

Work In Progress

PART II Analytical Review of General Obligation Bond "Cash Out" Refinancings

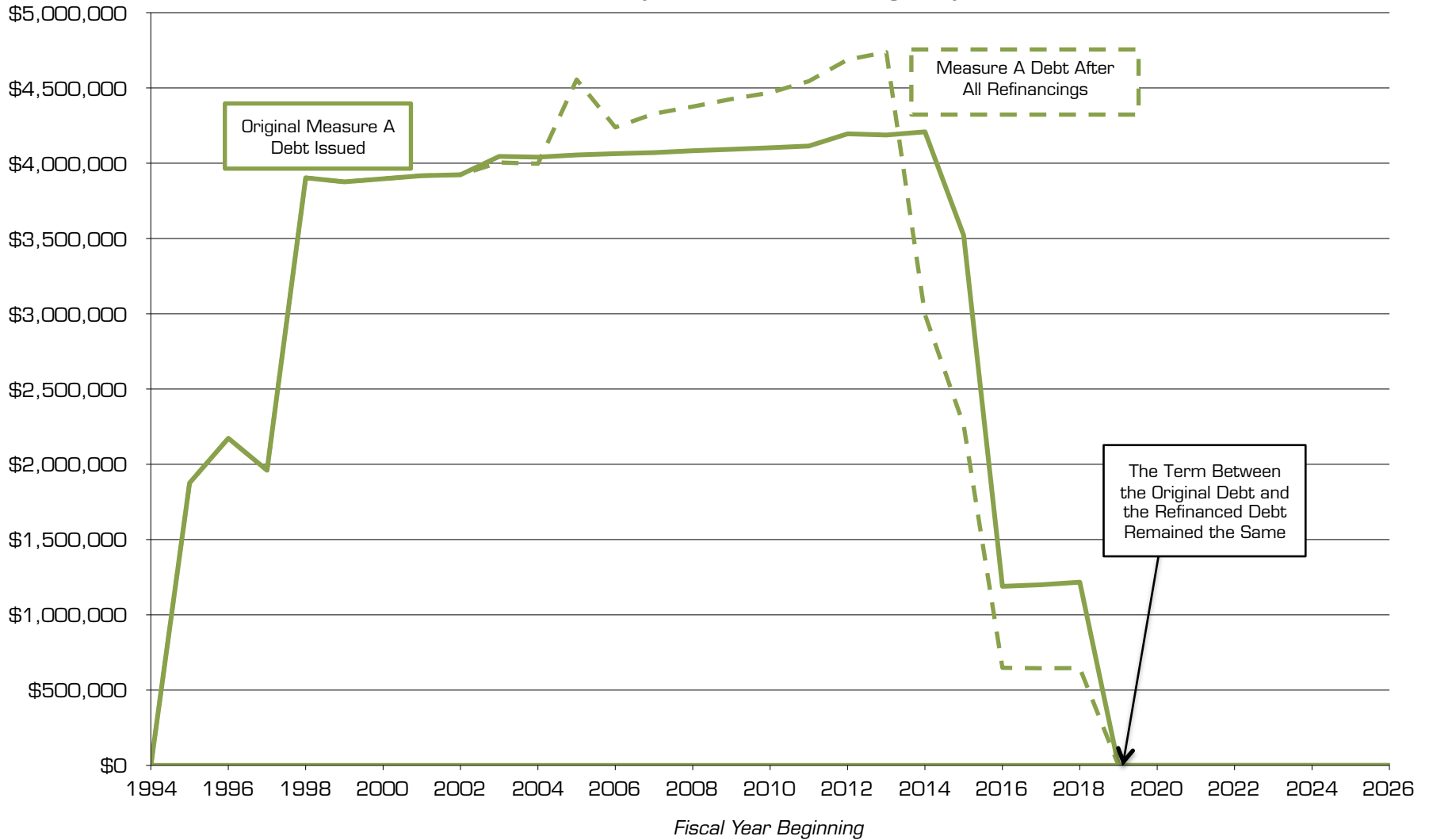
As of June 20, 2011

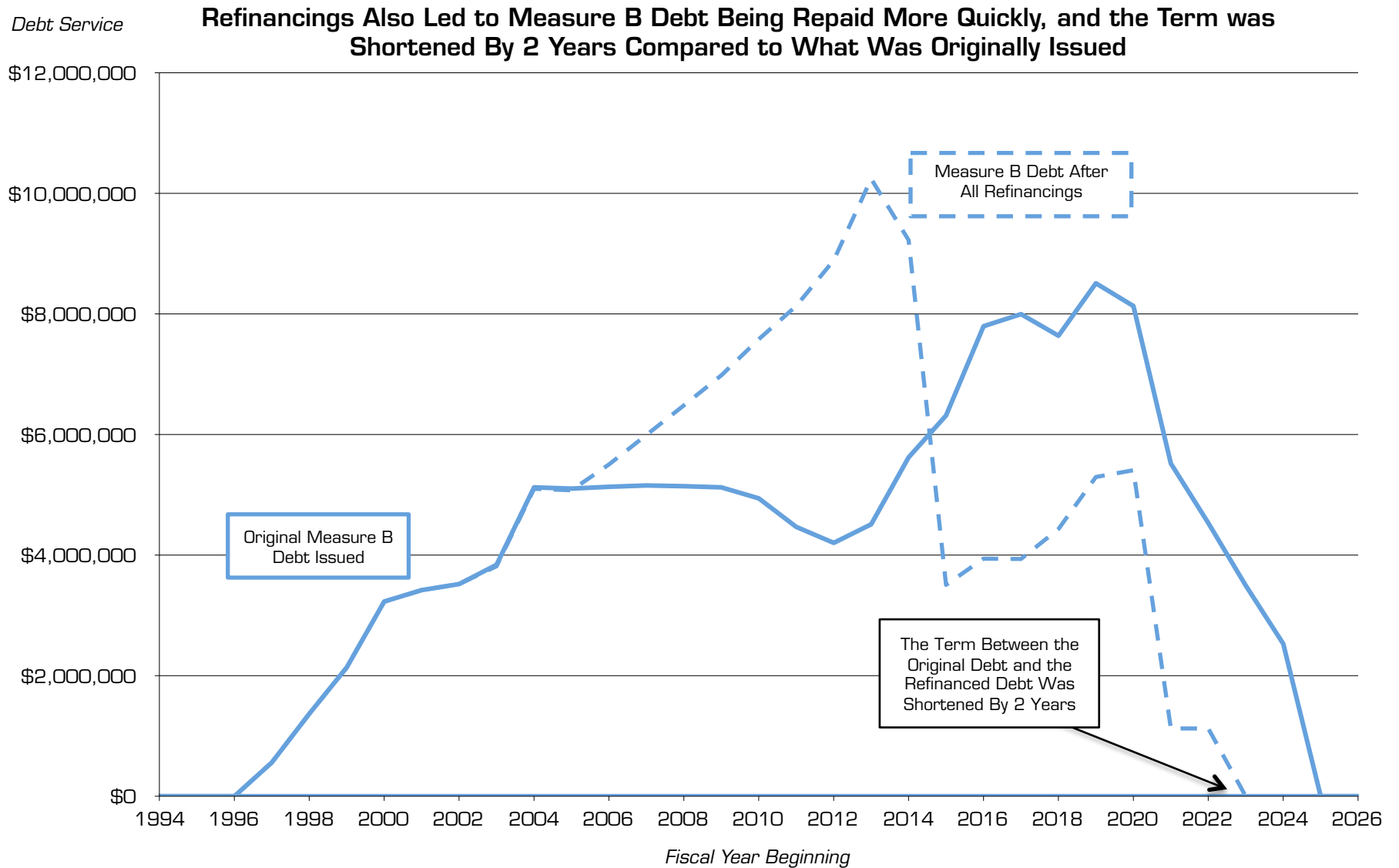
Questions from the Citizens' Committee to be Addressed:

1) What was the term for each bond measure prior to, and following the refinancings? Was the term extended as a result of the refinancings?

While Refinancings Led to Measure A Debt Being Repaid More Quickly, the Term was Not Extended Beyond What Was Originally Issued

