



October 13, 2015

Geneva Community Unit School  
District 304, Kane County, Illinois

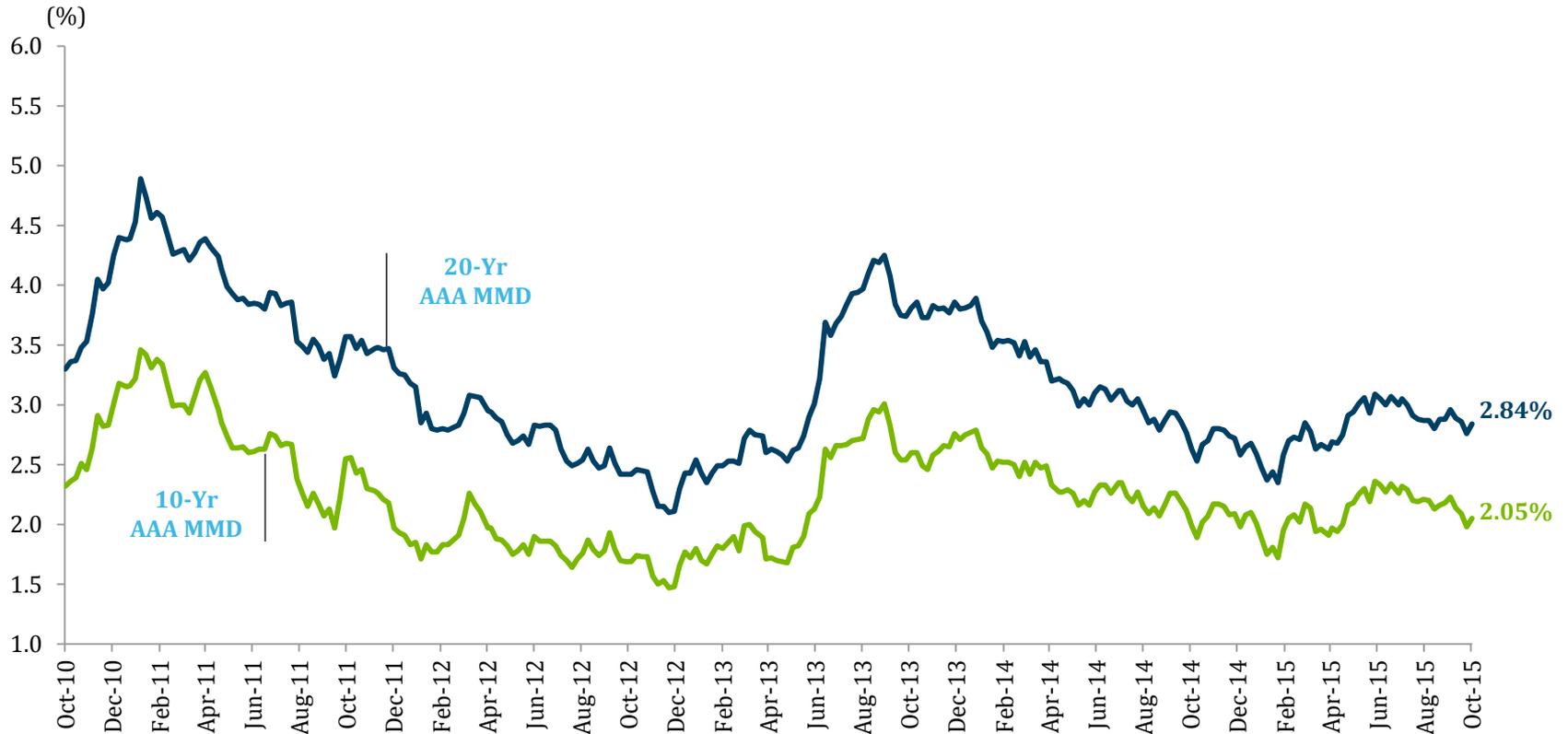
Update on Debt Restructuring Plan

*William Blair*

# Market Update

# Historical AAA MMD Interest Rates

AAA Municipal Market Data (“MMD”) During the Past Five Years



Note: Reflects market conditions as of October 9, 2015

Source: Thomson Financial

# Abatement and Refunding Options to Level Debt Payments

# Current Situation October 2015

Levy Year	EAV	% Change	Debt Levy	2011/2012 Levy Abate		2012/2014 Levy Abate		2014 Levy Abate		2015, 2016 Abate		2016 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		w/ Ed Fund Surplus FY14		Surplus FY15					
2011	1,328,294,553	-5.73%	15,951,903	(1,220,895)										(1,220,895)	14,731,008	1.11	(97)
2012	1,285,654,414	-3.21%	17,302,070	(2,003,934)		(298,136)								(2,302,070)	15,000,000	1.17	(188)
2013	1,241,734,700	-3.42%	18,730,973			(3,230,973)								(3,230,973)	15,500,000	1.25	(273)
2014	1,252,189,532	0.84%	20,293,283			(1,460,891)		(2,532,392)						(3,993,283)	16,300,000	1.30	(335)
2015	1,296,119,451	3.51%	22,013,633					(3,399,246)						(6,047,310)	15,966,323	1.23	(490)
2016	1,316,158,937	1.55%	23,618,248						(1,648,064)					(1,870,723)	16,855,853	1.28	(539)
2017	1,370,643,705	4.14%	24,302,850												24,302,850	1.77	-
2018	1,426,763,017	4.09%	24,590,110												24,590,110	1.72	-
2019	1,484,565,907	4.05%	24,928,505												24,928,505	1.68	-
2020	1,543,948,543	4.00%	19,344,395												19,344,395	1.25	-
2021	1,605,706,485	4.00%	19,346,975												19,346,975	1.20	-
2022	1,669,934,744	4.00%	21,857,908												21,857,908	1.31	-
2023	1,736,732,134	4.00%	19,204,313												19,204,313	1.11	-
2024	1,806,201,420	4.00%	19,213,363												19,213,363	1.06	-
2025	1,878,449,476	4.00%	19,209,750												19,209,750	1.02	-
