

John Robb

From: Bill Gilhaus <GilhausB@usd231.com>
Sent: Monday, March 26, 2012 11:04 AM
To: John Robb
Subject: Re: Bond rating

Reduction in reserves.

Dr. Bill Gilhaus
Superintendent of Schools
Gardner Edgerton School District>>> John Robb <johnrobb@robblaw.com> 3/25/2012 7:17 PM
>>>
Bill-
Is there a short answer on what caused this?
John

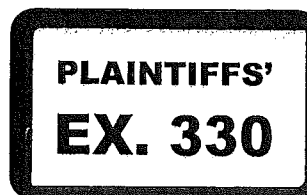
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From: AdvisoryServicesGroup
Sent: Thursday, March 22, 2012 3:19 PM
To:
Subject: ASG Notification: S&P Lowered its Underlying Rating on Johnson County Unified School District No. 231 (Gardner-Edgerton), Kan.'s GO Bonds To 'A+' from 'AA-'

ASG Notification: S&P Lowered its Underlying Rating on Johnson County Unified School District No. 231 (Gardner-Edgerton), Kan.'s GO Bonds To 'A+' from 'AA-'

Our records indicate that you have client accounts that hold the affected bonds. The Advisory Services Group's (ASG) Municipal Research team is sending this notice to inform you that on March 21, 2012 Standard & Poor's (S&P) lowered its underlying rating on Johnson County Unified School District No. 231 (Gardner-Edgerton), Kan.'s general obligation bonds To 'A+' from 'AA-'. The outlook is negative. The ratings downgrade reflects S&P's view of the deterioration of the district's nonrestrictive cash position to \$0 from \$3.3 million, coupled with lower than budgeted state funding in fiscal 2012 due to lower than anticipated student enrollment. Moody's Investors Service (Moody's) and Fitch Ratings do not currently rate these bonds.



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Municipal bonds rated "A+" by S&P are upper-medium grade and subject to low credit risk. Because of the change in rating, you may want to review this investment for client suitability. Some bonds may also have an insured rating based on the credit strength of a municipal bond insurance company. However, insurance generally does not remove the market risk to your clients' bonds.