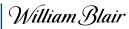




Geneva Community Unit School District 304, Kane County, Illinois

**Update on Debt Restructuring Options** 

# **Outstanding Debt**



## Outstanding Debt

Dated
Issue
Series
Original Par
Earliest Call
Maturity

Earliest Call					
Maturity					
Fiscal Year					
2013					
2014					
2015					
2016					
2017					
2018					
2019					

	Februar	y 1, 2012			Decembe	er 1, 2011		March 2, 2010						
G.C	). REFUNDING	SCHOOL E	BONDS	G.O. 1	REFUNDING	SCHOOL B	ONDS	G.O. REFUNDING SCHOOL BONDS						
	20	12		2011				2010						
	\$4,165	,000.00			\$8,755	,000.00		\$2,615,000.00						
	Non-C	Callable			Non-C	Callable			1/1/2020	@ 100				
	Janu	ary 1,			Janua	ary 1,			January	y 1,				
Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service			
				•										
		114,538	114,538			342,800	342,800			127,458	127,458			
		124,950	124,950			342,800	342,800	5,000	1.950%	127,458	132,458			
		124,950	124,950			342,800	342,800	5,000	2.300%	127,360	132,360			
		124,950	124,950			342,800	342,800	10,000	2.750%	127,245	137,245			
1,410,00	3.000%	124,950	1,534,950			342,800	342,800	10,000	3.100%	126,970	136,970			
2,755,00	00 3.000%	82,650	2,837,650	3,455,000	4.000%	342,800	3,797,800	10,000	3.350%	126,660	136,660			
				5,115,000	4.000%	204,600	5,319,600	10,000	3.400%	126,325	136,325			
								10,000	3.500%	125,985	135,985			
								10,000	3.600%	125,635	135,635			
								10,000	3.700%	125,275	135,275			
								10,000	3.800%	124,905	134,905			
								2,525,000	3.85%/5.00%	124,525	2,649,525			
									_					

#### Total

Callable
Non-Callable
<b>Total Outstanding</b>

Notes		

\$0	\$0	\$2,555,000			
\$4,165,000	\$8,755,000	\$60,000			
\$4,165,000	\$8,755,000	\$2,615,000			

Refunding	Refunding	Refunding
2004A Bonds	2004A Bonds	2004 Bonds



### Outstanding Debt (continued)

\$14,585,000

\$0

Dated		January	1, 2008			July	1, 2007			July 1,	2007			
Issue		G.O. SCHO	OL BONDS		G.O.	LIMITED TA	AX SCHOOL E	ONDS	G.O. SCHOOL BONDS					
Series		2008				2	007B		2007A					
Original Par		\$14,585	5,000.00			\$7,55	0,000.00			\$85,820,0	00.00			
Earliest Call		1/1/201	8 @ 100			1/1/20	17 @ 100			1/1/2017	@ 100			
Maturity		Janua	ary 1,			Jan	uary 1,			Januar	y 1,			
-	Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service		
Fiscal Year														
2013			673,920	673,920	765,000	4.500%	323,168	1,088,168			6,229,200	6,229,200		
2014			673,920	673,920	800,000	4.500%	288,743	1,088,743			6,229,200	6,229,200		
2015			673,920	673,920	835,000	4.500%	252,743	1,087,743			6,229,200	6,229,200		
2016			673,920	673,920	875,000	4.500%	215,168	1,090,168			6,229,200	6,229,200		
2017			673,920	673,920	915,000	4.500%/5.000%	175,793	1,090,793			6,229,200	6,229,200		
2018			673,920	673,920	805,000	4.250%	133,018	938,018			6,229,200	6,229,200		
2019			673,920	673,920	840,000	4.500%	98,805	938,805			6,229,200	6,229,200		
2020			673,920	673,920	840,000	4.500%/5.000%	61,005	901,005	2,650,000	5.000%	6,229,200	8,879,200		
2021	600,000	4.000%	673,920	1,273,920	500,000	4.450%	22,250	522,250	4,050,000	5.000%	6,096,700	10,146,700		
2022	2,070,000	5.000%	649,920	2,719,920					10,595,000	9.000%	5,894,200	16,489,200		
2023	2,175,000	5.250%	546,420	2,721,420					11,550,000	9.000%	4,940,650	16,490,650		
2024	2,285,000	4.200%	432,233	2,717,233					12,590,000	9.000%	3,901,150	16,491,150		
2025	2,380,000	4.250%	336,263	2,716,263					13,720,000	9.000%	2,768,050	16,488,050		
2026	2,485,000	4.250%	235,113	2,720,113					14,960,000	5.000%	1,533,250	16,493,250		
2027	2,590,000	5.000%	129,500	2,719,500					15,705,000	5.000%	785,250	16,490,250		
Total											6229200	j		

