

ARROWHEAD UNION HIGH SCHOOL DISTRICT

Presented By:

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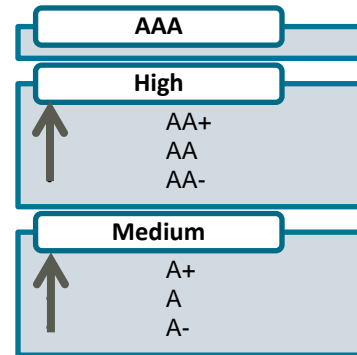
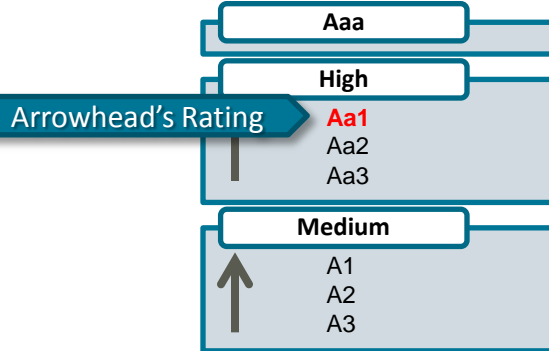


Credit Rating

Bond Credit Rating Services

• Moody's Investors Service

Standard & Poor's



Bond Insurance

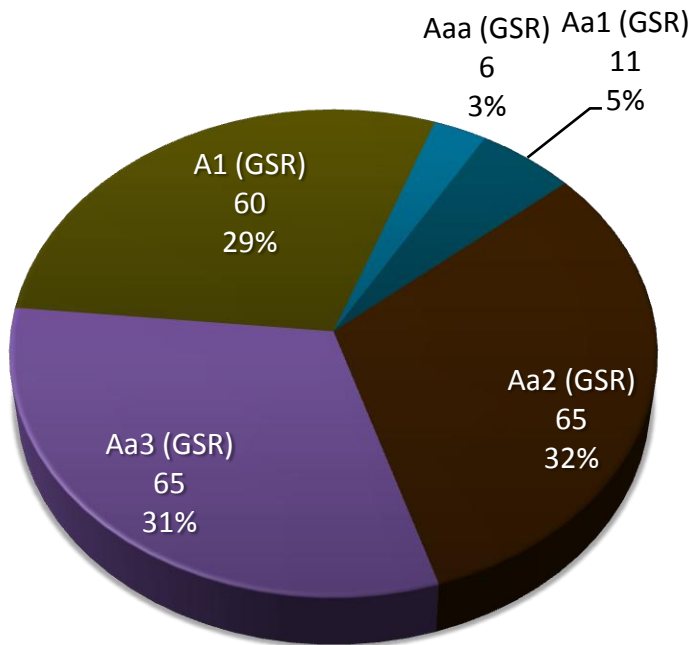
- Used less in the market today due to credit quality concerns of private insurance companies
- Currently there is only one company that is valued by investors
- Bond insurance is still used on many bond issues where it provides a higher (enhanced) credit rating compared to the issuer

*The better the credit, the lower the interest cost.

