

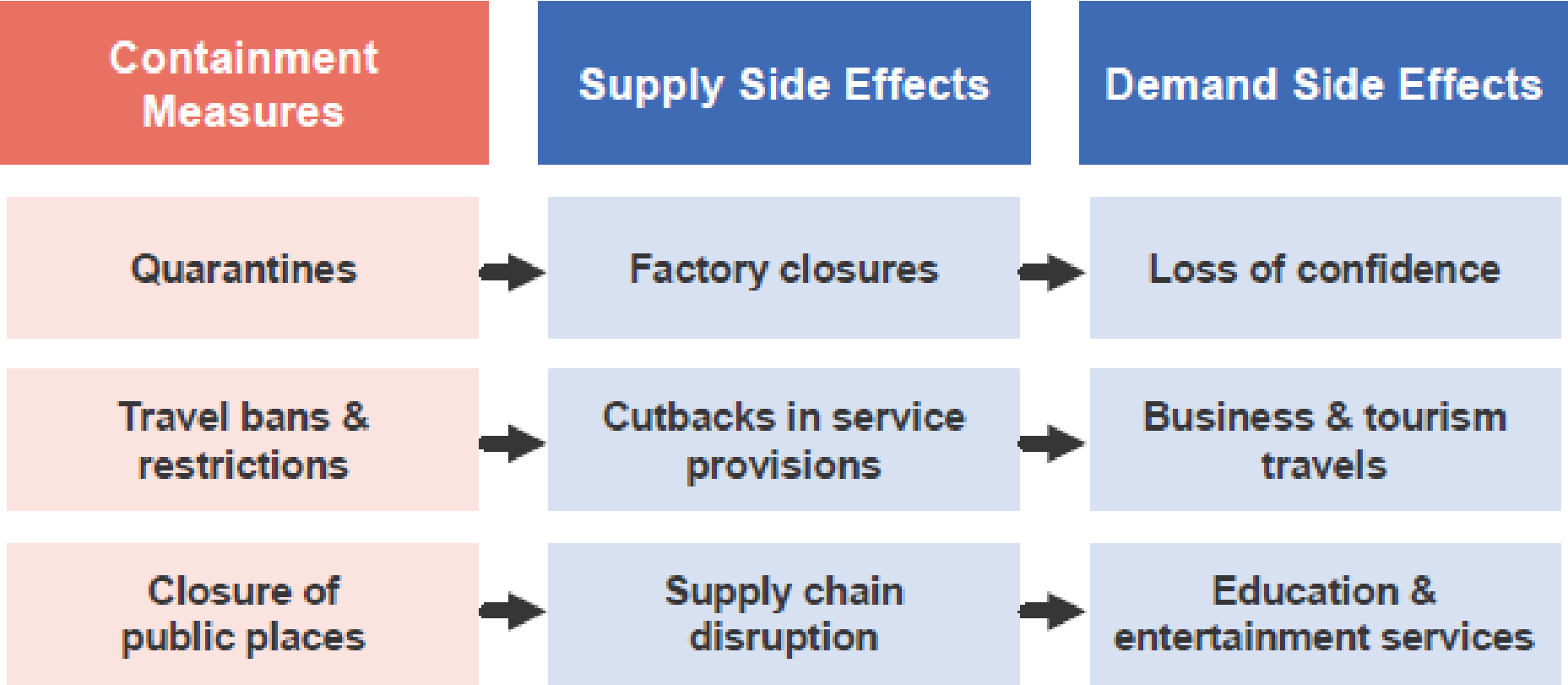
ANN ARBOR PUBLIC SCHOOLS
LEAD. CARE. INSPIRE.



