



The PFM Group

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PFM Advisors

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August 31, 2012

Memorandum

To: Michael Green and Stacy Brown, *Woodland Public Schools*
From: Mark Prussing, Duncan Brown, and Caitlin Caldwell, *Public Financial Management, Inc.*
Re: Woodland School District No. 404, Cowlitz and Clark Counties, Washington, Unlimited Tax General Obligation Bonds, 2012

Public Financial Management, Inc. (“PFM”) was pleased to serve the Woodland School District No. 404, Cowlitz and Clark Counties, Washington (the “District”) as its financial advisor on the issuance of the bonds referenced above (the “Bonds”). The Bonds were sold publicly through competitive sale and awarded to Morgan Stanley on July 24, 2012. The Bonds closed on August 15, 2012.

In its role as financial advisor, PFM assisted the District in recommending a method of sale; monitoring movements in the tax-exempt bond market and their effects on the plan of finance; preparing and participating in a presentation to Moody’s Investors Service (“Moody’s”); analyzing and recommending different bond structures; preparing the Bonds for sale via the Parity electronic bidding platform; marketing the Bonds to prospective bidders; participating in review of bond documents; and coordinating the bond closing.

The Project

The Bonds were issued to finance capital projects of the District, using \$26,000,000 of the total \$52,835,000 of bond authority initially approved at an election held April 17, 2012. The Bonds represent the first series of bonds issued under the April 2012 authorization.

The District ultimately sold bonds in the amount of \$26,000,000 with original issue premium of \$538,870.00, generating total proceeds of \$26,535,870.00. Of this amount, \$26,000,000 was applied to the District’s Capital Projects Fund, \$39,516.00 was deposited to the Debt Service Fund, and the remainder was used to pay underwriter’s discount and other costs of issuance.

Credit Ratings

PFM assisted the District in coordinating an information package for distribution to Moody’s prior to the sale of the Bonds in order to obtain the District’s initial underlying credit rating. In previous bond sales, the District had relied on the credit ratings of the Washington State School District Credit Enhancement Program and/or bond insurers, but had not obtained an underlying issuer rating. In the wake of the recent recession, underlying ratings have become much more important to individual investors.



Additionally, PFM worked with the District to produce an electronic presentation for Moody's and participated in a telephonic discussion with the District and Moody's. Moody's assigned a rating of "A1" to the Bonds – a rating consistent with that of other school districts with comparable financial metrics.

The District also benefitted from the Washington State School District Credit Enhancement Program, receiving an enhanced "Aa1" rating from Moody's. PFM helped coordinate the flow of information between the District and the appropriate parties at the Washington State Treasurer's Office.

Bond Structure

Based on a review of the District's goals for this transaction, outstanding debt and projected tax rates, the Bonds were structured to amortize between 2012 and 2036. The final payment structure was set to keep the bond tax consistent with the amount voters were told to expect – an estimated increase of \$16.00 for a home valued at \$200,000 in 2012. We will continue to work toward that goal in subsequent issues.

Woodland Public Schools						
TAXPAYER COST ANALYSIS						
Total Project Cost:		\$ 63,835,000				
State Funding:		11,000,000				
Local Bond Funding:		\$ 52,835,000				
Total Estimated 2013 Bond Tax Rate Increase over 2012 Tax Rate (per \$1,000 assessed value):		\$0.96				
Assessed Value of Property	Gross Property Tax Increase for Bonds	Monthly Gross Increase	Monthly Net Tax Increase from Bonds After Allowing for Income Tax Deduction			
			Federal Income Tax Bracket			
			25%	28%	33%	35%
\$150,000	\$144.00	\$12.00	\$9.00	\$8.64	\$8.04	\$7.80
200,000	192.00	16.00	12.00	11.52	10.72	10.40
250,000	240.00	20.00	15.00	14.40	13.40	13.00
300,000	288.00	24.00	18.00	17.28	16.08	15.60
350,000	336.00	28.00	21.00	20.16	18.76	18.20
400,000	384.00	32.00	24.00	23.04	21.44	20.80
NOTE: Qualified lower-income senior homeowners may apply for a senior exemption. Please contact the County Assessor for more details.						



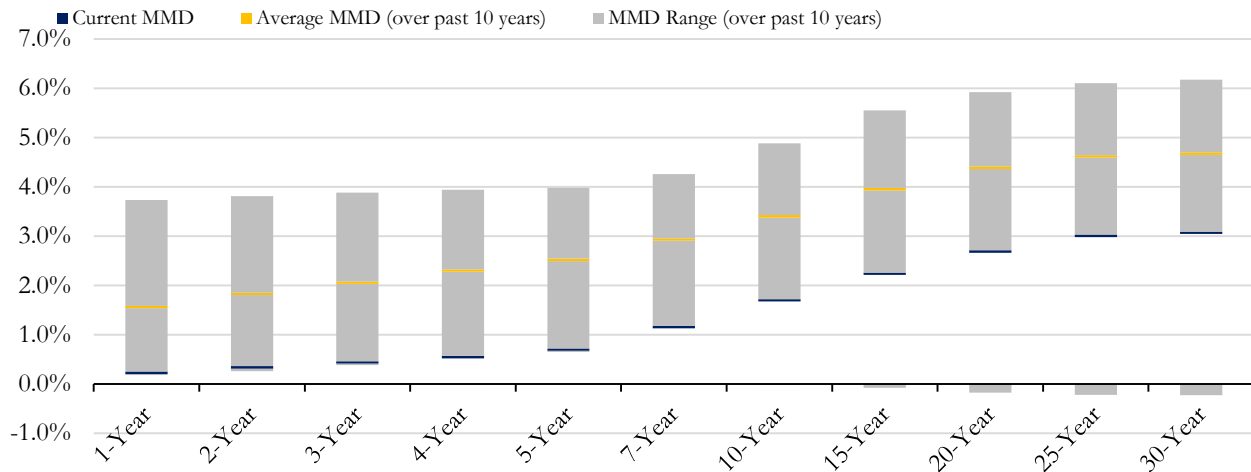
Method of Sale

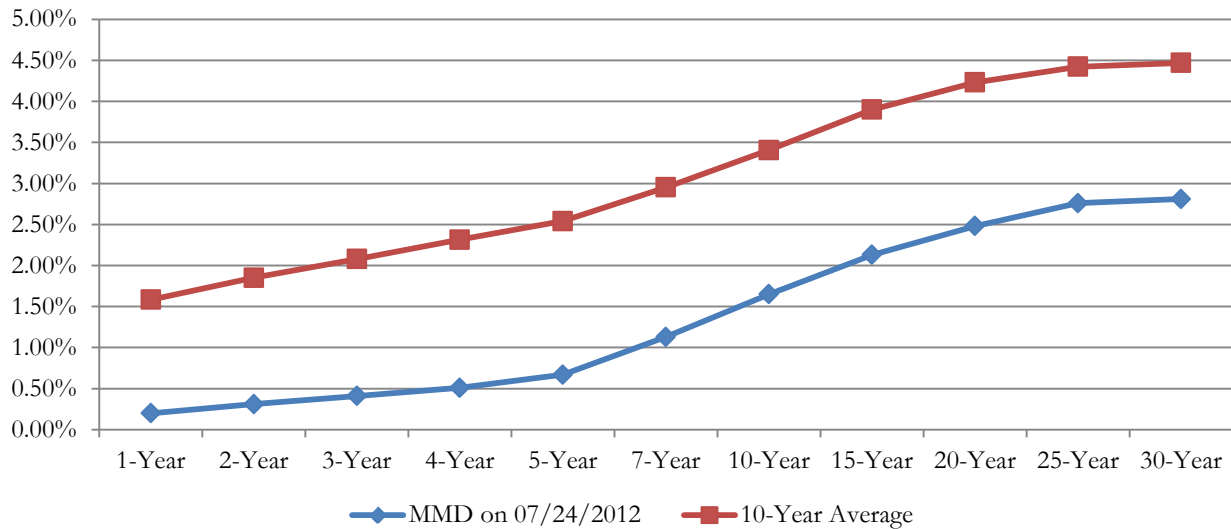
Due to the District’s strong credit rating, relatively straightforward bond structure, and favorable market leading up to the sale, PFM recommended a competitive method of sale for this transaction. This method of sale allowed the District to benefit from 5 different bidders competing to offer the best possible rates, as described below. The “cover” or second lowest bid’s True Interest Cost was 3.40%, approximately 5 basis points higher than the winning bid of 3.35%. PFM estimates the value between choosing a competitive sale versus a negotiated sale to be the additional debt service associated with the cover bid. Based on the difference between the winning and cover bids, we estimate the District would have paid approximately \$220,000 in additional interest over the life of the Bonds if it had chosen a negotiated method of sale. A table evaluating the method of sale is included in the attached bond planning presentation dated June 25, 2012.

