



Moon Area School District

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School Directors Pursue New Bond Issue, MASD Earns Improved Financial Rating

Moon Area School District Board of Education members approved pursuing a new \$20 million bond issue during their workshop meeting on Sept. 28.

The 5-4 vote followed a public hearing where district administrators, school directors and financial representatives discussed the funds, which will be utilized to complete the ongoing secondary schools construction and renovation project.

According to district projections, no tax increase will be necessary to fund the new bond issue.

The \$20 million bond issue will be followed by additional bond issues of \$27.7 million in 2010 and \$7.3 million in 2011 for a total of \$55 million in new borrowing to finish building the new Moon Area High School and remodeling the current high school in a new Moon Area Middle School. The secondary schools project is estimated to cost \$119,135,000.

Various mechanisms, beyond a total of .444-mills in real estate taxes, will be used to pay for the bonds including federal stimulus for bond interest and state subsidies for bond payments, additional tax revenue from the federal American Recovery and Reinvestment Act of 2009 and existing buildings' addition to Moon Area's tax rolls.

Before pursuing the bonds, Moon Area School District received an improved rating from Standards & Poors. The financial rating service raised its long-term rating on the district's general obligation debt to AA- from A+ in 2005.

"The AA- rating reflects our opinion of the district's sizable and diverse tax base with strong wealth and income levels and consistently solid financial performance," according to the Standard & Poor's report.

"We also expect management will maintain its sound financial position as it increases its debt burden due to the level debt service of the upcoming issues, which will have minimal impact on the budget."

School directors Mark Limbruner, Jeff Bussard, Ben Bonham and Carol Cellini voted against the bond issue.