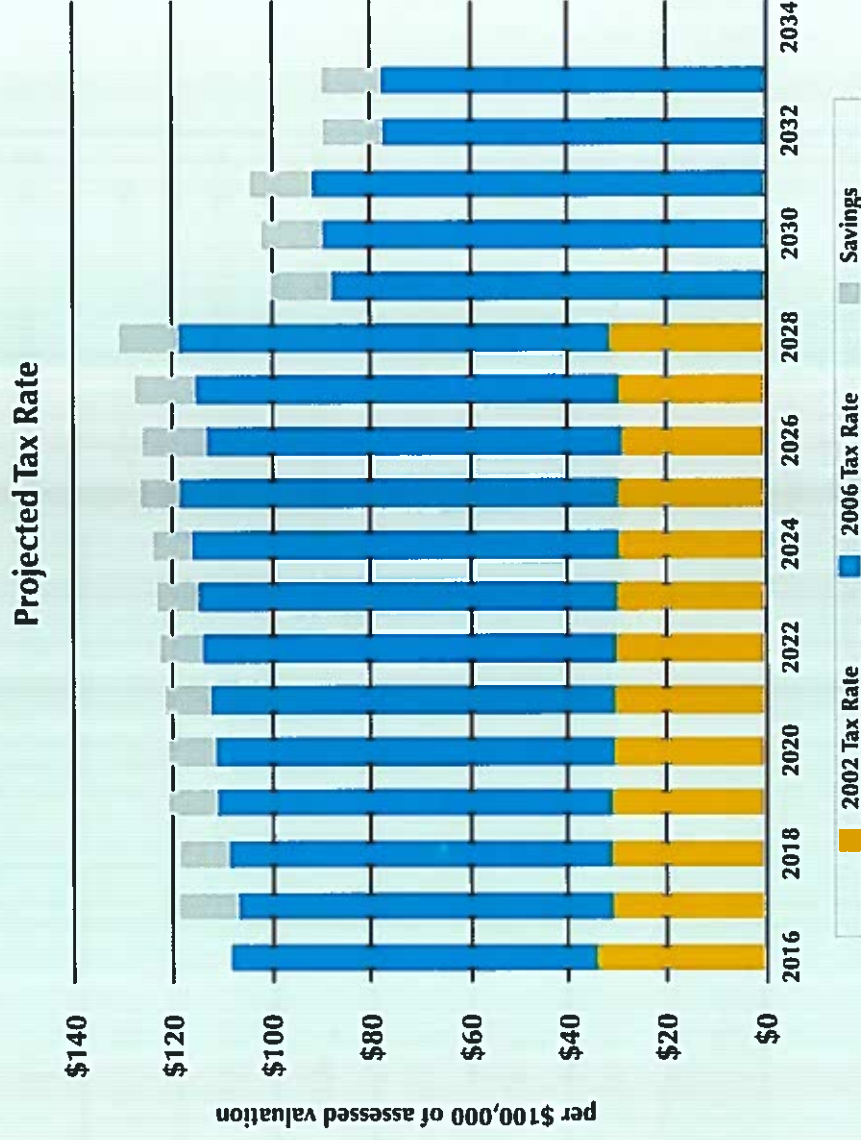


## Refinancing Schedule

Date	Activity
May 16	Rating agency meeting / conference call
May 19	District Board adopts issuance resolution
May 31	Receive rating
June 7	Post Preliminary Official Statement
June 15	Sale of refunding bonds
June 30	Closing of financing
TBD	Present financing results to Board