PFM also recommended that the financing be approved by the District through a delegation of authority from the Board to the Superintendent. The District used this method when it issued its Unlimited Tax General Obligation Refunding Bonds, 2012 in February 2012. The delegation of authority provided the District additional flexibility to complete the financing without the requirement of an additional special meeting of the School Board on the date of sale. We expect that the method of sale and the benefits from using a delegation of authority will be evaluated once again for any future financings.

Bond Sale

In the days prior to the bond sale, PFM regularly monitored the tax-exempt bond market. The charts below illustrate long term interest rates on the day of pricing in relation to the last decade.





Relative Pricing Performance

A combination of high credit ratings, method of sale, and a favorable market tone helped the District achieve solid primary market pricing for its Bonds. As seen in the attached sheet, the District's Bonds priced with spreads to the Municipal Market Data ("MMD") "AAA" GO Index at levels below most other similarly rated Washington school district transactions over the past several weeks. The District garnered rates substantially lower than a neighboring district in the market recently. The District's rates were also comparable to those received by a much larger, "Aaa"-rated district in the market on the same day as the District. Both the neighboring district and the "Aaa"-rated district sold bonds through a negotiated method of sale.

PFM very much appreciates the opportunity serve as financial advisor to the District. We will monitor the District's outstanding bonds for future refunding opportunities and look forward to working with you in the future to continue to successfully implement the District's financing plan.

Attachments

- Final Numbers
- Outstanding Bonds of the District
- Closing Flow of Funds Memo
- Summary of Comparable Bond Sales
- Bond Issue Planning Presentation
- Bond Sale Results Presentation

SOURCES AND USES OF FUNDS

Woodland Public Schools
Unlimited Tax GO Bonds, 2012
FINAL NUMBERS

Dated Date 08/15/2012
Delivery Date 08/15/2012

Sources:

Bond Proceeds:

Par Amount	26,000,000.00
Original Issue Discount	(123,454.00)
Premium	659,324.00

26,535,870.00

Uses:

Project Fund Deposits:

Project Fund	26,000,000.00
Debt Service Fund	39,516.00

26,039,516.00

Delivery Date Expenses:

Cost of Issuance	95,900.00
Underwriter's Discount	400,454.00

496,354.00

26,535,870.00

BOND SUMMARY STATISTICS

Woodland Public Schools
 Unlimited Tax GO Bonds, 2012
 FINAL NUMBERS

Dated Date	08/15/2012
Delivery Date	08/15/2012
Last Maturity	12/01/2036
Arbitrage Yield	3.106412%
True Interest Cost (TIC)	3.320889%
Net Interest Cost (NIC)	3.351825%
All-In TIC	3.350396%
Average Coupon	3.382759%
Average Life (years)	16.837
Duration of Issue (years)	12.674
Par Amount	26,000,000.00
Bond Proceeds	26,535,870.00
Total Interest	14,808,214.44
Net Interest	14,672,798.44
Total Debt Service	40,808,214.44
Maximum Annual Debt Service	2,668,000.00
Average Annual Debt Service	1,679,734.42
Underwriter's Fees (per \$1000)	
Average Takedown	
Other Fee	15.402077
	<hr/>
Total Underwriter's Discount	15.402077
Bid Price	100.520831

Bond Component	Par Value	Price	Average Coupon	Average Life
Serial Bonds	26,000,000.00	102.061	3.383%	16.837
	<hr/>			
	26,000,000.00			16.837

	TIC	All-In TIC	Arbitrage Yield
Par Value	26,000,000.00	26,000,000.00	26,000,000.00
+ Accrued Interest			
+ Premium (Discount)	535,870.00	535,870.00	535,870.00
- Underwriter's Discount	(400,454.00)	(400,454.00)	
- Cost of Issuance Expense		(95,900.00)	
- Other Amounts			
	<hr/>	<hr/>	<hr/>
Target Value	26,135,416.00	26,039,516.00	26,535,870.00
Target Date	08/15/2012	08/15/2012	08/15/2012
Yield	3.320889%	3.350396%	3.106412%

BOND PRICING

Woodland Public Schools
 Unlimited Tax GO Bonds, 2012
 FINAL NUMBERS

Bond Component	Maturity Date	Amount	Rate	Yield	Price	Yield to Maturity	Call Date	Call Price	Premium (-Discount)
Serial Bonds:									
	12/01/2013	900,000	3.000%	0.300%	103.485				31,365.00
	12/01/2014	1,000,000	3.000%	0.500%	105.695				56,950.00
	12/01/2018	500,000	3.000%	1.260%	110.496				52,480.00
	12/01/2019	500,000	3.000%	1.480%	110.472				52,360.00
	12/01/2020	500,000	3.000%	1.690%	110.097				50,485.00
	12/01/2021	500,000	3.000%	1.880%	109.508				47,540.00
	12/01/2022	500,000	3.000%	2.000%	108.853 C	2.042%	06/01/2022	100.000	44,265.00
	12/01/2023	500,000	3.000%	2.200%	107.012 C	2.292%	06/01/2022	100.000	35,060.00
	12/01/2024	600,000	3.000%	2.400%	105.207 C	2.505%	06/01/2022	100.000	31,242.00
	12/01/2025	1,100,000	3.000%	2.600%	103.436 C	2.691%	06/01/2022	100.000	37,796.00
	12/01/2026	1,200,000	3.000%	2.750%	102.131 C	2.818%	06/01/2022	100.000	25,572.00
	12/01/2027	1,300,000	3.000%	2.900%	100.844 C	2.931%	06/01/2022	100.000	10,972.00
	12/01/2028	1,400,000	3.000%	3.000%	100.000				
	12/01/2029	1,500,000	3.000%	3.100%	98.666				(20,010.00)
	12/01/2030	1,600,000	3.100%	3.200%	98.620				(22,080.00)
	12/01/2031	1,800,000	3.200%	3.300%	98.577				(25,614.00)
	12/01/2032	2,000,000	3.250%	3.380%	98.098				(38,040.00)
	12/01/2033	2,100,000	3.500%	3.500%	100.000				
	12/01/2034	2,300,000	3.500%	3.550%	99.230				(17,710.00)
	12/01/2035	2,500,000	4.000%	3.450%	104.534 C	3.707%	06/01/2022	100.000	113,350.00
	12/01/2036	1,700,000	4.000%	3.500%	104.111 C	3.741%	06/01/2022	100.000	69,887.00
		26,000,000							535,870.00

BOND PRICING

Woodland Public Schools
Unlimited Tax GO Bonds, 2012
FINAL NUMBERS

Dated Date	08/15/2012	
Delivery Date	08/15/2012	
First Coupon	12/01/2012	
Par Amount	26,000,000.00	
Premium	535,870.00	
	<hr/>	
Production	26,535,870.00	102.061038%
Underwriter's Discount	(400,454.00)	(1.540208)
	<hr/>	
Purchase Price	26,135,416.00	100.520831%
Accrued Interest		
	<hr/>	
Net Proceeds	26,135,416.00	

BOND DEBT SERVICE

Woodland Public Schools
Unlimited Tax GO Bonds, 2012
FINAL NUMBERS

Dated Date 08/15/2012
Delivery Date 08/15/2012

Period Ending	Principal	Interest	Debt Service
12/01/2012		251,514.44	251,514.44
12/01/2013	900,000	854,200.00	1,754,200.00
12/01/2014	1,000,000	827,200.00	1,827,200.00
12/01/2015		797,200.00	797,200.00
12/01/2016		797,200.00	797,200.00
12/01/2017		797,200.00	797,200.00
12/01/2018	500,000	797,200.00	1,297,200.00
12/01/2019	500,000	782,200.00	1,282,200.00
12/01/2020	500,000	767,200.00	1,267,200.00
12/01/2021	500,000	752,200.00	1,252,200.00
12/01/2022	500,000	737,200.00	1,237,200.00
12/01/2023	500,000	722,200.00	1,222,200.00
12/01/2024	600,000	707,200.00	1,307,200.00
12/01/2025	1,100,000	689,200.00	1,789,200.00
12/01/2026	1,200,000	656,200.00	1,856,200.00
12/01/2027	1,300,000	620,200.00	1,920,200.00
12/01/2028	1,400,000	581,200.00	1,981,200.00
12/01/2029	1,500,000	539,200.00	2,039,200.00
12/01/2030	1,600,000	494,200.00	2,094,200.00
12/01/2031	1,800,000	444,600.00	2,244,600.00
12/01/2032	2,000,000	387,000.00	2,387,000.00
12/01/2033	2,100,000	322,000.00	2,422,000.00
12/01/2034	2,300,000	248,500.00	2,548,500.00
12/01/2035	2,500,000	168,000.00	2,668,000.00
12/01/2036	1,700,000	68,000.00	1,768,000.00
	26,000,000	14,808,214.44	40,808,214.44