Debt Service



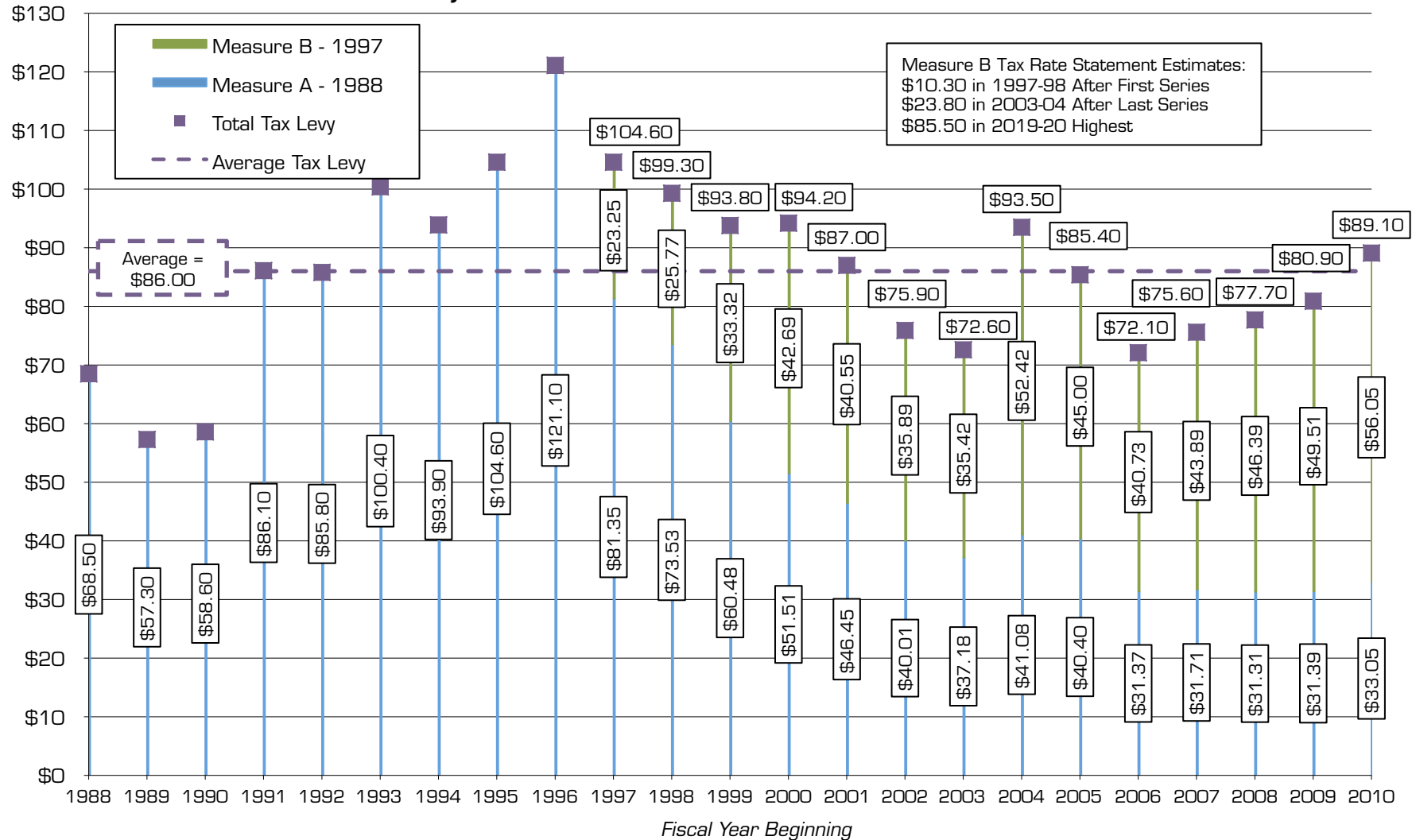


Questions from the Citizens' Committee to be Addressed:

2) How did estimated Measure B tax rates compare to actual Measure B tax rates?

Tax Levy per
\$100,000 of AV

Measure B Tax Levies Have Been Above the Tax Rate