FIRST SERIES OF 2020 BOND ISSUE UPDATE

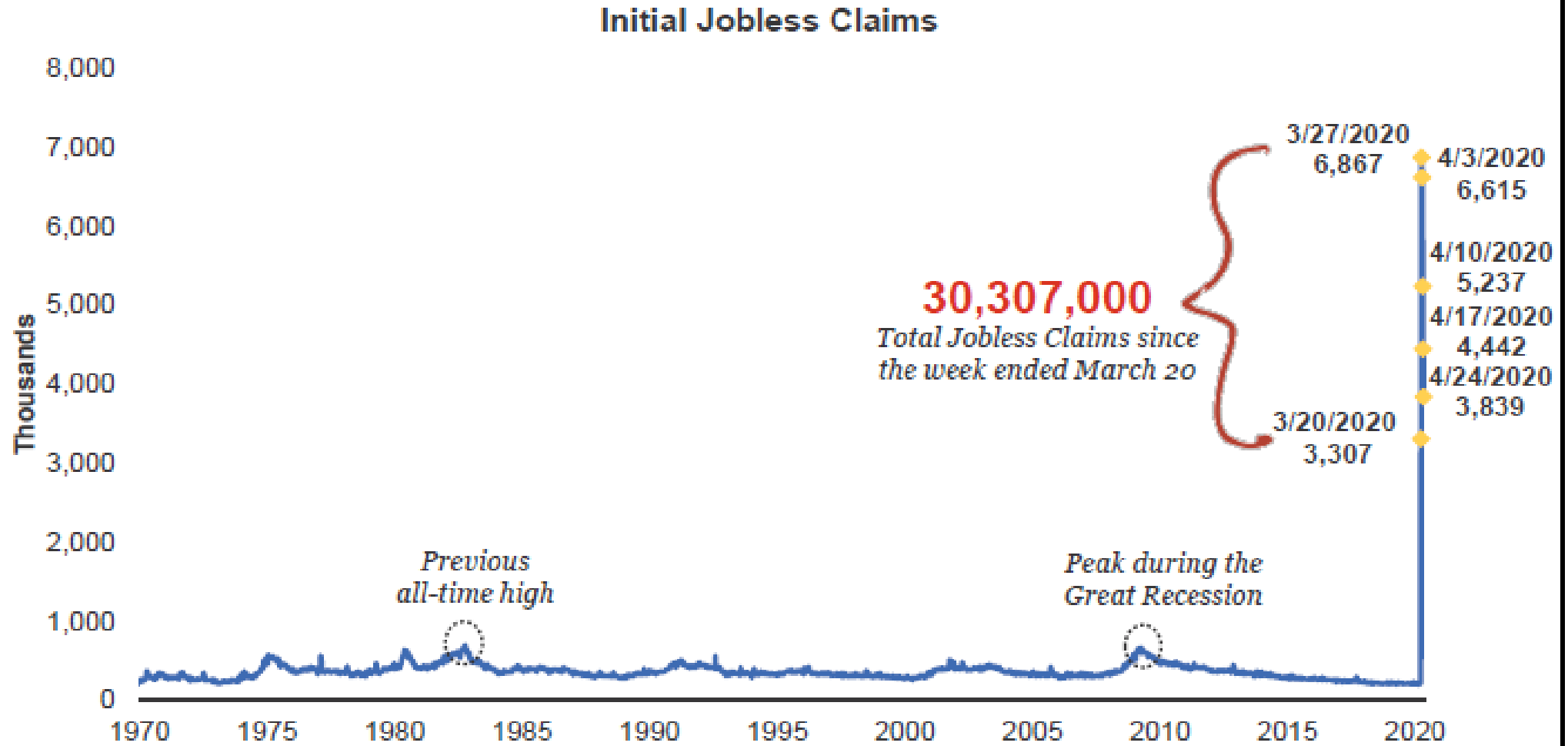
May 27, 2020

Responses to the Health Crisis Significantly Impact the Global Economy



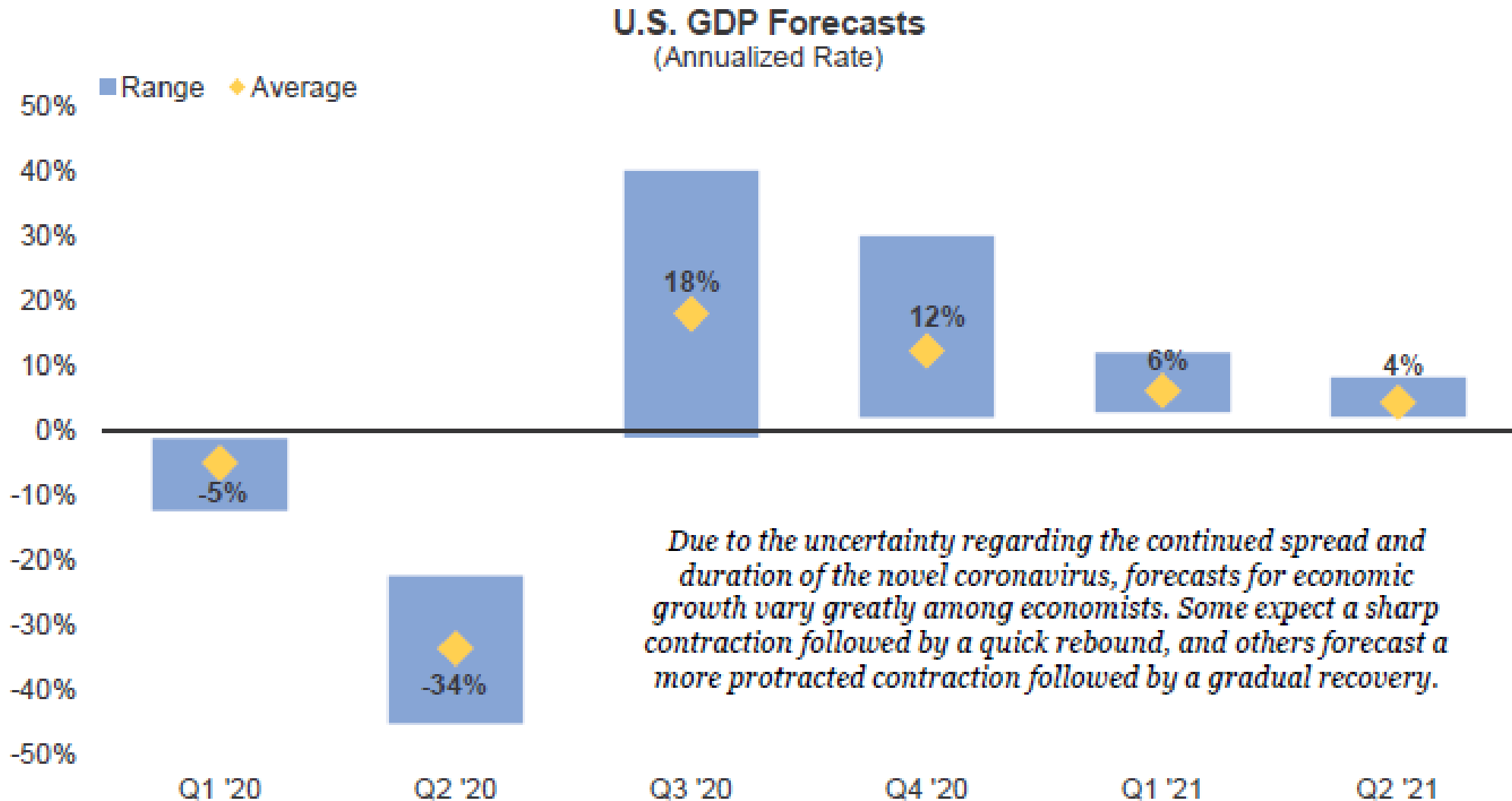
Source: The Organization for Economic Co-operation and Development (OECD).

Initial Jobless Claims Surge to Record Highs



Source: Bloomberg, as of 4/30/2020. Data is seasonally adjusted.

