



Antioch School District 34

Financing Discussion

Tammie Beckwith Schallmo

Senior Vice President, Managing Director

June 6, 2017

- Financing Variables
 - Types of Debt Service Extension Base (DSEB) Bonds
 - Municipal Bond Market Conditions
 - Bank Qualification
 - Construction Draw Schedule
- Method of Sale
- Preliminary Timeline

Financing Variables

- Now that the District has passed a DSEB referendum, it may issue the following types of non-referendum bonds for capital projects:
 - Working Cash
 - Amount limited by a statutory formula
 - Proceeds are abated to the O&M Fund
 - Life Safety (issued in evidence of life safety approvals)
 - Funding (pays off a claim or liability, like a debt certificate)
 - Tort

| | | | |
|---|----------|---|--------------------------------|
| Current equalized assessed valuation (Including TIF) | | | \$546,315,809 |
| Times the maximum educational fund tax rate | \$3.5000 | x | 0.0350 |
| Equals | | | <u>\$19,121,053</u> |
| Plus the lesser of the actual amount of replacement taxes received by the District during 2016 or the estimated amount of replacement taxes to be received by the District during 2017. | | + | \$190,620 |
| Equals | | | <u>\$19,311,673</u> |
| Times 85% | | x | 85% |
| Equals | | | <u>\$16,414,922</u> |
| Less the greater of working cash fund bonds outstanding OR the amount presently to the credit of the working cash fund (including amounts loaned to other funds) | | - | \$273,158 |
| | | | [Balance in Working Cash Fund] |

[(Assumes Working Cash Fund is Abated)]

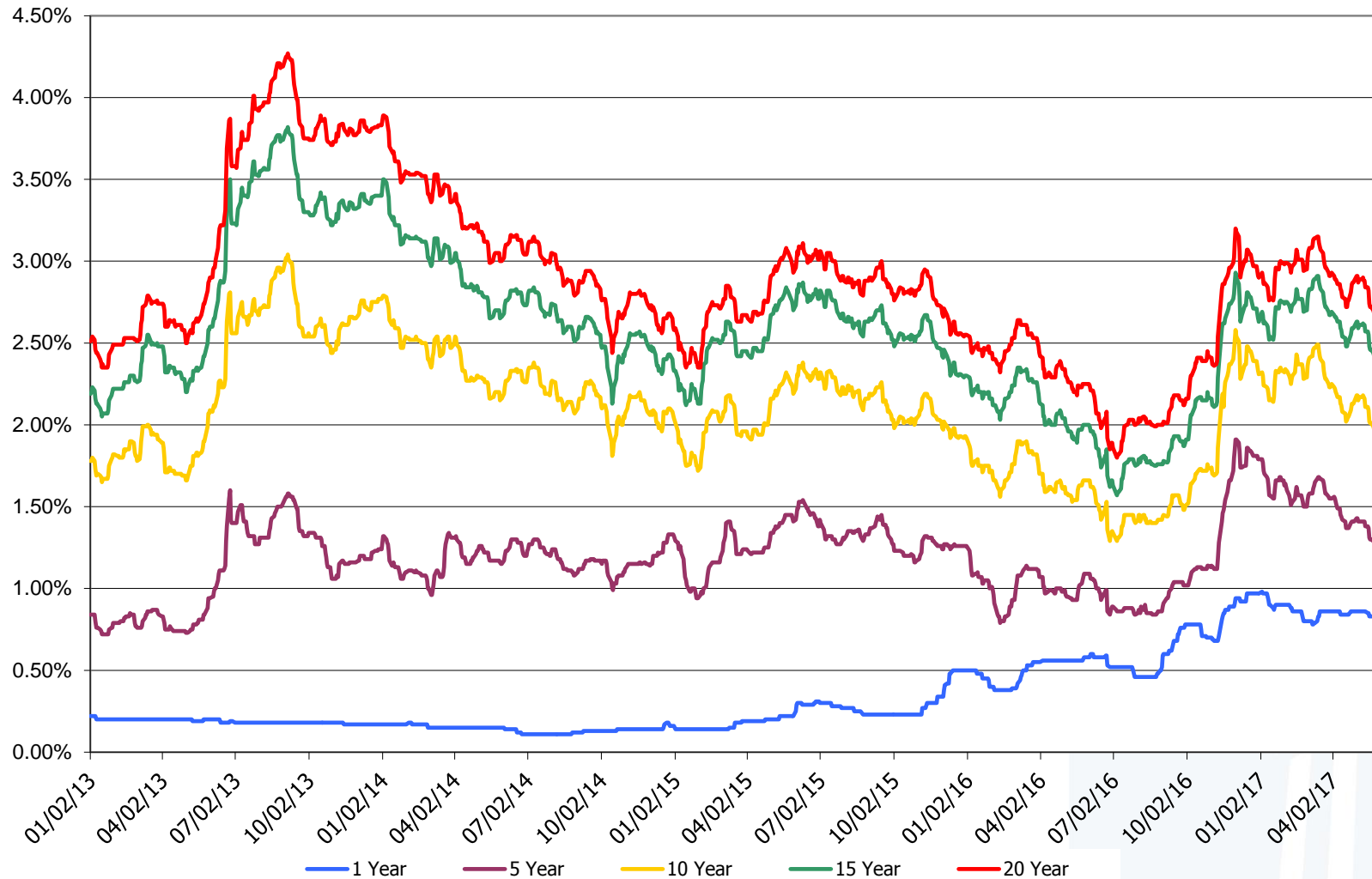
TOTAL (Authorized Issue Size)

