



November 19, 2014

Geneva Community Unit School District 304, Kane County, Illinois

Update on Debt Restructuring Plan

William Blair

Abatement and Refunding Options to Level Debt Payments

Current Situation October 2014

Levy Year	EAV	% Change	2011/2012 Levy Abate	2012/2014 Levy Abate	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	w/ Ed Fund Surplus FY13				
2011	1,328,294,553	-5.73%	(1,220,895)			(1,220,895)	14,731,008	1.11	(97)
2012	1,285,654,414	-3.21%	(2,003,934)	(298,136)		(2,302,070)	15,000,000	1.17	(188)
2013	1,241,734,700	-3.42%		(3,230,973)		(3,230,973)	15,500,000	1.25	(273)
2014	1,263,646,017	1.76%		(1,460,891)	(2,532,392)	(3,993,283)	16,300,000	1.29	(332)
2015	1,278,241,675	1.16%			(3,399,246)	(3,399,246)	18,614,387	1.46	(279)
2016	1,318,806,509	3.17%					23,618,248	1.79	-
2017	1,373,370,704	4.14%					24,302,850	1.77	-
2018	1,429,571,825	4.09%					24,590,110	1.72	-
2019	1,487,458,980	4.05%					24,928,505	1.68	-
2020	1,547,082,749	4.01%					19,344,395	1.25	-
2021	1,608,966,059	4.00%					19,346,975	1.20	-
2022	1,673,324,701	4.00%					21,857,908	1.31	-
2023	1,740,257,689	4.00%					19,204,313	1.10	-
2024	1,809,867,997	4.00%					19,213,363	1.06	-
2025	1,882,262,717	4.00%					19,209,750	1.02	-
2026	1,957,553,225	4.00%					-	-	-
2027	2,035,855,355	4.00%					-	-	-
2028	2,117,289,569	4.00%					-	-	-
2029	2,201,981,151	4.00%					-	-	-
2030	2,290,060,398	4.00%					-	-	-
2031	2,381,662,813	4.00%					-	-	-
Total			(3,224,829)	(4,990,000)	(5,931,638)	(14,146,467)	295,761,808		\$ (1,169)

Note: EAV assumptions from FPP Model October 2014

Since 2011, the District has abated \$14,146,467 back to the taxpayers

Option IA: Abate Thru 2016; Refund/Defeasance Fall of 2017

Fiscal Year Levy Year	Actual	Budget	Projections				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
	Levy 2012	Levy 2013	Levy 2014	Levy 2015	Levy 2016	Levy 2017	Levy 2018
Beginning Balance	\$20,970,638	\$18,518,787	\$14,027,911	\$13,998,322	\$15,156,070	\$16,907,895	\$16,573,616
Revenues	57,481,575	58,443,596	62,404,896	64,054,879	65,735,853	67,378,720	69,036,381
Expenditures	54,001,788	60,315,685	61,434,485	61,897,131	63,827,958	65,805,104	67,829,864
Surplus/Deficit	3,479,787	(1,872,089)	970,411	2,157,748	1,907,895	1,573,616	1,206,517
Transfer to Debt Service	(5,931,638)	(4,518,787)	(1,000,000)	(1,000,000)	(156,070)	(1,907,895)	(1,573,616)
Transfer to Working Cash Fund	0	0	0	0	0	0	0
Other Transfers	0	1,900,000					
Ending Balance	\$18,518,787	\$14,027,911	\$13,998,322	\$15,156,070	\$16,907,895	\$16,573,616	\$16,206,517
Less: Minimum \$14M	\$14,000,000	\$14,000,000	\$14,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,001
Abatement Amount Surplus > \$14M	4,518,787	1,000,000	1,000,000	156,070	1,907,895	1,573,616	1,206,516
Additional Amount for Future Defeasance							

Notes: Projections from the FPP Model, October 2014

- The projection uses surpluses or fund balance for abatements through FY2016.
- Given the deficits in these years only \$156,070 is available in FY2017 for defeasance in conjunction with the refunding bonds

Option I: Abate Thru 2016; Refund/Defeasance Fall of 2017

- Assumes current financial projection – no additional surplus set aside for defeasance in FY2015 or FY2016
- Uses Educational fund surpluses over \$14M per current projection through FY2016
- Refund/defeasance takes place in Fall 2017
- Does not use prospective surpluses in FY2018 or FY2019
- Extends debt service payments by four years from current final maturity