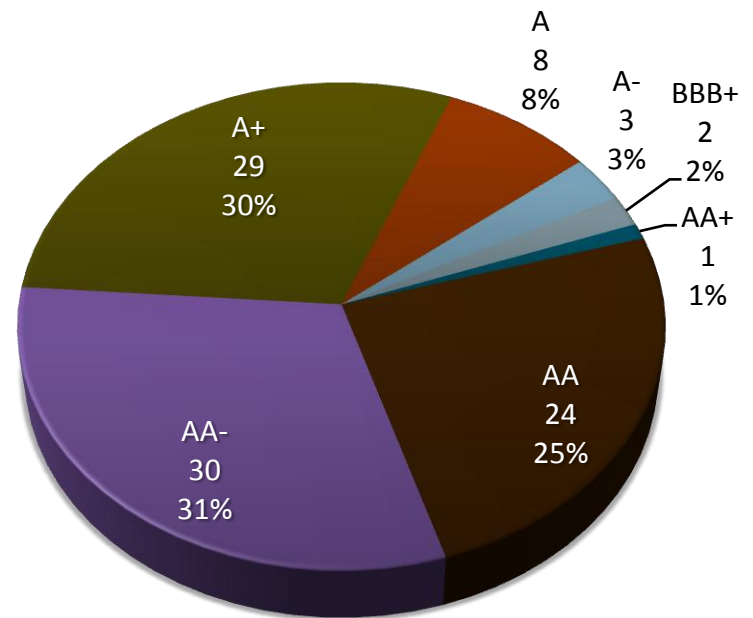
Credit Rating Breakdown



Moody's



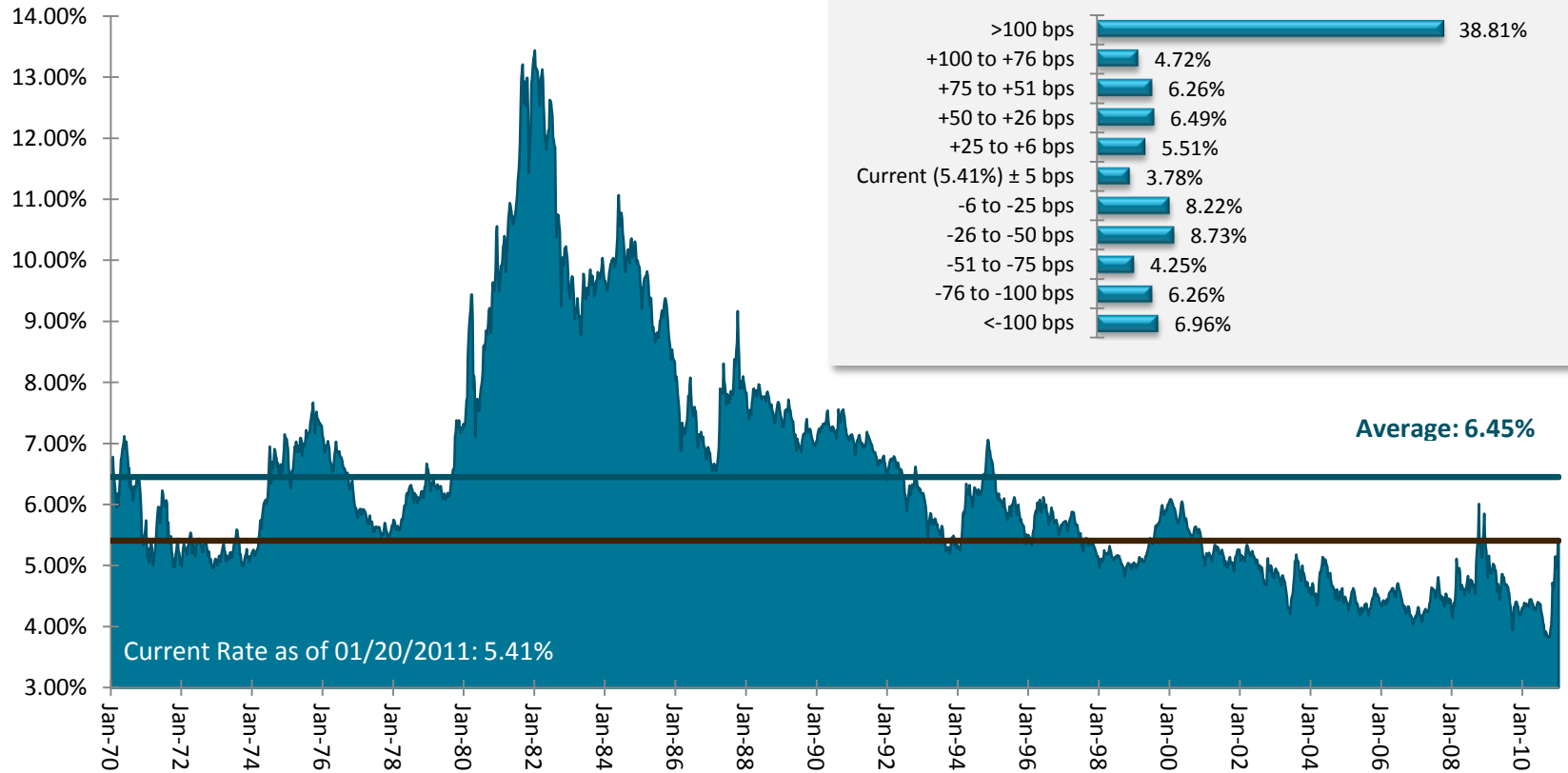
S & P



Of the 426 Wisconsin School Districts, 265 are rated:

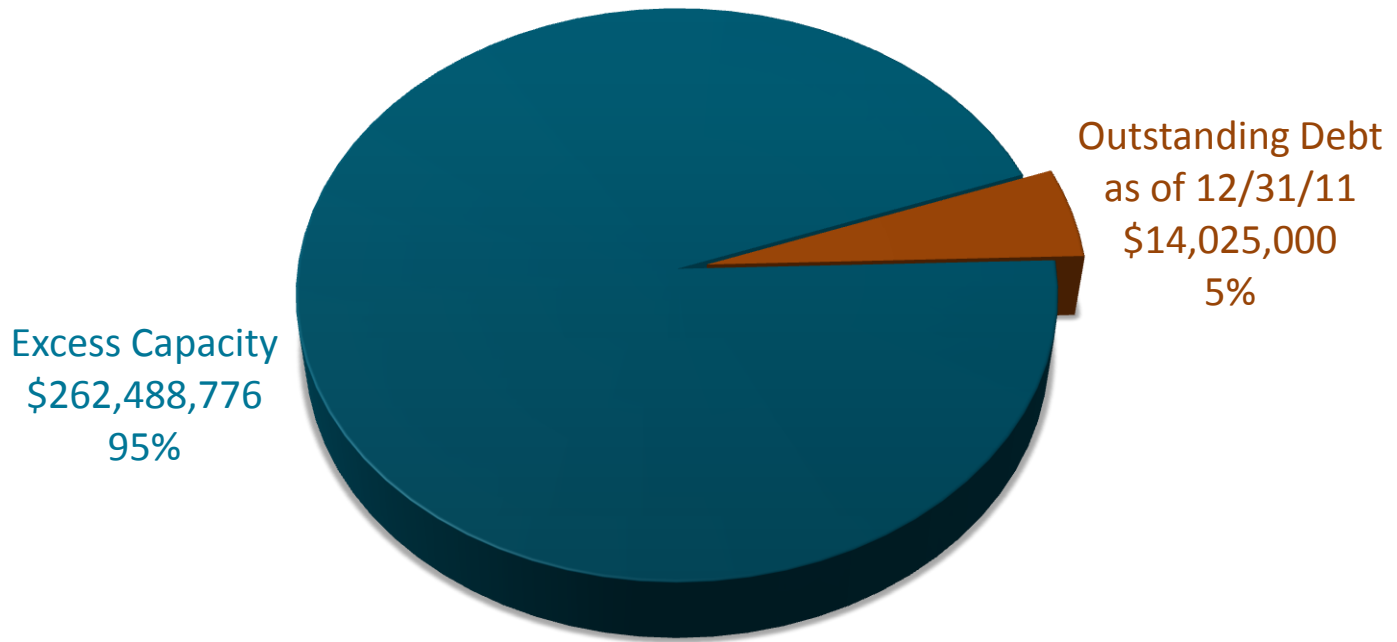
- 207 are rated by Moody's (recalibrated)
- 97 are rated by S&P

Historical Tax-Exempt Borrowing Rates 1970 - Present



Source: The Bond Buyer

School District's Debt Limit



Total Capacity based on 5% of the School District's 2010 Equalized Valuation (TID-In) of \$5,530,275,528 or \$276,513,776.

Passed Referendum History



November 3, 1992

- \$6,000,000 to Issue Debt

November 2, 1999

- \$19,800,000 to Issue Debt
- \$342,212 Recurring

Existing Debt



	FUND 39				FUND 39				FUND 39			
	Issue: 1				Issue: 2				Issue: 3			
	Amount: \$11,360,000				Amount: \$7,950,000				Amount: \$6,835,000			
	Type: G.O. School Building Bonds				Type: G.O. Refunding Bonds (AR)				Type: G.O. Refunding Bonds (AR)			
	Dated: April 1, 2000				Dated: May 1, 2001				Dated: May 15, 2002			
	Callable: March 1, 2010 @ par				Callable: March 1, 2011 @ par				Callable: March 1, 2012 @ par			
Year Due	PRINCIPAL	RATE	INTEREST	TOTAL	PRINCIPAL	RATE	INTEREST	TOTAL	PRINCIPAL	RATE	INTEREST	TOTAL
	3/1		3/1 & 9/1		3/1		3/1 & 9/1		3/1		3/1 & 9/1	
2011	\$430,000	5.35%	\$11,503	\$441,503	\$40,000	4.50%	\$188,264	\$228,264	\$465,000	4.150%	\$292,710	\$757,710
2012	***	5.45%			***	4.55%			\$925,000	4.250%	\$263,405	\$1,188,405
2013	***	5.50%			***	4.65%			\$965,000	4.375%	\$222,639	\$1,187,639
2014	***	6.00%			***	5.00%			\$515,000	4.500%	\$189,943	\$704,943
2015	***	5.65%			***	4.75%			\$540,000	4.550%	\$166,070	\$706,070
2016	***	5.70%			***	4.85%			\$565,000	4.650%	\$140,649	\$705,649
2017	***	5.75%			***	4.90%			\$595,000	4.750%	\$113,381	\$708,381
2018	***	5.80%			***	4.90%			\$630,000	5.000%	\$83,500	\$713,500
2019	***	5.85%			***	5.00%			\$660,000	5.000%	\$51,250	\$711,250
2020	***	5.90%			***	5.00%			\$695,000	5.000%	\$17,375	\$712,375
	<u>\$430,000</u>		<u>\$11,503</u>	<u>\$441,503</u>	<u>\$40,000</u>		<u>\$188,264</u>	<u>\$228,264</u>	<u>\$6,555,000</u>		<u>\$1,540,922</u>	<u>\$8,095,922</u>
	***	Advance Refunded by 2002 Bonds			***	Current Refunded by 2010 Bonds						
	***	Advance Refunded by 2001 Bonds										

