

PRELIMINARY OFFICIAL STATEMENT DATED APRIL 20, 2009

NEW ISSUE

Moody's MNSDCEP Rating: _____

Moody's Underlying Rating: _____

In the opinion of Dorsey & Whitney LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and assuming compliance with certain covenants, interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes; is not an item of tax preference for federal or Minnesota alternative minimum tax purposes; and is not included in adjusted current earnings of corporations for federal alternative minimum tax purposes. Such interest is included in taxable income for the purposes of the Minnesota franchise tax on corporations and financial institutions. See "TAX EXEMPTION" and "RELATED TAX CONSIDERATIONS" herein.

\$27,740,000*

Independent School District No. 621

Mounds View, Minnesota

General Obligation School Building Refunding Bonds, Series 2009A

(Minnesota School District Credit Enhancement Program)

(Book Entry Only)

Dated Date: May 6, 2009

**Interest Due: Each February 1 and August 1,
commencing February 1, 2010**

The Bonds will mature February 1 as follows:

Maturity (February 1)	Amount*	Interest Rate	Yield or Price	CUSIP	Maturity (February 1)	Amount*	Interest Rate	Yield or Price	CUSIP
2013	\$2,550,000	___%	___%	_____	2018	\$2,745,000	___%	___%	_____
2014	\$2,595,000	___%	___%	_____	2019	\$2,835,000	___%	___%	_____
2015	\$2,625,000	___%	___%	_____	2020	\$2,925,000	___%	___%	_____
2016	\$2,600,000	___%	___%	_____	2021	\$3,035,000	___%	___%	_____
2017	\$2,675,000	___%	___%	_____	2022	\$3,155,000	___%	___%	_____

The District may elect on February 1, 2019, and on any day thereafter, to prepay Bonds due on or after February 1, 2020 at a price of par plus accrued interest.

The Bonds will be general obligations of the District for which the District pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State will appropriate money to the payment of the principal and interest on the Bonds when due if the District is unable to make a principal or interest payment. The proceeds of the Bonds will be used to advance refund the February 1, 2013 through February 1, 2022 maturities of the District's General Obligation School Building Bonds, Series 2001A, dated October 1, 2001.

The District will designate the Bonds as "qualified tax-exempt obligations" pursuant to Section 265(b)(3) of the Internal Revenue Code of 1986, as amended, and the Bonds will not be subject to the alternative minimum tax for individuals.

The Bonds will be issued as fully registered Bonds without coupons and, when issued, will be registered in the name of Cede & Co., as nominee of the Depository Trust Company ("DTC"). DTC will act as securities depository for the Bonds. Individual purchases may be made in book entry form only, in the principal amount of \$5,000 and integral multiples thereof. Investors will not receive physical certificates representing their interest in the Bonds purchased. (See "Book Entry System" herein.) U.S. Bank National Association, St. Paul, Minnesota will serve as registrar (the "Registrar") for the Bonds. Bonds will be available for delivery at DTC on or about May 6, 2009.

The Bonds are being offered when, as and if issued and received by BMO Capital Markets GKST Inc. (the "Underwriter"), subject to prior sale, to withdrawal or modifications of the offer without any notice, and to the opinion as to validity of the Bonds by Dorsey & Whitney LLP, Minneapolis, Minnesota.

* Preliminary; subject to change.

No dealer, broker, salesman or other person has been authorized by the Underwriter or the District to give any information or to make any representations with respect to the Bonds, other than as contained in the Preliminary or the Final Official Statements, and if given or made, such other information or representations must not be relied upon as having been authorized by the District. Certain information contained in the Preliminary or the Final Official Statements may have been obtained from sources other than records of the District and, while believed to be reliable, is not guaranteed as to completeness or accuracy. THE INFORMATION AND EXPRESSIONS OF OPINION IN THE PRELIMINARY OFFICIAL STATEMENT ARE SUBJECT TO CHANGE, AND NEITHER THE DELIVERY OF THE FINAL OFFICIAL STATEMENT NOR ANY SALE MADE UNDER EITHER SUCH DOCUMENT SHALL CREATE ANY IMPLICATION THAT THERE HAS BEEN NO CHANGE IN THE AFFAIRS OF THE DISTRICT SINCE THE DATE THEREOF.

References herein to laws, rules, regulations, resolutions, agreements, reports and other documents do not purport to be comprehensive or definitive. All references to such documents are qualified in their entirety by reference to the particular document, the full text of which may contain qualifications of and exceptions to statements made herein. Where full texts have not been included as appendices to the Preliminary or Final Official Statements, they will be furnished on request.

Any CUSIP numbers for the Bonds included in the Final Official Statement are provided for convenience of the owners and prospective investors. The CUSIP numbers for the Bonds have been assigned by an organization unaffiliated with the District. The District is not responsible for the selection of the CUSIP numbers and makes no representation as to the accuracy thereof as printed on the Bonds or as set forth in the Final Official Statement. No assurance can be given that the CUSIP numbers for the Bonds will remain the same after the date of issuance and delivery of the Bonds.

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PRELIMINARY OFFICIAL STATEMENT

\$27,740,000*

**INDEPENDENT SCHOOL DISTRICT NO. 621
MOUNDS VIEW, MINNESOTA**

**GENERAL OBLIGATION SCHOOL BUILDING REFUNDING BONDS, SERIES 2009A
(MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM)**

(BOOK ENTRY ONLY)

INTRODUCTORY STATEMENT

This Final Official Statement contains certain information relating to Independent School District No. 621, Mounds View, Minnesota (the "District" or the "Issuer") and its issuance of \$27,740,000* General Obligation School Building Refunding Bonds, Series 2009A (the "Bonds", the "Obligations" or the "Issue"). The Bonds are general obligations of the District for which the District pledges its full faith and credit and power to levy general ad valorem taxes.

CONTINUING DISCLOSURE

In order to permit bidders for the Bonds and other participating underwriters in the primary offering of the Bonds to comply with paragraph (b)(5) of Rule 15c2-12 promulgated by the Securities and Exchange Commission under the Securities Exchange Act of 1934, as amended (the "Rule"), the District will covenant and agree, for the benefit of the registered holders or beneficial owners from time to time of the outstanding Bonds, in the Resolution, to provide annual reports of specified information and notice of the occurrence of certain events, if material, as hereinafter described (the "Disclosure Covenants"). The information to be provided on an annual basis, the events as to which notice is to be given, if material, and a summary of other provisions of the Disclosure Covenants, including termination, amendment and remedies, are set forth in Appendix II to this Official Statement.

The District has never failed to comply in all material respects with any previous Disclosure Covenants under the Rule to provide annual reports or material events. Breach of the Disclosure Covenants will not constitute a default or an "Event of Default" under the Bonds or the Resolution. A broker or dealer is to consider a known breach of the Disclosure Covenants, however, before recommending the purchase or sale of the Bonds in the secondary market. Thus, a failure on the part of the District to observe the Disclosure Covenants may adversely affect the transferability and liquidity of the Bonds and their market price.

* *Preliminary; subject to change.*

THE BONDS

General Description

The Bonds are dated as of May 6, 2009 and will mature annually on the dates and in the amounts set forth on the front cover of this Official Statement. The Bonds are being issued in book entry form. Interest on the Bonds is payable on February 1 and August 1 of each year, commencing February 1, 2010. Interest will be payable to the holder (initially Cede & Co.) registered on the books of the Registrar on the fifteenth day of the calendar month next preceding such interest payment date. Principal of and interest on the Bonds will be paid as described in the section herein entitled "Book Entry System." U.S. Bank National Association, St. Paul, Minnesota, will serve as Registrar for the Bonds. The District will pay for registration services.

Optional Redemption

The District may elect on February 1, 2019, and on any day thereafter, to prepay Bonds due on or after February 1, 2020. Redemption may be in whole or in part and if in part at the option of the District and in such manner as the District shall determine. If less than all Bonds of a maturity are called for redemption, the District will notify DTC of the particular amount of such maturity to be prepaid. DTC will determine by lot the amount of each participant's interest in such maturity to be redeemed and each participant will then select by lot the beneficial ownership interests in such maturity to be redeemed. All prepayments shall be at a price of par plus accrued interest.

Book Entry System

The Depository Trust Company ("DTC"), New York, New York, will act as securities depository for the Obligations. The Obligations will be issued as fully-registered securities registered in the name of Cede & Co. (DTC's partnership nominee) or such other name as may be requested by an authorized representative of DTC. One fully-registered certificate will be issued for each maturity of the Obligations, each in the aggregate principal amount of such maturity, and will be deposited with DTC.

DTC is a limited-purpose trust company organized under the New York Banking Law, a "banking organization" within the meaning of the New York Banking Law, a member of the Federal Reserve System, a "clearing corporation" within the meaning of the New York Uniform Commercial Code, and a "clearing agency" registered pursuant to the provisions of Section 17A of the Securities Exchange Act of 1934. DTC holds and provides asset servicing for securities that its participants ("Direct Participants") deposit with DTC. DTC also facilitates the post-trade settlement among Direct Participants of sales and other securities transactions in deposited securities through electronic computerized book-entry transfers and pledges between Direct Participants' accounts. This eliminates the need for physical movement of securities certificates. Direct Participants include securities brokers and dealers, banks, trust companies, clearing corporations, and certain other organizations. DTC is a wholly-owned subsidiary of The Depository Trust & Clearing Corporation ("DTCC"). DTCC, in turn, is owned by a number of Direct Participants of DTC and members of the National Securities Clearing Corporation and Fixed Income Clearing Corporation all of which are registered clearing agencies. DTCC is owned by the users of its regulated subsidiaries. Access to the DTC system is also available to others such as securities brokers and dealers, banks, trust companies and clearing corporations that clear through or maintain a custodial relationship with a Direct Participant, either directly or indirectly ("Indirect Participants"). The DTC Rules applicable to its Participants are on file with the Securities and Exchange Commission. More information about DTC can be found at www.dtcc.com and www.dtc.org.