\$16,141,764

***Reflects abatement of Working Cash to the Education Fund on June 6, 2017.**

- Per the statutory formula, the District may issue up to \$16.1 million of Working Cash Bonds
- The District can finance \$18.8 million of projects by:
 - Issuing \$16.1 million of Working Cash Bonds, and
 - Issuing \$2.7 million of Debt Certificates, which will be paid off with Funding Bonds

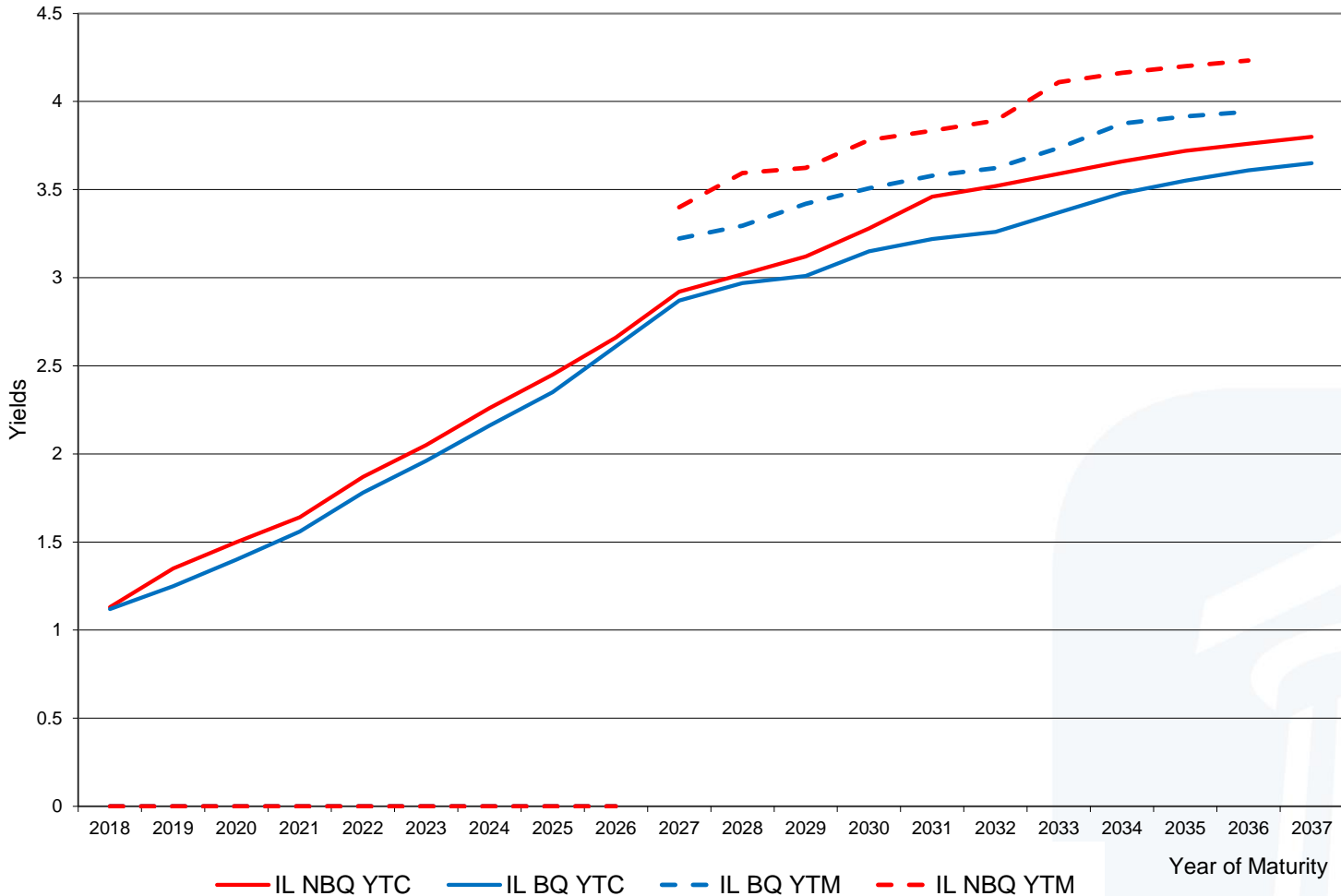
- Issued to evidence a payment obligation under a lease or installment purchase contract
- Payable from general operating funds
 - No separate property tax levy is available to pay debt service
- No direct referendum, backdoor referendum or public hearing required
- Can finance real or personal property
- Payment period cannot exceed 20 years
- Debt certificates may serve as a claim against the District



