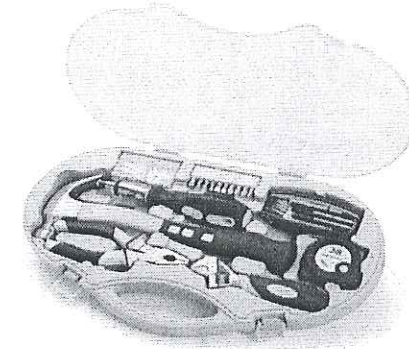
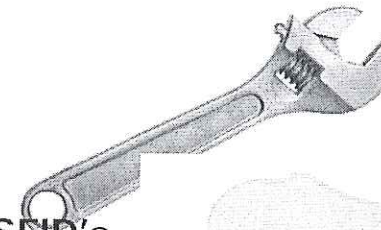
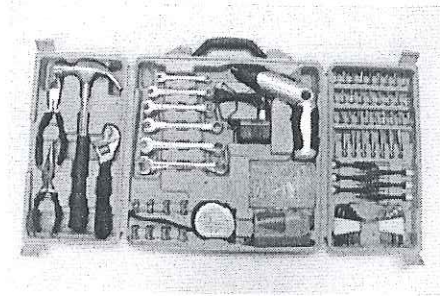
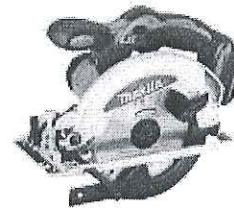


Finance Mechanisms & Tools

- **General Obligation Bonds (GO Bonds)**
 - Education Code (Maturities to 25 yrs)
 - Government Code (Maturities to 40 yrs)
- **Funding the GAP**
 - Bond Anticipation Notes (BANs)
 - Tender Option Lease Revenue Bonds /
Certificates of Participation (COPs)
 - Capital Appreciation Bonds (CABs) &
Convertible CABs (CCABs)
- **Other: Parcel Tax, Redevelopment, RMID's, CFD's and SFID's**
Not Facilities Related, but...
- **Tax and Revenue Anticipation Notes (TRANS)**
 - Short term operation and capital expenditures
 - Greater needs with 2011-12 budget issues (cross years)



General Obligation Bonds

- **Assessed Valuation Growth Assumptions Are Critical**
 - Voter approved authorization ≠ proceeds available today
 - Higher growth assumptions would allow earlier issuance
 - Lower growth assumptions delay issuance
 - Reality check is critical while keeping in mind tax rate promised
 - Many school districts faced with tough tax rate challenges in current environment

Bond Anticipation Notes (BANs)

- **Access short-term market now for facility proceeds**
 - Typically lower shorter-term interest rates
 - Depends on future ability to issue G.O. Bonds

- **Variable Rate Lease Revenue Bonds / COPs**

- **AB 1368 extended BANs amortization from one to five years;**
Additional legislation may extend BAN amortization up to ten years

- **New 2011 Rating Criteria make this instrument tougher to issue**
 - A.V. growth assumptions for repayment must be conservative