Purchases of Obligations under the DTC system must be made by or through Direct Participants, which will receive a credit for the Obligations on DTC's records. The ownership interest of each actual purchaser of each Obligation ("Beneficial Owner") is in turn to be recorded on the Direct and Indirect Participants' records. Beneficial Owners will not receive written confirmation from DTC of their purchase. Beneficial Owners are, however, expected to receive written confirmations providing details of the transaction, as well as periodic statements of their holdings, from the Direct or Indirect Participant through which the Beneficial Owner entered into the transaction. Transfers of ownership interests in the Obligations are to be accomplished by entries made on the books of Direct and Indirect Participants acting on behalf of Beneficial Owners. Beneficial Owners will not receive certificates representing their ownership interests in the Obligations, except in the event that use of the book-entry system for the Obligations is discontinued.

To facilitate subsequent transfers, all Obligations deposited by Direct Participants with DTC are registered in the name of DTC's partnership nominee, Cede & Co., or such other name as may be requested by an authorized representative of DTC. The deposit of Obligations with DTC and their registration in the name of Cede & Co. or such other DTC nominee do not effect any change in beneficial ownership. DTC has no knowledge of the actual Beneficial Owners of the Obligations; DTC's records reflect only the identity of the Direct Participants to whose accounts such Obligations are credited, which may or may not be the Beneficial Owners. The Direct and Indirect Participants will remain responsible for keeping account of their holdings on behalf of their customers.

Conveyance of notices and other communications by DTC to Direct Participants, by Direct Participants to Indirect Participants, and by Direct Participants and Indirect Participants to Beneficial Owners will be governed by arrangements among them, subject to any statutory or regulatory requirements as may be in effect from time to time. Beneficial Owners of Obligations may wish to take certain steps to augment the transmission to them of notices of significant events with respect to the Obligations, such as redemptions, tenders, defaults, and proposed amendments to the Obligations documents. For example, Beneficial Owners of the Obligations may wish to ascertain that the nominee holding the Obligations for their benefit has agreed to obtain and transmit notices to Beneficial Owners. In the alternative, Beneficial Owners may wish to provide their names and addresses to the registrar and request that copies of the notices be provided directly to them.

Redemption notices are required to be sent to DTC. If less than all of the Obligations within a maturity are being redeemed, DTC's practice is to determine by lot the amount of the interest of each Direct Participant in such maturity to be redeemed.

Neither DTC nor Cede & Co. (nor such other DTC nominee) will consent or vote with respect to the Obligations unless authorized by a Direct Participant in accordance with DTC's procedures. Under its usual procedures, DTC mails an Omnibus Proxy to the Issuer or Bond Registrar as soon as possible after the record date. The Omnibus Proxy assigns Cede & Co.'s consenting or voting rights to those Direct Participants to whose accounts the Obligations are credited on the record date (identified in a listing attached to the Omnibus Proxy).

Payment of principal, interest, and redemption premium, if any, on the Obligations will be made to Cede & Co. or such other nominee as may be requested by an authorized representative of DTC. DTC's practice is to credit Direct Participants' accounts, upon DTC's receipt of funds and corresponding detail information from the Issuer or its agent on the payable date in accordance with their respective holdings shown on DTC's records. Payments by Participants to Beneficial Owners will be governed by standing instructions and customary practices, as is the case with securities held for the accounts of customers in bearer form or registered in "street name," and will be the responsibility of such Participant and not of DTC (nor its nominee), the Bond Registrar, or the Issuer, subject to any statutory or regulatory requirements as may be in effect from time to time. Payment of principal, interest, and redemption premium, if any, to Cede &

Co. (or such other nominee as may be requested by an authorized representative of DTC) is the responsibility of the Bond Registrar, Issuer, or the Issuer's agent. Disbursement of such payments to Direct Participants will be the responsibility of DTC, and disbursement of such payments to the Beneficial Owners will be the responsibility of Direct and Indirect Participants.

A Beneficial Owner shall give notice to elect to have its Obligations purchased or tendered, through its Participant, to Trustee, and shall effect delivery of such Obligations by causing the Direct Participant to transfer the Participant's interest in the Obligations, on DTC's records, to Trustee. The requirement for physical delivery of Obligations in connection with an optional tender or a mandatory purchase will be deemed satisfied when the ownership rights in the Obligations are transferred by Direct Participants on DTC's records and followed by a book-entry credit of tendered Obligations to Trustee's DTC account.

DTC may discontinue providing its services as securities depository with respect to the Obligations at any time by giving reasonable notice to the Issuer or its agent. Under such circumstances, in the event that a successor securities depository is not obtained, certificates are required to be printed and delivered.

The Issuer may decide to discontinue use of the system of book-entry-only transfers through DTC (or a successor securities depository). In that event, certificates will be printed and delivered to DTC.

The information in this section concerning DTC and DTC's book-entry system has been obtained from sources that the Issuer believes to be reliable, but the Issuer takes no responsibility for the accuracy thereof.

AUTHORITY AND PURPOSE

The Bonds are being issued pursuant to Minnesota Statutes, Chapter 475. Proceeds of the Bonds will be used to refund in advance of maturity the February 1, 2013 through February 1, 2022 maturities (the "Refunded Maturities") of the District's General Obligation School Building Bonds, Series 2001A, dated October 1, 2001 (the "Series 2001A Bonds" or the "Refunded Bonds"). The refunding is being conducted to achieve interest cost savings.

The refunding will be conducted by means of a "crossover" refunding mechanism. The proceeds of the Bonds will be placed in an escrow account with a bank or trust company to be named by the District. The amount in the escrow account will be invested in special obligations of the United States Treasury or other obligations of the United States or of its agencies, which shall mature in such amounts and at such times as to be available to pay debt service on the Bonds through the call date of the Series 2001A Bonds, which is February 1, 2012. On the call date, the escrow account will cross over and pay the remaining principal of the Series 2001A Bonds by calling in full all of the Refunded Maturities at the price of par plus accrued interest. Beginning with the August 1, 2012 interest payment, the District will start to make debt service payments on the Bonds, which shall have no principal payments prior to the redemption in full of all outstanding Series 2001A Bonds.

Actuarial services necessary to insure the adequacy of the escrow account to provide timely payment of the principal and interest for which the escrow account is obligated will be performed by a certified public accounting firm.

The Refunded Bonds consist of the following:

<u>Due February 1</u>	<u>Original Outstanding Par</u>	<u>Amount Refunded</u>	<u>Amount Not Refunded</u>	<u>Redemption Price</u>	<u>Redemption Date</u>
2013	\$ 2,235,000	\$ (2,235,000)	--	100%	02/01/2012
2014	2,340,000	(2,340,000)	--	100%	02/01/2012
2015	2,425,000	(2,425,000)	--	100%	02/01/2012
2016	2,460,000	(2,460,000)	--	100%	02/01/2012
2017	2,585,000	(2,585,000)	--	100%	02/01/2012
2018	2,705,000	(2,705,000)	--	100%	02/01/2012
2019	2,830,000	(2,830,000)	--	100%	02/01/2012
2020	2,970,000	(2,970,000)	--	100%	02/01/2012
2021	3,115,000	(3,115,000)	--	100%	02/01/2012
2022	<u>3,270,000</u>	<u>(3,270,000)</u>	--	100%	02/01/2012
	<u>\$26,935,000</u>	<u>\$(26,935,000)</u>	--		

SECURITY AND FINANCING

The Bonds are general obligations of the District for which the District pledges its full faith and credit and power to levy direct general ad valorem taxes. In addition, the District has covenanted and obligated itself to be bound by the provisions of Minnesota Statutes, Section 126C.55 and to use the provisions of that statute pursuant to which the State will appropriate money to the payment of the principal and interest on the Bonds when due if the District is unable to make a principal or interest payment. Each year's tax collections, if collected in full, will be sufficient to pay 105% of the interest payment due on August 1 in the year of collection and the principal and interest payment due on February 1 of the following year.

MINNESOTA SCHOOL DISTRICT CREDIT ENHANCEMENT PROGRAM

The District will participate in the Minnesota School District Credit Enhancement Program (the "Program") created by Minnesota Statutes, Section 126C.55 (the "Act"). Under the Act, if the District believes it may be unable to make a principal or interest payment on the due date, it must notify the Commissioner of Education as soon as possible, but not less than 15 working days prior to the due date, which notice is to specify certain information. After consultation with the District and paying agent, and after verification of the accuracy of the information provided, the Commissioner of Education must notify the Commissioner of Finance. The Act provides that "upon receipt of this notice...the Commissioner of Finance shall issue a warrant and authorize the Commissioner of Education to pay to the paying agent for this debt obligation the specific amount on or before the date due. The amounts needed for this purpose are annually appropriated to the Department of Education from the State General Fund."