2026	1,953,587,455	4.00%													-	-	-
2027	2,031,730,954	4.00%													-	-	-
2028	2,113,000,192	4.00%													-	-	-
2029	2,197,520,199	4.00%													-	-	-
2030	2,285,421,007	4.00%													-	-	-
2031	2,376,837,848	4.00%													-	-	-
<b>Total</b>			<b>309,908,275</b>	<b>(3,224,829)</b>	<b>(4,990,000)</b>	<b>(5,931,638)</b>	<b>(3,518,787)</b>	<b>(5,891,672)</b>	<b>(23,556,926)</b>	<b>286,351,349</b>				<b>\$</b>	<b>(1,922)</b>		

Notes: Projections from the FPP Model assumptions and County Clerk estimate for levy 2015

Since 2011, the District has abated \$23,556,926 back to the taxpayers

# Option I: Abate Thru 2016; Refund/Defease JAN 2017 & 2018

Fiscal Year	Actual	Budget					
	FY 2015	FY 2016	FY 2017	FY 2018	FY 2019	FY 2020	FY 2021
Levy Year	Levy 2013	Levy 2014	Levy 2015	Levy 2016	Levy 2017	Levy 2018	Levy 2019
<b>Beginning Balance</b>	\$18,518,787	\$20,891,672	\$16,257,112	\$15,700,894	\$15,115,512	\$15,615,351	\$15,468,064
<b>Revenues</b>	60,974,059	62,393,101	63,640,963	64,913,782	66,212,058	67,536,299	68,887,025
<b>Expenditures</b>	56,982,387	60,135,989	61,940,069	63,798,271	65,712,219	67,683,585	69,714,093
<b>Surplus/Deficit</b>	3,991,672	2,257,112	1,700,894	1,115,512	499,839	(147,286)	(827,068)
<b>Transfer to Debt Service</b>	(3,518,787)	(5,891,672)	0		0	0	0
<b>Transfer to Working Cash Fund</b>	0	(1,000,000)	(2,257,112)	(1,700,894)	0	0	0
<b>Other Transfers</b>	1,900,000						
<b>Ending Balance</b>	\$20,891,672	\$16,257,112	\$15,700,894	\$15,115,512	\$15,615,351	\$15,468,064	\$14,640,996
<b>Less: Minimum \$14M</b>	\$14,000,000	\$14,000,000	\$14,000,000	\$15,000,000	\$15,000,000	\$15,000,000	\$15,000,001
<b>Abatement Amount Surplus &gt; \$14M</b>	5,891,672	-		-	-	-	
<b>Additional Amount for Future Defeasance</b>	1,000,000	2,257,112	1,700,894				

