

# Oak Park School District 97

## Financing Options FY 2011

May 26, 2010

*William Blair & Company®*

# I. Overview of Market Conditions



*William Blair & Company®*

# Historic AAA MMD Interest Rates

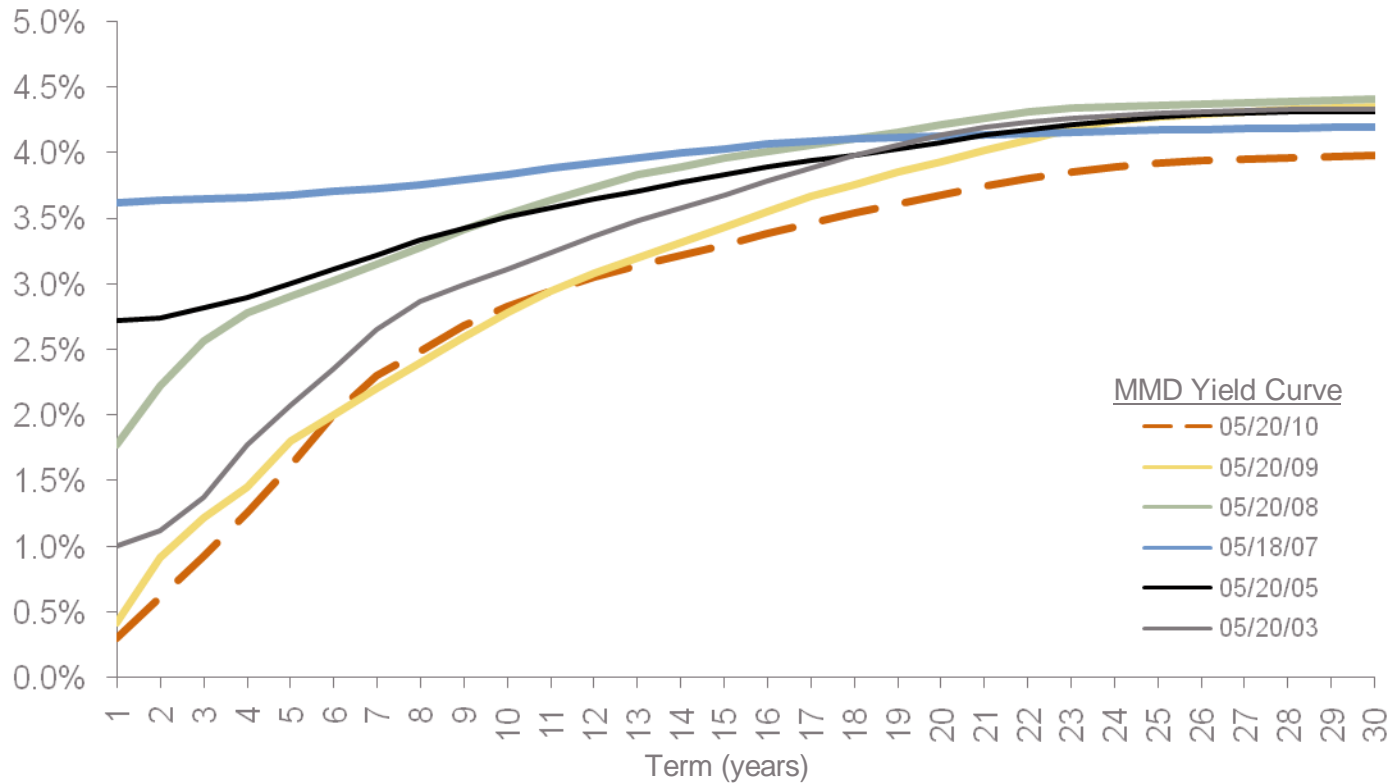
AAA Municipal Market Data (“MMD”) during the past 5 years