Non-Callable	
<b>Total Outstanding</b>	5

Callable

Notes

	\$14,585,000	\$7,175,000	\$85,820,000
ĺ		Refunding	New Money & Refunding
		2001B Bonds	1998 & 2004 A Bonds -62 9% Refunding

\$2,985,000

\$4,190,000



\$37,365,000

\$48,455,000

\$64.99M New, \$38.4M Ref -Abatements 2007

### Outstanding Debt (continued)

\$8,874,192

\$8,874,192

Dated			D	ecember 1, 2	004				June 1	7, 2001			Se	ptember 9, 19	998	
Issue		G.O. SCHOOL BONDS						CAPITAL APPREC. SCHOOL BONDS				CAPITAL APPREC. SCHOOL BONDS				
Series		2004A						2001A				1998A				
Original Par		\$41,184,191.65							\$19,49	9,905.15			\$	35,599,916.9	00	
Earliest Call				1/1/2014 @ 1	00				NON-CA	ALLABLE			NO	ON-CALLAE	SLE	
Maturity				January 1,					Janu	ary 1,				January 1,		
	CIBS	Coupon	Refunded	CABS	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	Amount	Refunded	Coupon	Interest	Debt Service
Fiscal Year																
2013	615,000	4.000%	2,265,000			24,600	639,600	472,593	7.4389%	627,407	1,100,000	2,719,044	1,224,534	5.16365%	2,920,956	5,640,000
2014				1,712,739	9.00%	2,077,261	3,790,000	439,307	7.4389%	660,693	1,100,000	1,750,095	2,219,688	5.16365%	2,069,905	3,820,000
2015				1,874,650	9.00%	2,655,350	4,530,000	464,050	7.4389%	785,950	1,250,000	1,898,170	2,085,374	5.16365%	2,461,830	4,360,000
2016				2,934,968	9.00%	4,810,032	7,745,000	1,123,268	7.4389%	2,131,732	3,255,000	287,542	1,938,325	5.16365%	407,458	695,000
2017		5.000%	4,240,000	1,736,835	9.00%	3,268,165	5,005,000	2,245,460	7.4389%	4,754,540	7,000,000					
2018		5.000%	9,175,000					2,685,201	7.4389%	6,319,799	9,005,000					
2019		5.000%	5,200,000					3,050,476	7.4389%	7,954,524	11,005,000					
2020								3,607,240	7.4389%	10,392,760	14,000,000					
2021								3,077,704	7.4389%	9,772,297	12,850,000					
2022																
2023																
2024																
2025																
2026																
2027																
Total																

Total Outstandi	ng
Notes	

Callable Non-Callable

New Money	Issued by Illinois Development Finance Authority	Issued by Illinois Development Finance Authority

\$17,165,298

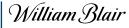
\$17,165,298



\$6,654,851

\$6,654,851

# Abatement and Refunding Options to Level Debt Payments



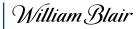
### District Strategy to Abate Ed Fund Surplus > \$15M Balance