# Total Projected Tax Rates After Refunding

Average annual tax rate savings of \$10.20 per \$100,000 of assessed value



\* Assumes AV growth of 3% for two years then 4% annually thereafter

## Projected Debt Service and Tax Rate Savings

Bond Year Ending	Refunding of 2006 Series A Debt Service Savings	Refunding of 2006 Series B Debt Service Savings	Total Savings	Estimated Tax Rate Savings
8/1/2016	\$6,830	\$1,140	\$7,970	\$0.32
8/1/2017	\$153,025	\$142,675	\$295,700	\$12.06
8/1/2018	\$149,025	\$141,075	\$290,100	\$11.49
8/1/2019	\$149,725	\$139,575	\$289,300	\$11.02
8/1/2020	\$148,925	\$143,175	\$292,100	\$10.69
8/1/2021	\$151,825	\$141,775	\$293,600	\$10.34
8/1/2022	\$148,525	\$140,475	\$289,000	\$9.78
8/1/2023	\$149,688	\$139,275	\$288,963	\$9.41
8/1/2024	\$149,200	\$140,125	\$289,325	\$9.06
8/1/2025	\$153,300	\$144,125	\$297,425	\$8.95
8/1/2026	\$148,900	\$333,125	\$482,025	\$13.95
8/1/2027	\$151,850	\$347,113	\$498,963	\$13.88
8/1/2028	\$149,050	\$365,313	\$514,363	\$13.76
8/1/2029	\$149,600	\$384,100	\$533,700	\$13.73
8/1/2030	\$153,550	\$407,963	\$561,513	\$13.89
8/1/2031	\$150,200	\$436,188	\$586,388	\$13.95
8/1/2032		\$587,438	\$587,438	\$13.43
8/1/2033		\$604,950	\$604,950	\$13.30
<b>Total</b>	<b>\$2,263,218</b>	<b>\$4,739,602</b>	<b>\$7,002,820</b>	

\* Analysis based on interest rates as of May 3, 2016. Rates subject to market fluctuation.

