

Jefferson School District

Board Presentation: Proposed Bond Issuance(s)
September 11, 2012



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GROUP

Introduction

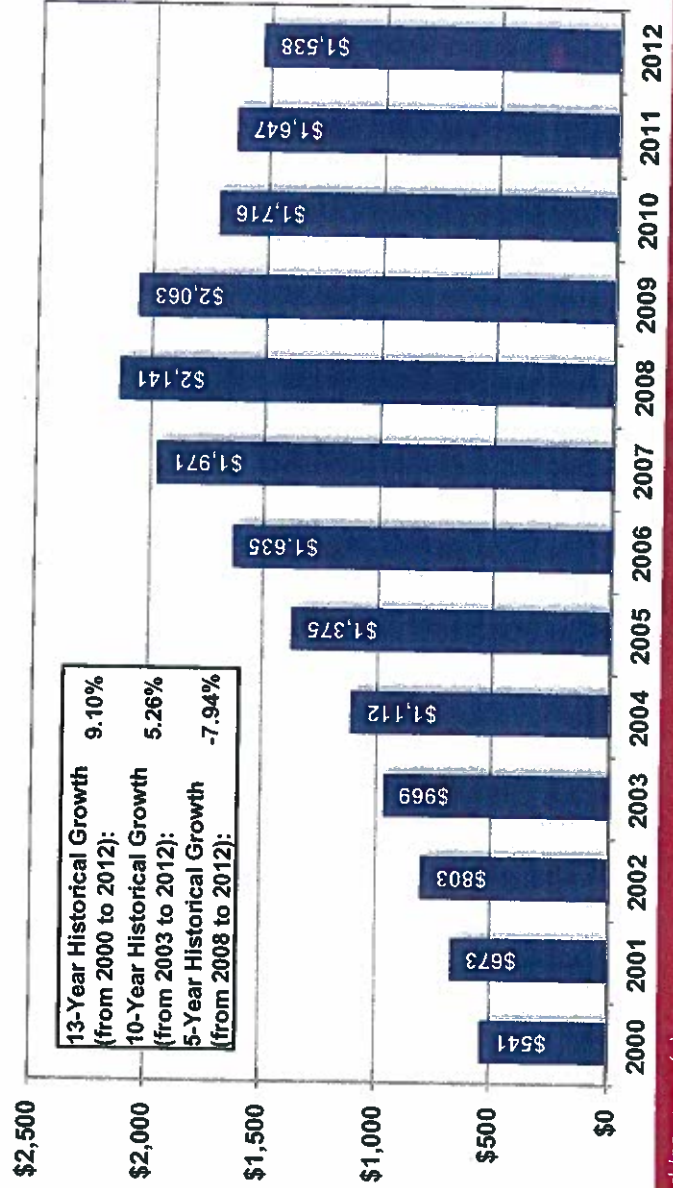
- » On November 2, 2010, the Jefferson School District ("District") received authorization ("Measure J") to issue \$35,400,000 in general obligation bonds ("GO Bonds") through an affirmative vote of 67.26%.
- » As part of the Measure J authorization, voters were given an estimated "political pledge" tax rate of \$23.03 per \$100,000 of assessed valuation ("AV") while the statutory maximum tax rate is \$30.00 per \$100,000 of AV for elementary school districts.
- » Subsequently, on May 11, 2011, the District issued its Series A GO Bonds in the amount of \$6,397,193.50.
- » The current funding objective is to deliver \$12,000,000 of construction proceeds to the District to complete the Phase 1 funding of the Jefferson School.
- » In order to achieve such funding objective, issuance options for the Series B and/or Series C Bonds were presented to the District for consideration on August 1, 2012.
- » On August 1, 2012, the Board directed the team to proceed with the issuance of the Series B Bonds in the amount of \$8,000,000 and the 2012 Bond Anticipation Notes ("BANs") in the amount of \$4,000,000.
- » Due to heightened attention to the use of long-dated Capital Appreciation Bonds ("CABs") and to promote maximum transparency, this presentation outlines further details and financing options available to the District.