Option IA: Abate Thru 2016; Refund/Defease Fall of 2017

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt	2011/2012 Levy w/ Ed Fund Surplus FY11	2012/2014 Levy Abate w/ Ed Fund Surplus FY12	2014/15 Levy Abate w/ Ed Fund Surplus FY13	2015 Levy Abate w/ Ed Fund Surplus FY14	2016 Levy Abate w/ Ed Fund Surplus FY15	2016 Levy Abate w/ Ed Fund Surplus FY16	Ed Fund Surplus FY17	Less: Fall 2017 Ref/Deceased Debt Service	Plus: 2017 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	(2,003,934)	(298,136)								15,000,000	1.17	(188)
2013	18,730,973	1.51		(3,230,973)								15,500,000	1.25	(273)
2014	20,293,283	1.61		(1,460,891)	(2,532,392)							16,300,000	1.29	(332)
2015	22,013,633	1.72			(3,399,246)	(1,648,064)						16,966,323	1.33	(415)
2016	23,618,248	1.79				(2,870,723)	(1,000,000)	(1,000,000)				18,747,525	1.42	(388)
2017	24,302,850	1.77								(12,876,020)	3,870,469	15,297,299	1.11	(689)
2018	24,590,110	1.72								(13,176,020)	3,881,250	15,295,340	1.07	(683)
2019	24,928,505	1.68								(13,513,520)	3,881,250	15,296,235	1.03	(680)
2020	19,344,395	1.25								(7,932,020)	3,881,250	15,293,625	0.99	(275)
2021	19,346,975	1.20								(7,933,920)	3,881,250	15,294,305	0.95	(264)
2022	21,857,908	1.31								(10,445,333)	3,881,250	15,293,825	0.91	(412)
2023	19,204,313	1.10								(7,792,013)	3,881,250	15,293,550	0.88	(236)
2024	19,213,363	1.06								(19,213,363)	15,296,250	15,296,250	0.85	(227)
2025	19,209,750	1.02								(19,209,750)	15,295,500	15,295,500	0.81	(218)
2026											15,296,250	15,296,250	0.78	820
2027											15,297,000	15,297,000	0.75	789
2028											15,296,250	15,296,250	0.72	759
2029											15,277,500	15,277,500	0.69	728
2030														
2031														
Total	#####		(3,224,829)	(4,990,000)	(5,931,638)	(4,518,787)	(1,000,000)	(1,000,000)	(156,070)	(112,091,958)	118,916,719	296,067,782		\$ (2,279)
								Remainder not Abated	156,070	Net Saving/(Costs)		(6,824,761)		
				Additional Set Aside for Defeasance						Net PV Saving/(Costs)		3,254,953		
								Total for Debt Payoff partial FY16 full FY17 abatement amounts	156,070	Less: Cash on Hand		(156,070)		
								Total Abatements	(20,665,254)	Net PV Saving/(Costs)		3,098,883		
										AIC as of Oct 28		2.93%		

- By refunding currently callable 2017 and 2018 bonds as well as the bonds required for restructuring savings are realized reducing the cost; this assumes today's interest rates
- Only \$156,070 set aside from FY2017 is available for debt defeasance given the current debt service schedule

Option IB: Abate Thru 2016; Refund/Defease Fall of 2017

Levy Year	Debt Levy	Estimated Tax Rate for Debt	Abate	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate	Ed Fund Surplus FY17	Less: Fall 2017	Plus:	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		Ref/Defeased Debt Service	2017 Refunding Debt Service			
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	1.51		(3,230,973)								15,500,000	1.25	(273)
2014	20,293,283	1.61		(1,460,891)	(2,532,392)							16,300,000	1.29	(332)
2015	22,013,633	1.72			(3,399,246)	(1,648,064)						16,966,323	1.33	(415)
2016	23,618,248	1.79				(3,870,723)	(1,000,000)	(1,000,000)				17,747,525	1.35	(467)
2017	24,302,850	1.77								(12,394,270)	4,035,260	15,943,840	1.16	(639)
2018	24,590,110	1.72								(12,694,270)	4,046,500	15,942,340	1.12	(635)
2019	24,928,505	1.68								(13,031,770)	4,046,500	15,943,235	1.07	(634)
2020	19,344,395	1.25								(7,445,270)	4,046,500	15,945,625	1.03	(231)
2021	19,346,975	1.20								(7,448,220)	4,046,500	15,945,255	0.99	(222)
2022	21,857,908	1.31								(9,958,383)	4,046,500	15,946,025	0.95	(371)
2023	19,204,313	1.10								(7,306,963)	4,046,500	15,943,850	0.92	(197)
2024	19,213,363	1.06								(19,213,363)	15,946,500	15,946,500	0.88	(190)
2025	19,209,750	1.02								(19,209,750)	15,946,500	15,946,500	0.85	(182)
2026											15,946,750	15,946,750	0.81	855
2027											15,945,750	15,945,750	0.78	822
2028											15,947,000	15,947,000	0.75	791
2029											15,933,750	15,933,750	0.72	760
2030													-	-
2031														
Total	309,908,275		(3,224,829)	(4,990,000)	(5,931,638)	(5,518,787)	(1,000,000)	(1,000,000)	(156,070)	(108,702,258)	123,980,510	303,521,273		\$ (1,844)
							Remainder not Abated		156,070	Net Saving/(Costs)		(15,278,252)		
			Additional Set Aside for Defeasance							Net PV Saving/(Costs)		(454,362)		
						Total for Debt Payoff partial FY16 full FY17 abatement amounts		156,070		Less: Cash on Hand		(156,070)		
						Total Abatements		(21,665,254)		Net PV Saving/(Costs)		(610,432)		
										AIC as of Oct 28		3.87%		