Notes: Projections from the FPP Model assumptions and County Clerk estimate for levy 2015

- The projection uses surpluses over **\$14M** for abatements/defeasance through FY2017;
- Thereafter, revenues are expected to increase by 2% and expenses by 3%

# Option I: Abate Thru 2016; Refund/Defease JAN 2017 & 2018

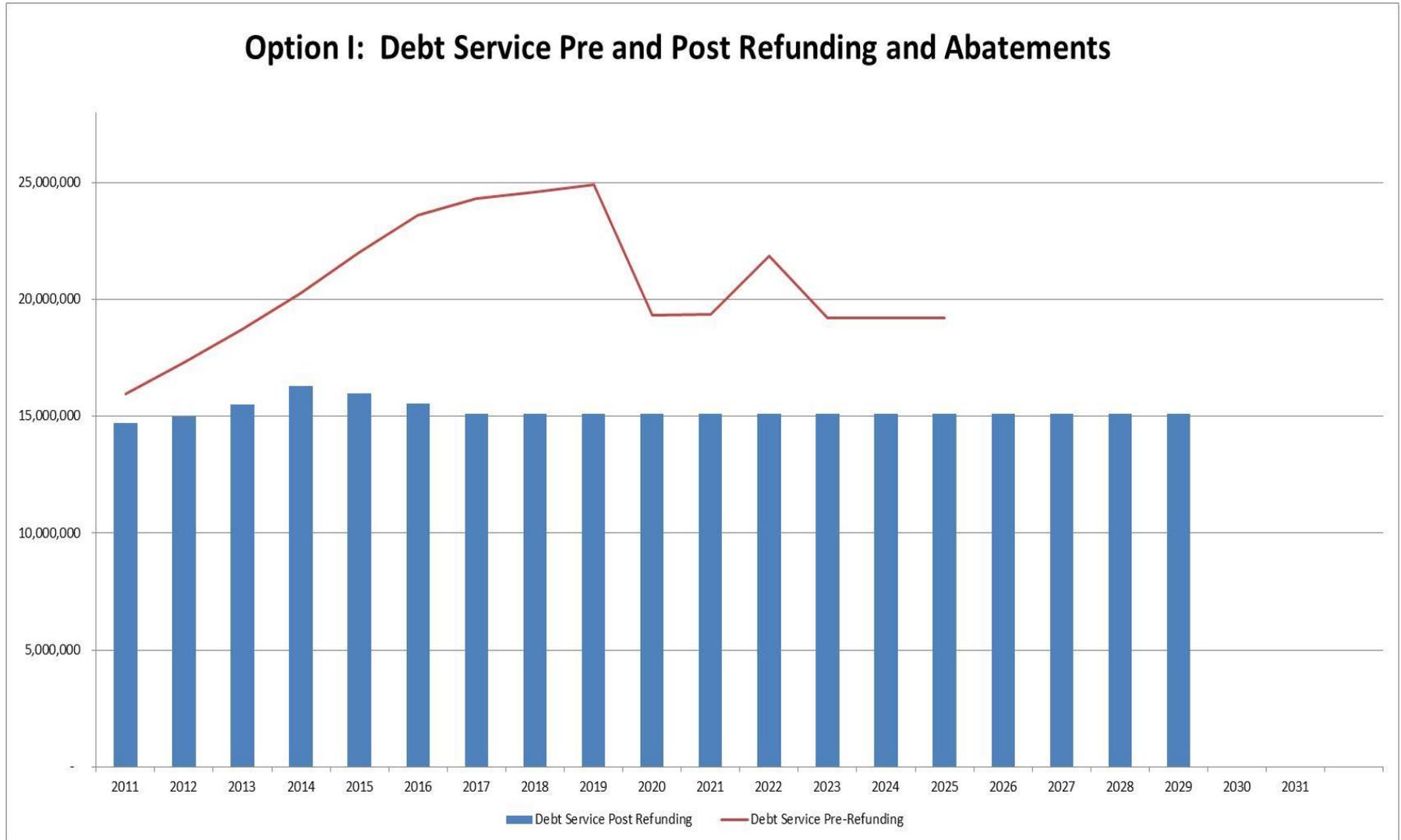
- Uses Educational fund surpluses over \$14M per current projection through FY2017
- Refunding takes place in JANUARY 2017, stabilizing the 2016 tax levy and capitalizing on currently callable bonds and refunding savings
- Remaining refunding and defeasance of Series 2008 Bonds occurs in January 2018, so two bond issues
- Extends debt service payments by four years from current final maturity
- Option IB adds .50% to current interest rates for the 2017 issue and 1.00% for the 2018 issue

