



Washington
West
Supervisory
Union

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To: Kaiya Korb, Principal
Waitsfield School Board
From: Michelle Baker, Director of Finance and Operations
Date: June 7, 2015
RE: FY2016 Tax Anticipation Note Borrowing

It is necessary for the School District to borrow funds in order to pay the districts expenditures as tax receipts are received in installments during the course of the fiscal year and lag behind expenses. An estimated analysis of the school's cash flow determines a need of a \$500,00 Tax Anticipation note for FY 2016.

Bids were issued and received from four banks on June 5th, Merchant's Bank, Community National Bank, Northfield Savings Bank and People's United.

Based on an analysis of the bid's, the recommendation for FY2016 is for a Tax Anticipation Note in the amount of \$500,000, with no pre-payment penalty, for the period July 1, 2015 to June 30, 2016 with the People's United Bank at an annual interest rate of 1.19%. Available cash can be invested with the People's up to the borrowed amount at an interest rate of 1.40%. The guaranteed interest rate earnings over the loan amount is .30% for the fiscal year.

I will arrange for the bank documents to be e-mailed to Kaiya Korb so they can be provided for Board signature at tomorrow's Board meeting.

	Budget	Peoples (Yields highest net interest)
Interest Income	\$ 9,000	\$ 4,700
interest Expense	\$ 8,200	\$ 5,933
Net Interest	\$ 800	\$ (1,233)