

**ADDENDUM TO PRELIMINARY OFFICIAL STATEMENT
DATED OCTOBER 10, 2012**

**RACINE UNIFIED SCHOOL DISTRICT
Racine County, Wisconsin**

**\$10,000,000* Note Anticipation Notes
Dated: November 1, 2012**

Due to the release of the 2012 Equalized Valuations from the Wisconsin Department of Revenue, the attached pages have been updated to reflect the District's 2012 Equalized Valuations.

The attached pages replace pages 18, 20 and 21 of the Preliminary Official Statement.

If you have any questions please contact:

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Thank you for your attention to this matter.

Revision sent out on October 12, 2012.

**Preliminary, subject to change.*

EQUALIZED VALUATIONS

The State of Wisconsin, Department of Revenue, Supervisor of Assessments Office determines all equalized valuations of property in the State of Wisconsin. Equalized valuations are the State's estimate of full market value. The State determines assessed valuations of all manufacturing property in the State. Residential and commercial properties located within the School District are assessed annually by the local assessors.

Set forth in the table below are equalized valuations of property located within the District for the years 2008 through 2012. The District's Equalized Valuation (TID IN) has decreased by 12.83 percent since 2008. The average annual percentage change is -3.38 percent.

Year	Equalized Valuation (TID IN)	Equalized Valuation (TID OUT)
2012	\$8,836,261,200	\$8,392,855,850
2011	9,516,668,300	9,127,325,650
2010	9,687,428,500	9,289,464,650
2009	10,135,180,900	9,677,597,050
2008	10,137,082,900	9,714,572,950

Source: The Wisconsin Department of Revenue, Wisconsin Department of Public Instruction.

Tax Increment Districts

The City of Racine and the Villages of Sturtevant, Caledonia and Mount Pleasant have created Tax Increment Districts (TID) under Wisconsin Statute 66.1105. TID valuations totaling \$389,342,650 have been excluded from the District's tax base for 2011. TID valuations totaling \$443,405,350 have been excluded from the District's tax base for 2012.

	Creation Date	Base Value	2012 Value	Increment
<u>City of Racine</u>				
TID #2	1983	\$2,394,700	\$33,581,200	\$31,186,500
TID #5	1985	0	16,329,100	16,329,100
TID #6	1987	21,660,400	43,046,900	21,386,500
TID #7	1989	1,899,600	43,365,500	41,465,900
TID #8	1990	11,338,350	32,915,300	21,576,950
TID #9	2000	877,600	30,571,100	29,693,500
TID #10	2003	1,180,400	787,300	*
TID #11	2005	3,179,700	2,529,200	*
TID #12	2006	378,000	6,719,200	6,341,200
TID #13	2006	312,300	9,785,100	9,472,800
TID #14	2006	4,103,200	4,445,900	342,700
TID #15	2006	0	0	*
TID #16	2009	38,217,400	40,488,400	2,271,000
<u>Village of Sturtevant</u>				
TID #3	1994	9,157,700	172,822,500	163,664,800
<u>Village of Caledonia</u>				
TID #1	2007	14,038,300	12,651,600	*
TID #2	2007	337,500	300,400	*
TID #3	2011	28,644,200	27,939,500	*
<u>Village of Mount Pleasant</u>				
TID #1	2006	4,292,700	46,827,200	42,534,500
TID #2	2007	99,636,000	156,775,900	57,139,900
				\$443,405,350

*Indicates zero or negative value.

Source: Wisconsin Department of Revenue.

Default Record

The District has never defaulted on any prior debt repayment obligations.

Overlapping and Underlying Indebtedness*

Set forth below is information relating to the outstanding overlapping and underlying indebtedness of the District.

<u>Entity</u>	<u>Amount of Debt (Net of 2012 Principal Payments)</u>	<u>Percent Chargeable to District</u>	<u>Outstanding Debt Chargeable to District</u>
Gateway Technical College District**	\$46,235,000	22.18%	\$10,254,923
Racine County	58,012,130	63.27%	36,704,274
City of Racine	98,510,000	100.00	98,510,000
Total Villages	<u>72,174,021</u>	100.00	<u>72,209,493</u>
	<u>\$274,931,151</u>		<u>\$217,678,690</u>

*Percentages based on 2011 equalized values.