Note: Reflects market conditions as of May 20, 2010  
Source: Thomson Financial

# Municipal Yield Curve Comparison

AAA MMD curves during the past 7 years



Note: Reflects market conditions as of May 20, 2010  
 Source: Thomson Financial

## II. Proposed Financing Plan



*William Blair & Company®*

# Currently Outstanding Debt Service

<b>Tax Year</b>	<b>Equalized Assessed Valuation</b>	<b>% Change</b>	<b>Debt Service Extension Base</b>	<b>Estimated CPI Factor for DSEB</b>	<b>Current Outstanding Referendum Debt Service</b>	<b>Outstanding Non-Referendum Debt Service</b>	<b>Remaining Debt Service Capacity</b>	<b>Total Debt Service</b>	<b>Debt Tax Rate</b>
2007	1,537,939,260	5%	3,086,538		4,455,450	3,087,070	(532)	7,542,520	0.49
2008	1,740,601,475	13%	3,086,538		4,458,550	3,081,814	4,724	7,540,364	0.43
2009	1,653,571,401	-5%	3,089,625	0.1%	4,453,900	3,086,065	3,560	7,539,965	0.46
2010	1,686,642,829	2%	3,173,044	2.7%	4,454,400	339,188	2,833,857	4,793,588	0.28
2011	1,855,307,112	10%	3,220,640	1.5%	4,458,250		3,220,640	4,458,250	0.24
2012	1,836,754,041	-1%	3,268,950	1.5%	4,453,650		3,268,950	4,453,650	0.24
2013	1,873,489,122	2%	3,317,984	1.5%	4,454,700		3,317,984	4,454,700	0.24
2014	1,875,362,611	0%	3,367,754	1.5%	4,454,150		3,367,754	4,454,150	0.24
2015	1,856,608,985	-1%	3,418,270	1.5%	4,455,200		3,418,270	4,455,200	0.24
2016	1,893,741,165	2%	3,469,544	1.5%	4,455,600		3,469,544	4,455,600	0.24
2017	2,083,115,281	10%	3,521,587	1.5%	4,458,100		3,521,587	4,458,100	0.21
2018	2,062,284,128	-1%	3,574,411	1.5%			3,574,411	0	0.00
2019	2,103,529,811	2%	3,628,027	1.5%			3,628,027	0	0.00
2020	2,313,882,792	10%	3,682,448	1.5%			3,682,448	0	0.00
2021	2,290,743,964	-1%	3,737,684	1.5%			3,737,684	0	0.00
2022	2,336,558,843	2%	3,793,750	1.5%			3,793,750	0	0.00
2023	2,570,214,728	10%	3,850,656	1.5%			3,850,656	0	0.00
2024	2,544,512,580	-1%	3,908,416	1.5%			3,908,416	0	0.00
2025	2,595,402,832	2%	3,967,042	1.5%			3,967,042	0	0.00
2026	2,854,943,115	10%	4,026,547	1.5%			4,026,547	0	0.00
2027	2,826,393,684	-1%	4,086,946	1.5%			4,086,946	0	0.00
2028	2,882,921,558	2%	4,148,250	1.5%			4,148,250	0	0.00
2029	3,171,213,713	10%	4,210,474	1.5%			4,210,474	0	0.00
2030	3,139,501,576	-1%	4,273,631	1.5%			4,273,631	0	0.00
<b>Total:</b>					<b>\$40,097,950</b>	<b>\$3,425,252</b>		<b>\$43,523,202</b>	

# Financing Considerations

- The District has typically issued \$2.9M limited tax bonds for capital projects and taxable working cash fund bonds for operations.
- The District has discussed increasing this amount to address the financial pressures resulting from the low CPI environment, reduced state funding and increasing expenditure pressures.
- Additionally, we have determined that excess accumulated funds (loss/collection) in the debt service fund are available for repaying additional limited tax bonds.
- These funds can only be used to repay levied debt service. The funds on hand are used to pay a short term 30 day obligation, converting it to working cash. In the following options we are only using \$1M of the \$1,750,000 excess funds.