BOND DEBT SERVICE

Woodland Public Schools
 Unlimited Tax GO Bonds, 2012
 FINAL NUMBERS

Dated Date 08/15/2012
 Delivery Date 08/15/2012

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
12/01/2012		251,514.44	251,514.44	251,514.44
06/01/2013		427,100.00	427,100.00	
12/01/2013	900,000	427,100.00	1,327,100.00	1,754,200.00
06/01/2014		413,600.00	413,600.00	
12/01/2014	1,000,000	413,600.00	1,413,600.00	1,827,200.00
06/01/2015		398,600.00	398,600.00	
12/01/2015		398,600.00	398,600.00	797,200.00
06/01/2016		398,600.00	398,600.00	
12/01/2016		398,600.00	398,600.00	797,200.00
06/01/2017		398,600.00	398,600.00	
12/01/2017		398,600.00	398,600.00	797,200.00
06/01/2018		398,600.00	398,600.00	
12/01/2018	500,000	398,600.00	898,600.00	1,297,200.00
06/01/2019		391,100.00	391,100.00	
12/01/2019	500,000	391,100.00	891,100.00	1,282,200.00
06/01/2020		383,600.00	383,600.00	
12/01/2020	500,000	383,600.00	883,600.00	1,267,200.00
06/01/2021		376,100.00	376,100.00	
12/01/2021	500,000	376,100.00	876,100.00	1,252,200.00
06/01/2022		368,600.00	368,600.00	
12/01/2022	500,000	368,600.00	868,600.00	1,237,200.00
06/01/2023		361,100.00	361,100.00	
12/01/2023	500,000	361,100.00	861,100.00	1,222,200.00
06/01/2024		353,600.00	353,600.00	
12/01/2024	600,000	353,600.00	953,600.00	1,307,200.00
06/01/2025		344,600.00	344,600.00	
12/01/2025	1,100,000	344,600.00	1,444,600.00	1,789,200.00
06/01/2026		328,100.00	328,100.00	
12/01/2026	1,200,000	328,100.00	1,528,100.00	1,856,200.00
06/01/2027		310,100.00	310,100.00	
12/01/2027	1,300,000	310,100.00	1,610,100.00	1,920,200.00
06/01/2028		290,600.00	290,600.00	
12/01/2028	1,400,000	290,600.00	1,690,600.00	1,981,200.00
06/01/2029		269,600.00	269,600.00	
12/01/2029	1,500,000	269,600.00	1,769,600.00	2,039,200.00
06/01/2030		247,100.00	247,100.00	
12/01/2030	1,600,000	247,100.00	1,847,100.00	2,094,200.00
06/01/2031		222,300.00	222,300.00	
12/01/2031	1,800,000	222,300.00	2,022,300.00	2,244,600.00
06/01/2032		193,500.00	193,500.00	
12/01/2032	2,000,000	193,500.00	2,193,500.00	2,387,000.00
06/01/2033		161,000.00	161,000.00	
12/01/2033	2,100,000	161,000.00	2,261,000.00	2,422,000.00
06/01/2034		124,250.00	124,250.00	
12/01/2034	2,300,000	124,250.00	2,424,250.00	2,548,500.00

BOND DEBT SERVICE

Woodland Public Schools
Unlimited Tax GO Bonds, 2012
FINAL NUMBERS

Period Ending	Principal	Interest	Debt Service	Annual Debt Service
06/01/2035		84,000.00	84,000.00	
12/01/2035	2,500,000	84,000.00	2,584,000.00	2,668,000.00
06/01/2036		34,000.00	34,000.00	
12/01/2036	1,700,000	34,000.00	1,734,000.00	1,768,000.00
	26,000,000	14,808,214.44	40,808,214.44	40,808,214.44

COST OF ISSUANCE

Woodland Public Schools
Unlimited Tax GO Bonds, 2012
FINAL NUMBERS

Cost of Issuance	\$/1000	Amount
MOODY'S	0.59231	15,400.00
PACIFICA LAW GROUP	1.63462	42,500.00
PFM	1.37500	35,750.00
IPREO Posting	0.04808	1,250.00
Printing	0.03846	1,000.00
	3.68846	95,900.00

FORM 8038 STATISTICS

Woodland Public Schools
 Unlimited Tax GO Bonds, 2012
 FINAL NUMBERS

Dated Date 08/15/2012
 Delivery Date 08/15/2012

Bond Component	Date	Principal	Coupon	Price	Issue Price	Redemption at Maturity
Serial Bonds:						
	12/01/2013	900,000.00	3.000%	103.485	931,365.00	900,000.00
	12/01/2014	1,000,000.00	3.000%	105.695	1,056,950.00	1,000,000.00
	12/01/2018	500,000.00	3.000%	110.496	552,480.00	500,000.00
	12/01/2019	500,000.00	3.000%	110.472	552,360.00	500,000.00
	12/01/2020	500,000.00	3.000%	110.097	550,485.00	500,000.00
	12/01/2021	500,000.00	3.000%	109.508	547,540.00	500,000.00
	12/01/2022	500,000.00	3.000%	108.853	544,265.00	500,000.00
	12/01/2023	500,000.00	3.000%	107.012	535,060.00	500,000.00
	12/01/2024	600,000.00	3.000%	105.207	631,242.00	600,000.00
	12/01/2025	1,100,000.00	3.000%	103.436	1,137,796.00	1,100,000.00
	12/01/2026	1,200,000.00	3.000%	102.131	1,225,572.00	1,200,000.00
	12/01/2027	1,300,000.00	3.000%	100.844	1,310,972.00	1,300,000.00
	12/01/2028	1,400,000.00	3.000%	100.000	1,400,000.00	1,400,000.00
	12/01/2029	1,500,000.00	3.000%	98.666	1,479,990.00	1,500,000.00
	12/01/2030	1,600,000.00	3.100%	98.620	1,577,920.00	1,600,000.00
	12/01/2031	1,800,000.00	3.200%	98.577	1,774,386.00	1,800,000.00
	12/01/2032	2,000,000.00	3.250%	98.098	1,961,960.00	2,000,000.00
	12/01/2033	2,100,000.00	3.500%	100.000	2,100,000.00	2,100,000.00
	12/01/2034	2,300,000.00	3.500%	99.230	2,282,290.00	2,300,000.00
	12/01/2035	2,500,000.00	4.000%	104.534	2,613,350.00	2,500,000.00
	12/01/2036	1,700,000.00	4.000%	104.111	1,769,887.00	1,700,000.00
		26,000,000.00			26,535,870.00	26,000,000.00

	Maturity Date	Interest Rate	Issue Price	Stated Redemption at Maturity	Weighted Average Maturity	Yield
Final Maturity	12/01/2036	4.000%	1,769,887.00	1,700,000.00		
Entire Issue			26,535,870.00	26,000,000.00	16.7207	3.1064%

Proceeds used for accrued interest	0.00
Proceeds used for bond issuance costs (including underwriters' discount)	496,354.00
Proceeds used for credit enhancement	0.00
Proceeds allocated to reasonably required reserve or replacement fund	0.00

**Woodland School District No. 404
Cowlitz and Clark Counties, Washington
Summary of Voter-Approved Obligations
As of September 1, 2012**



