



October 28, 2013

Geneva Community Unit School
District 304, Kane County, Illinois

Update on Debt Restructuring Options

William Blair

Outstanding Debt

Outstanding Debt

Dated
Issue
Series
Original Par
Earliest Call
Maturity

February 1, 2012				December 1, 2011				March 2, 2010			
G.O. REFUNDING SCHOOL BONDS				G.O. REFUNDING SCHOOL BONDS				G.O. REFUNDING SCHOOL BONDS			
2012				2011				2010			
\$4,165,000.00				\$8,755,000.00				\$2,615,000.00			
Non-Callable				Non-Callable				1/1/2020 @ 100			
January 1,				January 1,				January 1,			
Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service

Fiscal Year

2013		114,538	114,538			342,800	342,800			127,458	127,458	
2014		124,950	124,950			342,800	342,800	5,000	1.950%	127,458	132,458	
2015		124,950	124,950			342,800	342,800	5,000	2.300%	127,360	132,360	
2016		124,950	124,950			342,800	342,800	10,000	2.750%	127,245	137,245	
2017	1,410,000	3.000%	124,950	1,534,950		342,800	342,800	10,000	3.100%	126,970	136,970	
2018	2,755,000	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
2019					5,115,000	4.000%	204,600	5,319,600	10,000	3.400%	126,325	136,325
2020								10,000	3.500%	125,985	135,985	
2021								10,000	3.600%	125,635	135,635	
2022								10,000	3.700%	125,275	135,275	
2023								10,000	3.800%	124,905	134,905	
2024								2,525,000	3.85%/5.00%	124,525	2,649,525	
2025												
2026												
2027												

Total

Callable	\$0	\$0	\$2,555,000
Non-Callable	\$4,165,000	\$8,755,000	\$60,000
Total Outstanding	\$4,165,000	\$8,755,000	\$2,615,000

Notes

Refunding	Refunding	Refunding
2004A Bonds	2004A Bonds	2004 Bonds

Outstanding Debt (continued)

Dated Issue Series Original Par Earliest Call Maturity	January 1, 2008				July 1, 2007				July 1, 2007			
	G.O. SCHOOL BONDS				G.O. LIMITED TAX SCHOOL BONDS				G.O. SCHOOL BONDS			
	2008				2007B				2007A			
	\$14,585,000.00				\$7,550,000.00				\$85,820,000.00			
	1/1/2018 @ 100 January 1,				1/1/2017 @ 100 January 1,				1/1/2017 @ 100 January 1,			
Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	Amount	Coupon	Interest	Debt Service	
		673,920	673,920	765,000	4.500%	323,168	1,088,168			6,229,200	6,229,200	
		673,920	673,920	800,000	4.500%	288,743	1,088,743			6,229,200	6,229,200	
		673,920	673,920	835,000	4.500%	252,743	1,087,743			6,229,200	6,229,200	
		673,920	673,920	875,000	4.500%	215,168	1,090,168			6,229,200	6,229,200	
		673,920	673,920	915,000	4.500%/5.000%	175,793	1,090,793			6,229,200	6,229,200	
		673,920	673,920	805,000	4.250%	133,018	938,018			6,229,200	6,229,200	
		673,920	673,920	840,000	4.500%	98,805	938,805			6,229,200	6,229,200	
		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	
	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
	2,070,000	5.000%	649,920	2,719,920				10,595,000	9.000%	5,894,200	16,489,200	
	2,175,000	5.250%	546,420	2,721,420				11,550,000	9.000%	4,940,650	16,490,650	
	2,285,000	4.200%	432,233	2,717,233				12,590,000	9.000%	3,901,150	16,491,150	
	2,380,000	4.250%	336,263	2,716,263				13,720,000	9.000%	2,768,050	16,488,050	
	2,485,000	4.250%	235,113	2,720,113				14,960,000	5.000%	1,533,250	16,493,250	
	2,590,000	5.000%	129,500	2,719,500				15,705,000	5.000%	785,250	16,490,250	
Total										6229200		
Callable	\$14,585,000				\$2,985,000					\$37,365,000		
Non-Callable	\$0				\$4,190,000					\$48,455,000		
Total Outstanding	\$14,585,000				\$7,175,000					\$85,820,000		
Notes					Refunding					New Money & Refunding		
					2001B Bonds					1998 & 2004A Bonds -62.9% Refunding		
										\$64.99M New, \$38.4M Ref -Abatements 2007		