The Act was not apparently intended to create indebtedness of the State of Minnesota. Payment by the State will be dependent upon the availability of sufficient appropriations for the purpose of the Program. Bond Counsel expresses no opinion as to the enforceability of the Act against the State in the absence of available appropriations.

FUTURE FINANCING

The District does not anticipate any additional long-term debt for at least the next 90 days.

LITIGATION

The District is not aware of any threatened or pending litigation affecting the validity of the Bonds or its ability to meet its financial obligations.

LEGALITY

The Bonds are subject to approval as to certain matters by Dorsey & Whitney LLP of Minneapolis, Minnesota, as Bond Counsel. Bond Counsel has not participated in the preparation of this Official Statement, and will not pass upon its accuracy, completeness, or sufficiency. Bond Counsel has not examined nor attempted to examine or verify, any of the financial or statistical statements, or data contained in this Official Statement and will express no opinion with respect thereto. A legal opinion in substantially the form set out in Appendix I to this Official Statement will be delivered at closing.

TAX EXEMPTION

It is the opinion of Dorsey & Whitney LLP, Bond Counsel, based on present federal and Minnesota laws, regulations, rulings and decisions, and on certifications to be furnished at closing, and assuming compliance by the District with certain covenants (the "Tax Covenants"), that interest to be paid on the Bonds is excluded from gross income for federal income tax purposes and from taxable net income of individuals, estates, and trusts for Minnesota income tax purposes. Such interest is, however, included in taxable income for purposes of Minnesota franchise taxes imposed on corporations and financial institutions.

Certain provisions of the Internal Revenue Code of 1986, as amended (the "Code"), however, impose continuing requirements that must be met after the issuance of the Bonds in order for interest thereon to be and remain not includable in federal gross income and in Minnesota taxable net income of individuals, estates and trusts. These requirements include, but are not limited to, provisions regarding the use of Bond proceeds and the facilities financed with such proceeds; restrictions on the investment of Bond proceeds and other amounts; and provisions requiring that certain investment earnings be rebated periodically to the federal government. Noncompliance with such requirements may cause interest on the Bonds to be includable in federal gross income or in Minnesota taxable net income retroactively to their date of issue.

Compliance with the Tax Covenants will satisfy the current requirements of the Code with respect to exemption of interest on the Bonds. No provision has been made for redemption of or for an increase in the interest rate on the Bonds in the event that interest on the Bonds becomes includable in federal gross income or in Minnesota taxable net income.

RELATED TAX CONSIDERATIONS

Interest on the Bonds is not an item of tax preference for federal or Minnesota alternative minimum tax purposes, and it is not included in adjusted current earnings of corporations for purposes of the federal alternative minimum tax. Section 86 of the Code and corresponding provisions of Minnesota law require recipients of certain social security and railroad retirement benefits to take interest on the Bonds into account in determining the taxability of such benefits. Passive investment income, including interest on the Bonds, may be subject to taxation under section 1375 of the Code, and corresponding provisions of Minnesota law, for an S corporation that has accumulated earnings and profits at the close of the taxable year, if more than 25 percent of its gross receipts is passive investment income. Section 265 of the Code denies a deduction for interest on indebtedness incurred or continued to purchase or carry the Bonds (see "QUALIFIED TAX-EXEMPT OBLIGATIONS" below for provisions relating to certain financial institutions), and Minnesota law similarly denies a deduction for such interest in the case of individuals, estates and trusts. Indebtedness may be allocated to the Bonds for this purpose even though not directly traceable to the purchase of the Bonds. Federal and Minnesota laws also restrict the deductibility of other expenses allocable to the Bonds. In the case of an insurance company subject to the tax imposed by section 831 of the Code, the amount which otherwise would be taken into account as losses incurred under section 832(b)(5) of the Code must be reduced by an amount equal to 15 percent of the interest on the Bonds that is received or accrued during the taxable year. Interest on the Bonds may be included in the income of a foreign corporation for purposes of the branch profits tax imposed by section 884 of the Code, and is included in net investment income of foreign insurance companies under section 842(b) of the Code.

Because of the Code's basis reduction rules for amortizable bond premium, Bondholders who acquire Bonds at a premium may be required to recognize taxable gain upon sale of the Bonds, even if the Bonds are sold for an amount equal to or less than their original cost.

THE FOREGOING IS NOT INTENDED TO BE AN EXHAUSTIVE DISCUSSION OF COLLATERAL TAX CONSEQUENCES ARISING FROM OWNERSHIP OR DISPOSITION OF THE BONDS OR RECEIPT OF INTEREST ON THE BONDS. PROSPECTIVE PURCHASERS OR BONDHOLDERS SHOULD CONSULT THEIR TAX ADVISORS WITH RESPECT TO COLLATERAL TAX CONSEQUENCES AND APPLICABLE STATE AND LOCAL TAX RULES IN STATES OTHER THAN MINNESOTA.

QUALIFIED TAX-EXEMPT OBLIGATIONS

The District will designate the Bonds as "qualified tax-exempt obligations" for purposes of Section 265(b)(3) of the Code relating to the ability of financial institutions to deduct from income for federal income tax purposes a portion of the interest expense that is allocable to tax exempt obligations. Sections 265(a)(2) and 291 of the Code impose additional limitations on the deductibility of such interest expense.

RATINGS

Moody's Investors Service ("Moody's"), 7 World Trade Center, 250 Greenwich Street, 23rd Floor, New York, New York has assigned the rating of _____ to the Bonds based on the Minnesota School District Credit Enhancement Program. Moody's has also assigned the underlying rating of _____ to the Bonds. The ratings reflect only the opinion of Moody's. Any explanation of the significance of the ratings may be obtained only from Moody's.

There is no assurance that the ratings will continue for any given period of time, or that such ratings will not be revised or withdrawn if, in the judgment of Moody's, circumstances so warrant. A revision or withdrawal of the ratings may have an adverse effect on the market price of the Bonds.

FINANCIAL ADVISOR

The District has retained Springsted Incorporated, Public Sector Advisors, of St. Paul, Minnesota, as financial advisor (the "Financial Advisor") in connection with the issuance of the Bonds. In preparing the Official Statement, the Financial Advisor has relied upon governmental officials, and other sources, who have access to relevant data to provide accurate information for the Official Statement, and the Financial Advisor has not been engaged, nor has it undertaken, to independently verify the accuracy of such information. The Financial Advisor is not a public accounting firm and has not been engaged by the District to compile, review, examine or audit any information in the Official Statement in accordance with accounting standards. The Financial Advisor is an independent advisory firm and is not engaged in the business of underwriting, trading or distributing municipal securities or other public securities and therefore will not participate in the underwriting of the Bonds.

CERTIFICATION

The District has authorized the distribution of the Official Statement for use in connection with the initial sale of the Bonds. As of the date of the settlement of the Bonds, the Underwriter will be furnished with a certificate signed by the appropriate officers of the District. The certificate will state that as of the date of the Official Statement, the Official Statement did not and does not as of the date of the certificate contain any untrue statement of material fact or omit to state a material fact necessary in order to make the statements made therein, in light of the circumstances under which they were made, not misleading.

UNDERWRITING

The Underwriter has agreed to purchase the Bonds for a purchase price of _____. The Underwriter will be obligated to purchase all such Bonds if any such Bonds are purchased. The public offering prices of all the Bonds may be changed from time to time by the Underwriter.

DISTRICT PROPERTY VALUES

2008 Indicated Market Value of Taxable Property: \$10,017,815,604*

* Indicated market value is calculated by dividing the taxable market value of \$9,116,212,200 by the 2007 sales ratio of 91.0% for the District as determined by State Department of Revenue. (2008 sales ratio is not yet available.)

2008 Taxable Net Tax Capacity: \$97,355,183

2008 Net Tax Capacity		\$114,048,832
Less: Captured Tax Increment Tax Capacity		(12,598,058)
Contribution to Fiscal Disparities		(14,761,895)
Plus: Distribution from Fiscal Disparities		10,666,304
 Total 2008 Taxable Net Tax Capacity		 \$ 97,355,183

2008 Taxable Net Tax Capacity by Class of Property

Real Estate:		
Residential Homestead	\$62,005,808	63.7%
Commercial/Industrial, Public Utility, and Railroad*	24,424,617	25.1
Non-Homestead Residential	9,799,075	10.1
Agriculture	67,996	0.1
Personal Property	1,057,687	1.0
 Total 2008 Taxable Net Tax Capacity	 \$97,355,183	 100.0%

* Reflects adjustments for fiscal disparities and captured tax increment tax capacity.

Trend of Values

	<u>Indicated Market Value^(a)</u>	<u>Taxable Market Value</u>	<u>Taxable Net Tax Capacity^(b)</u>
2008	\$10,017,815,604	\$9,116,212,200	\$97,355,183
2007	10,066,237,473	9,160,276,100	98,294,595
2006	9,811,467,604	8,722,394,700	92,884,031
2005	8,990,796,652	8,055,753,800	86,182,638
2004	8,428,810,739	7,299,350,100	77,933,938

(a) Indicated market values are calculated by dividing the taxable market value by the sales ratio computed for the District each year by the State Department of Revenue.

(b) See Appendix III for discussion of taxable net tax capacity and the Minnesota property tax system.