Projected Assessed Valuation Growth

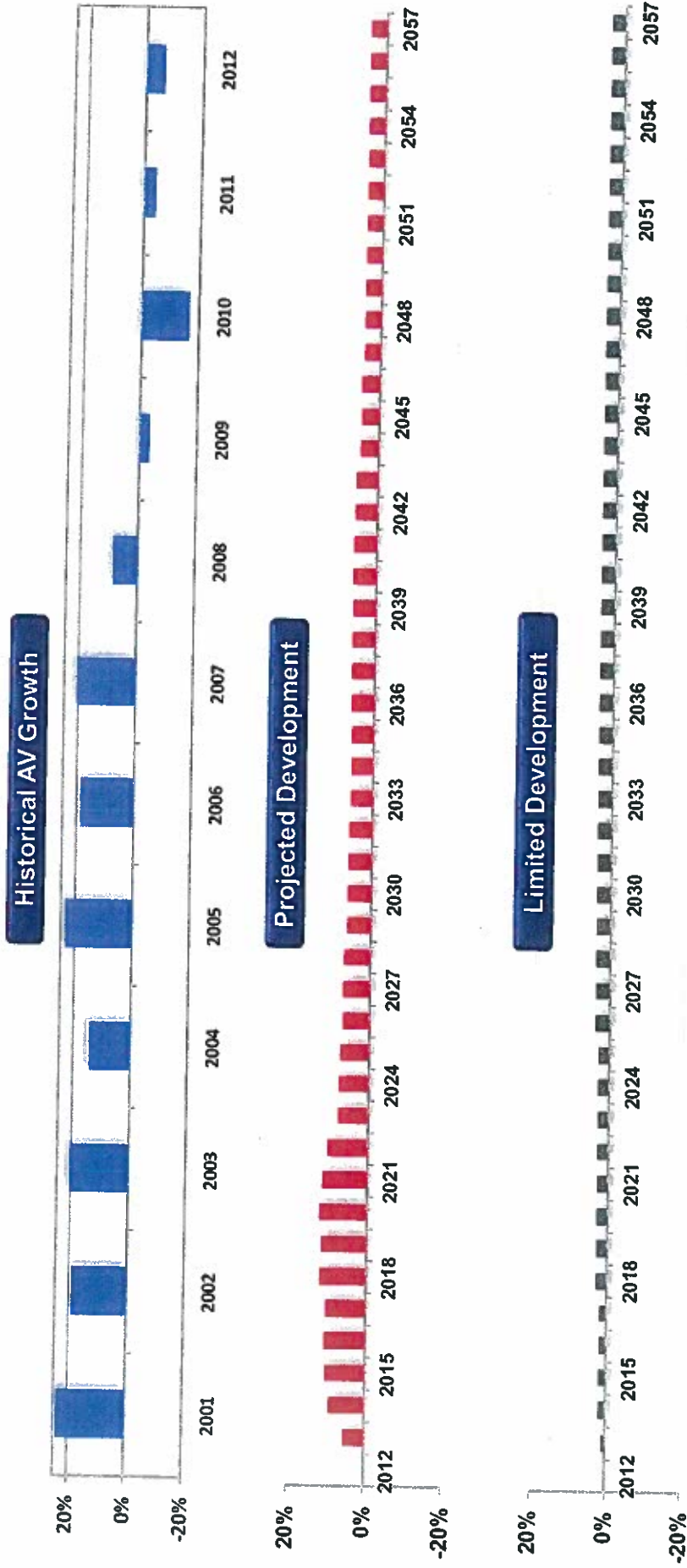
- » To project assessed valuation growth, the calculation must contain two separate components.
- » The first component is the existing base which can increase due to Proposition 13 and resales or decrease due to resales or foreclosures.
- » The other component which impacts assessed valuation is entitlement and development. As land is changed from agriculture to developable and maps are recorded, the assessed value increases. The assessed value will also increase as such land has residential homes or commercial buildings constructed on it

