



Raymond James Public Finance

PREPARED BY: Elizabeth Hennessy, Managing Director

PREPARED FOR:

Prospect Heights SD 23 Cook County, Illinois

April 25, 2025



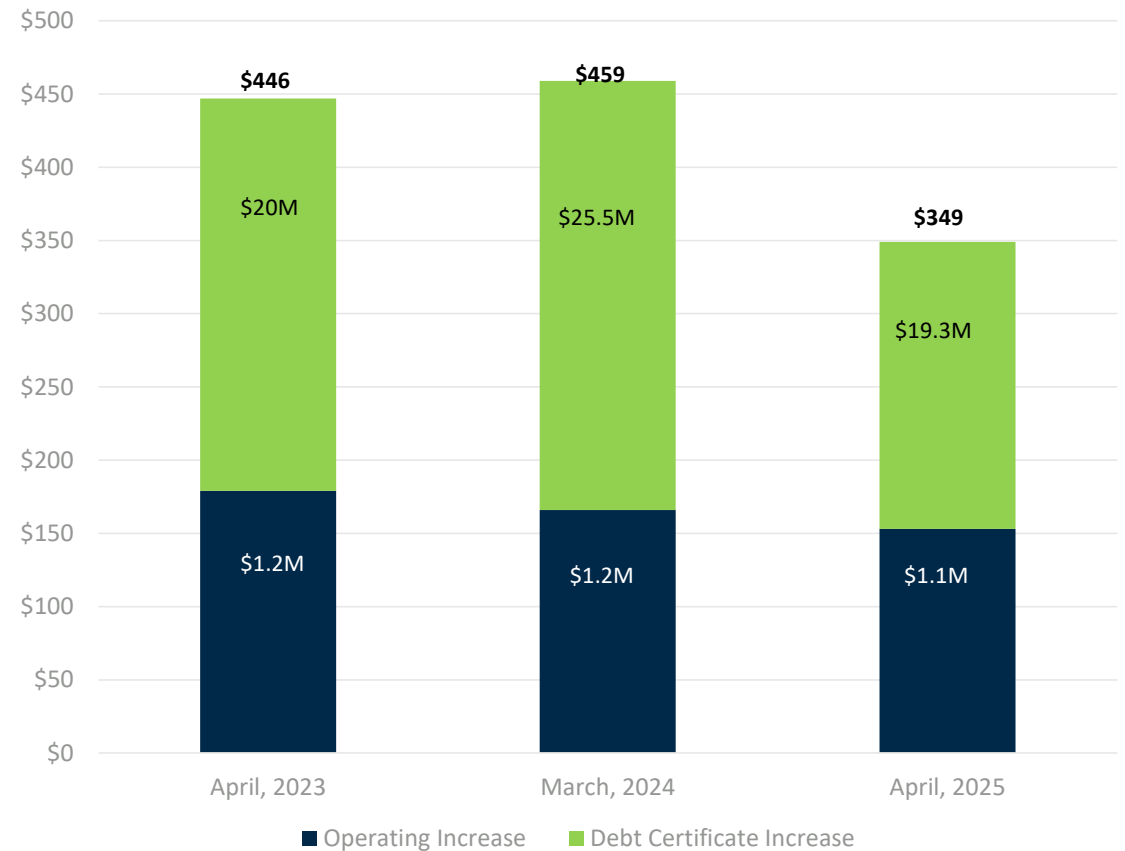
RAYMOND JAMES

Referenda Ask 2023, 2024, 2025

Limiting Tax Rate Increase Referendum:

- Increased tax rate to pay off debt certificates
- Increased tax rate to fund staff for FDK

Prospect Heights SD 23 Referenda Ask



Debt Limit

Statutory Debt Limit

Equalized Assessed Valuation	2023	685,949,160
Times: Statutory Debt Limit	6.90%	47,330,492
Less: Outstanding Bond Principal		(9,180,000)
Net Debt Limit		\$38,150,492