# Option I: Abate Thru 2016; Refund/Defease JAN 2017 & 2018

Levy Year	Levy	Estimated Tax Rate for Debt Service	2015/16 Levy Abate	201/16 Levy Abate	2016 Levy Abate w/ Ed Fund Surplus	Ed Fund Surplus FY17	Less: Jan 2017	Plus:	Less: Jan 2018	Plus:	New Total Debt Service	Estimated Tax Rate for Debt Service	Tax Rate Increase/ (Reduction)	Annual (Savings)/Cost on \$315k Home
			w/ Ed Fund Surplus FY14	w/ Ed Fund Surplus FY15	FY16		Ref/Defeased Debt Service	2017 Refunding Debt Service	Ref/Defeased Debt Service	2018 Refunding Debt Service				
2011	15,951,903	1.20									14,731,008	1.11	(0.09)	(97)
2012	17,302,070	1.35									15,000,000	1.17	(0.18)	(188)
2013	18,730,973	1.51									15,500,000	1.25	(0.26)	(273)
2014	20,293,283	1.62									16,300,000	1.30	(0.32)	(335)
2015	22,013,633	1.70	(1,648,064)	(1,000,000)							15,966,323	1.23	(0.47)	(490)
2016	23,618,248	1.79	(1,870,723)	(4,891,672)	-		(3,431,268)	2,108,873			15,533,458	1.18	(0.61)	(645)
2017	24,302,850	1.77					(2,807,055)	2,718,900	(11,150,920)	2,057,469	15,121,244	1.10	(0.67)	(703)
2018	24,590,110	1.72					(5,419,255)	2,675,100	(8,790,920)	2,063,200	15,118,235	1.06	(0.66)	(697)
2019	24,928,505	1.68					(6,308,000)	2,246,500	(7,815,920)	2,063,200	15,114,285	1.02	(0.66)	(694)
2020	19,344,395	1.25					(1,533,250)	1,648,500	(6,411,920)	2,063,200	15,110,925	0.98	(0.27)	(288)
2021	19,346,975	1.20					(1,533,250)	1,648,500	(6,412,920)	2,063,200	15,112,505	0.94	(0.26)	(277)
2022	21,857,908	1.31					(1,533,250)	1,648,500	(8,923,433)	2,063,200	15,112,925	0.91	(0.40)	(424)
2023	19,204,313	1.11					(1,533,250)	1,648,500	(6,264,213)	2,063,200	15,118,550	0.87	(0.24)	(247)
2024	19,213,363	1.06					(16,493,250)	6,498,500	(2,720,113)	8,618,200	15,116,700	0.84	(0.23)	(238)
2025	19,209,750	1.02					(16,490,250)	6,496,000	(2,719,500)	8,620,450	15,116,450	0.80	(0.22)	(229)
2026								6,496,500		8,621,200	15,117,700	0.77	0.77	813
2027								6,494,250		8,619,700	15,113,950	0.74	0.74	781
2028								6,493,750		8,616,100	15,109,850	0.72	0.72	751
2029								6,494,250		8,620,500	15,114,750	0.69	0.69	722
2030											-	-	-	-
2031											-	-	-	-
<b>Total</b>	<b>309,908,275</b>		<b>(3,518,787)</b>	<b>(5,891,672)</b>	<b>-</b>	<b>(1,700,894)</b>	<b>(57,082,078)</b>	<b>55,316,623</b>	<b>(61,209,858)</b>	<b>66,152,819</b>	<b>289,528,856</b>			<b>\$ (2,758)</b>
<b>Additional Set Aside for Defeasance</b>				<b>1,000,000</b>	<b>2,257,112</b>	<b>1,700,894</b>								
					<b>Total for Debt Payoff</b>	<b>(4,958,006)</b>								
					<b>Total Abatements</b>	<b>(23,556,926)</b>								
									<b>Net Saving/(Costs)</b>		<b>(6,708,416)</b>			
									<b>Net PV Saving/(Costs)</b>		<b>7,382,926</b>			
									<b>Less: PV Cash on Hand</b>		<b>(4,813,844)</b>			
									<b>Net PV Saving/(Costs)</b>		<b>2,569,082</b>	<b>2.92%</b>		
									<b>AIC as of Oct 9, 15</b>		<b>3.23%</b>			