Woodland Public Schools
 Outstanding Voter-Approved Bonds as of 9/1/2012
 Total

Semiannual Debt Service			Calendar Year Debt Service*			Fiscal Year Debt Service*								
Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service						
6/1/2012	73,040.83	73,040.83	12/31/2012	705,000.00	403,890.77	1,108,890.77	8/31/2012	73,040.83	73,040.83					
12/1/2012	705,000.00	330,849.94	1,035,849.94	12/31/2013	1,625,000.00	1,004,096.00	2,629,096.00	8/31/2013	705,000.00	832,897.94	1,537,897.94			
6/1/2013	502,048.00	502,048.00	12/31/2014	1,765,000.00	966,801.00	2,731,801.00	8/31/2014	1,625,000.00	985,448.50	2,610,448.50				
12/1/2013	1,625,000.00	502,048.00	2,127,048.00	12/31/2015	815,000.00	925,063.50	1,740,063.50	8/31/2015	1,765,000.00	945,932.25	2,710,932.25			
6/1/2014	483,400.50	483,400.50	12/31/2016	855,000.00	911,248.50	1,766,248.50	8/31/2016	815,000.00	918,156.00	1,733,156.00				
12/1/2014	1,765,000.00	483,400.50	2,248,400.50	12/31/2017	220,000.00	895,567.50	1,115,567.50	8/31/2017	855,000.00	903,408.00	1,758,408.00			
6/1/2015	462,531.75	462,531.75	12/31/2018	740,000.00	886,767.50	1,626,767.50	8/31/2018	220,000.00	891,167.50	1,111,167.50				
12/1/2015	815,000.00	462,531.75	1,277,531.75	12/31/2019	765,000.00	862,407.50	1,627,407.50	8/31/2019	740,000.00	874,587.50	1,614,587.50			
6/1/2016	455,624.25	455,624.25	12/31/2020	790,000.00	836,940.00	1,626,940.00	8/31/2020	765,000.00	849,673.75	1,614,673.75				
12/1/2016	855,000.00	455,624.25	1,310,624.25	12/31/2021	815,000.00	810,340.00	1,625,340.00	8/31/2021	790,000.00	823,640.00	1,613,640.00			
6/1/2017	447,783.75	447,783.75	12/31/2022	840,000.00	782,740.00	1,622,740.00	8/31/2022	815,000.00	796,540.00	1,611,540.00				
12/1/2017	220,000.00	447,783.75	667,783.75	12/31/2023	870,000.00	753,970.00	1,623,970.00	8/31/2023	840,000.00	768,355.00	1,608,355.00			
6/1/2018	443,383.75	443,383.75	12/31/2024	1,000,000.00	723,800.00	1,723,800.00	8/31/2024	870,000.00	738,885.00	1,608,885.00				
12/1/2018	740,000.00	443,383.75	1,183,383.75	12/31/2025	1,100,000.00	689,200.00	1,789,200.00	8/31/2025	1,000,000.00	706,500.00	1,706,500.00			
6/1/2019	431,203.75	431,203.75	12/31/2026	1,200,000.00	656,200.00	1,856,200.00	8/31/2026	1,100,000.00	672,700.00	1,772,700.00				
12/1/2019	765,000.00	431,203.75	1,196,203.75	12/31/2027	1,300,000.00	620,200.00	1,920,200.00	8/31/2027	1,200,000.00	638,200.00	1,838,200.00			
6/1/2020	418,470.00	418,470.00	12/31/2028	1,400,000.00	581,200.00	1,981,200.00	8/31/2028	1,300,000.00	600,700.00	1,900,700.00				
12/1/2020	790,000.00	418,470.00	1,208,470.00	12/31/2029	1,500,000.00	539,200.00	2,039,200.00	8/31/2029	1,400,000.00	560,200.00	1,960,200.00			
6/1/2021	405,170.00	405,170.00	12/31/2030	1,600,000.00	494,200.00	2,094,200.00	8/31/2030	1,500,000.00	516,700.00	2,016,700.00				
12/1/2021	815,000.00	405,170.00	1,220,170.00	12/31/2031	1,800,000.00	444,600.00	2,244,600.00	8/31/2031	1,600,000.00	469,400.00	2,069,400.00			
6/1/2022	391,370.00	391,370.00	12/31/2032	2,000,000.00	387,000.00	2,387,000.00	8/31/2032	1,800,000.00	415,800.00	2,215,800.00				
12/1/2022	840,000.00	391,370.00	1,231,370.00	12/31/2033	2,100,000.00	322,000.00	2,422,000.00	8/31/2033	2,000,000.00	354,500.00	2,354,500.00			
6/1/2023	376,985.00	376,985.00	12/31/2034	2,300,000.00	248,500.00	2,548,500.00	8/31/2034	2,100,000.00	285,250.00	2,385,250.00				
12/1/2023	870,000.00	376,985.00	1,246,985.00	12/31/2035	2,500,000.00	168,000.00	2,668,000.00	8/31/2035	2,300,000.00	208,250.00	2,508,250.00			
6/1/2024	361,900.00	361,900.00	12/31/2036	1,700,000.00	68,000.00	1,768,000.00	8/31/2036	2,500,000.00	118,000.00	2,618,000.00				
12/1/2024	1,000,000.00	361,900.00	1,361,900.00				8/31/2037	1,700,000.00	34,000.00	1,734,000.00				
6/1/2025	344,600.00	344,600.00												
12/1/2025	1,100,000.00	344,600.00	1,444,600.00											
6/1/2026	328,100.00	328,100.00												
12/1/2026	1,200,000.00	328,100.00	1,528,100.00											
6/1/2027	310,100.00	310,100.00												
12/1/2027	1,300,000.00	310,100.00	1,610,100.00											
6/1/2028	290,600.00	290,600.00												
12/1/2028	1,400,000.00	290,600.00	1,690,600.00											
6/1/2029	269,600.00	269,600.00												
12/1/2029	1,500,000.00	269,600.00	1,769,600.00											
6/1/2030	247,100.00	247,100.00												
12/1/2030	1,600,000.00	247,100.00	1,847,100.00											
6/1/2031	222,300.00	222,300.00												
12/1/2031	1,800,000.00	222,300.00	2,022,300.00											
6/1/2032	193,500.00	193,500.00												
12/1/2032	2,000,000.00	193,500.00	2,193,500.00											
6/1/2033	161,000.00	161,000.00												
12/1/2033	2,100,000.00	161,000.00	2,261,000.00											
6/1/2034	124,250.00	124,250.00												
12/1/2034	2,300,000.00	124,250.00	2,424,250.00											
6/1/2035	84,000.00	84,000.00												
12/1/2035	2,500,000.00	84,000.00	2,584,000.00											
6/1/2036	34,000.00	34,000.00												
12/1/2036	1,700,000.00	34,000.00	1,734,000.00											
32,305,000.00			15,981,932.27	48,286,932.27	32,305,000.00			15,981,932.27	48,286,932.27	32,305,000.00			15,981,932.27	48,286,932.27

*2012 Fiscal and Calendar Year debt service includes 6/1/2012 payments, does NOT include 12/1/2011 payment

Woodland School District No. 404
Outstanding Voter-Approved Bonds as of 9/1/2012
Unlimited Tax General Obligation Bonds, 2005

Next Call Date: 12/1/2015

Semiannual Debt Service			Calendar Year Debt Service			Fiscal Year Debt Service			
Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service	
6/1/2012	67,408.75	67,408.75	12/31/2012	125,000.00	134,817.50	259,817.50	8/31/2012	67,408.75	67,408.75
12/1/2012	125,000.00	67,408.75	12/31/2013	145,000.00	129,192.50	274,192.50	8/31/2013	125,000.00	132,005.00
6/1/2013	64,596.25	64,596.25	12/31/2014	160,000.00	122,667.50	282,667.50	8/31/2014	145,000.00	125,930.00
12/1/2013	145,000.00	64,596.25	12/31/2015	180,000.00	115,467.50	295,467.50	8/31/2015	160,000.00	119,067.50
6/1/2014	61,333.75	61,333.75	12/31/2016	200,000.00	107,367.50	307,367.50	8/31/2016	180,000.00	111,417.50
12/1/2014	160,000.00	61,333.75	12/31/2017	220,000.00	98,367.50	318,367.50	8/31/2017	200,000.00	102,867.50
6/1/2015	57,733.75	57,733.75	12/31/2018	240,000.00	89,567.50	329,567.50	8/31/2018	220,000.00	93,967.50
12/1/2015	180,000.00	57,733.75	12/31/2019	265,000.00	80,207.50	345,207.50	8/31/2019	240,000.00	84,887.50
6/1/2016	53,683.75	53,683.75	12/31/2020	290,000.00	69,740.00	359,740.00	8/31/2020	265,000.00	74,973.75
12/1/2016	200,000.00	53,683.75	12/31/2021	315,000.00	58,140.00	373,140.00	8/31/2021	290,000.00	63,940.00
6/1/2017	49,183.75	49,183.75	12/31/2022	340,000.00	45,540.00	385,540.00	8/31/2022	315,000.00	51,840.00
12/1/2017	220,000.00	49,183.75	12/31/2023	370,000.00	31,770.00	401,770.00	8/31/2023	340,000.00	38,655.00
6/1/2018	44,783.75	44,783.75	12/31/2024	400,000.00	16,600.00	416,600.00	8/31/2024	370,000.00	24,185.00
12/1/2018	240,000.00	44,783.75					8/31/2025	400,000.00	8,300.00
6/1/2019	40,103.75	40,103.75							
12/1/2019	265,000.00	40,103.75							
6/1/2020	34,870.00	34,870.00							
12/1/2020	290,000.00	34,870.00							
6/1/2021	29,070.00	29,070.00							
12/1/2021	315,000.00	29,070.00							
6/1/2022	22,770.00	22,770.00							
12/1/2022	340,000.00	22,770.00							
6/1/2023	15,885.00	15,885.00							
12/1/2023	370,000.00	15,885.00							
6/1/2024	8,300.00	8,300.00							
12/1/2024	400,000.00	8,300.00							
<u>3,250,000.00 1,099,445.00 4,349,445.00</u>			<u>3,250,000.00 1,099,445.00 4,349,445.00</u>			<u>3,250,000.00 1,099,445.00 4,349,445.00</u>			