Statement Estimates; the Average Combined Tax Levy Is More Consistent with the Maximum Estimate for Measure B



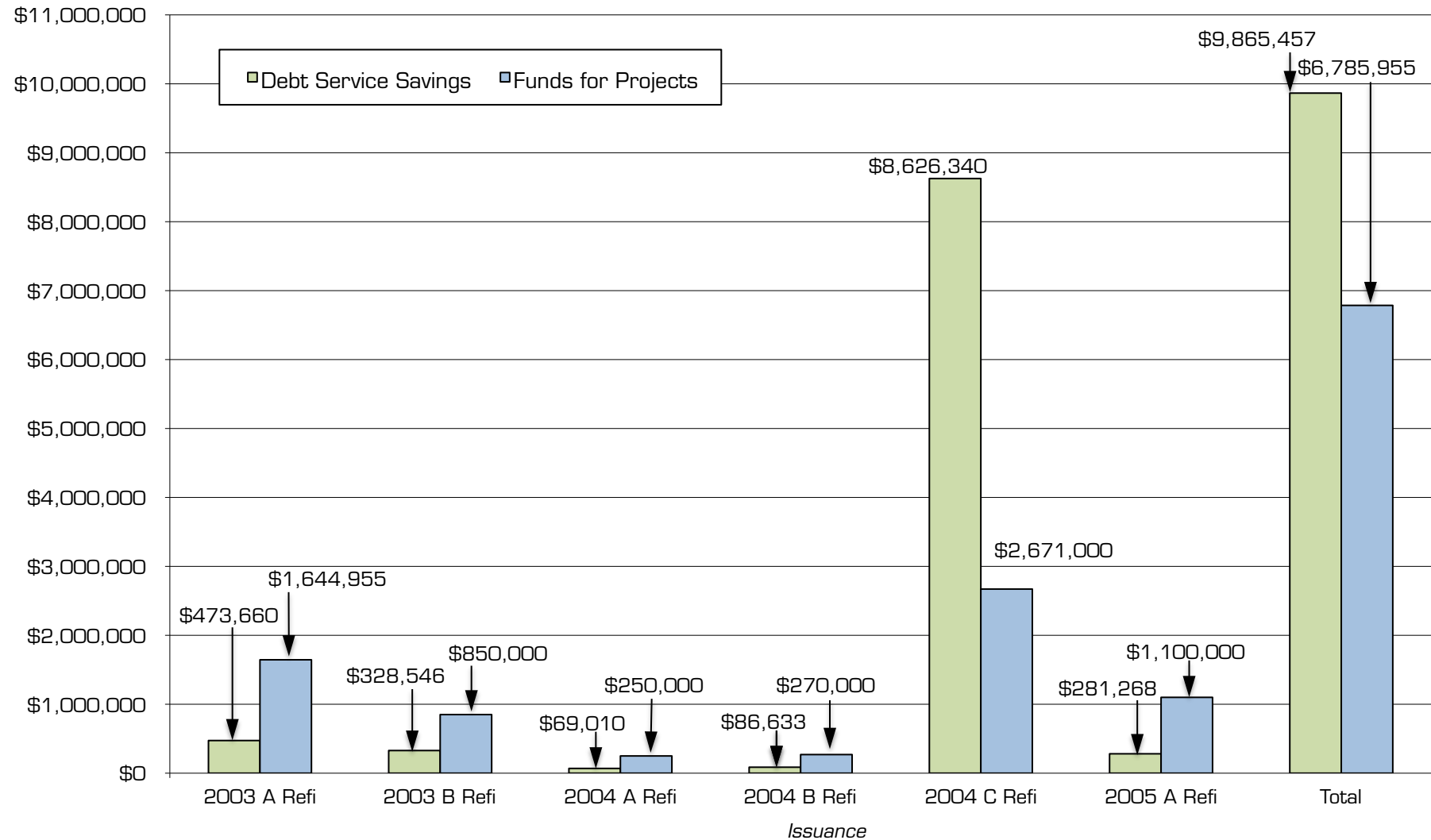
Note: total tax levy from 1999 onward provided by Alameda County Auditor-Controller's Office and from 1998 prior by District.