	Actual	Budget			Projections		
Fiscal Year	FY 2013 (unaudited)	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019
Levy Year	Levy 2011	Levy 2012	Levy 2013	Levy 2014	Levy 2015	Levy 2016	Levy 2017
Beginning Balance	\$20,179,860	\$20,970,638	\$16,988,727	\$18,502,243	\$19,331,388	\$21,526,725	\$21,796,822
Revenues	58,440,420	58,210,098	60,941,613	63,004,951	65,169,209	67,308,980	69,426,545
Expenditures	52,698,642	56,260,371	57,439,370	58,673,563	58,642,484	60,512,158	62,432,051
Surplus/Deficit	5,741,778	1,949,727	3,502,243	4,331,388	6,526,725	6,796,822	6,994,494
Transfers	(4,990,000)	(5,931,638)	(1,988,727)	(3,502,243)	(4,331,388)	(6,526,725)	(6,796,821)
Other	0						
Ending Balance	\$20,931,638	\$16,988,727	\$18,502,243	\$19,331,388	\$21,526,725	\$21,796,822	\$21,994,495
Less: Minimum \$15M	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,001	\$15,000,002
Abatement Amount Surplus > \$15M	5,931,638	1,988,727	3,502,243	4,331,388	6,526,725	6,796,821	6,994,493
Notes:	Surplus amounts in the E Assumes full Property Ta			•	d annually.		

Current Abatement Strategy: When surplus occurs in Education Fund, District abates amounts in excess of \$15M minimum the following Fiscal Year.

### Current Situation – Do Nothing Scenario

				Estimated	2011/2012 Levy Abate	2012/2014 Levy Abate			Estimated Tax	Annual
Levy			Debt Service	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	Total	New Total	Rate for Debt	(Savings)/Cost
Year	EAV	% Change	Levy	for Debt	FY11	FY12	Abatements	Debt Service	Service	on \$315k Home
2011	1,328,294,553	-5.73%	15,951,903	1.20	(1,220,895)		(1,220,895)	14,731,008	1.11	(97)
2012	1,285,654,414	-3.21%	17,302,070	1.35	(2,003,934)	(298,136)	(2,302,070)	15,000,000	1.17	(188)
2013	1,249,212,747	-2.83%	18,730,973	1.50		(3,230,973)	(3,230,973)	15,500,000	1.24	(272)
2014	1,236,228,492	-1.04%	20,293,283	1.64		(1,460,891)	(1,460,891)	18,832,392	1.52	(124)
2015	1,248,228,492	0.97%	22,013,633	1.76			-	22,013,633	1.76	-
2016	1,288,193,062	3.20%	23,618,248	1.83				23,618,248	1.83	-
2017	1,341,838,854	4.16%	24,302,850	1.81				24,302,850	1.81	-
2018	1,397,094,019	4.12%	24,590,110	1.76				24,590,110	1.76	-
2019	1,452,977,780	4.00%	24,928,505	1.72				24,928,505	1.72	-
2020	1,511,096,891	4.00%	19,344,395	1.28				19,344,395	1.28	-
2021	1,571,540,767	4.00%	19,346,975	1.23				19,346,975	1.23	-
2022	1,634,402,397	4.00%	21,857,908	1.34				21,857,908	1.34	-
2023	1,699,778,493	4.00%	19,204,313	1.13				19,204,313	1.13	-
2024	1,767,769,633	4.00%	19,213,363	1.09				19,213,363	1.09	-
2025	1,838,480,418	4.00%	19,209,750	1.04				19,209,750	1.04	-
2026	1,912,019,635	4.00%						-	-	-
2027	1,988,500,420	4.00%						-		
2028	2,068,040,437	4.00%						-		
2029	2,150,762,055	4.00%						-		
2030	2,236,792,537	4.00%						-		
2031	2,326,264,238	4.00%						-		
Total			309,908,275		(3,224,829)	(4,990,000)	(8,214,829)	301,693,446		\$ (680)