Historical Assessed Valuations

FY Ending	District AV	%Change
2000	\$540,712,065	-
2001	\$672,927,515	24.45%
2002	\$803,105,262	19.34%
2003	\$969,172,660	20.68%
2004	\$1,111,516,098	14.69%
2005	\$1,374,995,371	23.70%
2006	\$1,634,805,150	18.90%
2007	\$1,971,229,396	20.58%
2008	\$2,141,068,934	8.62%
2009	\$2,063,322,315	-3.63%
2010	\$1,715,984,125	-16.83%
2011	\$1,646,580,391	-4.04%
2012	\$1,537,581,062	-6.62%

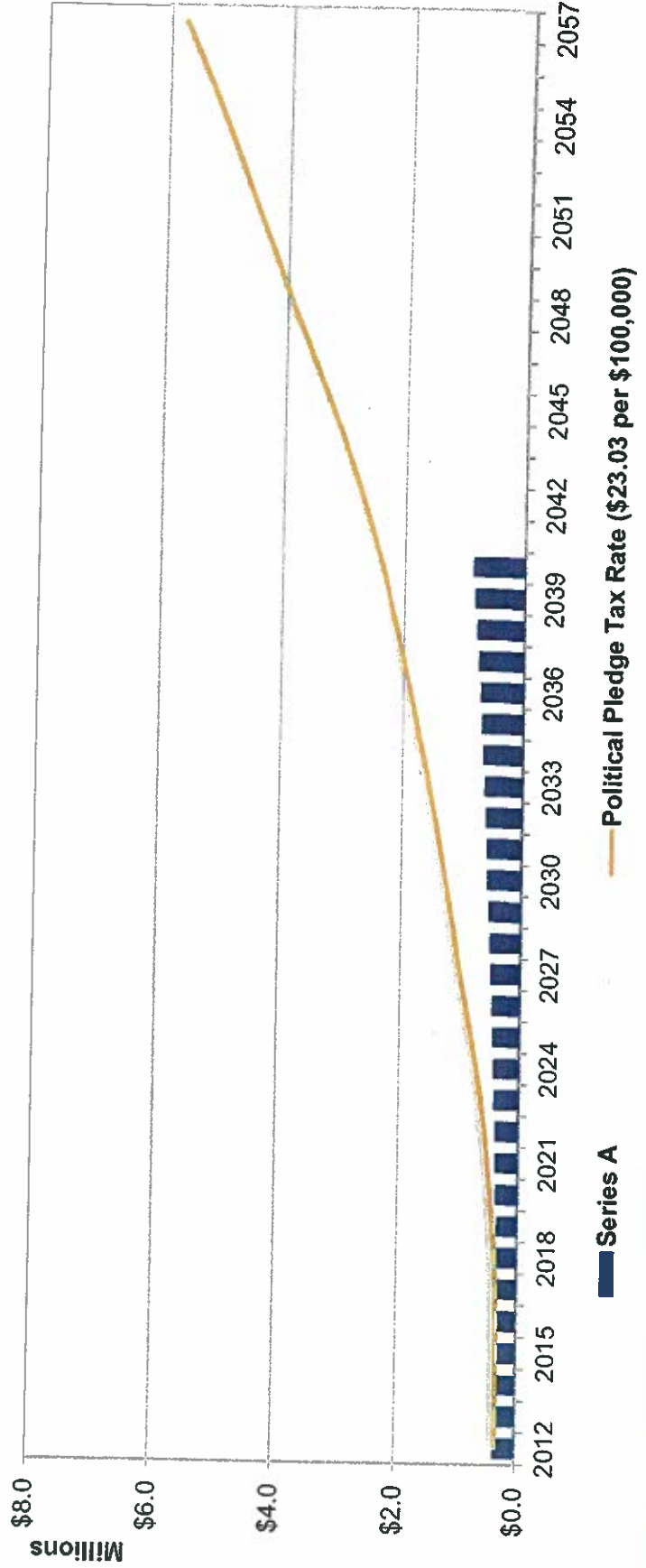


Projected Assessed Valuation (Continued)