Questions from the Citizens' Committee to be Addressed:

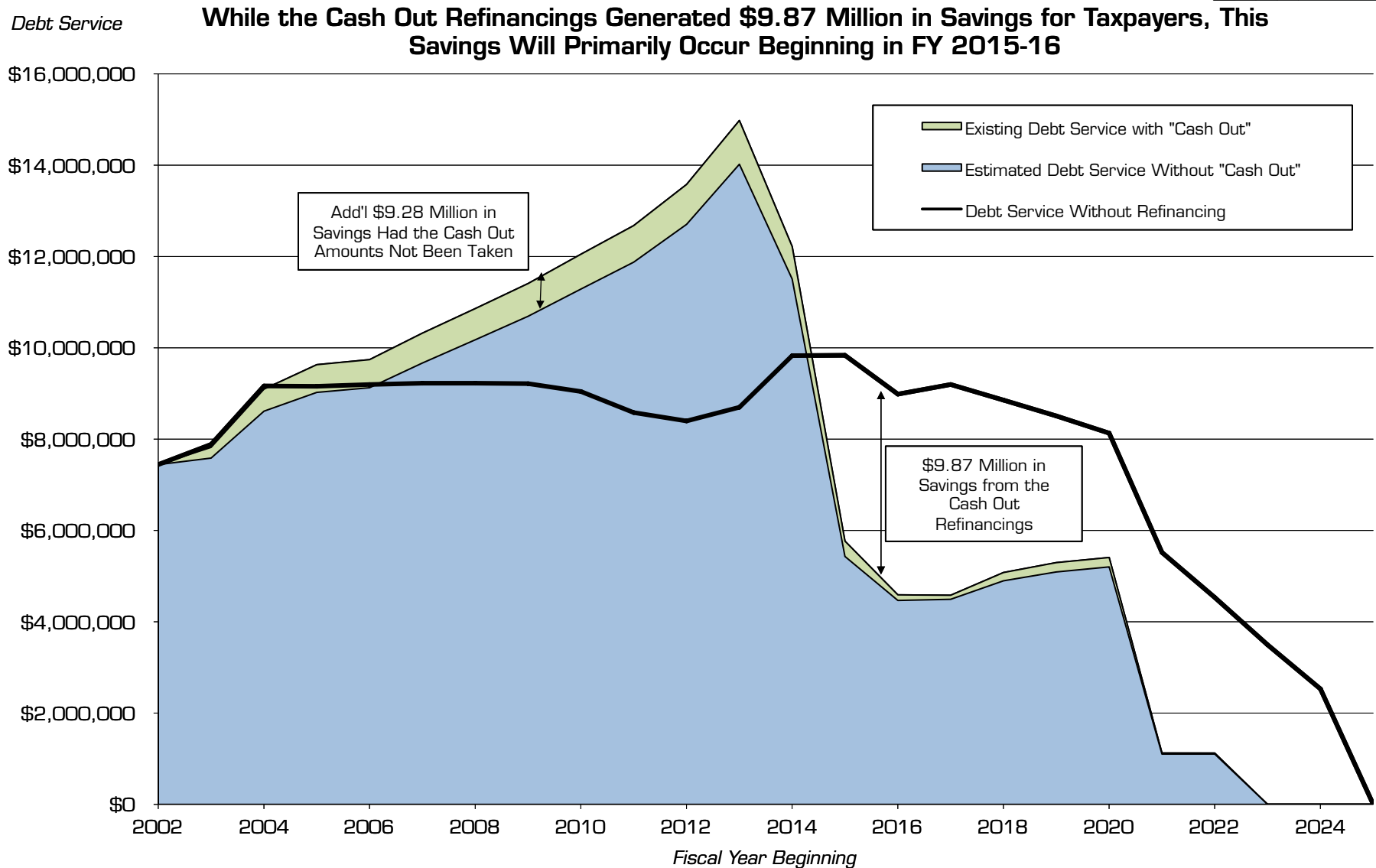
3) How much of the savings from the cash out refinancings was provided to taxpayers versus what was "cashed out"?

