



**Aiken County Public Schools
Comptroller's Office
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MEMORANDUM

August 9, 2012

TO: School Board
Beth Everitt

FROM:  Tray Traxler

RE: Bond Sale

We received bids on \$17.5 million general obligation bonds on Tuesday, August 7, 2012. Bonds were sold to fund projects in the Five Year Facilities Plan. Details are as follow:

- 17 bids were received compared to the 10 bids last year.
- The low bidder was J.P. Morgan with a "true interest cost" of .61%. The true interest cost on the winning bid in August 2011 was .73%.
- J.P. Morgan will pay a bond premium of approximately \$1.5 million. These dollars are in addition to the \$17.5 million received from the bond sale. The District will receive a grand total of approximately \$19.0 million to apply to 2012-13 projects. The winning bidder in August 2011 paid a bond premium of approximately \$830,000.
- The net cost of borrowing \$17.5 million over 5 years will be approximately \$261,000.

Our financial advisors noted in August 2011 that the District's bond rating(s) could increase if the District continued its sound business practices, including wise use of fund balance. That notion became reality in August 2012 as the District realized an upgrade in its bond rating from Standard and Poor's ("S&P"). S&P upgraded the District's bond rating from A+ (upper medium grade) to AA- (high quality). Moody's bond rating held steady at Aa2 (also high quality).