## Refinancing Summary

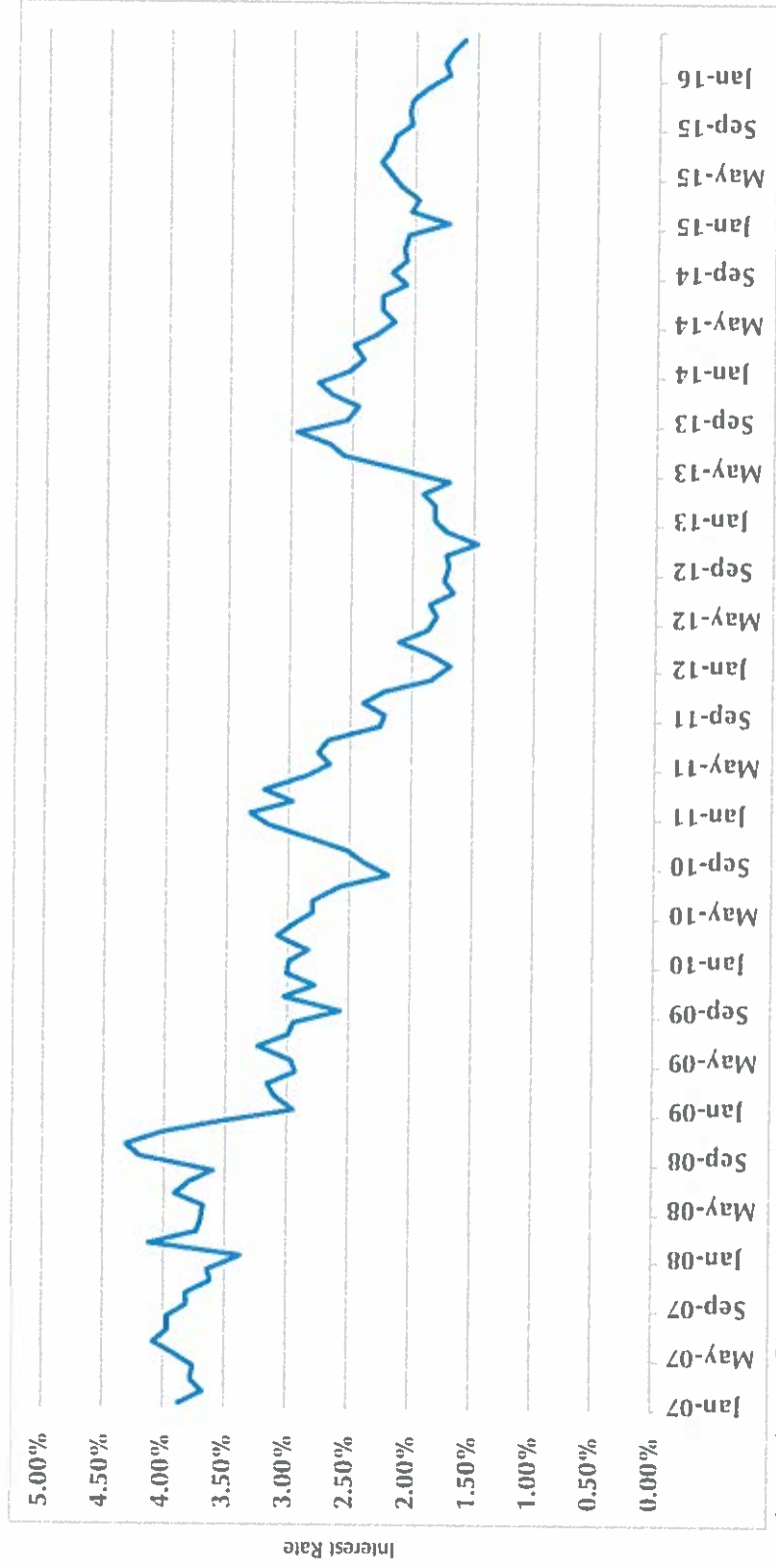
	Refunding of 2006 Election, Series A	Refunding of 2006 Election, Series B	Total
Refunded Principal	\$11,210,000	\$20,250,000	\$31,460,000
Refunded Bond Maturity Dates	2018 - 2031	2026 - 2033	2018 - 2033
Refunding Bond Maturity Dates	2016 - 2031	2016 - 2033	2016 - 2033
Average Interest Rate of Refunded Bonds	4.93%	5.25%	5.16%
Average Interest Rate of Refunding Bonds	2.57%	2.99%	3.10%
Estimated Issuance Costs (All financing costs including underwriters discount, bond insurance, legal fees, financial advisor fees, rating fees, escrow fees, etc.)	\$164,000	\$304,000	\$468,000
Estimated Escrow Fund Negative Arbitrage	\$235,947	\$742,585	\$978,532
Net Debt Service Savings	\$2,263,217	\$4,739,602	\$7,002,819
Present Value of Debt Service Savings	\$1,881,050	\$3,614,439	\$5,495,489
Present Value Savings as % of Refunded Principal	16.78%	17.85%	17.47%

\* Analysis based on interest rates as of May 3, 2016. Rates subject to market fluctuation. Assumes both series of bonds refunded.

# Historical Interest Rates

## Municipal Bond Interest Rates are Near Historic Lows

Municipal Bond Rates  
10-Year "AAA GO MMD-Index"



Source: Thomson Reuters



## Refinancing Opportunity

### Refunding G.O. Bonds Saves Taxpayers Money with No Cost to the General Fund

- Current interest rate environment provides an opportunity to refinance the Election of 2006 Series A and Series B bonds
- Similar to home mortgage refinancing, old bonds are replaced by issuing a new series of refunding bonds at lower interest rates
- All savings will be passed on to taxpayers through lower annual tax assessments
- The term of the bonds will not be extended
- Financing costs are contingent upon the successful completing of the financing and paid from bond proceeds - **no general fund cost**