Ten of the Largest Taxpayers in the District

<u>Taxpayer</u>	<u>Type of Business</u>	<u>2008 Net Tax Capacity</u>
Medtronic Inc.	Medical Devices	\$ 2,784,572
Cardiac Pacemakers Inc.	Medical Devices	1,999,250
Xcel Energy	Utility	1,223,235
ARI – Shoreview Corp Center LLC	Commercial	1,052,568
Wells Fargo Properties Inc.	Commercial	999,250
CSM Corporation	Residential	932,990
William Bros. Pipeline	Utility	769,006
Industrial Equities Group LLC	Industrial/Commercial	761,284
Deluxe Corporation	Banking Services	739,250
American Reit II Corp	Industrial/Commercial	<u>688,808</u>
Total		\$11,950,213*

* Represents 12.3% of the District's 2008 taxable net tax capacity.

DISTRICT INDEBTEDNESS

Legal Debt Limit*

Legal Debt Limit (15% of Indicated Market Value)	\$1,502,672,341
Less: Outstanding Debt Subject to Limit (Including the Bonds and Excluding the Refunded Maturities)	<u>(119,503,495)</u>
Legal Debt Margin as of January 31, 2009	\$1,383,168,846

* The legal debt limit is referred to statutorily as the "Net Debt Limit" and permits debt to be offset by debt service funds and current revenues which are applicable to the payment of debt in the current fiscal year. To conservatively state the legal debt margin, no such offset has been used to increase the margin as shown above.

General Obligation Long-Term Debt

<u>Date of Issue</u>	<u>Original Amount</u>	<u>Purpose</u>	<u>Final Maturity</u>	<u>Principal Outstanding As of 1-31-09</u>
11-1-99	\$10,000,000	School Building	2-1-2009	\$ 235,000
8-1-00	30,515,000	School Building	2-1-2011	3,375,000
10-1-01	40,580,000	School Building	2-1-2012	9,000,000 ^(a)
2-1-03	25,575,000	School Building	2-1-2023	22,430,000
4-15-04	6,350,000	Alternative Facility	2-1-2012	4,935,000
4-15-04	15,308,495	Alternative Facility (CABs)	2-1-2025	15,308,495
10-1-04	36,480,000	School Building Refunding	2-1-2024	36,480,000
11-15-08	26,250,000	Taxable OPEB	2-1-2024	26,250,000 ^(b)
4-15-09	27,740,000	School Building Refunding (the Bonds)	2-1-2022	<u>27,740,000</u>
		Subtotal		\$145,753,495
		Less: Debt Service Funds ^(c)		<u>(828,786)</u>
		Net General Obligation Debt		\$144,924,709

^(a) Excludes the Refunded Maturities.

^(b) This issue is not subject to the legal debt limit.

^(c) Debt service funds are as of January 31, 2009 and include money to pay both principal and interest.

**Annual Debt Service Payments Including This Issue
and Excluding the Refunded Maturities**

<u>Year</u>	<u>General Obligation Long-Term Debt</u>	
	<u>Principal</u>	<u>Principal & Interest^(a)</u>
2009 (at 1-31)	\$ 5,955,000.00	\$13,265,724.11
2010	6,180,000.00	13,474,166.32
2011	7,985,000.00	14,283,773.18
2012	7,740,000.00	12,764,978.79
2013	8,557,347.80	13,707,816.29
2014	8,804,254.00	13,790,587.54
2015	8,815,527.00	13,611,567.54
2016	9,058,517.95	13,643,039.41
2017	9,294,123.20	13,644,845.65
2018	9,547,078.00	13,629,277.51
2019	9,835,440.00	13,631,762.51
2020	10,151,213.10	13,622,968.76
2021	10,510,292.60	13,609,587.51
2022	10,898,485.50	13,604,109.38
2023	11,270,448.50	13,483,550.00
2024	9,778,745.00	12,748,018.75
2025	<u>1,372,022.55</u>	<u>4,155,000.00</u>
Total	\$145,753,495.20^(b)	\$220,670,773.25

(a) Includes the Bonds at an assumed average annual interest rate of 3.40% and excludes the Refunded Maturities.

(b) 56.2% of this debt will be repaid within ten years.

Operating Lease Commitments

The District currently leases facilities for educational purposes which are accounted for as operating leases. These leases are generally cancelable on an annual basis by the District. The following is a summary of the significant terms relating to the leases:

<u>Location</u>	<u>Facility</u>	<u>Minimum Annual Rent Payments</u>	<u>Expiration of Lease</u>
Home of the Good Shepherd MN Department of Natural Resources	Oak Grove Center	\$337,116	June 2010
	Laurentian Environmental Center	7,988	September 2018

Indirect General Obligation Debt

Taxing Unit ^(a)	2008 Taxable Net Tax Capacity	G.O. Debt As of 1-31-09 ^(b)	Debt Applicable to Tax Capacity in District	
			Percent	Amount
Ramsey County	\$ 567,962,810	\$178,130,000	17.1%	\$30,460,230
Cities of:				
Arden Hills	14,420,355	1,770,000	96.4	1,706,280
Blaine	68,311,296	37,576,750 ^(c)	0.9	338,191
Mounds View	10,885,316	1,590,000 ^(d)	100.0	1,590,000
New Brighton	21,943,496	53,665,000	92.3	49,532,795
Roseville	50,360,515	12,570,000	15.4	1,935,780
Shoreview	34,599,354	13,935,000	92.6	12,903,810
Spring Lake Park	7,258,809	7,298,974 ^(e)	2.4	175,175
Vadnais Heights	15,856,446	3,960,000	11.4	451,440
Town of White Bear I.S.D. No. 916	15,341,569	5,255,000	0.2	10,510
(Northeast Metro)	768,340,888 ^(f)	365,000 ^(g)	12.7	46,355
Metropolitan Council	3,646,549,630	20,055,000	2.7	541,485
Total				\$99,692,051

(a) Includes only those units with debt outstanding.

(b) Excludes general obligation debt supported by revenues, revenue debt and State-aid highway debt.

(c) Includes Blaine's 72.5% pro rata share of outstanding general obligation fire improvement refunding bonds, dated October 1, 1997.

(d) Includes Mounds View's 16.47% pro rata share of outstanding general obligation fire improvement refunding bonds issued by the City of Blaine, dated October 1, 1997, and payable in part from taxes levied by Mounds View.

(e) Includes Spring Lake Park's 11.03% pro rata share of outstanding general obligation fire improvement refunding bonds issued by the City of Blaine, dated October 1, 1997, and payable in part from taxes levied by Spring Lake Park.

(f) 2007 taxable net tax capacity figure; 2008 taxable net tax capacity figure is not yet available.

(g) Excludes general obligation debt payable from sewer system revenues, 911 user fees, and housing rental payments. Includes certificates of participation.

Debt Ratios*

	G.O. Net Direct Debt	G.O. Indirect & Net Direct Debt
To 2008 Indicated Market Value (\$10,017,815,604)	1.45%	2.44%
Per Capita (79,687 – Current District estimate)	\$1,819	\$3,070

* Excludes operating lease commitments.

DISTRICT TAX RATES, LEVIES AND COLLECTIONS

Tax Capacity Rates

In the City of Mounds View

	<u>2004/05</u>	<u>2005/06</u>	<u>2006/07</u>	<u>2007/08</u>	<u>2008/09</u>	
					<u>Total</u>	<u>For Debt Only</u>
Ramsey County ^(a)	49.210%	46.623%	44.943%	44.023%	46.546%	2.754%
City of Mounds View	46.966	39.939	37.328	34.962	32.351	3.130
I.S.D. No. 621 (Mounds View) ^(b)	22.112	23.419	23.264	20.380	22.937	11.133
I.S.D. No. 916 (Northeast Metropolitan)	0.075	0.066	- 0 -	- 0 -	- 0 -	- 0 -
Special Districts ^(c)	<u>5.799</u>	<u>6.882</u>	<u>8.277</u>	<u>7.542</u>	<u>7.578</u>	<u>1.478</u>
Total	124.162%	116.929%	113.812%	106.907%	109.412%	18.495%

In the City of New Brighton

Ramsey County ^(a)	49.210%	46.623%	44.943%	44.023%	46.546%	2.754%
City of New Brighton	33.806	34.139	33.017	32.781	33.880	- 0 -
I.S.D. No. 621 (Mounds View) ^(b)	22.112	23.419	23.264	20.380	22.937	11.133
I.S.D. No. 916 (Northeast Metropolitan)	0.075	0.066	- 0 -	- 0 -	- 0 -	- 0 -
Special Districts ^(c)	<u>5.799</u>	<u>6.882</u>	<u>8.277</u>	<u>7.542</u>	<u>7.578</u>	<u>1.478</u>
Total	111.002%	111.129%	109.501%	104.726%	110.941%	15.365%

In the City of Shoreview

Ramsey County ^(a)	49.210%	46.623%	44.943%	44.023%	46.546%	2.754%
City of Shoreview	25.445	23.974	23.299	23.532	25.129	1.608
I.S.D. No. 621 (Mounds View) ^(b)	22.112	23.419	23.264	20.380	22.937	11.133
I.S.D. No. 916 (Northeast Metropolitan)	0.075	0.066	- 0 -	- 0 -	- 0 -	- 0 -
Special Districts ^(c)	<u>5.799</u>	<u>6.882</u>	<u>8.277</u>	<u>7.542</u>	<u>7.578</u>	<u>1.478</u>
Total	102.641%	100.964%	99.783%	95.477%	102.190%	16.973%

(a) Includes the Ramsey County Library.