	30-Jun-09	31-Jan-10 (Low Point)
Debt Service Fund Balance,	4,387,855	2,300,779
Less: Accumulated Loss/Collection to Pay Limited Bonds	(1,750,000)	(1,750,000)
 Debt Service Fund Balance		
Percentage of Annual Debt Service Expenditures (1)	2,637,855 35%	550,779 7%

(1) Maximum Annual Debt Service \$7,545,000.

# Option I: \$3.9M Limited Tax Working Cash Bonds (1+Yr)

- Option I shows \$ 3.9M of working cash fund bonds: \$1M for capital projects (tax-exempt) and \$2.9M for operations (taxable).

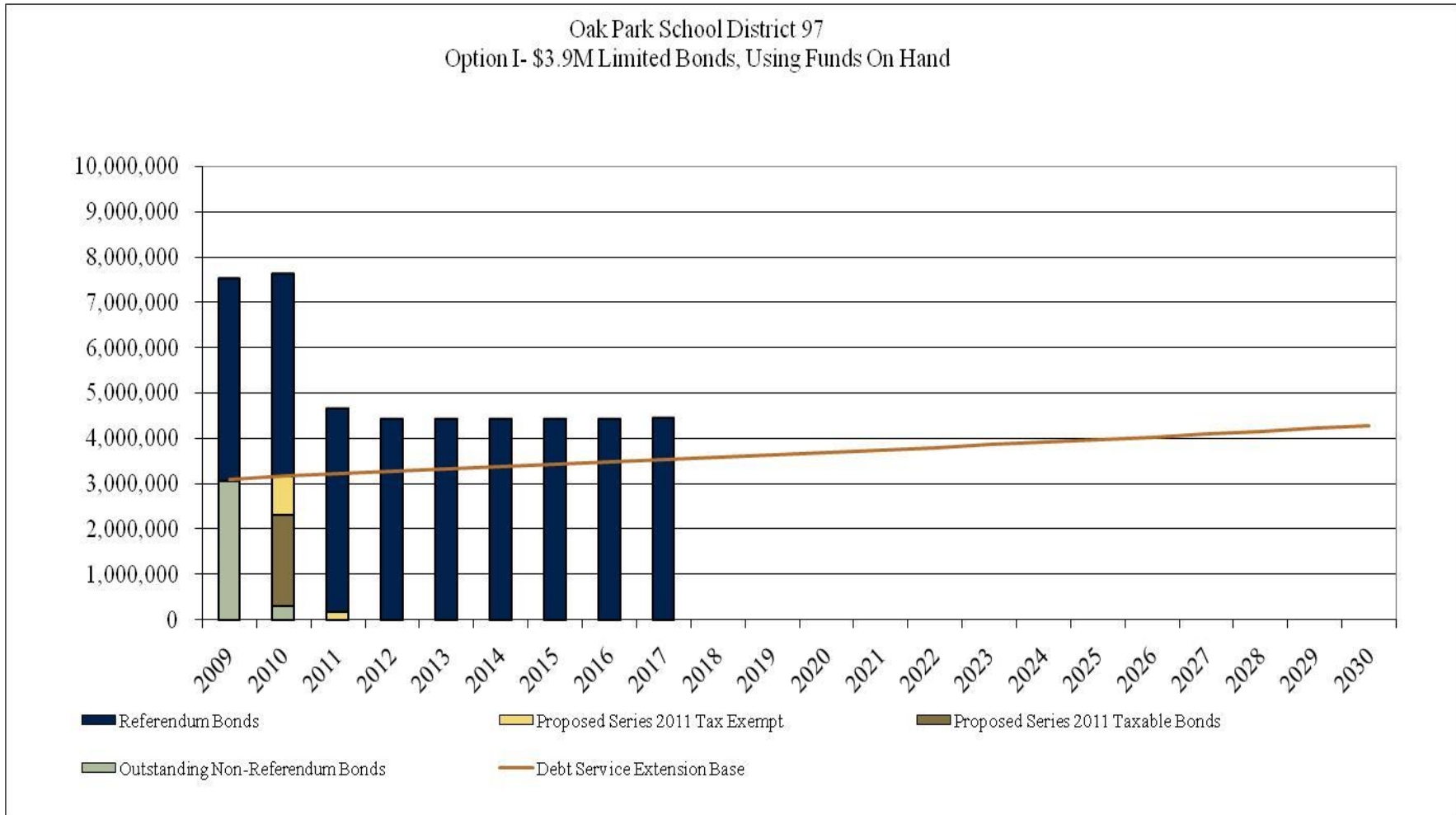
Tax Year	Equalized Assessed Valuation	Debt Service % Change	Debt Service Extension Base	CPI Factor for DSEB	Current Outstanding Referendum Debt Service	Outstanding Non-Referendum Debt Service	\$1.9mm Series 2011 Taxable Debt Service	\$1M Series 2011 Tax Exempt Debt Service	\$1M Series 2011 30 day Rollover	Debt Service Funds Available	Remaining Debt Service Capacity	Proposed Total Debt Service	Debt Tax Rate
2007	1,537,939,260	5%	3,086,538		4,455,450	3,087,070					(532)	7,542,520	0.49
2008	1,740,601,475	13%	3,086,538		4,458,550	3,081,814					4,724	7,540,364	0.43
2009	1,653,571,401	-5%	3,089,625	0.1%	4,453,900	3,086,065					3,560	7,539,965	0.46
2010	1,686,642,829	2%	3,173,044	2.7%	4,454,400	339,188	1,999,802	836,553	1,002,488	(1,002,488)	(2,498)	7,629,942	0.45
2011	1,855,307,112	10%	3,220,640	1.5%	4,458,250			208,198			3,012,442	4,666,448	0.25
