



Sacramento City Unified School District

1000 J Street, Sacramento, CA 95811
916.497.2000



Overview

Fall and spring cash flow deficits due to state deferrals (35% of our state revenue)

Standard options for cash flow relief

- Financing through County Treasurer

 - Allowable from July to last Monday in April (April 30th)

- Borrow from other district funds

- Short-term note borrowing

 - Tax Revenue and Anticipation Notes

 - Annual June TRAN or Cross year TRAN started in 2009-10

 - Tax exempt

 - Interest bearing note



Overview

Projections indicate shortfall on June 30

April, May, June shortfall

“Qualified” certification requires
Sacramento County Office of Education
approval to issue debt

Certify probability of repayment



Cost of Issuance

Based on maximum \$80 million TRAN

Cost of Issuance			
Bond/Disclosure Counsel	Orrick, Herrington & Sutcliffe LLP	\$ 40,000.00	Quoted Fee
Reimbursable Expenses	Orrick, Herrington & Sutcliffe LLP		
Rating	Standard & Poors -maximum	15,500.00	Estimate
Financial Advisor	KNN Public Finance	40,000.00	Quoted Fee
Reimbursable Expenses	KNN Public Finance	500.00	Estimate
Printing	Imagemaster	3,000.00	Estimate
Misc.	Contingency	1,000.00	Estimate
Total		<u>\$ 100,000.00</u>	
Underwriter's Discount	DeLaRosa \$1.25/note	<u>100,000.00</u>	



Cost to District - Maximum \$80 Million TRAN

Cost of Issuance	\$100,000
Plus Underwriter's fee	<u>\$100,000</u>
Total Cost of Issuance	\$200,000
Gross Interest (as of 2/15/12)	\$924,444
Less Premium Received	<u>\$344,000</u>



Time Line

Call with Rating Agency	March 6
Post Preliminary Official Statement	March 15
TRAN Pricing*	March 21/22
Closing of TRAN	April 5

*Tentative



Next Steps

Update of district cash flows

Document preparation – Preliminary
Official Statement

Rating agency call