Statutory Debt Limit-Working Cash

Equalized Assessed Valuation	2023	685,949,160
Times: Maximum Education Fund Extension	3.50%	24,008,221
Plus: Corporate and Personal Property Replacement Taxes (FY24 Actual)		155,417
Plus: State Funding (EBF) (FY24 Actual)		1,904,259
Subtotal:		26,067,897
Times:	85.00%	22,157,712
Less: Greater of Outstanding Working Cash Bonds or Working Cash Fund Balance		7,865,000 668,038
Net Working Cash Fund Debt Limit		\$14,292,712

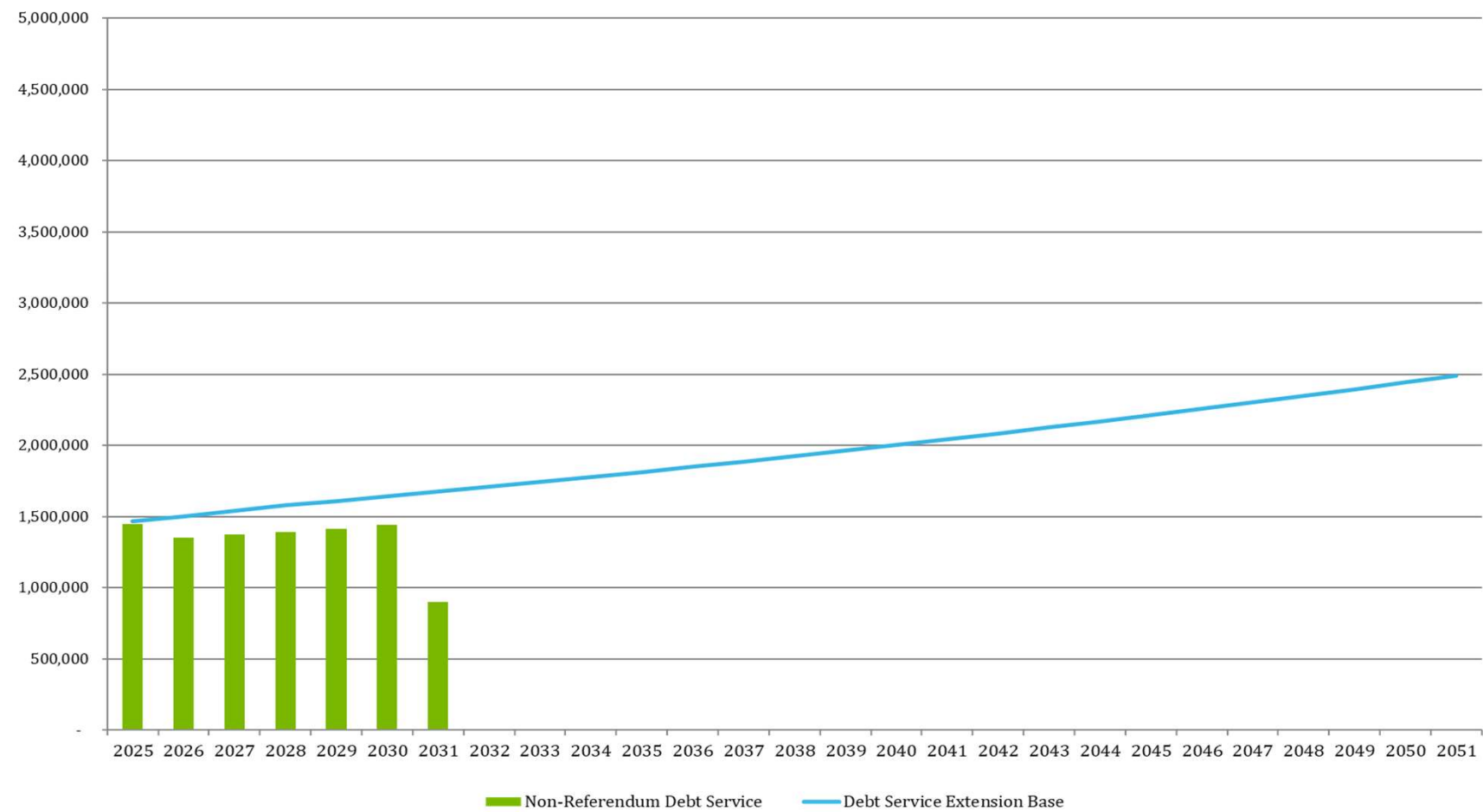
Outstanding Debt Service and Tax Rate

- The District has issued \$2-\$3M of working cash fund bonds every five years for capital projects
- This approach keeps interest cost relatively low and gives future boards flexibility to issue additional bonds

