

APPENDIX S

Projected New Debt Capacity Summary

DRIPPING SPRINGS INDEPENDENT SCHOOL DISTRICT
 SECONDARY SCHOOLS STUDY GROUP
 WORKING GROUPS REPORT: FINANCE

Projected New Debt Capacity Summary

1 Assumed Taxable Assessed Value Growth: 8.5% for 2007 and 2008
 8.0% for 2009 and 2010
 2.5% thereafter

2 Assumed Bonds are issued over 25 years as follows:

Series 2007	Series 2008	Series 2009	Series 2010	Total
\$ 48,220,000	\$ 10,020,000	\$ 9,995,000	\$ 10,625,000	\$ 78,860,000
7/15 6.00%	7/15 6.00%	7/15 6.15%	7/15 6.25%	

3 Application of Debt Capacity to Facility Options:

Projected Annual Funding Needs or Capacity (1) (2)

Options	2007/2008	2008/2009	2009/2010	2010/2011	2011/2012+
RED (\$42.6MM)	42.60MM	NA	NA	NA	NA
Green 1 (\$46.07MM)	46.07MM	NA	NA	NA	NA
Green 2 (\$62.88MM)	48.22MM	10.02MM	4.64MM	NA	NA
Pink (\$64.73MM)	48.22MM	10.02MM	6.49MM	NA	NA
Brown (\$103.27MM)	48.22MM	10.02MM	9.995MM	10.625MM	24.41MM
Blue (\$103.27MM)	48.22MM	10.02MM	9.995MM	10.625MM	24.41MM

As shown on the above chart, all options that require funding beyond the next Calendar Year will need the growth assumed under Item 1 to materialize in order for the District to issue any additional bonded indebtedness.

As a result, if the District chooses to vote an option that utilizes capacity beyond its legal limit, then the actual timing of construction is dependent upon the future growth occurring. This could dramatically effect the funding requirements vs. available debt if the project is delayed due to insufficient tax base growth (rising costs and delays could force the District into a position of having insufficient authorization to complete the plan).

Note: Authorized debt amounts over current debt capacity requires future debt issues to be contingent on Taxable Assessed Valuation Certification in July of each subsequent year.

(1) Includes 8% inflation factor for 2007 and 5% each year, thereafter.

(2) Includes estimated Costs of Bond Issuance and Insurance.