2012	1,836,754,041	-1%	3,268,950	1.5%	4,453,650						3,268,950	4,453,650	0.24
2013	1,873,489,122	2%	3,317,984	1.5%	4,454,700						3,317,984	4,454,700	0.24
2014	1,875,362,611	0%	3,367,754	1.5%	4,454,150						3,367,754	4,454,150	0.24
2015	1,856,608,985	-1%	3,418,270	1.5%	4,455,200						3,418,270	4,455,200	0.24
2016	1,893,741,165	2%	3,469,544	1.5%	4,455,600						3,469,544	4,455,600	0.24
2017	2,083,115,281	10%	3,521,587	1.5%	4,458,100						3,521,587	4,458,100	0.21
2018	2,062,284,128	-1%	3,574,411	1.5%							3,574,411	0	0.00
2019	2,103,529,811	2%	3,628,027	1.5%							3,628,027	0	0.00
2020	2,313,882,792	10%	3,682,448	1.5%							3,682,448	0	0.00
2021	2,290,743,964	-1%	3,737,684	1.5%							3,737,684	0	0.00
2022	2,336,558,843	2%	3,793,750	1.5%							3,793,750	0	0.00
2023	2,570,214,728	10%	3,850,656	1.5%							3,850,656	0	0.00
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2028	2,882,921,558	2%	4,148,250	1.5%							4,148,250	0	0.00
2029	3,171,213,713	10%	4,210,474	1.5%							4,210,474	0	0.00
2030	3,139,501,576	-1%	4,273,631	1.5%							4,273,631	0	0.00
<b>Total:</b>					<b>\$40,097,950</b>	<b>\$3,425,252</b>	<b>\$1,999,802</b>	<b>\$1,044,751</b>	<b>\$1,002,488</b>	<b>-\$1,002,488</b>		<b>\$46,567,755</b>	
<b>Total Debt Service Cost</b>								<b>\$3,044,553</b>					

Notes:

Market Conditions as of April 16, 2010.