### I. Abatements FY11-FY13

		Estimated	2011/2012 Levy Abate	2012/2014 Levy Abate	2014 Levy Abate			Estimated Tax	Annual
Levy	Debt Service	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	Total	New Total	Rate for Debt	(Savings)/Cost
Year	Levy	for Debt	FY11	FY12	FY13	Abatements	Debt Service	Service	on \$315k Home
2011	15,951,903	1.20	(1,220,895)			(1,220,895)	14,731,008	1.11	(97)
2012	17,302,070	1.35	(2,003,934)	(298,136)		(2,302,070)	15,000,000	1.17	(188)
2013	18,730,973	1.50		(3,230,973)		(3,230,973)	15,500,000	1.24	(272)
2014	20,293,283	1.64		(1,460,891)	(2,532,392)	(3,993,283)	16,300,000	1.32	(339)
2015	22,013,633	1.76			(3,399,246)	(3,399,246)	18,614,387	1.49	(286)
2016	23,618,248	1.83					23,618,248	1.83	-
2017	24,302,850	1.81					24,302,850	1.81	-
2018	24,590,110	1.76					24,590,110	1.76	-
2019	24,928,505	1.72					24,928,505	1.72	-
2020	19,344,395	1.28					19,344,395	1.28	-
2021	19,346,975	1.23					19,346,975	1.23	-
2022	21,857,908	1.34					21,857,908	1.34	-
2023	19,204,313	1.13					19,204,313	1.13	-
2024	19,213,363	1.09					19,213,363	1.09	-
2025	19,209,750	1.04					19,209,750	1.04	-
2026							-	-	-
2027							-		
2028							-		
2029							-		
2030							-		
2031							-		
Total	309,908,275		(3,224,829)	(4,990,000)	(5,931,638)	(14,146,467)	295,761,808		\$ (1,181)

Current Abatement Strategy: FY11 and FY12 amounts actual. FY13 amount may change depending on actual FY13 surplus. Over 3 years total abatements estimated at \$14,146,467.

# I-A: Abatements FY11-FY13 Plus 2015 Refunding to Flatten Debt

		Estimated		Less: 2015	Plus: 2015		Estimated Tax	Annual
Levy	Debt Service	Tax Rate	Total	Refunded	Refunding	New Total	Rate for Debt	(Savings)/Cost
Year	Levy	for Debt	Abatements	Debt Service	Debt Service	Debt Service	Service	on \$315k Home
2011	15,951,903	1.20	(1,220,895)			14,731,008	1.11	(97)
2012	17,302,070	1.35	(2,302,070)			15,000,000	1.17	(188)
2013	18,730,973	1.50	(3,230,973)			15,500,000	1.24	(272)
2014	20,293,283	1.64	(3,993,283)		_	16,300,000	1.32	(339)
2015	22,013,633	1.76	(3,399,246)	(3,843,645)	1,830,250	16,600,992	1.33	(455)
2016	23,618,248	1.83		(7,151,645)	1,830,250	18,296,853	1.42	(434)
2017	24,302,850	1.81		(7,138,395)	1,830,250	18,994,705	1.42	(415)
2018	24,590,110	1.76		(7,123,395)	1,830,250	19,300,000	1.38	(398)
2019	24,928,505	1.72		(7,460,145)	1,830,250	19,300,000	1.33	(407)
2020	19,344,395	1.28		(1,883,895)	1,830,250	19,300,000	1.28	(3)
2021	19,346,975	1.23		(1,879,895)	1,830,250	19,300,000	1.23	(3)
2022	21,857,908	1.34		(4,389,545)	1,830,250	19,300,000	1.18	(164)
2023	19,204,313	1.13		(1,736,425)	1,830,250	19,300,000	1.14	6
2024	19,213,363	1.09		(1,747,250)	1,830,250	19,300,000	1.09	5
2025	19,209,750	1.04		(1,743,000)	1,830,250	19,300,000	1.05	5
2026					19,295,250	19,300,000	1.01	1,060
2027					19,297,000	19,300,000	0.97	1,019
2028					840,000	19,300,000	0.93	980
2029								
2030								
2031								
Total	309,908,275		(14,146,467)	(46,097,235)	59,565,000	327,723,556		\$ (99)
			Net Cost		13,467,765			
			AIC as of Oct 2	4	4.08%			

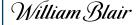
Does not contemplate surplus budgets FY2014 or thereafter. Levy Year 11- Levy Year 15 abatements estimated at \$14,146,467. Refunding bonds issued in FY2015 to flatten remaining levy payments.