Moody's Rating: Aa2
 Paying Agent: District

Existing Debt



FUND 39

Issue: 4
 Amount: \$8,305,000
 Type: G.O. Refunding Bonds (CR)
 Dated: December 1, 2010

Callable:	Noncallable
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Year Due					TOTAL FUND 39 EXISTING DEBT		
	PRINCIPAL	RATE	INTEREST	TOTAL	PRINCIPAL	INTEREST	TOTAL
	<i>3/1</i>		<i>3/1 & 9/1</i>				
2011	\$370,000	2.000%	\$221,038	\$591,038	\$1,305,000	\$713,514	\$2,018,514
2012	\$495,000	2.000%	\$287,300	\$782,300	\$1,420,000	\$550,705	\$1,970,705
2013	\$510,000	3.000%	\$274,700	\$784,700	\$1,475,000	\$497,339	\$1,972,339
2014	\$1,015,000	3.000%	\$251,825	\$1,266,825	\$1,530,000	\$441,768	\$1,971,768
2015	\$980,000	4.000%	\$217,000	\$1,197,000	\$1,520,000	\$383,070	\$1,903,070
2016	\$945,000	4.000%	\$178,500	\$1,123,500	\$1,510,000	\$319,149	\$1,829,149
2017	\$930,000	4.000%	\$141,000	\$1,071,000	\$1,525,000	\$254,381	\$1,779,381
2018	\$985,000	4.000%	\$102,700	\$1,087,700	\$1,615,000	\$186,200	\$1,801,200
2019	\$1,015,000	4.000%	\$62,700	\$1,077,700	\$1,675,000	\$113,950	\$1,788,950
2020	\$1,060,000	4.000%	\$21,200	\$1,081,200	\$1,755,000	\$38,575	\$1,793,575
	\$8,305,000		\$1,757,963	\$10,062,963	\$15,330,000	\$3,498,651	\$18,828,651

Refunded 5/1/2001 G.O. Bonds
Refunded 1/2/2009 STFL

Credit: Moody's Aa1
 Paying Agent: District

Summary of Refinancing Issues

\$7,950,000 G.O. Refunding Bonds

- Dated March 1, 2000
- Total Principal & Interest: \$13,811,868

\$11,360,000 G.O. School Building Bonds

- Dated April 1, 2000
- Total Principal & Interest: \$20,578,890

\$7,950,000 G.O. Refunding Bonds Advance Refunding

- Refunding of April 1, 2000 Bonds (2014-2020)
- Dated May 1, 2001
- Total Principal & Interest: \$14,000,400
- **Gross Savings: \$300,191**

\$6,835,000 G.O. Refunding Bonds Advance Refunding

- Refunding of March 1, 2000 Bonds (2011-2020)
- Refunding of April 1, 2000 Bonds (2012-2013)
- Dated May 15, 2002
- Total Principal & Interest: \$10,932,401
- **Gross Savings: \$212,548**

\$8,305,000 G.O. Refunding Bonds Current Refunding

- Refunding of 2009 State Trust Fund Loan
- Refunding of May 1, 2001 Bonds (2012-2020)
- Dated December 1, 2010
- Total Principal & Interest: \$10,062,963
- **Gross Savings \$1,245,443**

**TOTAL
GROSS
SAVINGS
\$1,758,183**

Tax Impact Summary of Example 2012 Referendum Financing Questions



Example Referendum Amount	\$5,000,000	\$10,000,000	\$15,000,000	\$20,000,000	\$25,000,000	
Maximum Debt Levy Tax Rate Impact (over 2011-12) (Per \$1,000 of property value)	\$0.07	\$0.15	\$0.22	\$0.30	\$0.37	
Maximum Tax Impact on Property with Fair Market Value of:						
	\$150,000 Property					
	Annual	\$10.50	\$22.50	\$33.00	\$45.00	\$55.50
	Monthly	\$0.88	\$1.88	\$2.75	\$3.75	\$4.63
	\$200,000 Property					
	Annual	\$14.00	\$30.00	\$44.00	\$60.00	\$74.00
	Monthly	\$1.17	\$2.50	\$3.67	\$5.00	\$6.17
\$300,000 Property						
Annual	\$21.00	\$45.00	\$66.00	\$90.00	\$111.00	
Monthly	\$1.75	\$3.75	\$5.50	\$7.50	\$9.25	

Key Assumptions:

1. Tax base growth of -1% in 2011 and 2012, 0% in 2013 and 2014, and 1% in 2015 and thereafter.
2. State aid tertiary impact of -49.58%.
3. Estimated interest rates on 20-year financing of 5.50%.