*2012 Fiscal and Calendar Year debt service includes 6/1/2012 payments, does NOT include 12/1/2011 payment

Woodland School District No. 404
 Outstanding Voter-Approved Bonds as of 9/1/2012
 Unlimited Tax General Obligation Refunding Bonds, 2012

Next Call Date: n/a

Semiannual Debt Service			Calendar Year Debt Service			Fiscal Year Debt Service					
Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service			
6/1/2012		5,632.08	5,632.08	12/31/2012	580,000.00	17,558.83	597,558.83	8/31/2012		5,632.08	5,632.08
12/1/2012	580,000.00	11,926.75	591,926.75	12/31/2013	580,000.00	20,703.50	600,703.50	8/31/2013	580,000.00	22,278.50	602,278.50
6/1/2013		10,351.75	10,351.75	12/31/2014	605,000.00	16,933.50	621,933.50	8/31/2014	580,000.00	18,818.50	598,818.50
12/1/2013	580,000.00	10,351.75	590,351.75	12/31/2015	635,000.00	12,396.00	647,396.00	8/31/2015	605,000.00	14,664.75	619,664.75
6/1/2014		8,466.75	8,466.75	12/31/2016	655,000.00	6,681.00	661,681.00	8/31/2016	635,000.00	9,538.50	644,538.50
12/1/2014	605,000.00	8,466.75	613,466.75					8/31/2017	655,000.00	3,340.50	658,340.50
6/1/2015		6,198.00	6,198.00								
12/1/2015	635,000.00	6,198.00	641,198.00								
6/1/2016		3,340.50	3,340.50								
12/1/2016	655,000.00	3,340.50	658,340.50								
	<u>3,055,000.00</u>	<u>74,272.83</u>	<u>3,129,272.83</u>		<u>3,055,000.00</u>	<u>74,272.83</u>	<u>3,129,272.83</u>		<u>3,055,000.00</u>	<u>74,272.83</u>	<u>3,129,272.83</u>

*2012 Fiscal and Calendar Year debt service includes 6/1/2012 payments, does NOT include 12/1/2011 payment

Woodland School District No. 404
 Outstanding Voter-Approved Bonds as of 9/1/2012
 Unlimited Tax General Obligation Bonds, 2012

Next Call Date: 6/1/2022

Semiannual Debt Service			Calendar Year Debt Service			Fiscal Year Debt Service		
Principal	Interest	Debt Service	Principal	Interest	Debt Service	Principal	Interest	Debt Service
6/1/2012			12/31/2012	251,514.44	251,514.44	8/31/2012		
12/1/2012	251,514.44	251,514.44	12/31/2013	900,000.00	854,200.00	8/31/2013		678,614.44
6/1/2013	427,100.00	427,100.00	12/31/2014	1,000,000.00	827,200.00	8/31/2014	900,000.00	840,700.00
12/1/2013	900,000.00	427,100.00	12/31/2015		797,200.00	8/31/2015	1,000,000.00	812,200.00
6/1/2014	413,600.00	413,600.00	12/31/2016		797,200.00	8/31/2016		797,200.00
12/1/2014	1,000,000.00	413,600.00	12/31/2017		797,200.00	8/31/2017		797,200.00
6/1/2015	398,600.00	398,600.00	12/31/2018	500,000.00	797,200.00	8/31/2018		797,200.00
12/1/2015	398,600.00	398,600.00	12/31/2019	500,000.00	782,200.00	8/31/2019	500,000.00	789,700.00
6/1/2016	398,600.00	398,600.00	12/31/2020	500,000.00	767,200.00	8/31/2020	500,000.00	774,700.00
12/1/2016	398,600.00	398,600.00	12/31/2021	500,000.00	752,200.00	8/31/2021	500,000.00	759,700.00
6/1/2017	398,600.00	398,600.00	12/31/2022	500,000.00	737,200.00	8/31/2022	500,000.00	744,700.00
12/1/2017	398,600.00	398,600.00	12/31/2023	500,000.00	722,200.00	8/31/2023	500,000.00	729,700.00
6/1/2018	398,600.00	398,600.00	12/31/2024	600,000.00	707,200.00	8/31/2024	500,000.00	714,700.00
12/1/2018	500,000.00	398,600.00	12/31/2025	1,100,000.00	689,200.00	8/31/2025	600,000.00	698,200.00
6/1/2019	391,100.00	391,100.00	12/31/2026	1,200,000.00	656,200.00	8/31/2026	1,100,000.00	672,700.00
12/1/2019	500,000.00	391,100.00	12/31/2027	1,300,000.00	620,200.00	8/31/2027	1,200,000.00	638,200.00
6/1/2020	383,600.00	383,600.00	12/31/2028	1,400,000.00	581,200.00	8/31/2028	1,300,000.00	600,700.00
12/1/2020	500,000.00	383,600.00	12/31/2029	1,500,000.00	539,200.00	8/31/2029	1,400,000.00	560,200.00
6/1/2021	376,100.00	376,100.00	12/31/2030	1,600,000.00	494,200.00	8/31/2030	1,500,000.00	516,700.00
12/1/2021	500,000.00	376,100.00	12/31/2031	1,800,000.00	444,600.00	8/31/2031	1,600,000.00	469,400.00
6/1/2022	368,600.00	368,600.00	12/31/2032	2,000,000.00	387,000.00	8/31/2032	1,800,000.00	415,800.00
12/1/2022	500,000.00	368,600.00	12/31/2033	2,100,000.00	322,000.00	8/31/2033	2,000,000.00	354,500.00
6/1/2023	361,100.00	361,100.00	12/31/2034	2,300,000.00	248,500.00	8/31/2034	2,100,000.00	285,250.00
12/1/2023	500,000.00	361,100.00	12/31/2035	2,500,000.00	168,000.00	8/31/2035	2,300,000.00	208,250.00
6/1/2024	353,600.00	353,600.00	12/31/2036	1,700,000.00	68,000.00	8/31/2036	2,500,000.00	118,000.00
12/1/2024	600,000.00	353,600.00				8/31/2037	1,700,000.00	34,000.00
6/1/2025	344,600.00	344,600.00						
12/1/2025	1,100,000.00	344,600.00						
6/1/2026	328,100.00	328,100.00						
12/1/2026	1,200,000.00	328,100.00						
6/1/2027	310,100.00	310,100.00						
12/1/2027	1,300,000.00	310,100.00						
6/1/2028	290,600.00	290,600.00						
12/1/2028	1,400,000.00	290,600.00						
6/1/2029	269,600.00	269,600.00						
12/1/2029	1,500,000.00	269,600.00						
6/1/2030	247,100.00	247,100.00						
12/1/2030	1,600,000.00	247,100.00						
6/1/2031	222,300.00	222,300.00						
12/1/2031	1,800,000.00	222,300.00						
6/1/2032	193,500.00	193,500.00						
12/1/2032	2,000,000.00	193,500.00						
6/1/2033	161,000.00	161,000.00						
12/1/2033	2,100,000.00	161,000.00						
6/1/2034	124,250.00	124,250.00						
12/1/2034	2,300,000.00	124,250.00						
6/1/2035	84,000.00	84,000.00						
12/1/2035	2,500,000.00	84,000.00						
6/1/2036	34,000.00	34,000.00						
12/1/2036	1,700,000.00	34,000.00						
	<u>26,000,000.00</u>	<u>14,808,214.44</u>		<u>26,000,000.00</u>	<u>14,808,214.44</u>		<u>26,000,000.00</u>	<u>14,808,214.44</u>



The PFM Group

Public Financial Management, Inc.
PFM Asset Management LLC
PFM Advisors

719 Second Ave. 206 264-8900
Suite 801 206 264-9699 fax
Seattle, Washington 98104 www.pfm.com

July 27, 2012

Closing Memorandum

To: Michael Green and Stacy Brown, *Woodland School District*
 Sonja Richardson and Indra Persaud, *Morgan Stanley & Co., Inc.*
 Faith Pettis, Deanna Gregory, and Kristin Patterson, *Pacific Law Group LLP*
 Kathy Hanks and Kristi Lessert, *Cowlitz County Treasurer's Office*
 Ed Souter, Joann LaBarbera, and Eloisa Melly, *The Bank of New York Mellon*
 Tim Merlino, *Educational Service District 112*

From: Mark Prussing, Duncan Brown, and Caitlin Caldwell, *Public Financial Management, Inc.*

Re: Closing Wire Instructions for Woodland School District No. 404, Cowlitz and Clark Counties, Washington, Unlimited Tax General Obligation Bonds, 2012 (the "Bonds")

Closing for the Bonds will take place on Wednesday, August 15, 2012, at 8:30 a.m. Pacific Time, by conference call (1-877-668-4490, code: 20821743#). This memorandum identifies the wire transfers that will take place in advance of this call, scheduled deposits, and transaction costs of issuance.