### I-A: Abatements FY11-FY13 Plus Refunding to Flatten Debt

#### Advantages:

- Flattens debt service payments for the life of the bond issue
- Does not rely on abatements of surplus after FY13

- Extends debt service for three years after final maturity
- Total net debt service cost from refunding estimated at \$13,467,765 and present value cost of \$2,291,653
- Future interest rate risk



#### II: Abatements FY11-FY18 to Flatten Debt

	Debt Service		2011/2012 Levy Abate w/ Ed Fund Surplus	2012/2014 Levy Abate w/ Ed Fund Surplus	2014/15 Levy Abate w/ Ed Fund Surplus	2015 Levy Abate w/ Ed Fund Surplus	2016 Levy Abate w/ Ed Fund Surplus	2016 Levy Abate w/ Ed Fund Surplus	2017 Levy Abate w/ Ed Fund Surplus	2018/19 Levy Abate w/ Ed Fund Surplus	New Total	Estimated Tax	Annual
,	Levy	for Debt	FY11	W/ Lu Fullu Sulpius FY12	FY13	FY14	FY15	FY16	FY17	FY18	Debt Service		(Savings)/Cost on
Year				FIIZ	F113	1114	FIIJ	F110	F11/	L110		Service	\$315k Home
2011	15,951,903	1.20	(1,220,895)	(200.126)							14,731,008	1.11	(97)
2012	17,302,070	1.35	(2,003,934)	(298,136)							15,000,000	1.17	(188)
2013	18,730,973	1.50		(3,230,973)	(2 522 202)						15,500,000	1.24	(272)
2014	20,293,283	1.64		(1,460,891)	(2,532,392)	/1 200 000\					16,300,000	1.32	(339)
2015	22,013,633	1.76			(3,399,246)	(1,300,000)	(2.502.242)	(1 100 000)			17,314,387	1.39	(395)
2016	23,618,248	1.83 1.81				(688,727)	(3,502,243)	(1,100,000)	(1 000 000)		18,327,278	1.42	(431)
2017	24,302,850	1.76						(3,231,388)	(1,800,000)		19,271,462	1.44 1.38	(394)
2018 2019	24,590,110	1.70							(4,726,725)		19,313,385		(397)
	24,928,505									(5,600,000)	19,328,505	1.33	(405)
2020	19,344,395	1.28									19,344,395	1.28	•
2021	19,346,975	1.23 1.34								(CAC 024)	19,346,975	1.23	- (42)
2022	21,857,908									(646,821)	21,211,087	1.30	(42)
2023 2024	19,204,313 19,213,363	1.13 1.09									19,204,313	1.13 1.09	•
2024	19,213,303	1.09									19,213,363	1.09	•
2023	19,209,730	1.04									19,209,750		•
2020											-	•	•
2027											-		
2028											-		
2029											-		
2030											-		
2031											-		
Total	309,908,275		(3,224,829)	(4,990,000)	(5,931,638)	(1,988,727)	(3,502,243)	(4,331,388)	(6,526,725)	(6,796,821)	272,615,904		\$ (2,958)
									Total Abatements	(37,292,371)			

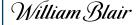
Uses estimated surplus budgets FY2011-FY2018 for abatements through levy year 2021. Total abatements estimated at \$37,292,371.

#### II: Abatements FY11-FY18

#### Advantages:

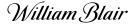
- Flattens debt service payments for the life of the bond issue through levy year 2018 without the cost of refunding bonds
- Depending on economy and future tax base growth may not need future refunding issues

- Not clear budget surpluses will continue in the projection years
- Relies on operating tax levy funds to reduce debt service.



# Options III: Combo of Abatement/Refunding and Defeasance

- Options III and IV are a combination of abatements/refunding and cash defeasance
- Using cash to pay-off or defease bonds works best on the bond call date. The next call date is for the Series 2007A bonds January 1, 2017 and for the Series 2008 bonds January 1, 2018
- Option III shows continuing abatements through FY2016. The cash surplus generated in FY2017 is used to pay down principal on the Series 2007A and Series 2008 Bonds at the call date of January 1, 2018 along with the proceeds of refunding bonds in order to flatten the debt service payments.
- In this option, the debt service is extended only one more year.