# Option I: \$3.9M Limited Tax Working Cash Bonds (1+Yr)



# Option II: \$4.9M Limited Tax Working Cash Bonds (1.3Yrs)

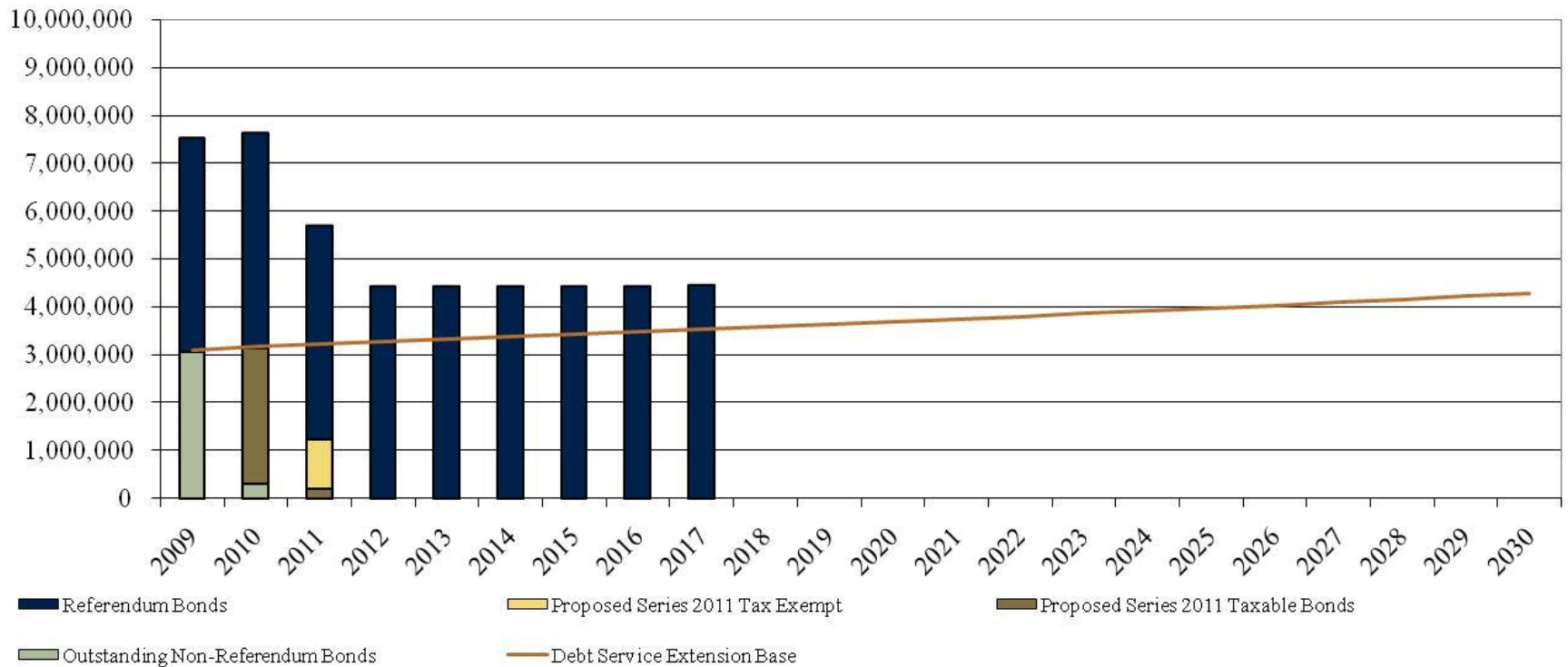
- Option II shows \$ 4.9M of working cash fund bonds: \$1M for capital projects (tax-exempt) and \$3.9M for operations (taxable).