- **Assumes today's interest rates plus 1.00%**
- By refunding currently callable 2017 and 2018 bonds as well as the bonds required for restructuring savings are realized reducing the cost;
- Only \$156,070 set aside from FY2017 is available for debt defeasance given the current debt service schedule

Option II: Abate Thru 2016; Refund/Defeasance Fall of 2016

Fiscal Year	Actual	Budget	Projections				
	FY 2014	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020
Levy Year	Levy 2012	Levy 2013	Levy 2014	Levy 2015	Levy 2016	Levy 2017	Levy 2018
Beginning Balance	\$20,970,638	\$18,518,787	\$14,027,911	\$13,998,322	\$15,156,070	\$16,907,895	\$16,573,616
Revenues	57,481,575	58,443,596	62,404,896	64,054,879	65,735,853	67,378,720	69,036,381
Expenditures	54,001,788	60,315,685	61,434,485	61,897,131	63,827,958	65,805,104	67,829,864
Surplus/Deficit	3,479,787	(1,872,089)	970,411	2,157,748	1,907,895	1,573,616	1,206,517
Transfer to Debt Service	(5,931,638)	(3,518,787)	0	0	0	(1,907,895)	(1,573,616)
Transfer to Working Cash Fund	0	(1,000,000)	(1,000,000)	(1,000,000)	(156,070)	0	0
Other Transfers	0	1,900,000					
Ending Balance	\$18,518,787	\$14,027,911	\$13,998,322	\$15,156,070	\$16,907,895	\$16,573,616	\$16,206,517
Less: Minimum \$14M	\$14,000,000	\$14,000,000	\$14,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,001
Abatement Amount Surplus > \$14M	3,518,787	-	-	-	1,907,895	1,573,616	1,206,516
Additional Amount for Future Defeasance	1,000,000	1,000,000	1,000,000	156,070			

Notes: Projections from the FPP Model, October 2014

- The projection uses surpluses or fund balance for abatements in FY2015
- \$1M is set aside for defeasance in FY2014, 2015 and 2016
- With inadequate funds available for abatement in levy year 2016, we refund bonds one year early in Fall of 2016

Option II: Abate Thru 2016; Refund/Defeasance Fall of 2016

- Assumes current financial projection – no additional surplus set aside for abatement in FY2015, 2016 or 2017
- Uses Educational fund surpluses over \$14M per current projection through FY2016
- Refund/defeasance takes place in Fall 2016
- Does not use prospective surpluses in FY2017 or thereafter
- Extends debt service payments by four years from current final maturity