**Gateway Technical College District anticipates issuing \$1,500,000 General Obligation Promissory Notes in November, 2012. This amount is not included in the figure above.

Source: Wisconsin Department of Revenue. Information provided by each municipal entity through publicly available disclosure documents available on EMMA.msrb.org and the Wisconsin Department of Public Instruction and direct inquiries.

Statistical Summary*

The following table is a statistical summary of certain information relating to the District which reflects direct, overlapping and underlying bonded indebtedness net of all 2012 principal payments.

2012 Equalized Valuation	\$8,836,261,200
Direct Bonded Indebtedness	\$27,611,331
Direct, Overlapping and Underlying Bonded Indebtedness	\$245,290,022
Direct Bonded Indebtedness as a Percentage of Equalized Valuation	0.31%
Direct, Overlapping and Underlying Bonded Indebtedness as a Percentage of Equalized Valuation	2.78%
Population of the District (2010 Census Estimate**)	139,266
Direct Bonded Indebtedness Per Capita	\$198.26
Direct, Overlapping and Underlying Bonded Indebtedness Per Capita	\$1,761.31

* The Notes are not general obligation debt of the District and therefore are not included in the table above.

**Source: U.S. Census Bureau.

Debt Limit*

As described under the caption "CONSTITUTIONAL AND STATUTORY CONSIDERATIONS AND LIMITATIONS CONCERNING THE DISTRICT'S POWER TO INCUR INDEBTEDNESS--Debt Limit," the total indebtedness of the District may not exceed ten percent of the equalized value of property in the District. The table below reflects direct bonded indebtedness net of all 2012 principal payments and is a comparison of the outstanding indebtedness of the District as a percentage of the applicable debt limit.

Equalized Valuation (2012) as certified by Wisconsin Department of Revenue	\$8,836,261,200
Legal Debt Percentage Allowed	<u>10.00%</u>
Legal Debt Limit	\$883,626,120
Direct Bonded Indebtedness	<u>\$27,611,331</u>
Unused Margin of Indebtedness	\$856,014,789
Percent of Legal Debt Incurred	3.12%
Percentage of Legal Debt Available	96.88%

* The Notes are not general obligation debt of the District and therefore are not included in the table above.

FINANCIAL INFORMATION

The financial operations of the District are conducted primarily through a series of state mandated funds. All revenues except those attributable to the building funds and other funds authorized by State law are accounted for in the general fund, and any lawful expenditure of the District must be made from the appropriate fund and recorded therein.

As in other areas of the United States, the financing of public education in the State is subject to changing legislation, variations in public opinion, examination of financing methods through litigation and other matters. For these reasons the District cannot anticipate with certainty all of the factors which may influence the financing of its future activities.

Budgeting Process

The District is required by State law to annually formulate a budget and to hold an annual meeting thereon prior to the determination of the amounts to be financed in whole or in part by general property taxes, funds on hand or estimated revenues from other sources. Such budget must list existing indebtedness of the District and all anticipated revenue from all sources during the ensuing year and must also list all proposed appropriations for each department, activity and reserve account of the District during the ensuing year. The budget must show actual revenues and expenditures for the preceding year, actual revenues and expenditures for not less than the first six months of the current year and estimated revenues and expenditures for the balance of the current year.

As part of the budgeting process, budget requests are submitted during the last half of the fiscal year by the teachers and departmental administrators of each school to their respective principals, who thereafter review and revise such requests and submit them, with their recommendations, to the Superintendent of the District. After review and adjustment by the administrative staff of the District, the proposed budget is presented to the full Board, at which time the proposed budget is reviewed with the District's administrative staff. After further review and adjustment, the proposed budget is again submitted to the full Board each year. The proposed budget is formally adopted by the Board after the annual meeting is held.