.85	\$30,638.99	\$265,638.99	
05/01/17	4,415	230	0.90	34,128.75	264,128.75	\$529,767.74
11/01/17	4,185	315	1.00	33,093.75	348,093.75	
05/01/18	3,870	-	-	31,518.75	31,518.75	379,612.50
11/01/18	3,870	395	1.15	31,518.75	426,518.75	
05/01/19	3,475	-	-	29,247.50	29,247.50	455,766.25
11/01/19	3,475	400	1.30	29,247.50	429,247.50	
05/01/20	3,075	-	-	26,647.50	26,647.50	455,895.00
11/01/20	3,075	450	1.45	26,647.50	476,647.50	
05/01/21	2,625	800	1.60	23,385.00	823,385.00	1,300,032.50
11/01/21	1,825	300	1.65	16,985.00	316,985.00	
05/01/22	1,525	450	1.70	14,510.00	464,510.00	781,495.00
11/01/22	1,075	300	1.80	10,685.00	310,685.00	
05/01/23	775	280	1.90	7,985.00	287,985.00	598,670.00
11/01/23	495	120	2.00	5,325.00	125,325.00	
05/01/24	375	130	2.10	4,125.00	134,125.00	259,450.00
11/01/24	245	-	-	2,760.00	2,760.00	
05/01/25	245	115	2.20	2,760.00	117,760.00	120,520.00
11/01/25	130	-	-	1,495.00	1,495.00	
05/01/26	130	130	2.30	1,495.00	131,495.00	132,990.00
Totals		<u>\$4,650</u>		<u>\$364,198.99</u>	<u>\$5,014,198.99</u>	<u>\$5,014,198.99</u>

(Subject to the attached letter dated May 2, 2016)

(Preliminary - Subject to Change)

(Internal Use Only)

**VICKSBURG COMMUNITY SCHOOLS  
COUNTIES OF KALAMAZOO AND ST. JOSEPH, STATE OF MICHIGAN**

**SCHEDULE OF COMBINED DEBT SERVICE - VOTER APPROVED BONDS ONLY**

Payment Date	1993 Refunding Bonds	2013 Refunding Bonds	2014 School Building and Site Bonds	2016 School Building and Site Bonds	Total	Fiscal Year Payments
11/01/15	\$0.00	\$22,168.75	\$617,197.50		\$639,366.25	
05/01/16	1,900,000.00	807,168.75	55,657.50		2,762,826.25	\$3,402,192.50
11/01/16	-	18,243.75	410,657.50	\$265,638.99	694,540.24	
05/01/17	2,100,000.00	693,243.75	54,415.00	264,128.75	3,111,787.50	3,806,327.74
11/01/17	-	12,337.50	364,415.00	348,093.75	724,846.25	
05/01/18	2,300,000.00	582,337.50	52,865.00	31,518.75	2,966,721.25	3,691,567.50
11/01/18	-	7,350.00	142,865.00	426,518.75	576,733.75	
05/01/19	2,500,000.00	477,350.00	52,257.50	29,247.50	3,058,855.00	3,635,588.75
11/01/19	-	3,237.50	52,257.50	429,247.50	484,742.50	
05/01/20	2,700,000.00	373,237.50	52,257.50	26,647.50	3,152,142.50	3,636,885.00
11/01/20			977,257.50	476,647.50	1,453,905.00	
05/01/21			43,470.00	823,385.00	866,855.00	2,320,760.00
11/01/21			963,470.00	316,985.00	1,280,455.00	
05/01/22			33,580.00	464,510.00	498,090.00	1,778,545.00
11/01/22			953,580.00	310,685.00	1,264,265.00	
05/01/23			23,000.00	287,985.00	310,985.00	1,575,250.00
11/01/23			943,000.00	125,325.00	1,068,325.00	
05/01/24			11,960.00	134,125.00	146,085.00	1,214,410.00
11/01/24			931,960.00	2,760.00	934,720.00	
05/01/25				117,760.00	117,760.00	1,052,480.00
11/01/25				1,495.00	1,495.00	
05/01/26				131,495.00	131,495.00	132,990.00
Totals	<u>\$11,500,000.00</u>	<u>\$2,996,675.00</u>	<u>\$6,736,122.50</u>	<u>\$5,014,198.99</u>	<u>\$26,246,996.49</u>	<u>\$26,246,996.49</u>

(Subject to the attached letter dated May 2, 2016)  
(Preliminary - Subject to Change)  
(Internal Use Only)