Outstanding Debt (continued)

Dated	December 1, 2004								June 7, 2001				September 9, 1998				
Issue	G.O. SCHOOL BONDS								CAPITAL APPREC. SCHOOL BONDS				CAPITAL APPREC. SCHOOL BONDS				
Series	2004A								2001A				1998A				
Original Par	\$41,184,191.65								\$19,499,905.15				\$35,599,916.90				
Earliest Call	1/1/2014 @ 100								NON-CALLABLE				NON-CALLABLE				
Maturity	January 1,								January 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																	
Callable	\$0								\$0				\$0				
Non-Callable	\$8,874,192								\$17,165,298				\$6,654,851				
Total Outstanding	\$8,874,192								\$17,165,298				\$6,654,851				
Notes	New Money								Issued by Illinois Development Finance Authority				Issued by Illinois Development Finance Authority				

Abatement and Refunding Options to Level Debt Payments

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

Fiscal Year Levy Year	Actual	Budget	Projections				
	FY 2013 (unaudited) Levy 2011	FY 2014 Levy 2012	FY 2015 Levy 2013	FY 2016 Levy 2014	FY 2017 Levy 2015	FY 2018 Levy 2016	FY 2019 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 Education Fund are abated in the next fiscal year.
Assumes full Property Tax Limitation Law Levy allowing CPI and new Property is extended 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

Levy Year	EAV	% Change	Debt Service Levy	Estimated Tax Rate for Debt	2011/2012 Levy Abate	2012/2014 Levy Abate	Total Abatements	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost on \$315k Home
					w/ Ed Fund Surplus FY11	w/ Ed Fund Surplus FY12				
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

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	2011/2012 Levy Abate w/ Ed Fund Surplus FY11	2012/2014 Levy Abate w/ Ed Fund Surplus FY12	2014 Levy Abate w/ Ed Fund Surplus FY13	Total Abatements	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost 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

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	Total Abatements	Less: 2015 Refunded Debt Service	Plus: 2015 Refunding Debt Service	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost 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 24		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

Disadvantages:

- 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

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	2011/2012 Levy Abate	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate	2017 Levy Abate	2018/19 Levy Abate	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost on \$315k Home
			w/ Ed Fund Surplus FY11	w/ Ed Fund Surplus FY12	w/ Ed Fund Surplus FY13	w/ Ed Fund Surplus FY14	w/ Ed Fund Surplus FY15	w/ Ed Fund Surplus FY16	w/ Ed Fund Surplus FY17	w/ Ed Fund Surplus FY18			
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			(3,399,246)	(1,300,000)					17,314,387	1.39	(395)
2016	23,618,248	1.83				(688,727)	(3,502,243)				18,327,278	1.42	(431)
2017	24,302,850	1.81					(1,100,000)	(3,231,388)	(1,800,000)		19,271,462	1.44	(394)
2018	24,590,110	1.76							(4,726,725)	(550,000)	19,313,385	1.38	(397)
2019	24,928,505	1.72								(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									19,346,975	1.23	-
2022	21,857,908	1.34								(646,821)	21,211,087	1.30	(42)
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)	(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

Disadvantages:

- 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

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

Disadvantages:

- 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

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	2011/2012 Levy Abate	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate	Less: 2016 Refunded and Defeased Debt Service	Plus: 2016 Refunding Debt Service	New Total Debt Service	Estimated Tax Rate for Debt Service	Annual (Savings)/Cost on \$315k Home
			w/ Ed Fund Surplus FY11	w/ Ed Fund Surplus FY12	w/ Ed Fund Surplus FY13	w/ Ed Fund Surplus FY14	w/ Ed Fund Surplus FY15	w/ Ed Fund Surplus FY16					
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)			
			Amount 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

Disadvantages:

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

Notice and Disclaimer

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The material has been prepared solely for informational purposes and is not a solicitation of an offer to buy or sell any security or instrument or to participate in any trading strategy.

Historical data is not an indication of future results.

The opinions expressed are our own unless otherwise stated.

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.