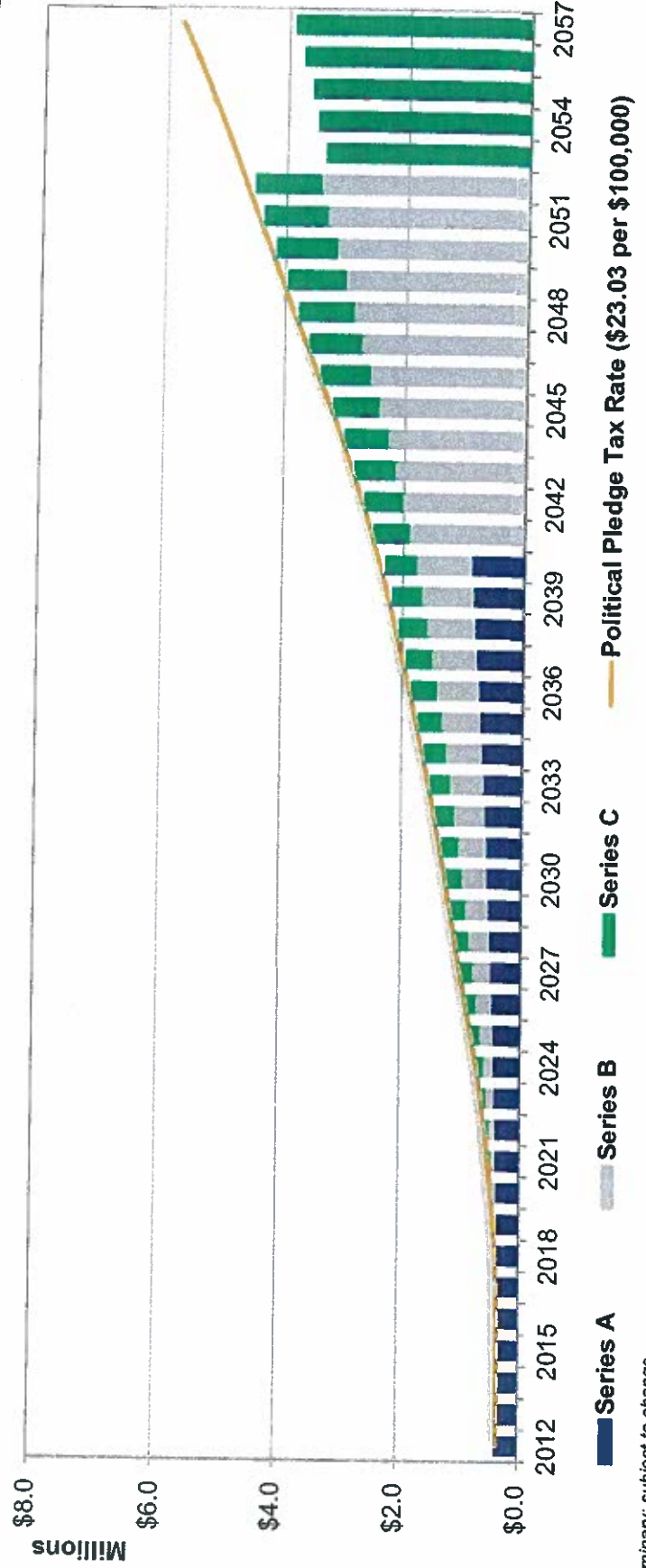
Actual Series A Bond Issuance

Bond Series	Issuance Year	Bond Principal			Bond Repayment		
		CIBs	CABs	Total	Total	Ratio	Term
Series A	2011	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years
Total	N/A	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years



Proposed Series B and C Bond Issuances (Option 1)