Tax Year	Equalized Assessed Valuation	Debt Service			Current Outstanding Referendum Debt Service	Outstanding Non-Referendum Debt Service	\$2.9mm Series 2011 Taxable Debt Service	SIM Series 2011 Tax Exempt Debt Service	SIM Series 2011 30 day Rollover	Debt Service Funds Available	Remaining Debt Service Capacity	Proposed Total Debt Service	Debt Tax Rate
		% Change	Extension Base	CPI Factor for DSEB									
2007	1,537,939,260	5%	3,086,538		4,455,450	3,087,070					(532)	7,542,520	0.49
2008	1,740,601,475	13%	3,086,538		4,458,550	3,081,814					4,724	7,540,364	0.43
2009	1,653,571,401	-5%	3,089,625	0.1%	4,453,900	3,086,065					3,560	7,539,965	0.46
2010	1,686,642,829	2%	3,173,044	2.7%	4,454,400	339,188	2,823,555	14,586	1,002,488	(1,002,488)	(4,284)	7,631,729	0.45
2011	1,855,307,112	10%	3,220,640	1.5%	4,458,250		220,913	1,035,912			1,963,816	5,715,075	0.31
2012	1,836,754,041	-1%	3,268,950	1.5%	4,453,650						3,268,950	4,453,650	0.24
2013	1,873,489,122	2%	3,317,984	1.5%	4,454,700						3,317,984	4,454,700	0.24
2014	1,875,362,611	0%	3,367,754	1.5%	4,454,150						3,367,754	4,454,150	0.24
2015	1,856,608,985	-1%	3,418,270	1.5%	4,455,200						3,418,270	4,455,200	0.24
2016	1,893,741,165	2%	3,469,544	1.5%	4,455,600						3,469,544	4,455,600	0.24
2017	2,083,115,281	10%	3,521,587	1.5%	4,458,100						3,521,587	4,458,100	0.21
2018	2,062,284,128	-1%	3,574,411	1.5%							3,574,411	0	0.00
2019	2,103,529,811	2%	3,628,027	1.5%							3,628,027	0	0.00
2020	2,313,882,792	10%	3,682,448	1.5%							3,682,448	0	0.00
2021	2,290,743,964	-1%	3,737,684	1.5%							3,737,684	0	0.00
2022	2,336,558,843	2%	3,793,750	1.5%							3,793,750	0	0.00
2023	2,570,214,728	10%	3,850,656	1.5%							3,850,656	0	0.00
2024	2,544,512,580	-1%	3,908,416	1.5%							3,908,416	0	0.00
2025	2,595,402,832	2%	3,967,042	1.5%							3,967,042	0	0.00
2026	2,854,943,115	10%	4,026,547	1.5%							4,026,547	0	0.00
2027	2,826,393,684	-1%	4,086,946	1.5%							4,086,946	0	0.00
2028	2,882,921,558	2%	4,148,250	1.5%							4,148,250	0	0.00
2029	3,171,213,713	10%	4,210,474	1.5%							4,210,474	0	0.00
2030	3,139,501,576	-1%	4,273,631	1.5%							4,273,631	0	0.00
<b>Total:</b>					<b>\$40,097,950</b>	<b>\$3,425,252</b>	<b>\$3,044,468</b>	<b>\$1,050,498</b>	<b>\$1,002,488</b>	<b>-\$1,002,488</b>		<b>\$47,618,168</b>	
<b>Total Debt Service Cost</b>								<b>\$4,094,966</b>					

Notes:  
Market Conditions as of April 16, 2010.

# Option II: \$4.9M Limited Tax Working Cash Bonds (1.3Yrs)

Oak Park School District 97  
Option II- \$4.9M Limited Tax Bonds Using Funds on Hand