Economists Expect a Significant, Immediate Downturn in the U.S. Economy

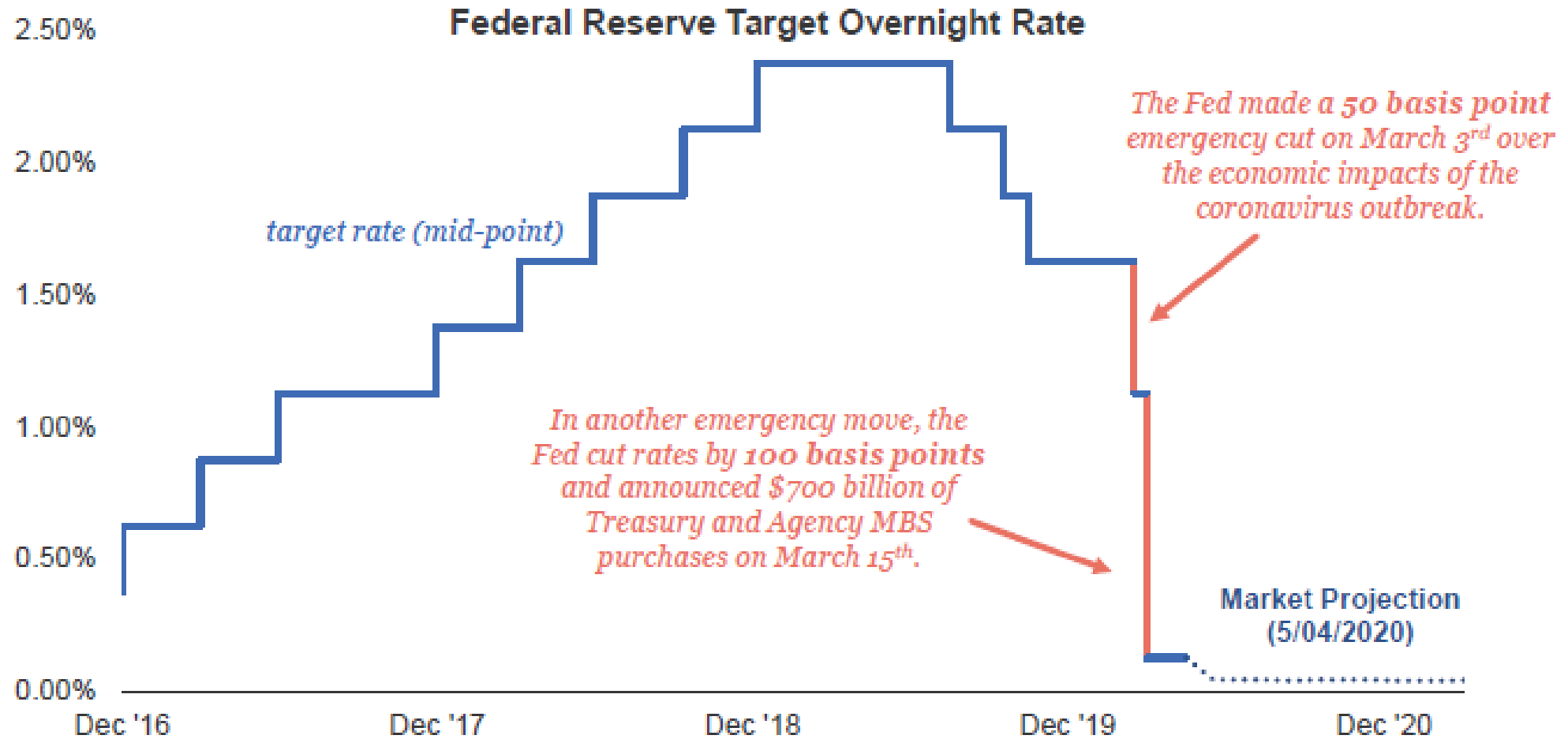


Source: Bloomberg. Forecasts made from 4/03/2020 through 5/04/2020 by ING Group, Morgan Stanley, Deutsche Bank, Goldman Sachs Group, Barclays, JPMorgan Chase, UBS, TD Bank, and Wells Fargo.

Fed Delivers Two Emergency Rate Cuts in Early March

"A rate cut will not reduce the rate of infection. It won't fix a broken supply chain... But we do believe that our action will provide a meaningful boost to the economy."