(b) The District also has a 2008/09 tax rate of 0.18685% spread on the market value of property in support of an excess operating levy.

(c) Special Districts include the Metropolitan Council, North Suburban Hospital District, Metropolitan Mosquito Control, and Regional Railroad.

NOTE: Taxes are determined by multiplying the net tax capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate. This table does not include the market value based rates. See Appendix III.

District Tax Levies and Collections

<u>Levy/Collect</u>	<u>Net Levy</u> *	<u>Collected During Collection Year</u>		<u>Collected as of 12-31-08</u>	
		<u>Amount</u>	<u>Percent</u>	<u>Amount</u>	<u>Percent</u>
2008/09	\$41,122,038		(In Process of Collection)		
2007/08	38,801,597	\$38,087,835	98.2%	\$38,263,502	98.6%
2006/07	37,846,272	37,372,210	98.7	37,748,898	99.7
2005/06	30,608,662	30,230,108	98.8	30,577,674	99.9
2004/05	26,507,540	26,172,714	98.7	26,495,977	99.9

* The net levy excludes State aid for property tax relief and fiscal disparities, if applicable. The net levy is the basis for computing tax capacity rates. See Appendix III.

FUNDS ON HAND As of January 31, 2009

<u>Fund</u>	<u>Cash and Investments</u>
General Fund	\$14,055,241
Food Service	1,077,528
Community Services	992,433
Building Construction	1,994,065
Debt Service	828,786
Trust Fund	180,110
Total	\$19,128,163

DISTRICT INVESTMENTS

Investments of the District are made in accordance with Minnesota Statutes. A portion of the District funds are invested in certificates of deposit and government securities. The funds are currently held at Smith Barney and as of January 31, 2009, the District's portfolio had a cash balance of \$13,626,076. The remaining District investments are currently held in the Minnesota School District Liquid Asset Fund (MSDLAF). As of January 31, 2009, the District's MSDLAF Portfolio had a cash balance of \$9,818,819.

The MSDLAF was established in 1984 under Minnesota laws to permit school districts to pool their investment funds to obtain the highest possible yield and maintain the preservation of capital and liquidity. Investments are made in the instruments permitted by Minnesota law. In addition, it is the MSDLAF's policy regarding commercial paper to permit investing only in "A1"- "P1" commercial paper, although State statutes allow for a lower rating. The Liquid Portfolio, made up of the only permitted investments, is 100% liquid at all times and allows for unlimited check writing services.

GENERAL INFORMATION CONCERNING THE DISTRICT

The District is situated entirely within Ramsey County. The District covers an area of approximately 45 square miles (28,530 acres) and currently estimates its population to be 79,687.

	<u>Composition of District's Taxable Net Tax Capacity</u>		<u>Percent of Municipality's Value in District</u>
	<u>Amount</u>	<u>Percent</u>	
City of Arden Hills	\$13,903,944	14.28%	96.4%
City of Blaine	596,047	0.61	0.9
City of Mounds View	10,885,316	11.18	100.0
City of New Brighton	20,247,165	20.80	92.3
City of North Oaks	9,892,462	10.16	89.9
City of Roseville	7,774,966	7.99	15.4
City of Shoreview	32,037,887	32.91	92.6
City of Spring Lake Park	177,275	0.18	2.4
City of Vadnais Heights	1,812,966	1.86	11.4
Town of White Bear	<u>27,155</u>	<u>0.03</u>	0.2
Total	\$97,355,183	100.00%	

Board of Education and District Administration

The District's governing body is the School Board, comprised of seven members. School Board members are elected at-large to serve overlapping four-year terms of office. Elections are held biannually on the first Tuesday in November.

The following individuals comprise the current School Board:

		<u>Expiration of Term</u>
Jon Tynjala	Chair	January 4, 2010
Barb Bollum	Vice Chair	January 2, 2012
Lisa Sjobeck	Clerk	January 2, 2012
Bob Helgeson	Treasurer	January 2, 2012
Susan Murphy	Member	January 2, 2012
Marre Jo Sager	Member	January 4, 2010
Greg Madsen	Member	January 4, 2010

The District's Superintendent is Mr. Dan Hoverman. Mr. Hoverman was appointed to his current position in July 2007. Prior to his appointment, he served as the District's Deputy Superintendent for eight years.

Ms. Carole Nielsen serves as the District's Director of Finance. Ms. Nielsen has served in this capacity since January 2006 and has served the District since 1996.

Enrollment and Employees

<u>School Year</u>	<u>Enrollment</u>			<u>Personnel</u>	
	<u>K-6</u>	<u>7-12</u>	<u>Total</u>	<u>Certified</u>	<u>Total</u>
2008/09	4,700	4,923	9,623	761	1,412
2007/08	4,669	5,016	9,685	756	1,396
2006/07	4,761	5,168	9,929	760	1,395
2005/06	4,812	5,156	9,968	778	1,414
2004/05	5,026	5,202	10,228	725	1,371

Employment Contracts

<u>Employee Group</u>	<u>Union/Affiliation</u>	<u>Expiration of Contract</u> *	<u>Contract Status</u>
Teachers	Mounds View Education Association	6-30-09	Settled
Principals	Mounds View Principals Association	6-30-09	Settled
Clerical	Suburban School Service Employees - Local 284	6-30-09	Settled
Custodial	Suburban School Service Employees - Local 284	6-30-09	Settled
Food Service	Mounds View Food Service Association	6-30-09	Settled
Paraprofessional	Suburban School Service Employees - Local 284	6-30-09	Settled

* All contracts start July 1 and end June 30.

Employee Pension Plans

Licensed employees of the District are covered by the Teachers Retirement Association ("TRA"). All teachers are covered by a coordinated plan with Social Security coverage. The contribution requirements of plan members and the District are established and may be amended by State Statute. District contributions to TRA for the years ending June 30, 2008, 2007, and 2006 were \$2,346,397, \$2,045,778, and \$1,996,202, respectively.

Non-licensed employees of the District are covered by the Public Employees Retirement Association ("PERA"). PERA administers the Public Employees Retirement Fund ("PERF"), which is a cost-sharing, multiple-employer retirement plan. PERF member belong to either the Coordinated Plan or the Basic Plan. Coordinated Plan members are covered by Social Security and Basic Plan members are not. All new members must participate in the Coordinated Plan. The District provides the employer's share of these plans. The contribution requirements of plan members and the District are established by and may be amended by State Statute. The District is current in its contributions to PERF. District contributions to PERF for the years ending June 30, 2008, 2007, and 2006 were \$1,005,551, \$933,145, and \$868,304, respectively.

Both TRA and PERA are managed by the State of Minnesota; the District, therefore, has no responsibility for the administration of either program.

Other Postemployment Benefits

The Governmental Accounting Standards Board (GASB) has issued Statement No. 45, Accounting and Financial Reporting by Employers for Postemployment Benefits Other Than Pensions (GASB 45), which addresses how state and local governments must account for and report their obligations related to post-employment healthcare and other non-pension benefits (referred to as Other Post Employment Benefits or "OPEB"). GASB 45 requires that local governments account for and report the annual cost of OPEB and the outstanding obligations and commitments related to OPEB in essentially the same manner as they currently do for pensions.

The District provides health insurance for retired District employees and officials who meet PERA eligibility requirements and have been employed by the District for a minimum of 15 years. This coverage may also extend to the retiree's family. This benefit was discontinued for new teachers and principals beginning in 1990 and will be discontinued for custodians and clerical beginning in 2009. The remaining employee groups do not have this benefit.

As of June 30, 2008, the District has 333 participants. The District currently finances the plan on a pay-as-you-go basis. During the fiscal year ending June 30, 2008, the District expended \$2,320,846 for these benefits. Under GASB 45 such costs must be accounted for on an accrual basis.

The retiree benefits discussed above are the District's only OPEB. Beginning with the fiscal year ending June 30, 2009, the District must report an annual OPEB cost based on actuarially determined amounts that, if paid on an ongoing basis, will provide sufficient resources to pay these benefits as they come due. The District may establish its OPEB liability at zero as of the beginning of the initial year of implementation; however the unfunded actuarial liability is required to be amortized over future periods. The proceeds of the District's General Obligation Taxable OPEB Bonds, Series 2008A were used, in part, to fund the actuarial accrued liability.

Physical Plant

Buildings currently owned and operated by the District for educational purposes are as follows:

<u>Building</u>	<u>Original Construction and Additions</u>	<u>Student Capacity</u>
Elementary Schools:		
Bel Air	1967, 1993, 2001	736
Island Lake	1957, 1970, 1988, 1994, 1997, 1999, 2002	637
Pike Lake	1962, 1966, 1974, 1987, 2001	693
Pinewood	1958, 1969, 1987, 1995, 2002	655
Snail Lake	1952, 1965, 1968, 1987, 1994, 2003	600
Sunnyside	1950, 1953, 1964, 1968, 1993, 1996, 2002	623
Turtle Lake	1958, 1987, 1994, 2002	439
Valentine Hills	1968, 1987, 1993, 2001	651
Chippewa Middle School	1973, 1989, 2003	1,300
Highview Middle School	1967, 2001, 2002	1,075
Edgewood Middle School	1957, 1966, 1981, 2004	925
Irondale Sr. High School	1967, 1973, 1974, 1988, 1994, 2003	2,179
Mounds View Sr. High School	1954, 1961, 1975, 1981, 1985, 1994, 2002	2,098
Ralph R. Reeder Community Center	1990	<u>200</u>
Total		12,811

The District currently leases six facilities that are used for: a middle and senior high school program for special needs students; a community center; an environmental camp; and various community education programs.