## Outstanding General Obligation Bonds

Series	Issue Date	Final Maturity Date	Outstanding Principal	Next Call Date
2002 Election, Series A	4/1/2003	8/1/2017	\$207,674	Non-Callable
2002 Election, Series B	6/17/2004	8/1/2028	\$165,038	Non-Callable
2006 Election, Series A	3/15/2007	8/1/2031	\$11,635,000	8/1/2017
2006 Election, Series B	8/1/2008	8/1/2033	\$23,389,288	8/1/2018
2014 GO Refunding Bonds	7/31/2014	8/1/2027	\$7,875,000	8/1/2024

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May 19, 2016

**Banning Unified School District**  
***Bond Refinancing Review***

*Prepared by:*



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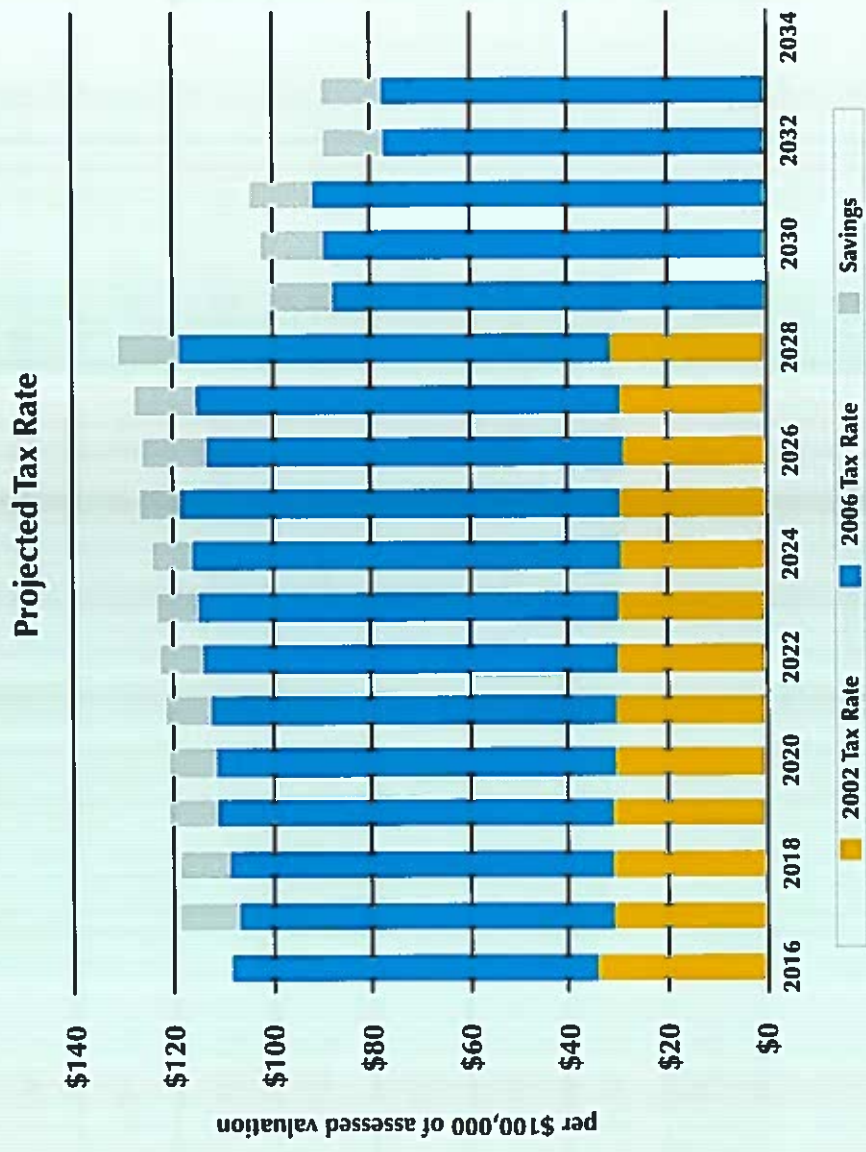