The following is a summary of the sources of funds for the Bonds and how those funds will be applied.

Sources of Funds

From Morgan Stanley & Co.:

Par Amount	\$26,000,000.00
Plus: Net Original Issue Premium	535,870.00
Less: Good Faith Deposit	(260,000.00)
Less: Underwriter's Discount	<u>(400,454.00)</u>
Subtotal	\$25,875,416.00

From Cowlitz County Treasurer's Office:

Good Faith Deposit	\$260,000.00
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Total Sources of Funds	\$26,135,416.00
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Uses of Funds

Deposit to Capital Projects Fund	\$26,000,000.00
Deposit to Debt Service Fund	39,516.00
Costs of Issuance (Capital Projects Fund)	<u>95,900.00</u>
Total Uses of Funds	\$26,135,416.00

Before 8:30 a.m. Pacific Time on Wednesday, August 15, 2012, Morgan Stanley & Co. will send a wire in the amount of \$25,875,416.00 to the Cowlitz County Treasurer's Office.

Amount: \$25,875,416.00
To: U.S. Bank, Longview, Washington
ABA: 125000105
Account Number: 1535-0330-3254
Attention: Kristi Lessert, (360) 577-3063
Please Reference: Woodland SD UTGO Bonds, 2012

After confirming receipt of the wire and that all documents are complete, Pacifica Law Group, Public Financial Management, the Bank of New York Mellon, and Morgan Stanley & Co. will call DTC at (212) 855-3752 to release the Bonds.

Costs of issuance will be payable from the District's Capital Projects Fund. Parties should submit invoices to the District. Costs of issuance are as follows:

Pacifica Law Group	\$42,500.00
Public Financial Management	35,750.00
Moody's	15,400.00
Electronic Sale (Ipreo)	1,250.00
Printing (Estimated)	1,000.00
Total	\$95,900.00

If you have any questions regarding these instructions, please contact Duncan Brown, Mark Prussing, or Caitlin Caldwell at (206) 264-8900.

**Washington K-12 Bond Sales, 2012
(Not Bank-Qualified)**

	Woodland School District				Olympia School District				Lake Washington School District - UTGO			
Sale Date	7/24/2012				6/14/2012				6/26/2012			
Sale Type	Competitive				Competitive				Negotiated			
Underwriter	Morgan Stanley & Co.				Bank of America Merrill Lynch				D.A. Davidson			
Underwriter's Discount	\$15.40				\$2.75				\$4.20			
Financial Advisor	Public Financial Management				D.A. Davidson				Alan Dashen			
Bids Received	5				9				n/a			
Underlying Ratings	A1/NR				Aa2/A+				Aaa/AA+			
Size (\$)	26,000,000				75,130,000				23,025,000			
Maturity	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO
2012												
2013	0.20%	3.00%	0.30%	10 bps	0.20%	3.00%	0.25%	5 bps	0.20%	3.00%	0.39%	19 bps
2014	0.31%	3.00%	0.50%	19 bps	0.32%	4.00%	0.40%	8 bps	0.32%	split	0.60%	28 bps
2015					0.47%	4.00%	0.62%	15 bps	0.47%	4.00%	0.81%	34 bps
2016					0.57%	4.00%	0.77%	20 bps	0.57%	4.00%	0.95%	38 bps
2017									0.79%	4.00%	1.21%	42 bps
2018	0.88%	3.00%	1.26%	38 bps					1.05%	split	1.46%	41 bps
2019	1.10%	3.00%	1.48%	38 bps								
2020	1.31%	3.00%	1.69%	38 bps					1.52%	split	1.92%	40 bps
2021	1.50%	3.00%	1.88%	38 bps								
2022	1.62%	3.00%	2.00%	38 bps								
2023	1.75%	3.00%	2.20%	45 bps								
2024	1.85%	3.00%	2.40%	55 bps	2.19%	5.00%	2.52%	33 bps				
2025	1.94%	3.00%	2.60%	66 bps	2.30%	5.00%	2.64%	34 bps				
2026	2.03%	3.00%	2.75%	72 bps	2.39%	5.00%	2.73%	34 bps				
2027	2.11%	3.00%	2.90%	79 bps	2.48%	4.00%	3.30%	82 bps				
2028	2.18%	3.00%	3.00%	82 bps	2.56%	5.00%	2.98%	42 bps				
2029	2.25%	3.00%	3.10%	85 bps	2.63%	5.00%	3.05%	42 bps				
2030	2.32%	3.10%	3.20%	88 bps	2.70%	4.50%	3.37%	67 bps				
2031	2.39%	3.20%	3.30%	91 bps	2.77%	4.50%	3.44%	67 bps				
2032	2.46%	3.25%	3.38%	92 bps								
2033	2.53%	3.50%	3.50%	97 bps								
2034	2.60%	3.50%	3.55%	95 bps								
2035	2.66%	4.00%	3.45%	79 bps								
2036	2.72%	4.00%	3.50%	78 bps								

**Washington K-12 Bond Sales, 2012
(Not Bank-Qualified)**

	Woodland School District				Yakima School District				Issaquah School District			
Sale Date	7/24/2012				6/27/2012				7/24/2012			
Sale Type	Competitive				Negotiated				Negotiated			
Underwriter	Morgan Stanley & Co.				D.A. Davidson				Seattle-Northwest Securities			
Underwriter's Discount	\$15.40				\$3.42							
Financial Advisor	Public Financial Management				Public Financial Management				Alan Dashen			
Bids Received	5				n/a				n/a			
Underlying Ratings	A1/NR				Aa3/NR				Aaa/AA+			
Size (\$)	26,000,000				34,145,000				96,370,000			
Maturity	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO
2012					0.17%	3.00%	0.33%	16 bps		2.00%	0.19%	2 bps
2013	0.20%	3.00%	0.30%	10 bps	0.20%	3.00%	0.48%	28 bps	0.20%	2.00%	0.31%	11 bps
2014	0.31%	3.00%	0.50%	19 bps	0.32%	3.00%	0.67%	35 bps	0.31%	2.00%	0.48%	17 bps
2015					0.47%	4.00%	0.91%	44 bps		4.00%	0.58%	17 bps
2016					0.57%	4.00%	1.05%	48 bps		2.00%	0.76%	25 bps
2017					0.79%	4.00%	1.31%	52 bps		2.00%	0.97%	32 bps
2018	0.88%	3.00%	1.26%	38 bps	1.05%	4.00%	1.56%	51 bps	0.88%	split	1.20%	32 bps
2019	1.10%	3.00%	1.48%	38 bps	1.28%	split	1.81%	53 bps	1.10%	split	1.45%	35 bps
2020	1.31%	3.00%	1.69%	38 bps					1.31%	split	1.68%	37 bps
2021	1.50%	3.00%	1.88%	38 bps					1.50%	split	1.88%	38 bps
2022	1.62%	3.00%	2.00%	38 bps					1.62%	split	1.99%	37 bps
2023	1.75%	3.00%	2.20%	45 bps								
2024	1.85%	3.00%	2.40%	55 bps					1.85%	4.00%	2.31%	46 bps
2025	1.94%	3.00%	2.60%	66 bps					1.94%	4.00%	2.45%	51 bps
2026	2.03%	3.00%	2.75%	72 bps	2.39%	5.00%	2.89%	50 bps	2.03%	4.00%	2.58%	55 bps
2027	2.11%	3.00%	2.90%	79 bps					2.11%	4.50%	2.55%	44 bps
2028	2.18%	3.00%	3.00%	82 bps								
2029	2.25%	3.00%	3.10%	85 bps	2.62%	5.00%	3.12%	50 bps				
2030	2.32%	3.10%	3.20%	88 bps	2.69%	5.00%	3.19%	50 bps				
2031	2.39%	3.20%	3.30%	91 bps	2.76%	5.00%	3.26%	50 bps				
2032	2.46%	3.25%	3.38%	92 bps	2.83%	5.00%	3.33%	50 bps				
2033	2.53%	3.50%	3.50%	97 bps								
2034	2.60%	3.50%	3.55%	95 bps								
2035	2.66%	4.00%	3.45%	79 bps								
2036	2.72%	4.00%	3.50%	78 bps								