*The Municipal Market Data "MMD" is a AAA municipal bond market index produced by TM3. As of May 30, 2017.

- Tax-exempt municipal bonds are designated as Bank Qualified (“BQ”) if the District does not expect to issue more than \$10 million of tax-exempt securities in a single calendar year (including capital leases)
- Allows a financial institution to deduct 80% of its interest expense allocable to the purchase of tax-exempt securities, essentially providing banks a double tax benefit
- Some of the savings are passed along to the district as a lower interest rate versus a traditional tax-exempt bond or non-bank qualified (“NBQ”)

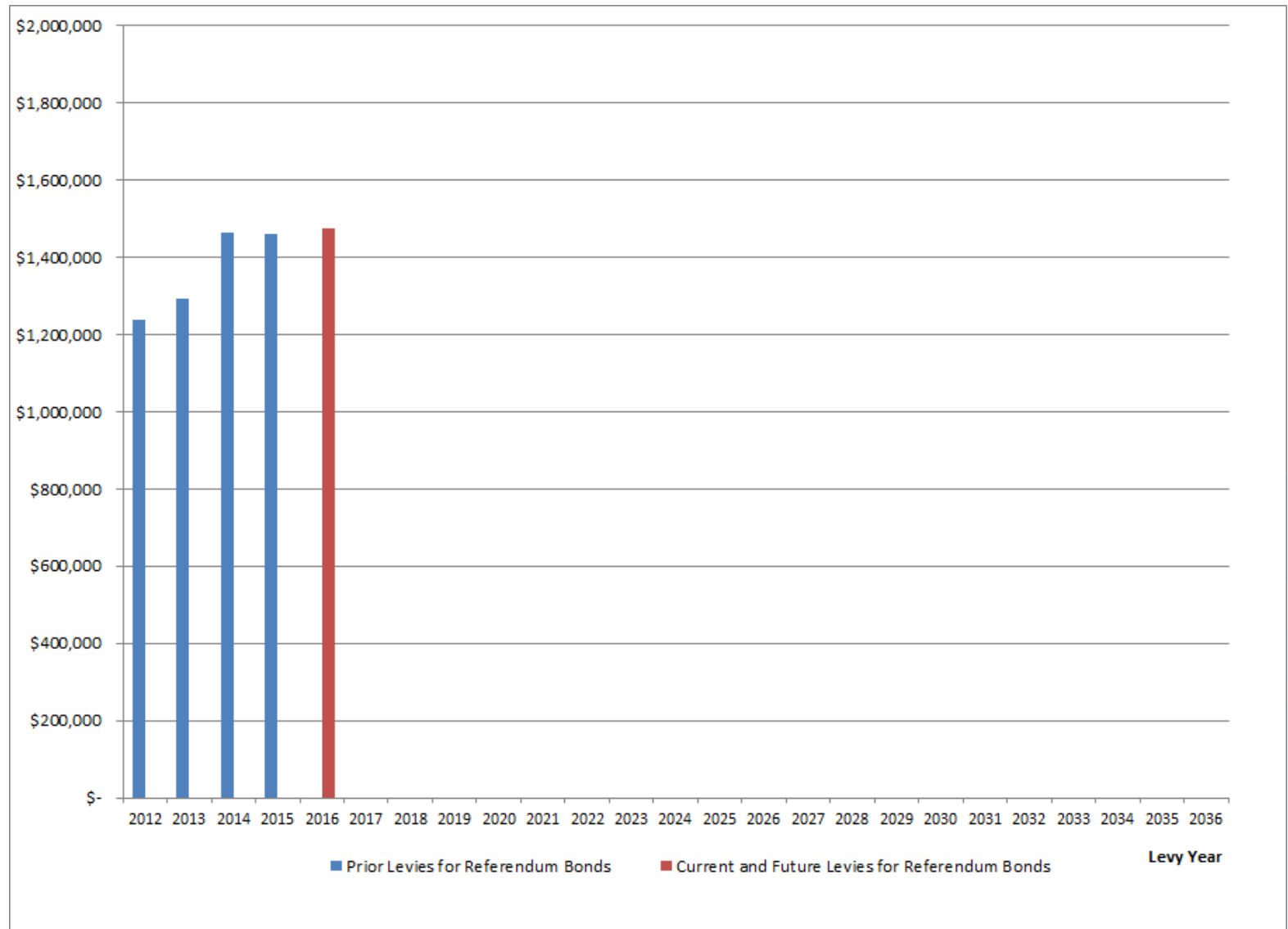
- The greatest benefit for BQ deals is usually seen in the 10-year to 20-year range of the curve