# Option III: \$6.75M Limited Tax Working Cash Bonds (2 Yrs)

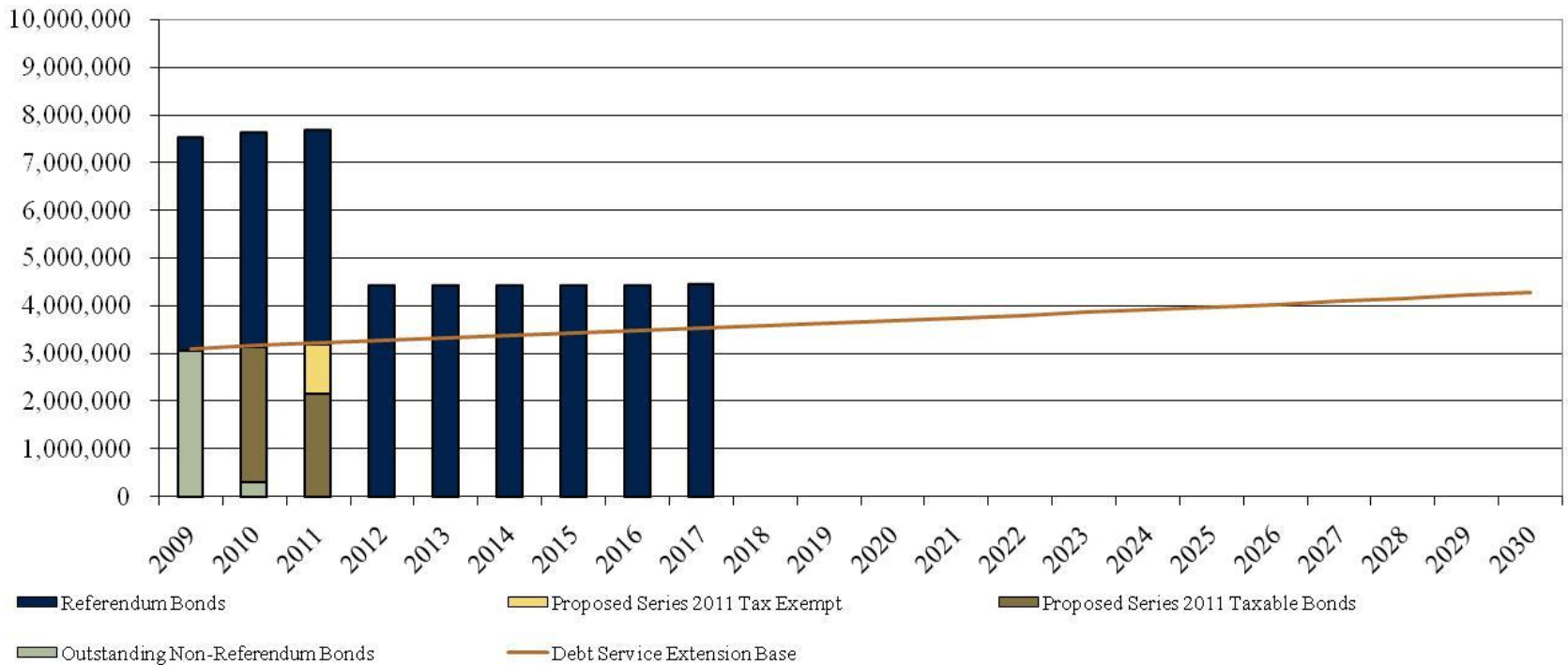
- Option III shows \$ 6.75 of working cash fund bonds: \$1M for capital projects (tax-exempt) and \$5.75M for operations (taxable).