Student Transportation

The District contracts for daily bus transportation of students. Approximately 75% of the District's regular education students are transported by 52 buses. The District charges \$225 per year per student to those students who live within two miles of their respective school and who opt to utilize the District's bus transportation service.

Non-Public Schools Located in the District

<u>School</u>	<u>Grades</u>	<u>Approximate Enrollment</u>
St. Odelia	K-8	667
St. John the Baptist	K-8	398

Summary of 2008/09 District Budget

	<u>6-30-08 Actual Fund Balance</u>	<u>2008-09 Budget Revenues and Transfers</u>	<u>2008-09 Budget Expenditures and Transfers</u>	<u>6-30-09 Projected Balance</u>
General	\$10,664,296	\$106,132,280	\$104,328,144	\$12,468,432
Food Service	694,534	4,994,541	4,973,954	715,121
Community Service	274,577	4,181,772	4,181,746	274,603
Building Construction	1,662,226	3,865,599	4,469,460	1,058,365
Debt Redemption	38,444,739	11,634,440	12,342,496	37,736,638
Trust and Agency	249,863	- 0 -	- 0 -	249,863
Internal Service	<u>191,348</u>	<u>- 0 -</u>	<u>- 0 -</u>	<u>191,348</u>
Total Funds	\$52,181,583	\$130,808,632	\$130,295,800	\$52,694,415

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AREA ECONOMY

Major Employers (forthcoming)

Employment opportunities are available to District residents throughout the District and surrounding Minneapolis-St. Paul communities. Major employers located in or adjacent to the District include the following:

<u>Employer</u>	<u>Product/Service</u>	<u>Approximate Number of Employees</u>
Land O' Lakes, Inc. (Arden Hills/Shoreview)	Dairy Products (Corporate Office)	1,400
Deluxe Corporation (Shoreview)	Banking Services	1,100
Medtronic (Mounds View)	Electro-medical services	1000
MN Department of Transportation (Roseville)	Government	800
I.C. System, Inc. (Vadnais Heights)	Computerized Business Systems	603
Sysco Minnesota (Mounds View)	Food Products	570
Macy's (Roseville)	Retail Sales	400
J.C. Penney (Roseville)	Retail Sales	320
Wal-Mart (Vadnais Heights)	Retail Sales	275
Sara Lee/Taystee (Roseville)	Bread/Bakery Products	180
Minnesota State Lottery (Roseville)	Government Offices	144
McGough Construction (Roseville)	Nonresidential Construction	130

Source: Survey of individual employers, March 2009.

Labor Force Data

	<u>February 2009</u>		<u>February 2008</u>	
	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>	<u>Civilian Labor Force</u>	<u>Unemployment Rate</u>
Ramsey County	267,951	7.9%	270,439	4.3%
Minneapolis/St. Paul Area	1,816,432	8.2	1,836,852	4.6
State of Minnesota	2,922,600	8.8	2,889,536	5.3

Source: Minnesota Department of Employment and Economic Development. 2009 data are preliminary.

Medical Facilities

District residents are within a 15-minute drive to various medical facilities in the Minneapolis-St. Paul area, including University of Minnesota Hospitals in Minneapolis, Unity Hospital in Fridley, and Regions Hospital in St. Paul. Four major nursing care facilities are located in the District area and are collectively licensed for approximately 700 nursing home beds.

Source: <http://www.health.state.mn.us/divs/fpc/directory/fpcdir.html>

Transportation

Interstate Highway 694 runs east-west through the District while Interstate Highway 35W runs north-south through the District, providing easy access to all parts of the metropolitan area. Burlington Northern Incorporated and Soo Line Railroad provide rail service to Minneapolis-St. Paul area. Bus service is provided by four inter-city carriers and one major intra-city carrier (Metropolitan Transit Commission). The Minneapolis-St. Paul International Airport provides commercial and private air service. The District's location in the Twin Cities provides residents and businesses in the District with easy access to numerous other goods and services.

Residential Building Permits Issued by Principal Municipalities

City of Shoreview

	<u>Total Permits</u>		<u>Single-Family Homes</u>	
	<u>Number</u>	<u>Value</u>	<u>Number</u>	<u>Value</u>
2009 (to 2-28)	35	\$ 2,111,405	0	- 0 -
2008	2,350	26,660,493	16	\$ 5,852,000
2007	3,057	32,279,690	13	4,901,000
2006	1,146	40,309,384	34	14,702,000
2005	1,013	31,976,110	38	16,241,000
2004	1,116	64,424,874	21	6,822,317
2003	1,447	27,319,900	12	4,346,000
2002	1,150	15,037,454	5	1,150,000
2001	1,256	47,408,275	13	3,897,000
2000	1,235	58,792,098	19	5,714,000

Source: City of Shoreview.

City of New Brighton

	<u>Total Permits</u>	
	<u>Number</u>	<u>Value</u>
2009 (to 1-31)	18	\$ 347,354
2008	284	27,827,868
2007	2,208	48,614,984
2006	2,196	20,502,513
2005	1,958	41,673,927
2004	1,636	15,308,287
2003	647	24,900,000
2002	667	27,750,600
2001	1,151	43,667,540
2000	635	32,490,500

Source: City of New Brighton.

Residential Building Permits Issued by Principal Municipalities (continued)

City of Mounds View

	<u>Total Permits</u>		<u>New Residential Permits</u>	
	<u>Number</u>	<u>Value</u>	<u>Number of Permits</u>	<u>Value</u>
2009 (to 1-31)	26	\$ 1,132,641	0	- 0 -
2008	550	8,295,952	4	\$ 796,101
2007	467	15,017,972	25	3,273,614
2006	480	15,139,249	11	1,850,063
2005	453	7,982,004	12	2,180,485
2004	411	9,416,220	9	1,621,745
2003	451	12,282,140	6	1,100,000
2002	421	14,169,402	34	3,100,000
2001	428	16,044,981	5	781,551
2000	432	9,984,787	10	1,278,141

Source: *City of Mounds View.*

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PROPOSED FORM OF LEGAL OPINION



(forthcoming from Bond Counsel)

CONTINUING DISCLOSURE COVENANTS

Continuing Disclosure. (a) Purpose and Beneficiaries. To provide for the public availability of certain information relating to the Bonds and the security therefor and to permit the Purchaser and other participating underwriters in the primary offering of the Bonds to comply with amendments to Rule 15c2-12 promulgated by the SEC under the Securities Exchange Act of 1934 (17 C.F.R. § 240.15c2-12), relating to continuing disclosure (as in effect and interpreted from time to time, the Rule), which will enhance the marketability of the Bonds, the District hereby makes the following covenants and agreements for the benefit of the Owners (as hereinafter defined) from time to time of the outstanding Bonds. The District is the only obligated person in respect of the Bonds within the meaning of the Rule for purposes of identifying the entities in respect of which continuing disclosure must be made. The District has complied in all material respects with any undertaking previously entered into by it under the Rule. If the District fails to comply with any provisions of this section, any person aggrieved thereby, including the Owners of any outstanding Bonds, may take whatever action at law or in equity may appear necessary or appropriate to enforce performance and observance of any agreement or covenant contained in this section, including an action for a writ of mandamus or specific performance. Direct, indirect, consequential and punitive damages shall not be recoverable for any default hereunder to the extent permitted by law. Notwithstanding anything to the contrary contained herein, in no event shall a default under this section constitute a default under the Bonds or under any other provision of this resolution. As used in this section, Owner or Bondowner means, in respect of a Bond, the registered owner or owners thereof appearing in the bond register maintained by the Registrar or any Beneficial Owner (as hereinafter defined) thereof, if such Beneficial Owner provides to the Registrar evidence of such beneficial ownership in form and substance reasonably satisfactory to the Registrar. As used herein, Beneficial Owner means, in respect of a Bond, any person or entity which (i) has the power, directly or indirectly, to vote or consent with respect to, or to dispose of ownership of, such Bond (including persons or entities holding Bonds through nominees, depositories or other intermediaries), or (b) is treated as the owner of the Bond for federal income tax purposes.

(b) Information To Be Disclosed. The District will provide, in the manner set forth in subsection (c) hereof, either directly or indirectly through an agent designated by the District, the following information at the following times:

- (1) on or before 365 days after the end of each fiscal year of the District, commencing with the fiscal year ending June 30, 2010, the following financial information and operating data in respect of the District (the Disclosure Information):
 - (A) the audited financial statements of the District for such fiscal year, containing balance sheets as of the end of such fiscal year and a statement of operations, changes in fund balances and cash flows for the fiscal year then ended, showing in comparative form such figures for the preceding fiscal year of the District, prepared in accordance with generally accepted accounting principles promulgated by the Financial Accounting Standards Board as modified in accordance with the governmental accounting standards promulgated by the Governmental Accounting Standards Board or as otherwise provided under Minnesota law, as in effect from time to time, or, if and to the extent such financial statements have not been prepared in accordance with such generally accepted accounting principles for reasons beyond the reasonable control of the District, noting the discrepancies therefrom and the effect thereof, and certified as to accuracy and completeness in all material respects by the fiscal officer of the District; and

- (B) to the extent not included in the financial statements referred to in paragraph (A) hereof, the information for such fiscal year or for the period most recently available of the type contained in the Official Statement under headings: District Property Values; District Indebtedness; District Tax Rates, Levies and Collections; and District Enrollment and Employment, which information may be unaudited.