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Referendum Bonds Debt Service

| Levy Year | Fiscal Year | \$9,460,000 GO School Bonds, Series 1999 | \$2,340,000 GO School Bonds, Series 2000 | \$9,485,000 GO Refunding School Bonds, Series 2004 | \$4,260,000 Refunding Bonds, Series 2014 | Total | Total General Obligation Bonds Debt Service | Approximate 1.0% County Loss/Cost Debt Service | EAV | Growth Rate | B&I Tax Rate |
|----------------------|-------------|---|---|---|---|--------------|--|---|----------------|----------------|-----------------|
| 2012 | 2014 | \$ | \$ | \$ 1,237,800 | \$ | \$ 1,237,800 | \$ 1,237,800 | \$ 1,250,178 | \$ 599,578,306 | -6.38% | 0.2085 |
| 2013 | 2015 | | | 1,293,400 | | 1,293,400 | 1,293,400 | 1,306,334 | 551,507,529 | -8.02% | 0.2369 |
| 2014 | 2016 | | | | 1,462,900 | 1,462,900 | 1,462,900 | 1,477,529 | 532,115,122 | -3.52% | 0.2777 |
| 2015 | 2017 | | | | 1,460,600 | 1,460,600 | 1,460,600 | 1,475,206 | 529,985,999 | -0.40% | 0.2783 |
| 2016 | 2018 | - | - | - | 1,473,900 | 1,473,900 | 1,473,900 | 1,488,639 | 546,315,809 | 3.08% | 0.2725 |
| 2017 | 2019 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2018 | 2020 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2019 | 2021 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2020 | 2022 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2021 | 2023 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2022 | 2024 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2023 | 2025 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2024 | 2026 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2025 | 2027 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2026 | 2028 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2027 | 2029 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2028 | 2030 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2029 | 2031 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2030 | 2032 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2031 | 2033 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2032 | 2034 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2033 | 2035 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2034 | 2036 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2035 | 2037 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| 2036 | 2038 | - | - | - | - | - | - | - | 546,315,809 | 0.00% | 0.0000 |
| Total DS From | | | | | | | | | | | |
| Current FY: | | \$ | \$ | \$ | \$ 1,473,900 | \$ 1,473,900 | \$ 1,473,900 | \$ 1,488,639 | | | |



Scenario 1 – Issue \$18.8 Million DSEB Bonds in 2017 (Non BQ) Working Cash and Funding Bonds