Debt Service Savings/
Funds for Projects

\$9.87 Million was Saved by Taxpayers as a Result of the Cash Out Refinancings



Note: Taxpayer savings is in addition to the \$6.79 million cash out amount for projects. Debt service savings is the total savings over the term of the bonds.



Note: existing debt service per Official Statements. Estimated debt service without "cash out" determined based on cash out portion as percentage of par amount applied to principal maturity amounts assuming an approximately equal annual reduction.

Questions from the Citizens' Committee to be Addressed:

4) Can we review the apparent discrepancy between the Building Fund financials as reported by the District compared to that reported in Ed-Data?

Pleasanton Unified School District

Review of District's 2003-04 Financial Reporting of the Building Fund

Data that District Reported to the Board and Public

Data that is Reported in Ed-Data

Beg. Balance	\$25,060,572							Beg. Balance	\$25,060,572
Revenues	\$46,448,291	→	Federal Revenues & Local Revenues Outside the Revenue Limit	\$457,726				Revenues	\$457,726
			Transfer In from County School Facilities Fund (State Building Funds)	\$2,334,824					
			GO Bond Proceeds (2003 B & 2004 A & B)	\$42,024,976					
			Other Financing Sources	\$1,630,766					
				<u>\$46,448,292</u>					
							\$2,334,824		
							\$42,024,976		
							\$1,630,766		
Expenditures	(\$51,579,780)	→	Transfer Out to Bond Fund (1995 J 1997 A & B & 1999 D)	(\$41,911,947)			(\$41,911,947)		
			Capital Outlay and Related Expenditures	(\$9,667,832)			\$4,078,619	→	Other Sources/Uses \$4,078,619
				<u>(\$51,579,779)</u>					
End. Balance	\$19,929,084							Expenditures	(\$9,667,832)
								End. Balance	\$19,929,085

Note: flow of funds based on information from District's 2003-04 Audited Financial Statements.

Questions from the Citizens' Committee to be Addressed:

5) What were the costs of issuance and financing costs associated with the cash out refinancings?

Pleasanton Unified School District



Review of Costs of Issuance

Total Upfront Costs

Bond Series	Upfront Costs per Official Statement	Upfront Costs per Piper Jaffray	Potential Discrepancy*
2003 Series A	\$240,649	\$217,042	\$23,607
2003 Series B	\$265,852	\$255,399	\$10,453
2004 Series A & B	\$367,355	\$361,797	\$5,558
2004 Series C	\$522,850	\$515,498	\$7,352
2005 Series A	\$241,143	\$236,392	\$4,751

Per Piper Jaffray (District's Underwriter)

Bond Series	Financial Advisor Compensation	Bond Counsel Compensation	Underwriter Compensation	Bond Insurance Premium	Subtotal of Costs	All Other Costs	Total Costs
2003 Series A	\$42,556	\$32,500	\$111,338	\$19,312	\$205,705	\$11,337	\$217,042
2003 Series B	\$0	\$42,000	\$146,062	\$50,836	\$238,899	\$16,500	\$255,399
2004 Series A & B	\$0	\$70,000	\$225,500	\$41,855	\$337,355	\$24,442	\$361,797
2004 Series C	\$0	\$85,000	\$327,350	\$73,000	\$485,350	\$30,148	\$515,498
2005 Series A	\$0	\$60,000	\$136,852	\$21,516	\$218,368	\$18,025	\$236,392

Per California Debt and Investment Advisory Commission

Bond Series	Financial Advisor Compensation	Bond Counsel Compensation	Underwriter Compensation	Bond Insurance Premium	Subtotal of Costs
2003 Series A	\$43,000	\$32,500	\$111,338	\$19,312	\$206,150
2003 Series B	\$3,000	\$42,000	\$146,062	\$50,836	\$241,898
2004 Series A & B	\$0	\$70,000	\$225,500	\$41,855	\$337,355
2004 Series C	\$0	\$85,000	\$327,350	\$73,000	\$485,350
2005 Series A	\$0	\$60,000	\$136,852	\$21,516	\$218,368

Potential Discrepancy

Bond Series	Financial Advisor Compensation	Bond Counsel Compensation	Underwriter Compensation	Bond Insurance Premium	Subtotal of Costs
2003 Series A	\$444	\$0	\$0	\$0	\$445
2003 Series B	\$3,000	\$0	\$0	\$0	\$2,999
2004 Series A & B	\$0	\$0	\$0	\$0	\$0
2004 Series C	\$0	\$0	\$0	\$0	\$0
2005 Series A	\$0	\$0	\$0	\$0	\$0

*Note: Potential Discrepancy likely due to funding a contingency amount.