- By refunding currently callable 2007A and 2008 bonds as well as the bonds required for restructuring, savings are realized reducing the cost; this assumes today's interest rates

# Option I: Abate Thru 2016; Refund/Defease JAN 2017 & 2018

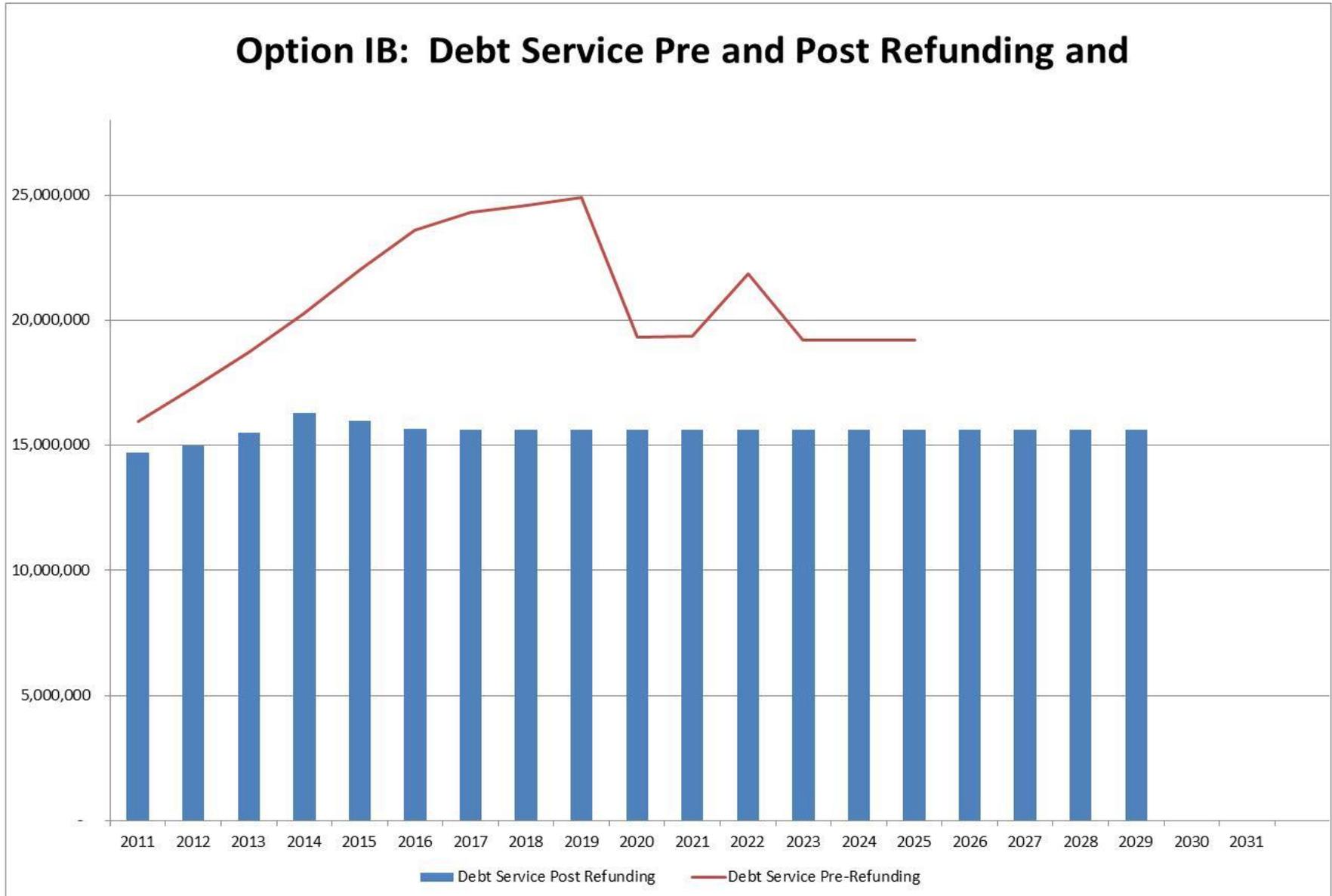


# Option IB: Abate Thru 2016; Refund/Defease JAN 2017 & 2018 (Plus .50% in 2017 and 1.00% in 2018 increase in interest rates)