Tax Year	Equalized Assessed Value(1)	EAV Change	Debt Service Extension Base	CPI Growth(1)	Non-Referendum Current DSEB D/S	Total Debt Service	Debt Service Tax Rate	Remaining DSEB Capacity
2025	685,949,160	0.00%	1,466,817	2.90%	1,449,710	1,449,710	0.211	17,107
2026	685,949,160	0.00%	1,503,487	2.50%	1,351,952	1,351,952	0.197	151,535
2027	685,949,160	0.00%	1,541,074	2.50%	1,373,942	1,373,942	0.200	167,132
2028	685,949,160	0.00%	1,579,601	2.50%	1,393,358	1,393,358	0.203	186,243
2029	685,949,160	0.00%	1,611,193	2.00%	1,415,174	1,415,174	0.206	196,019
2030	685,949,160	0.00%	1,643,417	2.00%	1,439,216	1,439,216	0.210	204,201
2031	685,949,160	0.00%	1,676,285	2.00%	900,276	900,276	0.131	776,009
2032	685,949,160	0.00%	1,709,811	2.00%	-	-	0.000	1,709,811
2033	685,949,160	0.00%	1,744,007	2.00%	-	-	0.000	1,744,007
2034	685,949,160	0.00%	1,778,887	2.00%	-	-	0.000	1,778,887
2035	685,949,160	0.00%	1,814,465	2.00%	-	-	0.000	1,814,465
2036	685,949,160	0.00%	1,850,754	2.00%	-	-	0.000	1,850,754
2037	685,949,160	0.00%	1,887,769	2.00%	-	-	0.000	1,887,769
2038	685,949,160	0.00%	1,925,525	2.00%	-	-	0.000	1,925,525
2039	685,949,160	0.00%	1,964,035	2.00%	-	-	0.000	1,964,035
2040	685,949,160	0.00%	2,003,316	2.00%	-	-	0.000	2,003,316
2041	685,949,160	0.00%	2,043,382	2.00%	-	-	0.000	2,043,382
2042	685,949,160	0.00%	2,084,250	2.00%	-	-	0.000	2,084,250
2043	685,949,160	0.00%	2,125,935	2.00%	-	-	0.000	2,125,935
2044	685,949,160	0.00%	2,168,454	2.00%	-	-	0.000	2,168,454
2045	685,949,160	0.00%	2,211,823	2.00%	-	-	0.000	2,211,823
2046	685,949,160	0.00%	2,256,059	2.00%	-	-	0.000	2,256,059
2047	685,949,160	0.00%	2,301,180	2.00%	-	-	0.000	2,301,180
2048	685,949,160	0.00%	2,347,204	2.00%	-	-	0.000	2,347,204
2049	685,949,160	0.00%	2,394,148	2.00%	-	-	0.000	2,394,148
2050	685,949,160	0.00%	2,442,031	2.00%	-	-	0.000	2,442,031
2051	685,949,160	0.00%	2,490,872	2.00%	-	-	0.000	2,490,872
					9,323,628	9,323,628		

(1) EAV is assumed 0% starting 2025 and CPI growth estimated at 2.5% starting 2026-2028 and 2% thereafter.

Outstanding Debt Service



Alternative Approach: Utilize Remaining Debt Service Extension Base to Fund Eisenhower addition and Other Capital Projects

- This requires the issuance of debt certificates, which are then refunded with Funding Bonds paid from the Debt Service Extension Base (“DSEB”).
- Funding Bonds require a petition period and public hearing.
- Taxable refunding would be required to free up room under the debt service extension base to issue the funding bonds.
- Bonds paid from the DSEB extend taxes at the same level as they are currently plus a CPI increase.
- This provides funding for immediate proposed projects but uses the debt service extension base for the foreseeable future.
- Like all tax-exempt bonds, the District must expect to spend 5% of the proceeds in the first six months and 85% in the next three years, per federal tax law.
- The bonds may be refinanced without penalty in 8 – 9 years for savings if interest rates are sufficiently lower than they are currently.