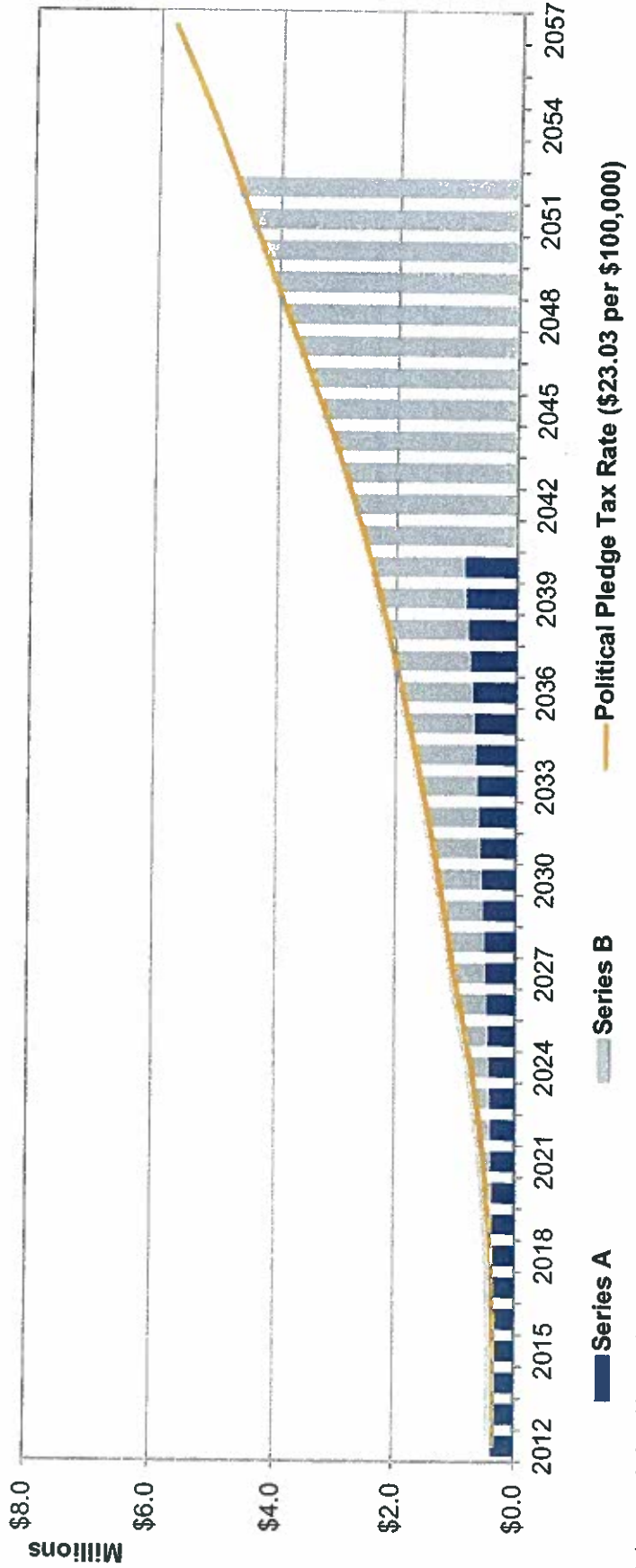
Bond Series	Issuance Year	Bond Principal			Bond Repayment		
		CIBs	CABs	Total	Total	Ratio	Term
Series A	2011	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years
Series B ^[1]	2012	\$665,000	\$7,335,000	\$8,000,000	\$41,335,740	5.17	40 Years
Series C ^[1]	2017	\$385,000	\$3,615,000	\$4,000,000	\$33,728,259	8.43	40 Years
Total	N/A	\$7,135,000	\$11,262,194	\$18,397,194	\$90,312,319	4.91	N/A



[1] Preliminary; subject to change

Proposed Series B and C Bond Issuances (Option 2)