| | | Non-Referendum Bonds Debt Service | | | | | Referendum Bonds Debt Service | | | | | | | Growth Rate | B&I Tax Rate |
|----------------------------------|-------------|---|---|----------------------|--|------------------|--|--|--|---------------------|---|--|----------------|-------------|--------------|
| Levy Year | Fiscal Year | Proposed GO Bonds, Series 2017 [Working Cash Portion] (2) | Proposed GO Bonds, Series 2017 [Funding Bond Portion] (2) (3) | Total | Non Referendum Debt Service Extension Base Created W/2017 Referendum (1) | Remaining Margin | \$9,485,000 GO Refunding School Bonds, Series 2004 | \$4,260,000 Refunding Bonds, Series 2014 | \$525,000 Series 2004B GO School Bonds (Ref) | Total | Total General Obligation Bonds Debt Service | Approximate 1.0% County Loss/Cost Debt Service | EAV | | |
| 2012 | 2014 | \$ | \$ | \$ | \$ | \$ | \$ 1,237,800 | \$ | | \$ 1,237,800 | \$ 1,237,800 | \$ 1,250,178 | \$ 599,578,306 | -6.38% | 0.2085 |
| 2013 | 2015 | | | | | | 1,293,400 | | | 1,293,400 | 1,293,400 | 1,306,334 | 561,507,529 | -8.02% | 0.2369 |
| 2014 | 2016 | | | | | | | 1,462,900 | | 1,462,900 | 1,462,900 | 1,477,529 | 532,115,122 | -3.52% | 0.2777 |
| 2015 | 2017 | | | | | | | 1,460,600 | | 1,460,600 | 1,460,600 | 1,475,206 | 629,985,999 | -0.40% | 0.2783 |
| 2016 | 2018 | - | - | - | - | - | - | 1,473,900 | - | 1,473,900 | 1,473,900 | 1,488,639 | 546,315,809 | 3.08% | 0.2725 |
| 2017 | 2019 | 1,242,267 | 153,983 | 1,396,250 | 1,400,000 | 3,750 | - | - | - | - | 1,396,250 | 1,410,213 | 546,315,809 | 0.00% | 0.2581 |
| 2018 | 2020 | 1,280,800 | 115,488 | 1,396,288 | 1,400,000 | 3,713 | - | - | - | - | 1,396,288 | 1,410,250 | 546,315,809 | 0.00% | 0.2581 |
| 2019 | 2021 | 1,280,850 | 115,488 | 1,396,338 | 1,400,000 | 3,663 | - | - | - | - | 1,396,338 | 1,410,301 | 546,315,809 | 0.00% | 0.2581 |
| 2020 | 2022 | 1,280,300 | 115,488 | 1,395,788 | 1,400,000 | 4,213 | - | - | - | - | 1,395,788 | 1,409,745 | 546,315,809 | 0.00% | 0.2580 |
| 2021 | 2023 | 1,284,150 | 115,488 | 1,399,638 | 1,400,000 | 363 | - | - | - | - | 1,399,638 | 1,413,634 | 546,315,809 | 0.00% | 0.2588 |
| 2022 | 2024 | 1,282,250 | 115,488 | 1,397,738 | 1,400,000 | 2,263 | - | - | - | - | 1,397,738 | 1,411,715 | 546,315,809 | 0.00% | 0.2584 |
| 2023 | 2025 | 1,282,250 | 115,488 | 1,397,738 | 1,400,000 | 2,263 | - | - | - | - | 1,397,738 | 1,411,715 | 546,315,809 | 0.00% | 0.2584 |
| 2024 | 2026 | 1,281,050 | 115,488 | 1,396,538 | 1,400,000 | 3,463 | - | - | - | - | 1,396,538 | 1,410,503 | 546,315,809 | 0.00% | 0.2582 |
| 2025 | 2027 | 1,283,650 | 115,488 | 1,399,138 | 1,400,000 | 863 | - | - | - | - | 1,399,138 | 1,413,129 | 546,315,809 | 0.00% | 0.2587 |
| 2026 | 2028 | 1,279,850 | 115,488 | 1,395,338 | 1,400,000 | 4,663 | - | - | - | - | 1,395,338 | 1,409,291 | 546,315,809 | 0.00% | 0.2580 |
| 2027 | 2029 | 1,279,850 | 115,488 | 1,395,338 | 1,400,000 | 4,663 | - | - | - | - | 1,395,338 | 1,409,291 | 546,315,809 | 0.00% | 0.2580 |
| 2028 | 2030 | 1,283,450 | 115,488 | 1,398,938 | 1,400,000 | 1,063 | - | - | - | - | 1,398,938 | 1,412,927 | 546,315,809 | 0.00% | 0.2586 |
| 2029 | 2031 | 1,280,450 | 115,488 | 1,395,938 | 1,400,000 | 4,063 | - | - | - | - | 1,395,938 | 1,409,897 | 546,315,809 | 0.00% | 0.2581 |
| 2030 | 2032 | 1,281,125 | 115,488 | 1,396,613 | 1,400,000 | 3,388 | - | - | - | - | 1,396,613 | 1,410,579 | 546,315,809 | 0.00% | 0.2582 |
| 2031 | 2033 | 1,279,775 | 115,488 | 1,395,263 | 1,400,000 | 4,738 | - | - | - | - | 1,395,263 | 1,409,215 | 546,315,809 | 0.00% | 0.2579 |
| 2032 | 2034 | 1,281,025 | 115,488 | 1,396,513 | 1,400,000 | 3,488 | - | - | - | - | 1,396,513 | 1,410,478 | 546,315,809 | 0.00% | 0.2582 |
| 2033 | 2035 | 1,279,525 | 115,488 | 1,395,013 | 1,400,000 | 4,988 | - | - | - | - | 1,395,013 | 1,408,963 | 546,315,809 | 0.00% | 0.2579 |
| 2034 | 2036 | 865,275 | 530,488 | 1,395,763 | 1,400,000 | 4,238 | - | - | - | - | 1,395,763 | 1,409,720 | 546,315,809 | 0.00% | 0.2580 |
| 2035 | 2037 | - | 1,397,850 | 1,397,850 | 1,400,000 | 2,150 | - | - | - | - | 1,397,850 | 1,411,829 | 546,315,809 | 0.00% | 0.2584 |
| 2036 | 2038 | - | 1,086,300 | 1,086,300 | 1,400,000 | 313,700 | - | - | - | - | 1,086,300 | 1,097,163 | 546,315,809 | 0.00% | 0.2008 |
| Total DS From Current FY: | | \$ 22,607,892 | \$ 5,016,421 | \$ 27,624,313 | | | \$ - | \$ 1,473,900 | \$ - | \$ 1,473,900 | \$ 29,098,213 | \$ 29,389,195 | | | |
| Total Proceeds | | \$ 16,100,000 | \$ 2,700,000 | | | | | | | | | | | | |