– Fed Chair Jerome Powell; March 3, 2020



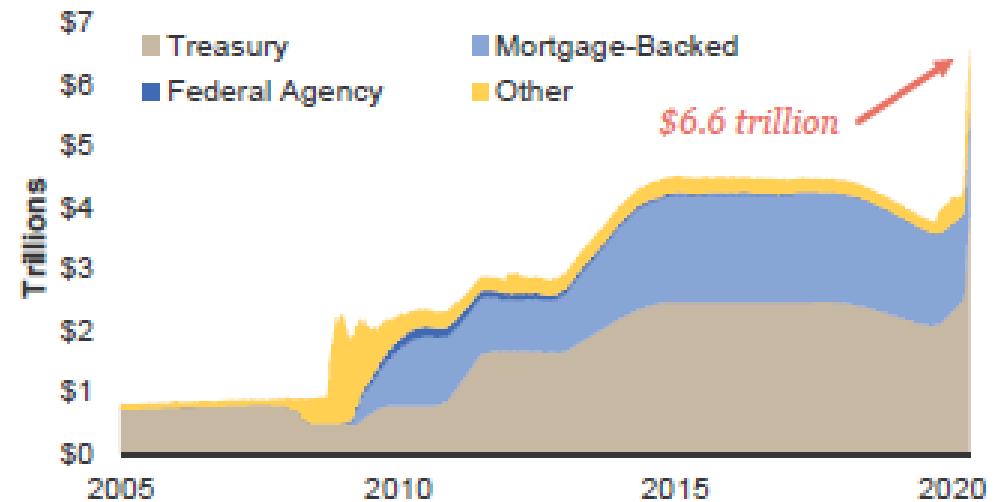
Source: Bloomberg.

Federal Reserve Broadens Tool Kit to Support Markets

- **Zero Interest Rates**
 - *Cut rates by 150 bps at two emergency meetings in March*
- **Asset Purchase Programs**
 - *Unlimited Treasury and agency MBS purchases*
- **Repurchase Agreements**
 - *Increased amount and term options to primary dealers*
- **Discount Window**
 - *Decreased rate and extended term of loans*
- **Bank Regulatory Relief**
 - *Lowered reserve requirement to 0; capital & liquidity flexibility*
- **Liquidity Support**
 - *Funding for CP, ABS, MMFs, corporate bonds and more*
- **U.S. Dollar Swap Lines**
 - *Increased access to U.S. dollars to foreign central banks*
- **Paycheck Protection Program**
 - *Support for financial institutions issuing PPP loans*
- **Main Street Lending Program**
 - *Purchasing loans to small- and mid-size businesses*

Source: Federal Reserve, as of 4/23/2020.