# III: Abatements FY11-FY16-Refunding/Defeasance to Flatten Debt Service in January 2018

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	Abate w/ Surplus FY11	Abate w/ Surplus FY12	Abate w/ Surplus FY13	Abate w/ Surplus FY14	Abate w/ Surplus FY15	Abate w/ Surplus FY16	Less: 2017 Refunded and Defeased Debt Service	Plus: 2017 Refunding Debt Service	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost on \$315k Home
2010 2011 2012 2013 2014 2015 2016 2017 2018 2019 2020 2021 2022 2023 2024 2025 2026 2027 2028 2029 2030	14,624,805 15,951,903 17,302,070 18,730,973 20,293,283 22,013,633 23,618,248 24,302,850 24,590,110 24,928,505 19,344,395 19,346,975 21,857,908 19,204,313 19,213,363 19,209,750	1.04 1.20 1.35 1.50 1.64 1.76 1.83 1.81 1.76 1.72 1.28 1.23 1.34 1.13 1.09	(1,220,895) (2,003,934)	(298,136) (3,230,973) (1,460,891)	(2,532,392) (3,399,246)	(1,300,000) (688,727)	(3,502,243)	(1,100,000) (3,231,388)	(2,586,308) (5,800,558) (6,137,308) (551,058) (555,308) (3,067,720) (414,550) (424,250) (420,000)	506,250 506,250 506,250 506,250 506,250 506,250 506,250 506,250 10,631,250	14,624,805 14,731,008 15,000,000 15,500,000 16,300,000 17,314,387 18,327,278 18,991,405 19,295,803 19,297,448 19,299,588 19,297,918 19,296,013 19,296,013 19,295,363 19,296,000 10,631,250	1.04 1.11 1.17 1.24 1.32 1.39 1.42 1.42 1.38 1.33 1.28 1.23 1.18 1.14 1.09 1.05 0.56	(97) (188) (272) (339) (395) (431) (416) (398) (407) (3) (3) (165) 6 5 5 5
2031 Total			(3,224,829)	(4,990,000)	(5,931,638) Total f	(1,988,727) or Debt Payoff fror	(3,502,243) m FY17 Ed Surplus Total Abatements		(19,957,058) Net Cost/(Savings)	15,187,500 (4,769,558)	281,169,893	_	\$ (2,514)
				l			Total Abatements	(23,968,825)	Less: Cash on Hand Net Cost/(Savings) AIC as of Oct 24	6,526,725 1,757,168 3.47%			

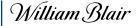
FY2011-2016 abatements estimated at \$23,968,825 Refunding bonds and the projected cash surplus from FY17 operations (\$6.52M) is used in January 2018 to flatten remaining levy payments.

# III: Abatements FY11-FY16-Refunding/Defeasance to Flatten Debt Service in January 2018

#### Advantages:

- Flattens debt service payments for the life of the bond issue through levy year 2016 without the cost of refunding bonds
- Uses refunding AND FY 2017 cash surplus to pay down and flatten remaining debt payments
- Lowest net cost of refunding
   \$1,757,568 and present value savings of
   \$151,303 at current interest rates
- Allows use of FY2018 and forward surpluses, if any, which are not pledged to debt service

- Not clear budget surpluses will continue in the projection years
- Relies on operating tax levy funds to reduce debt service.
- Future interest rate risk



### Options IV: Abatements FY11-FY15-Refunding/ Defeasance in January 2017 to Flatten Debt Service

- Options III and IV are a combination of abatements/refunding and cash defeasance
- Using cash to pay-off or defease bonds works best on the bond call date. The next call date is for the Series 2007A bonds January 1, 2017 and for the Series 2008 bonds January 1, 2018
- Option IV shows continuing abatements through FY2015, but setting aside a
  portion of the surplus in years FY2013-2015 and the entire surplus in FY2016
  to use towards paying down debt service at the January 1, 2017 call date. In
  January 2017 the accumulated cash surplus plus refunding bonds are used to
  flatten the debt service payments.