Notwithstanding the foregoing paragraph, if the audited financial statements are not available by the date specified, the District shall provide on or before such date unaudited financial statements in the format required for the audited financial statements as part of the Disclosure Information and, within 10 days after the receipt thereof, the District shall provide the audited financial statements. Any or all of the Disclosure Information may be incorporated by reference, if it is updated as required hereby, from other documents, including official statements, which have been submitted to each of the repositories hereinafter referred to under subsection (c) or the SEC. If the document incorporated by reference is a final official statement, it must be available from the Municipal Securities Rulemaking Board. The District shall clearly identify in the Disclosure Information each document so incorporated by reference. If any part of the Disclosure Information can no longer be generated because the operations of the District have materially changed or been discontinued, such Disclosure Information need no longer be provided if the District includes in the Disclosure Information a statement to such effect; provided, however, if such operations have been replaced by other District operations in respect of which data is not included in the Disclosure Information and the District determines that certain specified data regarding such replacement operations would be a Material Fact (as defined in paragraph (2) hereof), then, from and after such determination, the Disclosure Information shall include such additional specified data regarding the replacement operations. If the Disclosure Information is changed or this section is amended as permitted by this paragraph (b)(1) or subsection (d), then the District shall include in the next Disclosure Information to be delivered hereunder, to the extent necessary, an explanation of the reasons for the amendment and the effect of any change in the type of financial information or operating data provided.

- (2) In a timely manner, notice of the occurrence of any of the following events which is a Material Fact (as hereinafter defined):
 - (A) Principal and interest payment delinquencies;
 - (B) Non-payment related defaults;
 - (C) Unscheduled draws on debt service reserves reflecting financial difficulties;
 - (D) Unscheduled draws on credit enhancements reflecting financial difficulties;
 - (E) Substitution of credit or liquidity providers, or their failure to perform;
 - (F) Adverse tax opinions or events affecting the tax-exempt status of the security;
 - (G) Modifications to rights of security holders;
 - (H) Bond calls;
 - (I) Defeasances;
 - (J) Release, substitution, or sale of property securing repayment of the securities; and
 - (K) Rating changes.

As used herein, a Material Fact is a fact as to which a substantial likelihood exists that a reasonably prudent investor would attach importance thereto in deciding to buy, hold or sell a Bond or, if not disclosed, would significantly alter the total information otherwise available to an investor from the Official Statement, information disclosed hereunder or information generally available to the public. Notwithstanding the foregoing sentence, a Material Fact is also an event that would be deemed material for purposes of the purchase, holding or sale of a Bond within the meaning of applicable federal securities laws, as interpreted at the time of discovery of the occurrence of the event.

- (3) In a timely manner, notice of the occurrence of any of the following events or conditions:
- (A) the failure of the District to provide the Disclosure Information required under paragraph (b)(1) at the time specified thereunder;
 - (B) the amendment or supplementing of this section pursuant to subsection (d), together with a copy of such amendment or supplement and any explanation provided by the District under subsection (d)(2);
 - (C) the termination of the obligations of the District under this section pursuant to subsection (d);
 - (D) any change in the accounting principles pursuant to which the financial statements constituting a portion of the Disclosure Information are prepared; and
 - (E) any change in the fiscal year of the District.

(c) Manner of Disclosure. The District agrees to make available the information described in subsection (b) to the following entities by telecopy, overnight delivery, mail or other means, as appropriate:

- (1) the information described in paragraph (1) of subsection (b), to each then nationally recognized municipal securities information repository under the Rule and to any state information depository then designated or operated by the State of Minnesota as contemplated by the Rule (the State Depository), if any;
- (2) the information described in paragraphs (2) and (3) of subsection (b), to the Municipal Securities Rulemaking Board and to the State Depository, if any; and
- (3) the information described in subsection (b), to any rating agency then maintaining a rating of the Bonds at the request of the District and, at the expense of such Bondowner, to any Bondowner who requests in writing such information, at the time of transmission under paragraphs (1) or (2) of this subsection (c), as the case may be, or, if such information is transmitted with a subsequent time of release, at the time such information is to be released.

(d) Term; Amendments; Interpretation.

- (1) The covenants of the District in this section shall remain in effect so long as any Bonds are outstanding. Notwithstanding the preceding sentence, however, the obligations of the District under this section shall terminate and be without further effect as of any date on which the District delivers to the Registrar an opinion of Bond Counsel to the effect that, because of legislative action or final judicial or administrative actions or proceedings, the failure of the District to comply with the requirements of this section will not cause participating underwriters in the primary offering of the Bonds to be in violation of the Rule or other applicable requirements of the Securities Exchange Act of 1934, as amended, or any statutes or laws successory thereto or amendatory thereof.
- (2) This section (and the form and requirements of the Disclosure Information) may be amended or supplemented by the District from time to time, without notice to (except as provided in paragraph (c)(3) hereof) or the consent of the Owners of any Bonds, by a resolution of this Board filed in the office of the recording officer of the District accompanied by an opinion of Bond Counsel, who may rely on certificates of the District and others and the opinion may be subject to customary qualifications, to the effect that: (i) such amendment or supplement (a) is made in connection with a change in circumstances that arises from a change in law or regulation or a change in the identity, nature or status of the District or the type of operations conducted by the District, or (b) is required by, or better complies with, the provisions of paragraph (b)(5) of the Rule; (ii) this section as so amended or supplemented would have complied with the requirements of paragraph (b)(5) of the Rule at

the time of the primary offering of the Bonds, giving effect to any change in circumstances applicable under clause (i)(a) and assuming that the Rule as in effect and interpreted at the time of the amendment or supplement was in effect at the time of the primary offering; and (iii) such amendment or supplement does not materially impair the interests of the Bondowners under the Rule.

If the Disclosure Information is so amended, the District agrees to provide, contemporaneously with the effectiveness of such amendment, an explanation of the reasons for the amendment and the effect, if any, of the change in the type of financial information or operating data being provided hereunder.

- (3) This section is entered into to comply with the continuing disclosure provisions of the Rule and should be construed so as to satisfy the requirements of paragraph (b)(5) of the Rule.

(e) Alternative Filing Systems. To the extent District filings or notices are required to be made to each nationally recognized municipal securities information repository under the Rule or to any state information depository, the District reserves the right to use www.DisclosureUSA.org currently maintained by the Municipal Advisory Council of Texas, or any similar system that is acceptable to the SEC as its filing agent.

After July 1, 2009, all filings pursuant to this undertaking will be made to the Municipal Securities Rulemaking Board as the sole Nationally Recognized Municipal Securities Information Repository as announced by the Securities and Exchange Commission in December 2008 in connection with its amendments to Rule 15c2-12.

**SUMMARY OF TAX LEVIES, PAYMENT PROVISIONS, AND
MINNESOTA REAL PROPERTY VALUATION
(effective through levy year 2008/payable year 2009)**

Following is a summary of certain statutory provisions effective through levy year 2008/payable year 2009 relative to tax levy procedures, tax payment and credit procedures, and the mechanics of real property valuation. The summary does not purport to be inclusive of all such provisions or of the specific provisions discussed, and is qualified by reference to the complete text of applicable statutes, rules and regulations of the State of Minnesota.

Property Valuations (Chapter 273, Minnesota Statutes)

Assessor's Estimated Market Value. Each parcel of real property subject to taxation must, by statute, be appraised at least once every five years as of January 2 of the year of appraisal. With certain exceptions, all property is valued at its market value, which is the value the assessor determines to be the price the property to be fairly worth, and which is referred to as the "Estimated Market Value."

Limitation of Market Value Increases. Minn. Stat., Sec. 273.11, Subdivision 1a, was amended in 2005. For assessment years 2005 and 2006, the amount of the increase shall not exceed the greater of (1) 15% of the value in the preceding assessment, or (2) 25% of the difference between the current assessment and the preceding assessment. For assessment year 2007, the amount of the increase shall not exceed the greater of (1) 15% of the value in the preceding assessment, or (2) 33% of the difference between the current assessment and the preceding assessment. For assessment year 2008, the amount of increase shall not exceed the greater of (1) 15% of the value in the preceding assessment or (2) 50% of the difference between the current assessment and the preceding assessment.

Taxable Market Value. The Taxable Market Value is the value that property taxes are based on, after all reductions, limitations, exemptions and deferrals. It is also the value used to calculate a municipality's legal debt limit.

Indicated Market Value. The Indicated Market Value is determined by dividing the Taxable Market Value of a given year by the same year's sales ratio determined by the State Department of Revenue. The Indicated Market Value serves to eliminate disparities between individual assessors and equalize property values statewide.

Net Tax Capacity. The Net Tax Capacity is the value upon which net taxes are levied, extended and collected. The Net Tax Capacity is computed by applying the class rate percentages specific to each type of property classification against the Taxable Market Value. Class rate percentages vary depending on the type of property as shown on the last page of this Appendix. The formulas and class rates for converting Taxable Market Value to Net Tax Capacity represent a basic element of the State's property tax relief system and are subject to annual revisions by the State Legislature.