**Washington K-12 Bond Sales, 2012
(Not Bank-Qualified)**

	Woodland School District				Edmonds School District				Renton School District			
Sale Date	7/24/2012				7/31/2012				8/15/2012			
Sale Type	Competitive				Negotiated				Competitive			
Underwriter	Morgan Stanley & Co.				Seattle Northwest Securities				Bank of America Merrill Lynch			
Underwriter's Discount	\$15.40				\$3.96				\$1.93			
Financial Advisor	Public Financial Management				Public Financial Management				Alan Dashen			
Bids Received	5				n/a				8			
Underlying Ratings	A1/NR				Aa2/AA-				Aa2/AA-			
Size (\$)	26,000,000				87,420,000				109,335,000			
Maturity	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO	MMD AAA GO Index	Coupons	Yields	Spread to MMD AAA GO
2012					0.17%	2.00%	0.29%	12 bps	0.16%	5.00%	0.22%	6 bps
2013	0.20%	3.00%	0.30%	10 bps					0.19%	5.00%	0.30%	11 bps
2014	0.31%	3.00%	0.50%	19 bps					0.29%	5.00%	0.44%	15 bps
2015									0.38%	5.00%	0.58%	20 bps
2016									0.49%	5.00%	0.74%	25 bps
2017					0.65%	split	0.93%	28 bps	0.69%	5.00%	0.99%	30 bps
2018	0.88%	3.00%	1.26%	38 bps	0.88%	split	1.21%	33 bps	1.00%	5.00%	1.37%	37 bps
2019	1.10%	3.00%	1.48%	38 bps	1.12%	split	1.50%	38 bps	1.29%	5.00%	1.65%	36 bps
2020	1.31%	3.00%	1.69%	38 bps	1.34%	split	1.76%	42 bps	1.54%	5.00%	1.97%	43 bps
2021	1.50%	3.00%	1.88%	38 bps					1.74%	5.00%	2.17%	43 bps
2022	1.62%	3.00%	2.00%	38 bps					1.87%	5.00%	2.30%	43 bps
2023	1.75%	3.00%	2.20%	45 bps					1.99%	3.00%	2.52%	53 bps
2024	1.85%	3.00%	2.40%	55 bps					2.08%	3.00%	2.61%	53 bps
2025	1.94%	3.00%	2.60%	66 bps					2.16%	3.00%	2.75%	59 bps
2026	2.03%	3.00%	2.75%	72 bps					2.23%	3.00%	2.82%	59 bps
2027	2.11%	3.00%	2.90%	79 bps					2.30%	3.00%	2.90%	60 bps
2028	2.18%	3.00%	3.00%	82 bps					2.37%	3.00%	2.96%	59 bps
2029	2.25%	3.00%	3.10%	85 bps					2.44%	4.00%	2.98%	54 bps
2030	2.32%	3.10%	3.20%	88 bps					2.50%	4.00%	3.05%	55 bps
2031	2.39%	3.20%	3.30%	91 bps					2.56%	4.00%	3.11%	55 bps
2032	2.46%	3.25%	3.38%	92 bps								
2033	2.53%	3.50%	3.50%	97 bps								
2034	2.60%	3.50%	3.55%	95 bps								
2035	2.66%	4.00%	3.45%	79 bps								
2036	2.72%	4.00%	3.50%	78 bps								

WOODLAND PUBLIC SCHOOLS



BOND SALE PLANNING

Prepared by:

Public Financial Management, Inc.

Mark Prussing
Senior Managing Consultant

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(206) 264-8900 (206) 264-9699 fax

June 25, 2012

- Provide funds to meet construction cash flow needs
 - Summer 2012 sale and deposit to Capital Projects Fund
- Maintain property tax amount which meet taxpayer expectations
 - **\$16.00 per month for a \$200,000 home** (before Federal Tax deduction)
- Lock in current low interest rates
 - Split the authorization into multiple sales
 - \$25-28 million in 2012
- Maximize funds available for projects
 - Use premium bonds to cover costs of issuance
- Maintain an appropriate balance in the Debt Service Fund
 - First interest payment December 1, 2012
- Obtain an initial bond rating from Moody's Investors Service

- Sell bonds in a manner which provides the most efficient cost of borrowing
 - Competitive sale
- Maximum bond term – 25 years
- Adopt appropriate debt management policies and procedures
 - Post-issuance tax compliance
- Incorporate State Energy Grant funding into financing plans
 - \$800,000 Local matching fund requirement
 - \$400,000 included in voter authorized bonds
 - ✓ \$400,000 non-voted debt (Closing July 13, 2012)

- ✓ Evaluate project cash flow requirements – Construction manager / District / PFM
- ✓ Set initial issue sale amount and payment structure – PFM / District
- ✓ Prepare Preliminary Official Statement – Pacifica / District / PFM
- ✓ Prepare Bond Resolution, including delegation of authority for approval – Pacifica
- ✓ Review debt management policies and procedures - Pacifica / PFM / District
- ✓ Prepare Rating agency presentation – PFM / District
- ✓ Establish initial Debt Service Fund budget and levy for 2013
- Approval of Bond Resolution – July 9
- Sale of bonds through a competitive public sale – July 17
- Review of bond sale results – July 23
- Closing and investment of funds August 15

Preliminary Schedule of Events

JUNE 2012						
S	M	T	W	T	F	S
					1	2
3	4	5	6	7	8	9
10	11	12	13	14	15	16
17	18	19	20	21	22	23
24	25	26	27	28	29	30

JULY 2012						
S	M	T	W	T	F	S
1	2	3	4	5	6	7
8	9	10	11	12	13	14
15	16	17	18	19	20	21
22	23	24	25	26	27	28
29	30	31				

AUGUST 2012						
S	M	T	W	T	F	S
			1	2	3	4
5	6	7	8	9	10	11
12	13	14	15	16	17	18
19	20	21	22	23	24	25
26	27	28	29	30	31	

Date	Event
May 14	<ul style="list-style-type: none"> ▪ Regular Board Meeting <ul style="list-style-type: none"> ➢ Review of financing plans ➢ Public Hearing on non-voted debt
May 29	<ul style="list-style-type: none"> ▪ Regular Board Meeting <ul style="list-style-type: none"> ➢ Public Hearing on non-voted debt ➢ Board considers Bond Resolution for non-voted debt
June 11	<ul style="list-style-type: none"> ▪ Regular Board Meeting <ul style="list-style-type: none"> ➢ Board considers Bond Resolution for non-voted debt
June 25	<ul style="list-style-type: none"> ▪ Regular Board Meeting <ul style="list-style-type: none"> ➢ Board Considers Bond Resolution for voted bonds
July 17	<ul style="list-style-type: none"> ▪ Sale of voted bonds by competitive sale and approval by delegation of authority
July 23	<ul style="list-style-type: none"> ▪ Regular Board Meeting <ul style="list-style-type: none"> ➢ Review of bond sale results
August 15	<ul style="list-style-type: none"> ▪ Bond closing



WOODLAND PUBLIC SCHOOLS



BOND SALE RESULTS

Prepared by:

Public Financial Management, Inc.

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Senior Managing Consultant

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July 24, 2012

- ❑ Bond Market Update
- ❑ Bidders
- ❑ Projected Tax Impact
- ❑ Review of Bond Sale Goals