Levy Year	Debt Service Levy	Estimated Tax Rate for Debt Service	2015 Levy Abate	2016 Levy Abate	2016 Levy Abate	Ed Fund Surplus FY17	Less: Jan 2017	Plus:	Less: Jan 2018	Plus:	New Total Debt Service	Estimated Tax Rate for Debt Service	Tax Rate Increase/ (Reduction)	Annual (Savings)/Cost on \$315k Home
			w/ Ed Fund Surplus FY14	w/ Ed Fund Surplus FY15	w/ Ed Fund Surplus FY16		Ref/Defeased Debt Service	2017 Refunding Debt Service	Ref/Defeased Debt Service	2018 Refunding Debt Service				
2011	15,951,903	1.20									14,731,008	1.11	(0.09)	(97)
2012	17,302,070	1.35									15,000,000	1.17	(0.18)	(188)
2013	18,730,973	1.51									15,500,000	1.25	(0.26)	(273)
2014	20,293,283	1.62									16,300,000	1.30	(0.32)	(335)
2015	22,013,633	1.70	(1,648,064)	(1,000,000)							15,966,323	1.23	(0.47)	(490)
2016	23,618,248	1.79	(1,870,723)	(4,891,672)	-		(3,856,268)	2,643,541			15,643,126	1.19	(0.61)	(636)
2017	24,302,850	1.77			-		(2,807,055)	2,634,600	(10,716,720)	2,227,296	15,640,971	1.14	(0.63)	(664)
2018	24,590,110	1.72					(5,419,255)	2,602,000	(8,366,720)	2,233,500	15,639,635	1.10	(0.63)	(659)
2019	24,928,505	1.68					(6,308,000)	2,239,400	(7,451,720)	2,233,500	15,641,685	1.05	(0.63)	(657)
2020	19,344,395	1.25					(1,533,250)	1,735,000	(6,137,720)	2,233,500	15,641,925	1.01	(0.24)	(252)
2021	19,346,975	1.20					(1,533,250)	1,735,000	(6,141,270)	2,233,500	15,640,955	0.97	(0.23)	(242)
2022	21,857,908	1.31					(1,533,250)	1,735,000	(8,650,683)	2,233,500	15,642,475	0.94	(0.37)	(391)
2023	19,204,313	1.11					(1,533,250)	1,735,000	(5,997,163)	2,233,500	15,642,400	0.90	(0.21)	(215)
2024	19,213,363	1.06					(16,493,250)	6,840,000	(2,720,113)	8,798,500	15,638,500	0.87	(0.20)	(208)
2025	19,209,750	1.02					(16,490,250)	6,834,750	(2,719,500)	8,800,250	15,635,000	0.83	(0.19)	(200)
2026								6,837,000		8,800,500	15,637,500	0.80	0.80	840
2027								6,835,750		8,803,500	15,639,250	0.77	0.77	808
2028								6,835,500		8,803,250	15,638,750	0.74	0.74	777
2029								6,835,500		8,799,000	15,634,500	0.71	0.71	747
2030											-	-	-	-
2031											-	-	-	-
<b>Total</b>	<b>309,908,275</b>		<b>(3,518,787)</b>	<b>(5,891,672)</b>	<b>-</b>	<b>(1,700,894)</b>	<b>(57,507,078)</b>	<b>58,078,041</b>	<b>(58,901,608)</b>	<b>68,433,296</b>	<b>296,454,000</b>			<b>\$ (2,333)</b>
<b>Additional Set Aside for Defeasance</b>			-	1,000,000	2,257,112	1,700,894					<b>(8,960,725)</b>			
											4,106,086			
					<b>Total for Debt Payoff</b>	<b>4,958,006</b>					<b>(4,776,258)</b>			
					<b>Total Abatements</b>	<b>(23,556,926)</b>					<b>(670,172)</b>	<b>-0.78%</b>		
									<b>AIC as of Oct 9, 15</b>		<b>3.96%</b>			

- By refunding currently callable 2007A and 2008 bonds as well as the bonds required for restructuring; this assumes today's interest rates plus .50% for 2017 and plus 1.00% for 2018

# Option IB: Abate Thru 2016; Refund/Defease JAN 2017 & 2018 (Plus .50% in 2017 and 1.00% in 2018 increase in interest rates)



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