Alternative Approach: Life Safety Bonds

- This alternate funding plan addresses the currently proposed immediate proposed projects but uses the DSEB for the foreseeable future.
- Future health life safety needs could be addressed with health life safety bonds; These bonds are repaid from the debt service tax levy outside of the debt service extension base per Public Act 103-0591.
- Health life safety bonds will likely increase the debt service tax rate when issued.
- Typical life safety projects include roofs, HVAC, paving, security cameras, asbestos, ADA, fire alarms, door locks, intercom systems.
- Life safety projects require the approval of the Cook County Regional Office and the Illinois State Board of Education.
- A public hearing is required prior to the issuance of life safety bonds.

Example: \$21.19M Funding Bonds, 30 Year Payback

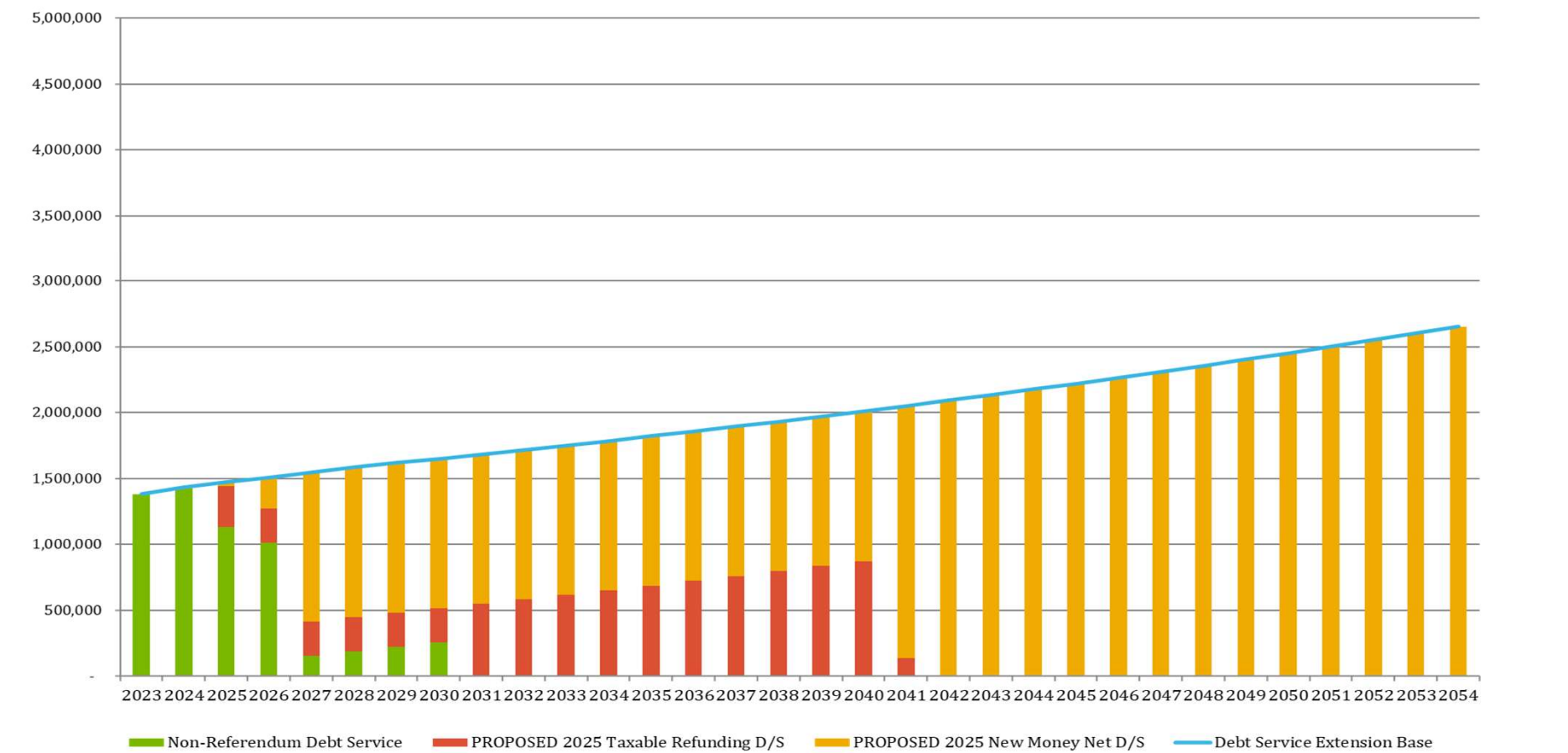
Tax Year	Equalized Assessed Value(1)	EAV Change	Debt Service Extension Base	CPI Growth(1)	Non-Referendum Current DSEB D/S	PROPOSED Refunded 2019A, 2021, 2022 D/S	PROPOSED 2025 Taxable Refunding D/S	PROPOSED 2025 New Money Net D/S	PROPOSED 2025 Net D/S	Total Debt Service	Debt Service Tax Rate	Remaining DSEB Capacity
2023	685,949,160	2.7%	1,383,959	5.00%	1,379,687	-	-	-	-	1,379,687	0.201	4,272
2024	685,949,160	0.0%	1,431,014	3.40%	1,422,843	-	-	-	-	1,422,843	0.207	8,171
2025	685,949,160	0.0%	1,472,513	2.90%	1,449,710	(318,554)	312,968	28,388	22,802	1,472,512	0.215	1
2026	685,949,160	0.0%	1,509,326	2.50%	1,351,952	(339,552)	259,605	232,843	152,896	1,504,848	0.219	4,478
2027	685,949,160	0.0%	1,547,059	2.50%	1,373,942	(1,219,342)	259,605	1,132,750	173,013	1,546,955	0.226	104
2028	685,949,160	0.0%	1,585,735	2.50%	1,393,358	(1,203,758)	259,605	1,132,750	188,597	1,581,955	0.231	3,780
2029	685,949,160	0.0%	1,617,450	2.00%	1,415,174	(1,192,174)	259,605	1,132,750	200,181	1,615,355	0.235	2,095
2030	685,949,160	0.0%	1,649,799	2.00%	1,439,216	(1,184,416)	259,605	1,132,750	207,939	1,647,155	0.240	2,644
2031	685,949,160	0.0%	1,682,795	2.00%	900,276	(900,276)	549,605	1,132,750	782,079	1,682,355	0.245	440
2032	685,949,160	0.0%	1,716,451	2.00%	-	-	582,338	1,132,750	1,715,088	1,715,088	0.250	1,363