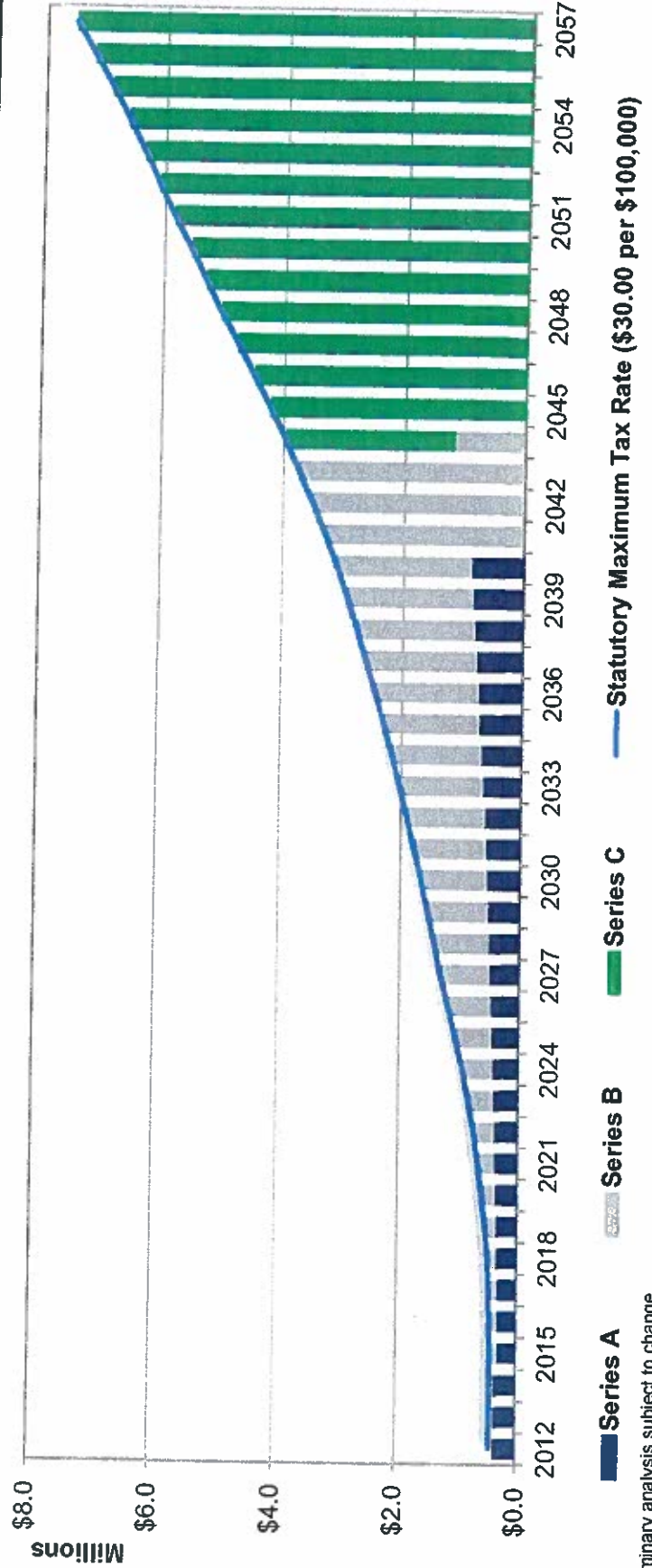
Bond Series	Issuance Year	Bond Principal			Bond Repayment		
		CIBs	CABs	Total	Total	Ratio	Term
Series A	2011	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years
Series B ^[1]	2012	\$840,000	\$11,227,670	\$12,067,670	\$58,569,961	4.85	40 Years
Total	N/A	\$6,925,000	\$11,539,863	\$18,464,863	\$73,818,281	4.00	N/A



[1] Preliminary analysis subject to change

Proposed Series B and C Bond Issuances (Option 3-A)

