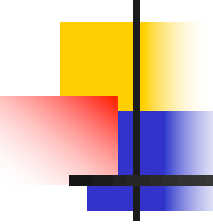


2023 Bond Issuance Primer

Anthony Cozzi
Chief Operations Officer

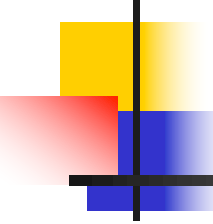
April 4, 2023



2023 Bond Issuance Primer

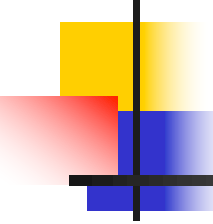
■ Debt Service Extension Base, or DSEB

- The District has the capacity to levy up to a capped amount of annual non-referendum debt service
- For the upcoming 2023 levy, the DSEB is \$1.69 million
- The DSEB will continue to grow annually at the same rate as the Consumer Price Index
- Unused DSEB cannot be carried forward
- In order to keep its bonding capacity, to keep a level Bond and Interest tax rate (avoiding drastic peaks and valleys), and to comply with the Health/Life Safety Code, the District has implemented a strategy to periodically issue Limited Tax bonds:
 - 2004 - \$7.15 million Working Cash tax exempt bonds (3.14% ave int rate)
 - 2015 - \$9.30 million Working Cash taxable bonds (2.70% ave int rate)
 - 2010 - \$2.00 million Life Safety tax exempt bonds (2.00% ave int rate)
 - 2020 - \$1.70 million Life Safety tax exempt bonds (5.00% ave int rate)



2023 Bond Issuance Primer

- Looking back and looking forward
 - Historical financial records show that this strategy has been successful when deficit spending has been minimized
 - Final debt service payment of 2015 bonds is 12/1/23
 - Long Range Financial Projections show:
 - An estimated \$9.50 million issuance on 12/15/23
 - Annual increase in deficit spending that began in FY 20 that is not sustainable and will not allow for previous strategy to be successful long term
- Board must decide on Financing Plan:
 - The total bonds to authorize
 - The incremental amounts to issue



2023 Bond Issuance Primer

- Financing Plan Details

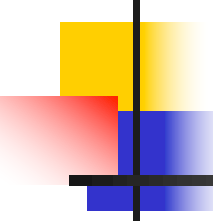
- Total bonds to authorize

- At the time of issuance, the District will have an estimated Available Overall Debt Limit of over \$40 million
- In accordance with the School Code, at the time of issuance, it is estimated that the District will be able to authorize up to \$19.40 million in Limited Tax Working Cash Fund bonds

- Aforementioned total bonds to issue and in what increments

- Requires three Board actions:

- Resolution of Intent to Issue Working Cash Fund Bonds, followed by a 30-day notice and petition period
- Bond Issue Notification Act Hearing
- Bond Resolution
- Generally, the process begins 90 days in advance of when funding is needed
- First issuance must occur prior to February of 2024 in order to be included on 2023 levy



2023 Bond Issuance Primer

- April Regular Board meeting, consultants will present:
 - Funding options
 - Potential authorization amounts and incremental issuance amounts considering:
 - Debt issuance limits
 - Annual debt service capacity
 - Current interest rates and future projected rates
 - Future debt needs