Tax Year	Equalized Assessed Valuation	% Change	Debt Service Extension Base	CPI Factor for DSEB	Current Outstanding Referendum Debt Service	Outstanding Non-Referendum Debt Service	\$4.75mm Series 2011 Taxable Debt Service	S1M Series 2011 Tax Exempt Debt Service	S1M Series 2011 30 day Rollover	Debt Service Funds Available	Remaining Debt Service Capacity	Proposed Total Debt Service	Debt Tax Rate
2007	1,537,939,260	5%	3,086,538		4,455,450	3,087,070					(532)	7,542,520	0.49
2008	1,740,601,475	13%	3,086,538		4,458,550	3,081,814					4,724	7,540,364	0.43
2009	1,653,571,401	-5%	3,089,625	0.1%	4,453,900	3,086,065					3,560	7,539,965	0.46
2010	1,686,642,829	2%	3,173,044	2.7%	4,454,400	339,188	2,820,683	14,515	1,002,488	(1,002,488)	(1,341)	7,628,785	0.45
2011	1,855,307,112	10%	3,220,640	1.5%	4,458,250		2,188,575	1,030,834			1,231	7,677,659	0.41
2012	1,836,754,041	-1%	3,268,950	1.5%	4,453,650						3,268,950	4,453,650	0.24
2013	1,873,489,122	2%	3,317,984	1.5%	4,454,700						3,317,984	4,454,700	0.24
2014	1,875,362,611	0%	3,367,754	1.5%	4,454,150						3,367,754	4,454,150	0.24
2015	1,856,608,985	-1%	3,418,270	1.5%	4,455,200						3,418,270	4,455,200	0.24
2016	1,893,741,165	2%	3,469,544	1.5%	4,455,600						3,469,544	4,455,600	0.24
2017	2,083,115,281	10%	3,521,587	1.5%	4,458,100						3,521,587	4,458,100	0.21
2018	2,062,284,128	-1%	3,574,411	1.5%							3,574,411	0	0.00
2019	2,103,529,811	2%	3,628,027	1.5%							3,628,027	0	0.00
2020	2,313,882,792	10%	3,682,448	1.5%							3,682,448	0	0.00
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2022	2,336,558,843	2%	3,793,750	1.5%							3,793,750	0	0.00
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2028	2,882,921,558	2%	4,148,250	1.5%							4,148,250	0	0.00
2029	3,171,213,713	10%	4,210,474	1.5%							4,210,474	0	0.00
2030	3,139,501,576	-1%	4,273,631	1.5%							4,273,631	0	0.00
<b>Total:</b>					<b>\$40,097,950</b>	<b>\$3,425,252</b>	<b>\$5,009,258</b>	<b>\$1,045,349</b>	<b>\$1,002,488</b>	<b>-\$1,002,488</b>		<b>\$49,577,809</b>	
<b>Total Debt Service Cost</b>								<b>\$6,054,607</b>					

Notes:  
Market Conditions as of April 16, 2010.  
1% interest rate volatility for each additional year.

# Option III: \$6.75M Limited Tax Working Cash Bonds (2 Yrs)

Oak Park School District 97  
Option III- \$6.75m m Limited Tax Bonds Using Funds on Hand



# Proposed Financing Schedule

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>
15-Jun-10	Resolution of Intent sent to District to be included in Board Packet	C&C
Regular Meeting 22-Jun-10	Pass Resolution of Intent to issue working cash bonds and set public hearing for regular meeting regarding working cash fund bonds	District/WBC
23-Jun-10	Publish Resolution of Intent in The Oak Leaves beginning back door period	WBC
23-Jun-10	Publish Bond Hearing Notice in The Oak Leaves (Must appear in the paper more than 7 days, but no more than 30 days prior to the Public Hearing.)	WBC
23-Jul-10	Back door period expires	District
20-Aug-10	Post Notice of Public Hearing at District Office	District
Regular Meeting 24-Aug-10	Public Hearing on Issuance of Bonds	District/WBC

# Proposed Financing Schedule (continued)

Week of July 30th	Gather data for Preliminary Official Statements (POS)	WBC
6-Aug-10	Distribute Preliminary Official Statement (POS) for Review	All Parties
Week of August 13th	Rating Agency Meeting/Conference Call Moody's	District/WBC
14-Sep-10	Mail POS to potential investors	WBC
14-Sep-10	Bond Resolutions delivered to District for inclusion in the Board packets	C&C
Regular Meeting 21-Sep-10	Price Limited Tax School Bonds and approve sale at Board Meeting	District/WBC
22-Sep-10 Ongoing	Process documentation	C&C/WBC
22-Sep-10	Mail Final Official Statement & Closing Memo	WBC
5-Oct-10	Close bond issue	All Parties

<b>Oak Park School District Number 97</b>	<b>District</b>
<b>William Blair &amp; Company, Underwriter</b>	<b>WBC</b>
<b>Chapman and Cutler, Bond Counsel</b>	<b>C&amp;C</b>

\*Preliminary, subject to change.