(1) Public Act 96-0501 only applies to DSEBs created by tax cap legislation and does not apply to voted DSEBs.

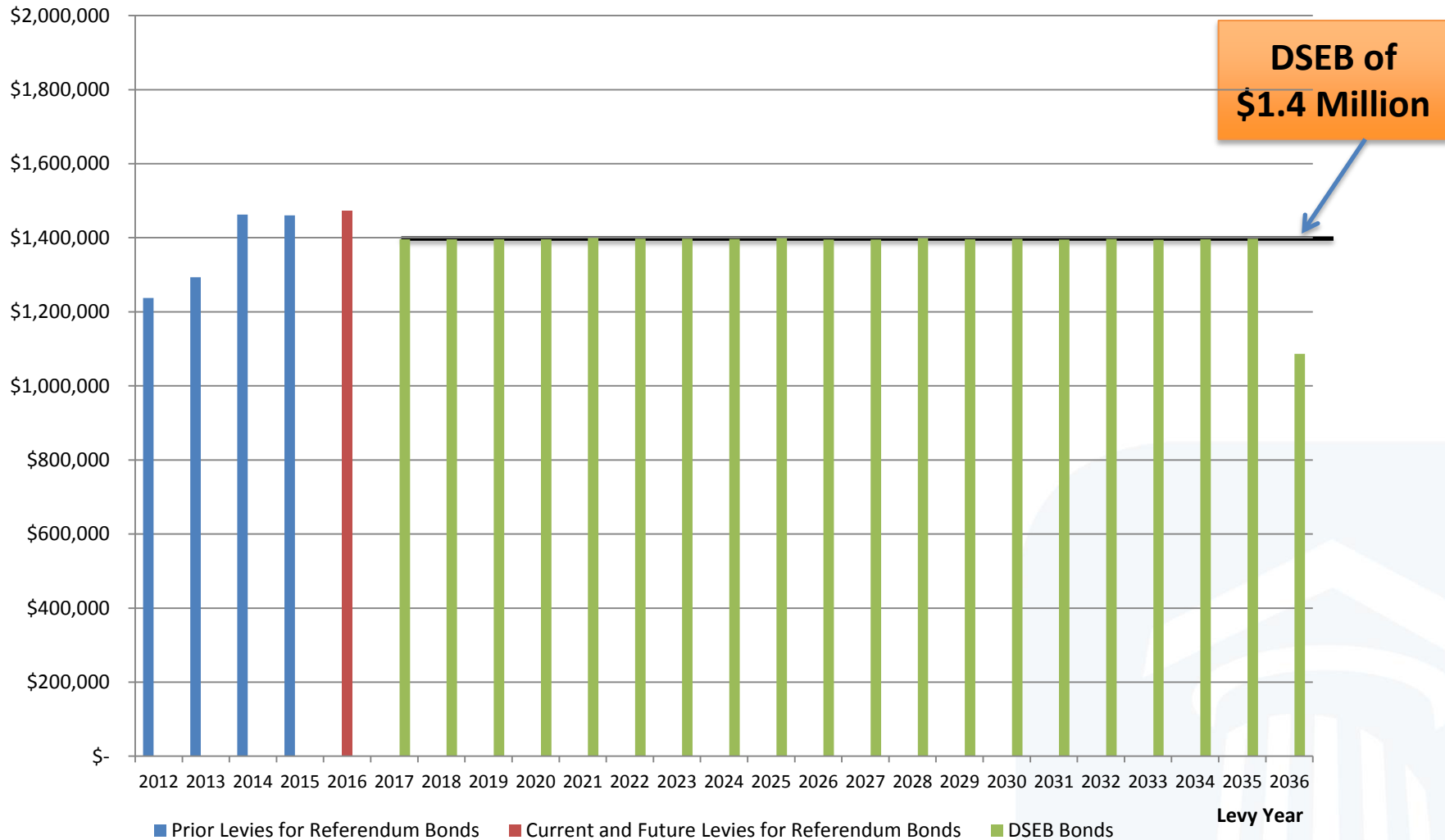
Therefore the DSEB is expected to remain flat for future levy years.

