

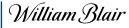


Geneva Community Unit School District 304, Kane County, Illinois

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 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	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

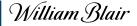


Option IA: Abate Thru 2016; Refund/Defease Fall of 2017

	Actual	Budget	Projections							
Fiscal Year	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)	(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										

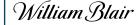
Notes: Projections from the FPP Model, October 2014

- 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/Defease 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

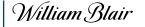
		Estimated	2011/2012 Levy	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate		Less: Fall 2017	Plus:		Estimated	Annual
Levy	Debt Service	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	Ed Fund Surplus	Ref/Defeased	2017 Refunding	New Total	Tax Rate for	(Savings)/Cost
Year	Levy	for Debt	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Debt Service	Debt Service	Debt Service	Debt 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	(2,003,934)	(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)	-				ı	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)		15,293,825	0.91	(412)
2023	19,204,313	1.10								(7,792,013)		15,293,550	0.88	(236)
2024	19,213,363	1.06								(19,213,363)		15,296,250	0.85	(227)
2025	19,209,750	1.02								(19,209,750)		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)
						F	Remainder not Abated	-	156,070	Net Saving/(Costs)		(6,824,761)		
				Additional Set	Aside for Defeasance	-	-	_		Net PV Saving/(Co	sts)	3,254,953		
						Total for Debt Payoff partial FY16 full FY17abatement amounts			156,070	Less: Cash on Hand	l	(156,070)		
i			•			•		Total Abatements	(20,665,254)	Net PV Saving/(Co	sts)	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

		Estimated	Abate	2012/2014 Levy Abate	2014/15 Levy Abate	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate		Less: Fall 2017	Plus:		Estimated Tax	Annual
Levy	Debt	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	Ed Fund Surplus	Ref/Defeased	2017 Refunding	New Total	Rate for Debt	(Savings)/Cost
Year	Levy	for Debt	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Debt Service	Debt Service	Debt 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	(2,003,934)	(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)
						F	Remainder not Abated	-	156,070	Net Saving/(Costs)		(15,278,252)	İ	
	Additional Set Aside for Defeasance		-			-	Net PV Saving/(Co	sts)	(454,362)					
						Total for Debt Pay	Total for Debt Payoff partial FY16 full FY17abatement amount		156,070 Less: Cash on Hand			(156,070)		
		•	•					Total Abatements	(21,665,254)	Net PV Saving/(Co	sts)	(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

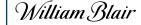


Option II: Abate Thru 2016; Refund/Defease Fall of 2016

	Actual	Budget	Projections							
Fiscal Year	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/Defease Fall of 2016

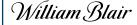
- Assumes current financial projection no additional surplus set aside for abatement in FY2015, 2016 or 2017
- Uses Educational fund surpluses over \$14M per current projection through FY2016
- Refund/defeasance takes place in Fall 2016
- Does not use prospective surpluses in FY2017 or thereafter
- Extends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



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

		Estimated	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:		Estimated	Annual
Levy	Debt Service	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	Ed Fund Surplus	Ref/Defeased	2017 Refunding	New Total	Tax Rate for	(Savings)/Cost			
Year	Levy	for Debt	FY11	FY12	FY13	FY14	FY15	FY16	FY17	Debt Service	Debt Service	Debt Service	Debt 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	(2,003,934)	(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)	<u>-</u>		-	(111,963,115)	118,044,615	298,324,521		\$ (2,182)
							emainder 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/(Cos	sts)	5,097,739			
			_			Total for Debt Payoff partial FY16 full FY17abatement amounts		3,000,000	3,000,000 Less: Cash on Hand		(3,000,000)			
			•				. -	Total Abatements	(17,665,254)	Net PV Saving/(Cos	sts)	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

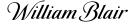


Option IIB: Abate Thru 2016; Refund/Defease Fall of 2016

		Estimated	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:		Estimated Tax	Annual
Levy	Debt	Tax Rate	w/ Ed Fund Surplus	w/ Ed Fund Surplus	w/ Ed Fund Surplus	Ed Fund Surplus	Ref/Defeased	2017 Refunding	New Total	Rate for Debt	(Savings)/Cost			
Year	Levy	for Debt	FY11	FY12	FY13	FY14	FY15	FY16	FY17	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	(2,003,934)	(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)		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	16,268,000	0.83	873
2027											16,268,750	16,268,750	0.80	839
2028											16,266,000	16,266,000	0.77	807
2029											16,238,250	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		Net PV Saving/(Co	sts)	1,210,540		
						Total for Debt Payoff partial FY16 full FY17abatement amounts			3,000,000	Less: Cash on Hand		(3,000,000)		
			•			,	•	Total Abatements		Net PV Saving/(Co	sts)	(1,789,460)		
i							•					4.000/		

- 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;

AIC as of Oct 29



Notice and Disclaimer

Contact Information:

Elizabeth M. Hennessy
Managing Director
ehennessy@williamblair.com

Phone: (312) 364-8955 Fax: (312) 236-0174

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