2033	685,949,160	0.0%	1,750,780	2.00%	-	-	617,565	1,132,750	1,750,315	1,750,315	0.255	466
2034	685,949,160	0.0%	1,785,796	2.00%	-	-	650,394	1,132,750	1,783,144	1,783,144	0.260	2,652
2035	685,949,160	0.0%	1,821,512	2.00%	-	-	685,775	1,132,750	1,818,525	1,818,525	0.265	2,987
2036	685,949,160	0.0%	1,857,942	2.00%	-	-	723,186	1,132,750	1,855,936	1,855,936	0.271	2,006
2037	685,949,160	0.0%	1,895,101	2.00%	-	-	757,281	1,132,750	1,890,031	1,890,031	0.276	5,070
2038	685,949,160	0.0%	1,933,003	2.00%	-	-	798,245	1,132,750	1,930,995	1,930,995	0.282	2,008
2039	685,949,160	0.0%	1,971,663	2.00%	-	-	835,537	1,132,750	1,968,287	1,968,287	0.287	3,376
2040	685,949,160	0.0%	2,011,096	2.00%	-	-	874,087	1,132,750	2,006,837	2,006,837	0.293	4,259
2041	685,949,160	0.0%	2,051,318	2.00%	-	-	136,682	1,912,750	2,049,432	2,049,432	0.299	1,886
2042	685,949,160	0.0%	2,092,344	2.00%	-	-	-	2,088,750	2,088,750	2,088,750	0.305	3,594
2043	685,949,160	0.0%	2,134,191	2.00%	-	-	-	2,134,000	2,134,000	2,134,000	0.311	191
2044	685,949,160	0.0%	2,176,875	2.00%	-	-	-	2,174,500	2,174,500	2,174,500	0.317	2,375
2045	685,949,160	0.0%	2,220,412	2.00%	-	-	-	2,220,250	2,220,250	2,220,250	0.324	162
2046	685,949,160	0.0%	2,264,821	2.00%	-	-	-	2,260,750	2,260,750	2,260,750	0.330	4,071
2047	685,949,160	0.0%	2,310,117	2.00%	-	-	-	2,306,000	2,306,000	2,306,000	0.336	4,117
2048	685,949,160	0.0%	2,356,319	2.00%	-	-	-	2,355,500	2,355,500	2,355,500	0.343	819
2049	685,949,160	0.0%	2,403,446	2.00%	-	-	-	2,398,750	2,398,750	2,398,750	0.350	4,696
2050	685,949,160	0.0%	2,451,515	2.00%	-	-	-	2,450,750	2,450,750	2,450,750	0.357	765
2051	685,949,160	0.0%	2,500,545	2.00%	-	-	-	2,495,750	2,495,750	2,495,750	0.364	4,795
2052	685,949,160	0.0%	2,550,556	2.00%	-	-	-	2,548,750	2,548,750	2,548,750	0.372	1,806
2053	685,949,160	0.0%	2,601,567	2.00%	-	-	-	2,599,000	2,599,000	2,599,000	0.379	2,567
2054	685,949,160	0.0%	2,653,598	2.00%	-	-	-	2,651,250	2,651,250	2,651,250	0.387	2,348
2055	685,949,160	0.0%	2,706,670	2.00%	-	-	-	-	-	-	-	2,706,670
2056	685,949,160	0.0%	2,760,804	2.00%	-	-	-	-	-	-	-	-
					9,323,628	(6,358,072)	8,821,687	48,716,481	51,180,096	60,503,724		