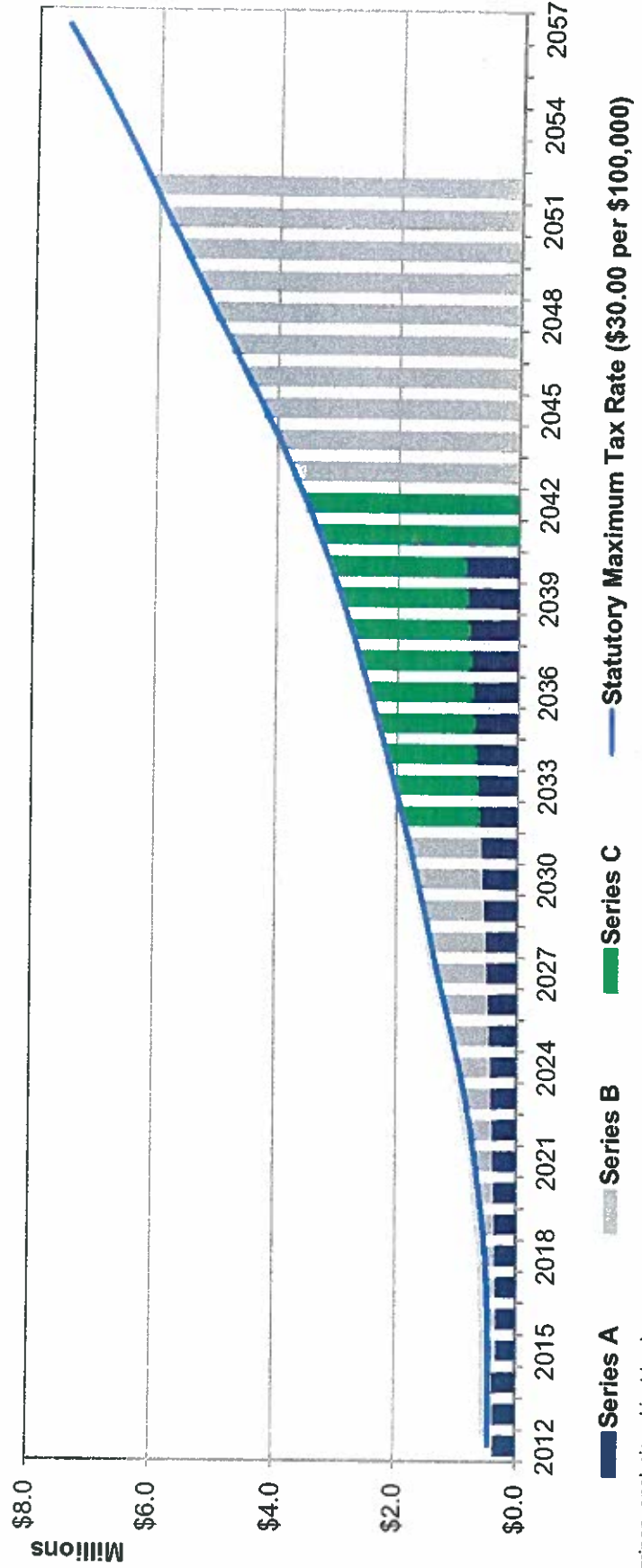
Bond Series	Issuance Year	Bond Principal			Bond Repayment		
		CIBs	CABs	Total	Total	Ratio	Term
Series A	2011	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years
Series B ^[1]	2012	\$1,870,000	\$10,130,000	\$12,000,000	\$36,659,191	3.05	40 Years
Series C ^[1]	2017	\$0	\$7,918,465	\$7,918,465	\$78,530,000	9.92	40 Years
Total	N/A	\$7,955,000	\$18,360,658	\$26,315,658	\$130,437,510	4.96	N/A



[1] Preliminary analysis subject to change

Proposed Series B and C Bond Issuances (Option 3-B)

Bond Series	Issuance Year	Bond Principal			Bond Repayment		
		CIBs	CABs	Total	Total	Ratio	Term
Series A	2011	\$6,085,000	\$312,194	\$6,397,194	\$15,248,320	2.38	30 Years
Series B ^[1]	2012	\$1,950,000	\$10,201,300	\$12,151,300	\$58,166,550	4.79	40 Years
Series C ^[1]	2017	\$0	\$7,404,001	\$7,404,001	\$22,570,000	3.05	25 Years
Total	N/A	\$8,035,000	\$17,917,495	\$25,952,495	\$95,984,870	3.70	N/A



[1] Preliminary analysis subject to change

Questions/Next Steps

Date	Event
August 1, 2012	Board Presentation
September 11, 2012	District Governing Board Meeting
Week of September 17, 2012	Rating Update Conference Call
Week of September 24, 2012	Receive Credit Ratings & Insurance Bids
Week of October 1, 2012	Print/Post Preliminary Official Statement(s)
Week of October 15, 2012	Pricing Conference Calls
October 31, 2012	Target Closing of the Financing(s)