Property taxes are determined by multiplying the Net Tax Capacity by the tax capacity rate, plus multiplying the referendum market value by the market value rate.

Property Tax Payments and Delinquencies (Chapters 275, 276, 277, 279-282 and 549, Minnesota Statutes)

Ad valorem property taxes levied by local governments in Minnesota are extended and collected by the various counties within the State. Each taxing jurisdiction is required to certify the annual tax levy to the county auditor within five (5) working days after December 20 of the year preceding the collection year. A listing of property taxes due is prepared by the county auditor and turned over to the county treasurer on or before the first business day in March.

The county treasurer is responsible for collecting all property taxes within the county. Real estate and personal property tax statements are mailed out by March 31. One-half (1/2) of the taxes on real property is due on or before May 15. The remainder is due on or before October 15. Real property taxes not paid by their due date are assessed a penalty that, depending on the type of property, increases from 2% to 4% on the day after the due date. In the case of the first installment of real property taxes due May 15, the penalty increases to 4% or 8% on June 1. Thereafter, an additional 1% penalty shall accrue each month through October 1 of the collection year for unpaid real property taxes. In the case of the second installment of real property taxes due October 15, the penalty increases to 6% or 8% on November 1 and increases again to 8% or 12% on December 1. Personal property taxes remaining unpaid on May 16 are deemed to be delinquent and a penalty of 8% attaches to the unpaid tax. However, personal property that is owned by a tax-exempt entity, but is treated as taxable by virtue of a lease agreement, is subject to the same delinquent property tax penalties as real property.

On the first business day of January of the year following collection all delinquencies are subject to an additional 2% penalty, and those delinquencies outstanding as of February 15 are filed for a tax lien judgment with the district court. By March 20 the county auditor files a publication of legal action and a mailing of notice of action to delinquent parties. Those property interests not responding to this notice have judgment entered for the amount of the delinquency and associated penalties. The amount of the judgment is subject to a variable interest determined annually by the Department of Revenue, and equal to the adjusted prime rate charged by banks but in no event is the rate less than 10% or more than 14%.

Property owners subject to a tax lien judgment generally have five years (5) in the case of all property located outside of cities or in the case of residential homestead, agricultural homestead and seasonal residential recreational property located within cities or three (3) years with respect to other types of property to redeem the property. After expiration of the redemption period, unredeemed properties are declared tax forfeit with title held in trust by the State of Minnesota for the respective taxing districts. The county auditor, or equivalent thereof, then sells those properties not claimed for a public purpose at auction. The net proceeds of the sale are first dedicated to the satisfaction of outstanding special assessments on the parcel, with any remaining balance in most cases being divided on the following basis: county - 40%; town or city - 20%; and school district - 40%.

Property Tax Credits (Chapter 273, Minnesota Statutes)

In addition to adjusting the taxable value for various property types, primary elements of Minnesota's property tax relief system are: property tax levy reduction aids; the circuit breaker credit, which relates property taxes to income and provides relief on a sliding income scale; and targeted tax relief, which is aimed primarily at easing the effect of significant tax increases. The circuit breaker credit and targeted credits are reimbursed to the taxpayer upon application by the taxpayer. Property tax levy reduction aid includes educational aids, local governmental aid, equalization aid, county program aid and disparity reduction aid.

Debt Limitations

All Minnesota municipalities (counties, cities, towns and school districts) are subject to statutory "net debt" limitations under the provisions of Minnesota Statutes, Section 475.53. Net debt is defined as the amount remaining after deducting from gross debt the amount of current revenues that are applicable within the current fiscal year to the payment of any debt and the aggregate of the principal of the following:

1. Obligations issued for improvements that are payable wholly or partially from the proceeds of special assessments levied upon benefited property.
2. Warrants or orders having no definite or fixed maturity.
3. Obligations payable wholly from the income from revenue producing conveniences.
4. Obligations issued to create or maintain a permanent improvement revolving fund.
5. Obligations issued for the acquisition and betterment of public waterworks systems, and public lighting, heating or power systems, and any combination thereof, or for any other public convenience from which revenue is or may be derived.
6. Certain debt service loans and capital loans made to school districts.
7. Certain obligations to repay loans.
8. Obligations specifically excluded under the provisions of law authorizing their issuance.
9. Certain obligations to pay pension fund liabilities.
10. Debt service funds for the payment of principal and interest on obligations other than those described above.
11. Obligations issued to pay judgments against the municipality.

Levies for General Obligation Debt (Sections 475.61 and 475.74, Minnesota Statutes)

Any municipality that issues general obligation debt must, at the time of issuance, certify levies to the county auditor of the county(ies) within which the municipality is situated. Such levies shall be in an amount that if collected in full will, together with estimates of other revenues pledged for payment of the obligations, produce at least five percent in excess of the amount needed to pay principal and interest when due. Notwithstanding any other limitations upon the ability of a taxing unit to levy taxes, its ability to levy taxes for a deficiency in prior levies for payment of general obligation indebtedness is without limitation as to rate or amount.

Metropolitan Revenue Distribution (Chapter 473F, Minnesota Statutes) "Fiscal Disparities Law"

The Charles R. Weaver Metropolitan Revenue Distribution Act, more commonly known as "Fiscal Disparities," was first implemented for taxes payable in 1975. Forty percent of the increase in commercial-industrial (including public utility and railroad) net tax capacity valuation since 1971 in each assessment district in the Minneapolis/St. Paul seven-county metropolitan area (Anoka, Carver, Dakota, excluding the City of Northfield, Hennepin, Ramsey, Scott, excluding the City of New Prague, and Washington Counties) is contributed to an area-wide tax base. A distribution index, based on the factors of population and real property market value per capita, is employed in determining what proportion of the net tax capacity value in the area-wide tax base shall be distributed back to each assessment district.

**STATUTORY FORMULAE: CONVERSION OF TAXABLE MARKET VALUE (TMV) TO
NET TAX CAPACITY FOR MAJOR PROPERTY CLASSIFICATIONS**

<u>Property Type</u>	<u>Local Tax Payable 2005</u>	<u>Local Tax Payable 2006</u>	<u>Local Tax Payable 2007</u>	<u>Local Tax Payable 2008</u>	<u>Local Tax Payable 2009</u>
Residential Homestead (1a)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Residential Non-homestead					
Single Unit					
Up to \$500,000	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
1-3 unit and undeveloped land (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
Market Rate Apartments					
Regular (4b1)	1.25%	1.25%	1.25%	1.25%	1.25%
Low-Income (4d)	-- ¹	0.75% ¹	0.75% ¹	0.75% ¹	0.75% ¹
Commercial/Industrial/Public Utility (3a)					
Up to \$150,000	1.50%	1.50%	1.50%	1.50% ²	1.50% ²
Over \$150,000	2.00%	2.00%	2.00%	2.00% ²	2.00% ²
Electric Generation Machinery	2.00%	2.00%	2.00%	2.00%	2.00%
Commercial Seasonal Residential					
Homestead Resorts (1c)					
Up to \$600,000 ⁴	1.00%	1.00%	0.55%	0.55%	0.50%
\$600,000 - \$2,300,000 ⁴	1.25%	1.25%	1.00%	1.00%	1.00%
Over \$2,300,000 ⁴	1.25%	1.25%	1.25%	1.25% ²	1.25% ²
Seasonal Resorts (4c)					
Up to \$500,000	1.00%	1.00%	1.00%	1.00% ²	1.00% ²
Over \$500,000	1.25%	1.25%	1.25%	1.25% ²	1.25% ²
Seasonal Recreational Residential (4c1)					
Up to \$500,000	1.00% ²	1.00% ²	1.00% ²	1.00% ^{2 3}	1.00% ^{2 3}
Over \$500,000	1.25% ²	1.25% ²	1.25% ²	1.25% ^{2 3}	1.25% ^{2 3}
Disabled Homestead (1b)					
Up to \$50,000 ⁴	0.45%	0.45%	0.45%	0.45%	0.45%
\$50,000 to \$500,000 ⁴	1.00%	1.00%	1.00%	1.00%	1.00%
Over \$500,000	1.25%	1.25%	1.25%	1.25%	1.25%
Agricultural Land & Buildings					
Homestead (2a)					
Up to \$500,000	1.00% ²	1.00% ²	1.00% ²	1.00%	1.00%
Over \$500,000	1.00% ²	1.00% ²	1.00% ²	1.25%	1.25%
Remainder of Farm					
Up to \$890,000 ⁴	0.55% ²	0.55% ²	0.55% ²	0.55% ³	0.50% ³
Over \$890,000 ⁴	1.00% ²	1.00% ²	1.00% ²	1.00% ³	1.00% ³
Non-homestead (2b)	1.00% ²	1.00% ²	1.00% ²	1.00% ³	1.00% ³

¹ Classification abolished for pay 2005, and re-established at a rate of 0.75% in pay 2006 and thereafter.

² Subject to the State General Property Tax.

³ Exempt from referendum market value tax.

⁴ 2008 legislative increases.

EXCERPT OF JUNE 30, 2008 ANNUAL FINANCIAL STATEMENTS

The District is audited annually by an independent certified public accounting firm. The District's fiscal year is July 1 through June 30. The financial statements to follow were extracted from the District's audited annual financial statements for the year ending June 30, 2008. The reader should be aware that the complete financial statements may contain additional information relating to the data presented here which may interpret, explain or modify it.