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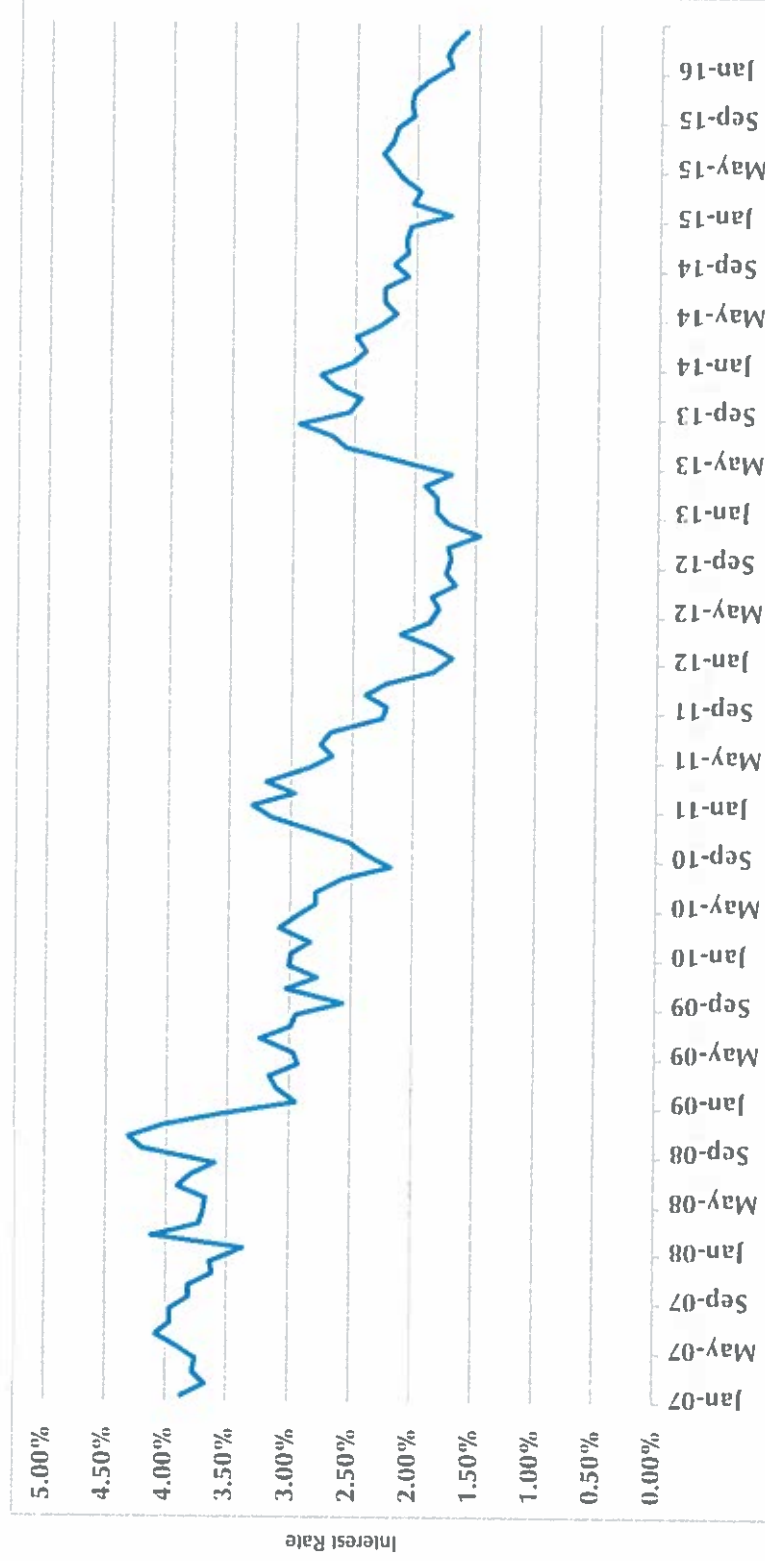
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