(2) Rates based upon the "AAA" MMD index for May 22, 2017 and recent bond sales which PMA believes to be accurate and reliable, plus 0.50%. Estimated TIC = 3.78%.

(3) Shortened Final Maturity 07/01/2037

- Estimated True Interest Cost: 3.78%**

Scenario 1 – Issue \$18.8 Million DSEB Bonds in 2017 (Non BQ) Working Cash and Funding Bonds



Scenario 2: BQ DSEB Issue in 2017 and NBQ DSEB Issue in 2018

Total Proceeds: \$18.8 Million

| Non-Referendum Bonds Debt Service | | | | | | | | | | Referendum Bonds Debt Service | | | | | | | | | |
|-----------------------------------|-------------|---|---|---|----------------------|---------------|---|------------------|---------------------------|-------------------------------|--|--------------|---|--|----------------|-------------|--------------|--|--|
| Levy Year | Fiscal Year | Proposed GO Bonds, Series 2017 [Working Cash Portion] (2) | Proposed GO Bonds, Series 2018 [Working Cash Portion] (2) | Proposed GO Bonds, Series 2018 [Funding Bond Portion] (2) (3) | Capitalized Interest | Total | Non Referendum Debt Service Extension Base Created W/2017 | | School Bonds, Series 2004 | Refunding Bonds, Series 2014 | \$525,000 Series 2004B GO School Bonds (Ref) | Total | Total General Obligation Bonds Debt Service | Approximate 1.0% County Loss/Cost Debt Service | EAV | Growth Rate | B&I Tax Rate | | |
| | | | | | | | Referendum (1) | Remaining Margin | | | | | | | | | | | |
| 2012 | 2014 | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - | \$ 1,237,800 | \$ - | \$ - | \$ 1,237,800 | \$ 1,237,800 | \$ 1,250,178 | \$ 599,578,306 | -6.38% | 0.2086 | | |
| 2013 | 2015 | - | - | - | - | - | - | - | 1,293,400 | - | - | 1,293,400 | 1,306,334 | 551,507,529 | 551,507,529 | -8.02% | 0.2369 | | |
| 2014 | 2016 | - | - | - | - | - | - | - | - | 1,462,900 | - | 1,462,900 | 1,462,900 | 1,477,529 | 532,116,122 | -3.62% | 0.2777 | | |
| 2015 | 2017 | - | - | - | - | - | - | - | - | 1,460,600 | - | 1,460,600 | 1,460,600 | 1,475,206 | 529,985,999 | -0.40% | 0.2783 | | |
| 2016 | 2018 | - | - | - | - | - | - | - | - | 1,473,900 | - | 1,473,900 | 1,473,900 | 1,488,639 | 546,315,809 | 3.08% | 0.2725 | | |
| 2017 | 2019 | 1,395,933 | 221,175 | 94,406 | (315,581) | 1,395,933 | 1,400,000 | 4,067 | - | - | - | - | 1,395,933 | 1,409,893 | 546,315,809 | 0.00% | 0.2581 | | |
| 2018 | 2020 | 974,250 | 294,900 | 125,875 | - | 1,395,025 | 1,400,000 | 4,975 | - | - | - | - | 1,395,025 | 1,408,975 | 546,315,809 | 0.00% | 0.2579 | | |
| 2019 | 2021 | 978,850 | 294,900 | 125,875 | - | 1,399,625 | 1,400,000 | 375 | - | - | - | - | 1,399,625 | 1,413,621 | 546,315,809 | 0.00% | 0.2588 | | |