Total upfront costs include underwriter's discount, bond insurance premium, and costs of issuance.

Pleasanton Unified School District



Potential Reduction in Upfront Costs Had Cash Out Amounts Not Been Taken

Estimated Reduction in Underwriter's Compensation

<u>Bond Series</u>	<u>Bond Amount</u>	<u>Underwriter Discount (Compensation)</u>	<u>UW Discount As % Of Bond Amount</u>	<u>Cash Out Amount</u>	<u>UW Discount Without Cash Out Amount</u>	<u>Estimated Reduction</u>
2003 Series A	\$14,845,000	\$111,338	0.75%	\$1,644,955	\$99,000	\$12,337
2003 Series B	\$19,474,976	\$146,062	0.75%	\$850,000	\$139,687	\$6,375
2004 Series A & B	\$22,550,000	\$225,500	1.00%	\$520,000	\$220,300	\$5,200
2004 Series C	\$40,705,000	\$327,350	0.80%	\$2,671,000	\$305,869	\$21,480
2005 Series A	\$16,924,453	\$136,852	0.81%	\$1,100,000	\$127,957	\$8,895
	\$114,499,428	\$947,101	0.83%	\$6,785,955	\$892,814	\$54,287

Estimated Reduction in Bond Insurance Premium

<u>Bond Series</u>	<u>Total Debt Service</u>	<u>Bond Insurance Premium</u>	<u>Bond Insurance Premium As % of Debt Service</u>	<u>Est. Debt Service Without Cash Out Amount</u>	<u>Premium Without Cash Out Amount</u>	<u>Estimated Reduction</u>
2003 Series A	\$20,327,945	\$19,312	0.10%	\$18,073,915	\$17,170	\$2,141
2003 Series B	\$33,445,029	\$50,836	0.15%	\$32,077,978	\$48,759	\$2,078
2004 Series A & B	\$32,196,023	\$41,855	0.13%	\$31,464,026	\$40,903	\$952
2004 Series C	\$54,143,070	\$73,000	0.13%	\$50,587,125	\$68,206	\$4,794
2005 Series A	\$21,515,777	\$21,516	0.10%	\$20,145,466	\$20,145	\$1,370
	\$161,627,843	\$206,519	0.13%	\$152,348,509	\$195,183	\$11,336

Questions from the Citizens' Committee We Hope to Address at the Next Meeting:

- 6) Can we review the apparent discrepancy between the cash out amounts we provided compared to what the District provided in a prior presentation?
- 7) What facilities projects were the cash out amounts spent on?
- 8) Were the cash out amounts spent on projects for which the District had developer agreements?

Questions from the Citizens' Committee Outside Our Scope of Work:

- 9) Are there meeting minutes or staff reports from the late 2002/early 2003 Board meetings just prior to the first cash out refinancing?
- 10) Are there meeting minutes or staff reports from the Measure B Citizens' Oversight Committee?

Additional Topics to Address at the Next Meeting:

Best Practices that the District Can Implement for Future Financings

Supporting Analysis Summary Tables

Analysis of Debt Service

<i>Fiscal Year</i>	<i>Without Any Refinancing</i>			<i>Refinancing With Cash Out</i>		
	<i>Debt Service Election of 1988 W/O Refinancing</i>	<i>Debt Service Election of 1997 W/O Refinancing</i>	<i>Debt Service Without Refinancing</i>	<i>Debt Service Election of 1988 Refi w/ Cash Out</i>	<i>Debt Service Election of 1997 Refi w/ Cash Out</i>	<i>Refi With Cash Out</i>
1994 -95	\$0	\$0	\$0	\$0	\$0	\$0
1995 -96	\$1,875,870	\$0	\$1,875,870	\$1,875,870	\$0	\$1,875,870
1996 -97	\$2,172,781	\$0	\$2,172,781	\$2,172,781	\$0	\$2,172,781
1997 -98	\$1,960,356	\$560,344	\$2,520,700	\$1,960,356	\$560,344	\$2,520,700
1998 -99	\$3,902,829	\$1,367,561	\$5,270,390	\$3,902,829	\$1,367,561	\$5,270,390
1999 -00	\$3,876,165	\$2,135,522	\$6,011,687	\$3,876,165	\$2,135,522	\$6,011,687
2000 -01	\$3,896,545	\$3,229,504	\$7,126,049	\$3,896,545	\$3,229,504	\$7,126,049
2001 -02	\$3,917,020	\$3,419,000	\$7,336,020	\$3,917,020	\$3,419,000	\$7,336,020
2002 -03	\$3,923,290	\$3,519,073	\$7,442,363	\$3,923,290	\$3,519,073	\$7,442,363
2003 -04	\$4,045,065	\$3,838,706	\$7,883,771	\$4,004,733	\$3,814,883	\$7,819,616
2004 -05	\$4,040,355	\$5,123,256	\$9,163,611	\$3,996,638	\$5,098,923	\$9,095,562
2005 -06	\$4,054,740	\$5,102,694	\$9,157,434	\$4,555,685	\$5,075,174	\$9,630,859
2006 -07	\$4,063,388	\$5,132,788	\$9,196,175	\$4,238,100	\$5,502,974	\$9,741,074
2007 -08	\$4,070,298	\$5,154,788	\$9,225,085	\$4,328,875	\$5,991,849	\$10,320,724
2008 -09	\$4,082,798	\$5,142,493	\$9,225,290	\$4,376,063	\$6,483,364	\$10,859,426
2009 -10	\$4,092,308	\$5,123,308	\$9,215,615	\$4,426,213	\$6,981,451	\$11,407,664
2010 -11	\$4,102,553	\$4,940,763	\$9,043,315	\$4,468,713	\$7,580,301	\$12,049,014
2011 -12	\$4,114,100	\$4,467,913	\$8,582,013	\$4,544,763	\$8,131,371	\$12,676,134
2012 -13	\$4,195,180	\$4,202,443	\$8,397,623	\$4,687,800	\$8,890,421	\$13,578,221
2013 -14	\$4,187,320	\$4,510,553	\$8,697,873	\$4,737,488	\$10,240,734	\$14,978,221
2014 -15	\$4,208,276	\$5,620,591	\$9,828,868	\$2,994,325	\$9,224,034	\$12,218,359
2015 -16	\$3,521,296	\$6,314,896	\$9,836,193	\$2,260,675	\$3,505,919	\$5,766,594
2016 -17	\$1,189,306	\$7,796,166	\$8,985,473	\$648,150	\$3,941,124	\$4,589,274
2017 -18	\$1,199,800	\$7,996,706	\$9,196,506	\$645,150	\$3,935,514	\$4,580,664
2018 -19	\$1,216,875	\$7,638,056	\$8,854,931	\$646,350	\$4,431,806	\$5,078,156
2019 -20	\$0	\$8,508,444	\$8,508,444	\$0	\$5,295,375	\$5,295,375
2020 -21	\$0	\$8,131,069	\$8,131,069	\$0	\$5,407,475	\$5,407,475
2021 -22	\$0	\$5,519,194	\$5,519,194	\$0	\$1,124,500	\$1,124,500
2022 -23	\$0	\$4,532,388	\$4,532,388	\$0	\$1,123,500	\$1,123,500
2023 -24	\$0	\$3,496,000	\$3,496,000	\$0	\$0	\$0
2024 -25	\$0	\$2,529,000	\$2,529,000	\$0	\$0	\$0
2025 -26	\$0	\$0	\$0	\$0	\$0	\$0
2026 -27	\$0	\$0	\$0	\$0	\$0	\$0
	\$81,908,513	\$135,053,215	\$216,961,728	\$81,084,575	\$126,011,696	\$207,096,271