Assets of the Federal Reserve

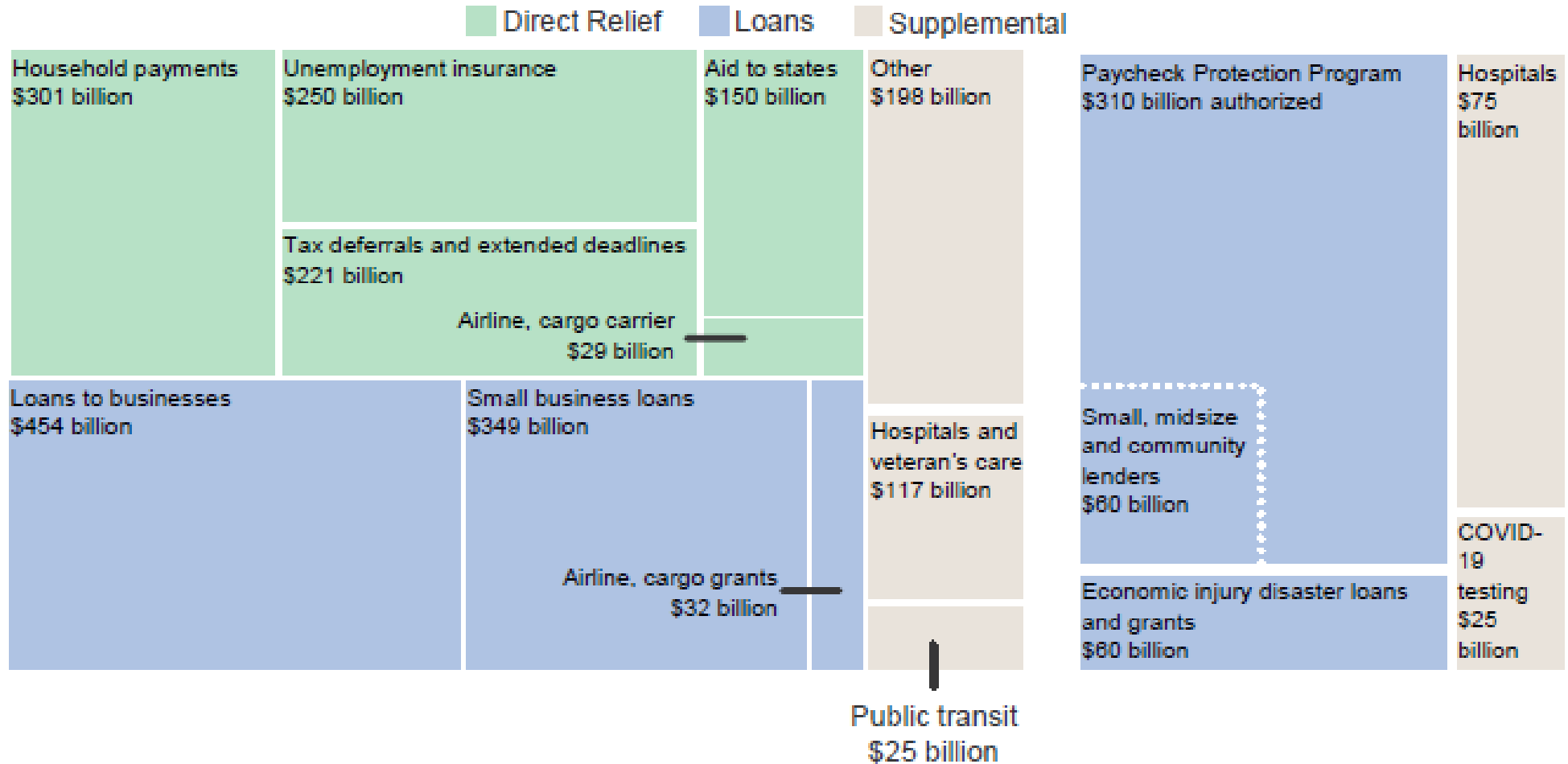


Amount Allocated to Fed's Liquidity Programs	
Facility	Holdings (billions)
Discount Window	\$36.3
PDCF	\$33.4
MMLF	\$50.7
CPFF	\$1.0
PPPLF	\$8.0
Swap Lines	\$409.7
Repurchase Agreements	\$157.5

Congress Providing Fiscal Stimulus to the Economy

Coronavirus Aid, Relief, and Economic Security (CARES) Act

Paycheck Protection Program & Health Care Enhancement Act



Source: Wall Street Journal, as of April 23, 2020.



**FINANCING TIMETABLE
ANN ARBOR PUBLIC SCHOOLS
COUNTY OF WASHTENAW, STATE OF MICHIGAN
2020 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)**

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

<u>DATE</u>	<input checked="" type="checkbox"/>	<u>ACTION REQUIRED</u>	<u>RESPONSIBLE PARTY</u>
Thu, Feb 20, 2020	✓	PFM provides Bond Counsel with bond specifications	PFM
Mon, Feb 24, 2020	✓	Bond Authorizing Resolution circulated	BC
Wed, Apr 08, 2020		Draft of Preliminary Official Statement circulated for review and comment	PFM
Wed, Apr 15, 2020		Due diligence call to review Preliminary Official Statement - comments due on Preliminary Official Statement (@ 1:00 pm)	All Parties
Wed, Apr 15, 2020		School Board adopts Bond Authorizing Resolution	SD
Thu, Apr 16, 2020		PFM submits credit packages to rating agency(ies) and insurance companies	PFM
Thu, Apr 16, 2020		PFM circulates updated Preliminary Official Statement	PFM
week of Apr 27, 2020		Rating Call	SD / PFM
Fri, May 08, 2020		Bond rating released	PFM
Mon, May 11, 2020		Preliminary Official Statement printed and mailed	PFM
Mon, May 11, 2020		Notice of Sale published	BC
Thu, May 21, 2020		Bond Sale - 11:00 AM ET	All parties
Fri, May 22, 2020		Draft of Official Statement Circulated for review and comment	PFM
Tue, May 26, 2020		Draft closing memo & Draft Security Report distributed	PFM
Thu, May 28, 2020		Print and Mail Final Official Statement	PFM
Mon, Jun 01, 2020		Final closing memo distributed	PFM
Tue, Jun 09, 2020		Tentative bond closing - via phone and wire	All parties
Wed, Jun 24, 2020		Closing transcripts and security report filed with Department of Treasury	BC