Dated Date:	1-Oct-25	1-Oct-25	1-Oct-25
All-In TIC:	4.94%	4.76%	4.79%
Proceeds:	n/a	\$ 21,189,859	
Capitalized Interest:	\$ -	\$ 2,237,112	
Dissavings	\$ (370,684)	n/a	
% Dissavings	-6.75%	n/a	

(1) EAV is assumes 0% growth. CPI growth estimated at 2.5% in LY2026 to 2028 and 2.0% thereafter.

(2) Rates as of April 4, 2025 over AAA MMD index with IL Credit Spreads.

Example: \$20M Funding Bonds, 30 Year Payback



Advantages/Disadvantages of Alternate Approach

Advantages	Disadvantages
<ul style="list-style-type: none"> • Lock in pricing for projects at today's construction cost, avoiding escalation 	<ul style="list-style-type: none"> • No future DSEB bonding ability for 30 years
<ul style="list-style-type: none"> • Expended costs for design and development for current plan can still be utilized 	<ul style="list-style-type: none"> • Taxable refunding required, costing additional interest over time
<ul style="list-style-type: none"> • Possible loss of tax-exemption would greatly increase borrowing costs 	<ul style="list-style-type: none"> • No referendum means no additional operating dollars requiring reduction in staffing and services
<ul style="list-style-type: none"> • No referendum and no tax increase (except for CPI) 	
<ul style="list-style-type: none"> • Life safety bonds could be issued in the future to address health life safety needs, without referendum 	
<ul style="list-style-type: none"> • Allows time to consider impact of operational cuts and potential for future referendum 	

Draft Financing Schedule

Date	Activity
Board Meeting May 8, 2025	Present alternate approach to BOE for discussion
Board Meeting June 12, 2025	Board adopts debt certificate parameters resolution authorizing debt paid from operating funds
July 9, 2025	Close sale of debt certificates, receive proceeds for projects
Board Meeting July 10, 2025	Hold public hearing on issuance of funding bonds; approve resolution of intent to issue funding bonds to pay off debt certificates
July 11-August 8, 2025	Publish Notice of Intent to issue funding bonds beginning 30-day petition period
Board Meeting August 14, 2025	Approve parameters resolution authorizing the sale of funding bonds to refund debt certificates and taxable refunding for existing outstanding limited bonds
August 2025	Sell funding and refunding bonds within parameters set forth in parameters resolution and subject to final approval by Board delegates (Board President and Superintendent/CSBO)
September 2025	Close bond issue and pay off debt certificates and any accrued interest.

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