Option II: Abate Thru 2016; Refund/Defeasance Fall of 2016

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: Fall 2017	Plus:	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	Ed Fund Surplus FY17	Ref/Defeased Debt Service				2017 Refunding Debt Service
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	1.51		(3,230,973)							15,500,000	1.25	(273)	
2014	20,293,283	1.61		(1,460,891)	(2,532,392)						16,300,000	1.29	(332)	
2015	22,013,633	1.72			(3,399,246)	(1,648,064)					16,966,323	1.33	(415)	
2016	23,618,248	1.79				(1,870,723)			(8,813,058)	3,693,615	16,628,082	1.26	(557)	
2017	24,302,850	1.77							(12,388,058)	3,714,250	15,629,043	1.14	(663)	
2018	24,590,110	1.72							(12,673,058)	3,714,250	15,631,303	1.09	(658)	
2019	24,928,505	1.68							(13,010,558)	3,714,250	15,632,198	1.05	(656)	
2020	19,344,395	1.25							(7,429,058)	3,714,250	15,629,588	1.01	(252)	
2021	19,346,975	1.20							(7,433,058)	3,714,250	15,628,168	0.97	(243)	
2022	21,857,908	1.31							(9,942,920)	3,714,250	15,629,238	0.93	(391)	
2023	19,204,313	1.10							(7,289,850)	3,714,250	15,628,713	0.90	(216)	
2024	19,213,363	1.06							(16,493,250)	12,909,250	15,629,363	0.86	(208)	
2025	19,209,750	1.02							(16,490,250)	12,914,500	15,634,000	0.83	(199)	
2026										15,631,500	15,631,500	0.80	838	
2027										15,633,500	15,633,500	0.77	806	
2028										15,633,250	15,633,250	0.74	775	
2029										15,629,250	15,629,250	0.71	745	
2030														
2031														
Total	#####		(3,224,829)	(4,990,000)	(5,931,638)	(3,518,787)	-	-	(111,963,115)	118,044,615	298,324,521		\$ (2,182)	
			Remainder not Abated				-	-	-	Net Saving/(Costs)		(6,081,500)		
			Additional Set Aside for Defeasance				1,000,000	1,000,000	1,000,000	Net PV Saving/(Costs)		5,097,739		
			Total for Debt Payoff partial FY16 full FY17 abatement amounts						3,000,000	Less: Cash on Hand		(3,000,000)		
			Total Abatements						(17,665,254)	Net PV Saving/(Costs)		2,097,739		
										AIC as of Oct 29		3.06%		

- By refunding currently callable 2017 and advance refunding 2018 bonds as well as the bonds required for restructuring savings are realized reducing the cost;
- Assumes today's interest rates

Option IIB: Abate Thru 2016; Refund/Defease Fall of 2016

Levy Year	Debt 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: Fall 2017	Plus:	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	Ed Fund Surplus FY17	Ref/Defeased Debt Service			
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	1.51		(3,230,973)							15,500,000	1.25	(273)
2014	20,293,283	1.61		(1,460,891)	(2,532,392)						16,300,000	1.29	(332)
2015	22,013,633	1.72			(3,399,246)	(1,648,064)	-				16,966,323	1.33	(415)
2016	23,618,248	1.79				(2,870,723)	-	-	(8,333,558)	3,852,975	16,266,942	1.23	(585)
2017	24,302,850	1.77							(11,908,558)	3,874,500	16,268,793	1.18	(614)
2018	24,590,110	1.72							(12,198,558)	3,874,500	16,266,053	1.14	(611)
2019	24,928,505	1.68							(12,536,058)	3,874,500	16,266,948	1.09	(611)
2020	19,344,395	1.25							(6,949,558)	3,874,500	16,269,338	1.05	(209)
2021	19,346,975	1.20							(6,954,158)	3,874,500	16,267,318	1.01	(201)
2022	21,857,908	1.31							(9,467,320)	3,874,500	16,265,088	0.97	(351)
2023	19,204,313	1.10							(6,810,250)	3,874,500	16,268,563	0.93	(177)
2024	19,213,363	1.06							(16,493,250)	13,549,500	16,269,613	0.90	(171)
2025	19,209,750	1.02							(16,490,250)	13,545,750	16,265,250	0.86	(164)
2026											16,268,000	0.83	873
2027											16,268,750	0.80	839
2028											16,266,000	0.77	807
2029											16,238,250	0.74	774
2030													
2031													
Total	309,908,275		(3,224,829)	(4,990,000)	(5,931,638)	(4,518,787)	-	-	(108,141,515)	123,110,725	306,212,231		\$ (1,707)
							Remainder not Abated	-	Net Saving/(Costs)		(14,969,210)		
				Additional Set Aside for Defeasance			1,000,000	1,000,000	1,000,000		1,210,540		
							Total for Debt Payoff partial FY16 full FY17 abatement amounts	3,000,000	Less: Cash on Hand		(3,000,000)		
							Total Abatements	(18,665,254)	Net PV Saving/(Costs)		(1,789,460)		
									AIC as of Oct 29		4.00%		

- **Assumes today's interest rates plus 1.00%**
- By refunding currently callable 2017 and advance refunding 2018 bonds as well as the bonds required for restructuring savings are realized reducing the cost;

Notice and Disclaimer

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