Legend:
SD = Ann Arbor Public Schools (Issuer)
 BC = Miller, Canfield, Paddock and Stone (Bond Counsel)
 PFM = PFM Financial Advisors LLC (Financial Advisor)

\$137,900,000
ANN ARBOR PUBLIC SCHOOLS
COUNTY OF WASHTENAW, STATE OF MICHIGAN
2020 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED SOURCES & USES OF FUNDS

<u>Sources of Funds</u>	<u>2020 SCHOOL BUILDING AND SITE BONDS</u>
Par Amount of Bonds	\$137,900,000.00
Original Issue Premium (Discount)	3,126,624.85
Accrued Interest	0.00
Other	0.00
Total Sources	\$141,026,624.85
<u>Uses of Funds</u>	
Deposit to Capital Project Fund	\$139,646,884.91
Deposit to Escrow Account	0.00
Deposit to Debt Fund	0.00
Underwriter's Discount @ 0.750%	1,034,250.00
Bond Insurance 0.00%	0.00
Costs of Issuance	345,489.94
Miscellaneous	0.00
Total Uses	\$141,026,624.85

\$140,000,000

PUBLIC SCHOOLS OF THE CITY OF ANN ARBOR
COUNTY OF WASHTENAW, STATE OF MICHIGAN
2020 SCHOOL BUILDING AND SITE BONDS
(GENERAL OBLIGATION - UNLIMITED TAX)

ESTIMATED SOURCES & USES OF FUNDS

	2020 SCHOOL BUILDING AND SITE BONDS
<u>Sources of Funds</u>	
Par Amount of Bonds	\$140,000,000.00
Original Issue Premium (Discount)	11,785,324.00
Accrued Interest	0.00
Other	0.00
Total Sources	\$151,785,324.00
<u>Uses of Funds</u>	
Deposit to Capital Project Fund	\$151,015,215.01
Deposit to Escrow Account	0.00
Deposit to Debt Fund	0.00
Underwriter's Discount @ 0.303%	424,048.80
Bond Insurance 0.00%	0.00
Costs of Issuance	346,060.19
Miscellaneous	0.00
Total Uses	\$151,785,324.00

PREMIUM FINANCIAL IMPACT EXPLANATION

Premium to be paid to be paid to us for the privilege to purchase our \$140M bonds is \$11,785,324

The \$11.8M premium does not have to paid back ever

We do not have to pay interest on the \$11.8M premium

We do not have to pay Underwriters Fees (commission) on the \$11.8M. The Underwriters Fees are based on the \$140M Bonds

The brings down the True Interest Rate on our bonds to 2.03143%

The Interest Savings to our tax payers is \$12,776,678

The Premium \$11.8M does count towards our \$1B Bond.

Costs of Issuance Detail	Service Provider	Estimates
Bond Attorney	Miller, Canfield, Paddock and Stone, P.L.C.	\$120,071.19
Financial Consultant	PFM	143,388.99
Paying Agent	UMB	400.00
Credit Rating	Moodys	70,000.00
Auditor Review	Plante Moran	5,500.00
Security Report Filing	Department of Treasury	1,000.00
Official Statement	ImageMaster	3,500.00
Notice of Sale	Bond Buyer / Arizent	1,800.00
Municipal Advisory Council Fee		400.00
Total Costs of Issuance		\$346,060.19