# IV: Combo of Abatement/Refunding and Defeasance in January 2017

		Estimated	2011/2012 Levy Abate	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate	Less: 2016 Refunded	Plus:		Estimated Tax	Annual
Levy	Debt Service	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	and Defeased	2016 Refunding	New Total	Rate for Debt	(Savings)/Cost on
Year	Levy	for Debt	FY11	FY12	FY13	FY14	FY15	FY16	Debt Service	Debt Service	Debt Service	Service	\$315k Home
2011	15,951,903	1.20	(1,220,895)								14,731,008	1.11	(97)
2012	17,302,070	1.35	(2,003,934)	(298,136)							15,000,000	1.17	(188)
2013	18,730,973	1.50		(3,230,973)							15,500,000	1.24	(272)
2014	20,293,283	1.64		(1,460,891)	(2,532,392)						16,300,000	1.32	(339)
2015	22,013,633	1.76			(1,399,246)	(1,488,727)	(1,502,243)				17,623,417	1.41	(369)
2016	23,618,248	1.83						-	(6,241,170)	916,000	18,293,078	1.42	(434)
2017	24,302,850	1.81							(6,224,170)	916,000	18,994,680	1.42	(415)
2018	24,590,110	1.76							(6,209,170)	916,000	19,296,940	1.38	(398)
2019	24,928,505	1.72							(6,545,920)	916,000	19,298,585	1.33	(407)
2020	19,344,395	1.28							(964,670)	916,000	19,295,725	1.28	(3)
2021	19,346,975	1.23							(963,920)	916,000	19,299,055	1.23	(3)
2022	21,857,908	1.34							(3,475,058)	916,000	19,298,850	1.18	(164)
2023	19,204,313	1.13							(822,638)	916,000	19,297,675	1.14	6
2024	19,213,363	1.09							(832,250)	916,000	19,297,113	1.09	5
2025	19,209,750	1.04							(829,500)	916,000	19,296,250	1.05	5
2026										19,236,000	19,236,000	1.01	1,056
2027											-		
2028											-		
2029											-		
2030											-		
2031											-		
Total	309,908,275		(3,224,829)	(4,990,000)	(5,931,638)	(1,988,727)	(3,502,243)	(4,331,388)	(33,108,465)	28,396,000	290,058,373		\$ (2,018)
			Amount to	Reserve for Debt Payoff	2,000,000	500,000	2,000,000	4,331,388	Net Cost/(Savings)	(4,712,465)			
			Am	ount left for Abatement	(3,931,638)	(1,488,727)	(1,502,243)	-	Less: Cash on Hand	8,831,388			
							Total for Debt Payoff	(8,831,388)	Net Cost/(Savings)	4,118,923			
							Total Abatements	(15,137,437)	AIC as of Oct 24	3.63%			

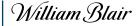
FY2011-2015 abatements estimated at \$15,137,437. Refunding bonds and the projected cash surpluses from operations (\$8.831M) is used in January 2017 to flatten remaining levy payments.

# IV: Combo of Abatement/Refunding and Defeasance in January 2017

#### Advantages:

- Flattens debt service payments for the life of the bond issue through levy year 2015 without the cost of refunding bonds
- Uses refunding AND portions of surpluses FY 2013-2016 to pay down and flatten remaining debt payments
- Net cost of refunding \$4,118,923 and present value **savings** of \$379,320 at current interest rates.
- Allows use of FY2017 and forward surpluses, if any, which are not pledged to debt service

- Not clear budget surpluses will continue in the projection years
- Relies on operating tax levy funds to reduce debt service.
- Future interest rate risk



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Per Rule G-23 we are providing the information contained in this proposal for discussion purposes in anticipation of serving as an underwriter. In our capacity as underwriter, our primary role will be to purchase the Bonds as a principal in a commercial, arms' length transaction and we will have financial and other interests that differ from yours. We will not be acting as a municipal advisor, financial advisor or fiduciary.