Pleasanton Unified School District



Analysis of Debt Service Continued

Refinancing Without Cash Out				Comparison		
<i>Fiscal Year</i>	<i>Debt Service Election of 1988 Refi w/o Cash Out</i>	<i>Debt Service Election of 1997 Refi w/o Cash Out</i>	<i>Refi Without Cash Out</i>	<i>Savings/(Cost) of Refi W/ Cash Out</i>	<i>Estimated Savings/(Cost) of Refi W/O Cash Out</i>	<i>Estimated Difference in Savings</i>
1994	\$0	\$0	\$0	\$0	\$0	\$0
1995	\$1,875,870	\$0	\$1,875,870	\$0	\$0	\$0
1996	\$2,172,781	\$0	\$2,172,781	\$0	\$0	\$0
1997	\$1,960,356	\$560,344	\$2,520,700	\$0	\$0	\$0
1998	\$3,902,829	\$1,367,561	\$5,270,390	\$0	\$0	\$0
1999	\$3,876,165	\$2,135,522	\$6,011,687	\$0	\$0	\$0
2000	\$3,896,545	\$3,229,504	\$7,126,049	\$0	\$0	\$0
2001	\$3,917,020	\$3,419,000	\$7,336,020	\$0	\$0	\$0
2002	\$3,923,290	\$3,519,073	\$7,442,363	\$0	\$0	\$0
2003	\$3,822,001	\$3,763,129	\$7,585,129	\$64,155	\$298,642	\$234,487
2004	\$3,775,710	\$4,836,998	\$8,612,708	\$68,049	\$550,904	\$482,854
2005	\$4,211,218	\$4,812,755	\$9,023,973	(\$473,425)	\$133,461	\$606,886
2006	\$3,908,575	\$5,217,725	\$9,126,300	(\$544,899)	\$69,875	\$614,774
2007	\$3,997,050	\$5,669,888	\$9,666,938	(\$1,095,639)	(\$441,853)	\$653,786
2008	\$4,041,438	\$6,134,918	\$10,176,355	(\$1,634,136)	(\$951,065)	\$683,071
2009	\$4,091,988	\$6,599,050	\$10,691,038	(\$2,192,049)	(\$1,475,423)	\$716,626
2010	\$4,126,363	\$7,160,185	\$11,286,548	(\$3,005,699)	(\$2,243,233)	\$762,466
2011	\$4,195,513	\$7,680,315	\$11,875,828	(\$4,094,121)	(\$3,293,815)	\$800,306
2012	\$4,326,638	\$8,377,665	\$12,704,303	(\$5,180,599)	(\$4,306,680)	\$873,919
2013	\$4,376,638	\$9,644,353	\$14,020,990	(\$6,280,349)	(\$5,323,118)	\$957,231
2014	\$2,798,500	\$8,707,983	\$11,506,483	(\$2,389,491)	(\$1,677,615)	\$711,876
2015	\$2,053,450	\$3,377,035	\$5,430,485	\$4,069,599	\$4,405,708	\$336,109
2016	\$625,913	\$3,841,120	\$4,467,033	\$4,396,199	\$4,518,440	\$122,241
2017	\$623,713	\$3,868,420	\$4,492,133	\$4,615,843	\$4,704,374	\$88,531
2018	\$630,713	\$4,266,425	\$4,897,138	\$3,776,775	\$3,957,794	\$181,019
2019	\$0	\$5,091,100	\$5,091,100	\$3,213,069	\$3,417,344	\$204,275
2020	\$0	\$5,201,600	\$5,201,600	\$2,723,594	\$2,929,469	\$205,875
2021	\$0	\$1,102,500	\$1,102,500	\$4,394,694	\$4,416,694	\$22,000
2022	\$0	\$1,102,500	\$1,102,500	\$3,408,888	\$3,429,888	\$21,000
2023	\$0	\$0	\$0	\$3,496,000	\$3,496,000	\$0
2024	\$0	\$0	\$0	\$2,529,000	\$2,529,000	\$0
2025	\$0	\$0	\$0	\$0	\$0	\$0
2026	\$0	\$0	\$0	\$0	\$0	\$0
	\$77,130,272	\$120,686,665	\$197,816,937	\$9,865,457	\$19,144,791	\$9,279,334

Pleasanton Unified School District



Analysis of Historical Tax Rates

<i><u>Fiscal Year</u></i>	<i><u>Total Tax Levy</u></i>	<i><u>Estimated Election of 1988 Share of Tax Levy</u></i>	<i><u>Estimated Election of 1997 Share of Tax Levy</u></i>
1988 -89	\$68.50	\$68.50	\$0.00
1989 -90	\$57.30	\$57.30	\$0.00
1990 -91	\$58.60	\$58.60	\$0.00
1991 -92	\$86.10	\$86.10	\$0.00
1992 -93	\$85.80	\$85.80	\$0.00
1993 -94	\$100.40	\$100.40	\$0.00
1994 -95	\$93.90	\$93.90	\$0.00
1995 -96	\$104.60	\$104.60	\$0.00
1996 -97	\$121.10	\$121.10	\$0.00
1997 -98	\$104.60	\$81.35	\$23.25
1998 -99	\$99.30	\$73.53	\$25.77
1999 -00	\$93.80	\$60.48	\$33.32
2000 -01	\$94.20	\$51.51	\$42.69
2001 -02	\$87.00	\$46.45	\$40.55
2002 -03	\$75.90	\$40.01	\$35.89
2003 -04	\$72.60	\$37.18	\$35.42
2004 -05	\$93.50	\$41.08	\$52.42
2005 -06	\$85.40	\$40.40	\$45.00
2006 -07	\$72.10	\$31.37	\$40.73
2007 -08	\$75.60	\$31.71	\$43.89
2008 -09	\$77.70	\$31.31	\$46.39
2009 -10	\$80.90	\$31.39	\$49.51
2010 -11	\$89.10	\$33.05	\$56.05
Average	\$86.00	\$61.18	\$24.82
Maximum	\$121.10	\$121.10	\$56.05
Minimum	\$57.30	\$31.31	\$23.25

Note: total tax levy from 1999 onward provided by County of Alameda Auditor-Contoller's Office and from 1998 prior provided by District.