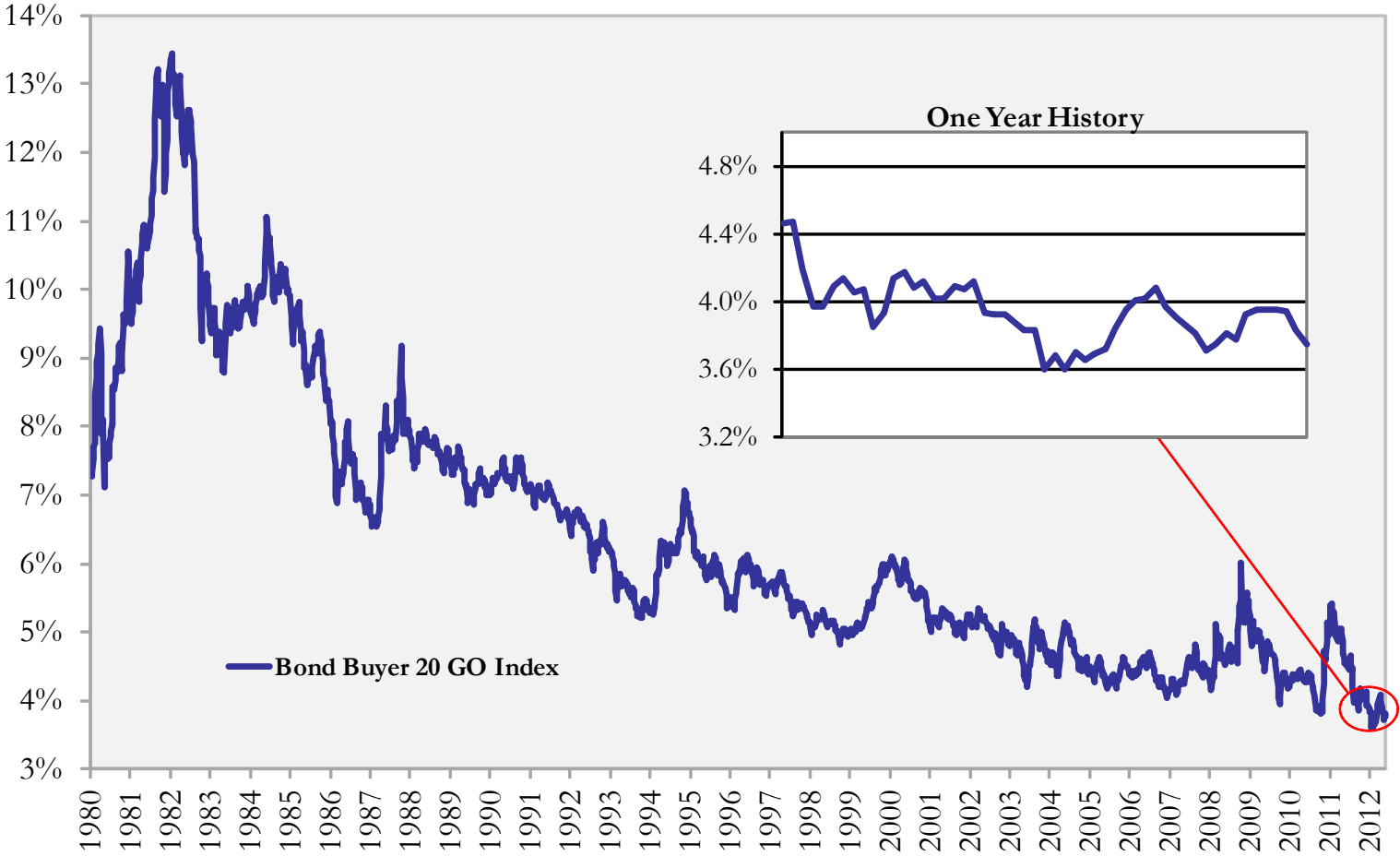


- Municipal bonds improved this morning as did Treasuries.
- Municipals opened firmer this morning and gains became more pronounced the further out the yield curve. A manageable calendar, ratios near the high-end of recent norms and still several large money management complexes needing to get invested are reoccurring themes in conversations late Friday and this morning. Trading activity was above average on Friday and this morning we continue to see a lot of activity for a Monday morning. Expectations are for the week's deals to do well, especially high-yield names that are in high demand lately in this low rate environmental and tomorrow's Pennsylvania loan should be well bid despite the recent downgrade by Moody's.
- High-grades improved 2- to 4-basis points this morning with the best gains 15-years and out, traders said.

Tax-Exempt Yield Curves			
Term (years)	MMD Aaa GO		
	7/20/12	7/13/12	Δ (bp)
1	0.20%	0.20%	0 bp's
2	0.31%	0.32%	(1) bp's
3	0.43%	0.44%	(1) bp's
4	0.53%	0.54%	(1) bp's
5	0.69%	0.72%	(3) bp's
7	1.17%	1.20%	(3) bp's
10	1.70%	1.74%	(4) bp's
15	2.18%	2.28%	(10) bp's
20	2.53%	2.63%	(10) bp's
25	2.81%	2.91%	(10) bp's
30	2.86%	2.96%	(10) bp's

- Light competitive sale calendar – Woodland is the only sale scheduled this week
- < \$300 million of negotiated sales; Issaquah SD \$95,950,000

Historic Tax-Exempt Bond Rates



Woodland SD #404
\$26,000,000 Unlimited Tax General Obligation Bonds, 2012
(Washington State SD Credit Enhancement Program)

The following bids were submitted using *PARITY*[®] and displayed ranked by lowest TIC.
Click on the name of each bidder to see the respective bids.

Bid Award*	Bidder Name	TIC
<input checked="" type="checkbox"/>	Morgan Stanley & Co, LLC	3.353877
<input type="checkbox"/>	Robert W. Baird & Co., Inc.	3.398638
<input type="checkbox"/>	Hutchinson, Shockey, Erley & Co.	3.403913
<input type="checkbox"/>	Fidelity Capital Markets	3.407508
<input type="checkbox"/>	Citigroup Global Markets Inc.	3.830205



Projected Tax Rate Impact

Tax Rates						
Calendar Year	Bond Tax Rates				Operating Levy	Total Tax Rate
	Existing Bonds	2012 Bonds	2014 Bonds	Total Bonds		
2007	\$ 1.07	\$ -	\$ -	\$ 1.07	\$ 1.91	\$ 2.98
2008	1.27	-	-	1.27	1.85	3.12
2009	1.18	-	-	1.18	1.84	3.02
2010	1.22	-	-	1.22	2.03	3.25
2011	1.25	-	-	1.25	2.21	3.46
2012	1.19	-	-	1.19	2.34	3.53
2013	0.67	1.48	-	2.15	2.45	4.60
2014	0.70	1.46	-	2.15	2.56	4.71
2015	0.71	0.60	0.84	2.15	2.56	4.71
2016	0.71	0.58	0.86	2.15	2.56	4.71
2017	0.23	0.57	1.36	2.15	2.56	4.71
2018	0.23	0.90	1.03	2.15	2.56	4.71
2019	0.23	0.86	1.06	2.15	2.56	4.71
2020	0.23	0.82	1.09	2.15	2.56	4.71
2021	0.24	0.79	1.13	2.15	2.56	4.71
2022	0.24	0.76	1.16	2.15	2.56	4.71
2023	0.24	0.73	1.19	2.15	2.56	4.71
2024	0.24	0.76	1.16	2.15	2.56	4.71
2025	-	1.00	1.15	2.15	2.56	4.71
2026	-	1.01	1.14	2.15	2.56	4.71
2027	-	1.02	1.14	2.15	2.56	4.71
2028	-	1.02	0.59	1.61	2.56	4.17
2029	-	1.02	0.59	1.61	2.56	4.17
2030	-	1.01	0.59	1.61	2.56	4.17
2031	-	1.06	0.55	1.61	2.56	4.17
2032	-	1.09	0.52	1.61	2.56	4.17
2033	-	1.07	0.53	1.61	2.56	4.17
2034	-	1.10	0.51	1.61	2.56	4.17
2035	-	1.11	0.49	1.61	2.56	4.17
2036	-	0.72	0.89	1.61	2.56	4.17
2037	-	-	1.61	1.61	2.56	4.17
2038	-	-	1.61	1.61	2.56	4.17
2039	-	-	1.61	1.61	2.56	4.17

Bond Sales	
Sale Date	Amount
8/15/2012	\$26,000,000
12/1/2014	26,835,000
Total	\$52,835,000

Tax Rate Change for Bonds	
2012-2013	0.96

Taxpayer Cost	
Home Value	\$200,000
Cost per Year	\$192.00
Cost per Month	\$16.00
Net Monthly Cost	\$11.52
(After Federal Tax Deduction) ⁽¹⁾	

Notes: Rates are in \$ per \$1,000 of assessed value of a property, as determined by the County Assessor's Office

(1) Net Monthly Cost is the cost of the tax rate increase after allowing for the Federal Income deduction for property taxes, using a tax rate of 28%.



- ✓ Provide funds to meet construction cash flow needs
 - ✓ Summer 2012 sale and deposit to Capital Projects Fund
 - ✓ August 15, 2012 closing
- ✓ Maintain property tax amount which meet taxpayer expectations
 - ✓ **\$16.00 per month for a \$200,000 home** (before Federal Tax deduction)
- ✓ Lock in current low interest rates
 - ✓ Split the authorization into multiple sales
 - ✓ **True Interest Cost: 3.321%** (Difference from the 3.354% bid is due to restructuring of the bond maturities)
 - ✓ **\$26,000,000** in 2012, \$26,835,000 in 2013-2015
- ✓ Maximize funds available for projects
 - ✓ Use premium bonds to cover costs of issuance
- ✓ Maintain an appropriate balance in the Debt Service Fund
 - ✓ Debt Service Fund budget is sufficient to make all projected payments
- ✓ Obtain an initial bond rating from Moody's Investors Service
 - ✓ **A1 rating received**