| 2020 | 2022 | 977,700 | 294,900 | 125,875 | - | 1,398,475 | 1,400,000 | 1,525 | - | - | - | - | 1,398,475 | 1,412,460 | 546,315,809 | 0.00% | 0.2585 | | |
| 2021 | 2023 | 975,950 | 294,900 | 125,875 | - | 1,396,725 | 1,400,000 | 3,275 | - | - | - | - | 1,396,725 | 1,410,692 | 546,315,809 | 0.00% | 0.2582 | | |
| 2022 | 2024 | 978,600 | 294,900 | 125,875 | - | 1,399,375 | 1,400,000 | 625 | - | - | - | - | 1,399,375 | 1,413,369 | 546,315,809 | 0.00% | 0.2587 | | |
| 2023 | 2025 | 977,800 | 294,900 | 125,875 | - | 1,398,575 | 1,400,000 | 1,425 | - | - | - | - | 1,398,575 | 1,412,561 | 546,315,809 | 0.00% | 0.2586 | | |
| 2024 | 2026 | 975,800 | 294,900 | 125,875 | - | 1,396,575 | 1,400,000 | 3,425 | - | - | - | - | 1,396,575 | 1,410,541 | 546,315,809 | 0.00% | 0.2582 | | |
| 2025 | 2027 | 977,600 | 294,900 | 125,875 | - | 1,398,375 | 1,400,000 | 1,625 | - | - | - | - | 1,398,375 | 1,412,359 | 546,315,809 | 0.00% | 0.2585 | | |
| 2026 | 2028 | 978,000 | 294,900 | 125,875 | - | 1,398,775 | 1,400,000 | 1,225 | - | - | - | - | 1,398,775 | 1,412,763 | 546,315,809 | 0.00% | 0.2586 | | |
| 2027 | 2029 | 977,000 | 294,900 | 125,875 | - | 1,397,775 | 1,400,000 | 2,225 | - | - | - | - | 1,397,775 | 1,411,753 | 546,315,809 | 0.00% | 0.2584 | | |
| 2028 | 2030 | 119,600 | 1,149,900 | 125,875 | - | 1,395,375 | 1,400,000 | 4,625 | - | - | - | - | 1,395,375 | 1,409,329 | 546,315,809 | 0.00% | 0.2580 | | |
| 2029 | 2031 | - | 1,270,700 | 125,875 | - | 1,396,575 | 1,400,000 | 3,425 | - | - | - | - | 1,396,575 | 1,410,541 | 546,315,809 | 0.00% | 0.2582 | | |
| 2030 | 2032 | - | 1,270,300 | 125,875 | - | 1,396,175 | 1,400,000 | 3,825 | - | - | - | - | 1,396,175 | 1,410,137 | 546,315,809 | 0.00% | 0.2581 | | |
| 2031 | 2033 | - | 1,263,050 | 135,875 | - | 1,398,925 | 1,400,000 | 1,075 | - | - | - | - | 1,398,925 | 1,412,914 | 546,315,809 | 0.00% | 0.2586 | | |
| 2032 | 2034 | - | 1,274,000 | 125,425 | - | 1,399,425 | 1,400,000 | 575 | - | - | - | - | 1,399,425 | 1,413,419 | 546,315,809 | 0.00% | 0.2587 | | |
| 2033 | 2035 | - | 1,271,500 | 125,425 | - | 1,396,925 | 1,400,000 | 3,075 | - | - | - | - | 1,396,925 | 1,410,894 | 546,315,809 | 0.00% | 0.2583 | | |
| 2034 | 2036 | - | 131,250 | 1,265,425 | - | 1,396,675 | 1,400,000 | 3,325 | - | - | - | - | 1,396,675 | 1,410,642 | 546,315,809 | 0.00% | 0.2582 | | |
| 2035 | 2037 | - | - | 1,398,425 | - | 1,398,425 | 1,400,000 | 1,575 | - | - | - | - | 1,398,425 | 1,412,409 | 546,315,809 | 0.00% | 0.2585 | | |
| 2036 | 2038 | - | - | 291,900 | - | 291,900 | 1,400,000 | 1,108,100 | - | - | - | - | 291,900 | 294,819 | 546,315,809 | 0.00% | 0.0540 | | |
| Total DS From Current FY: | | \$ 11,287,083 | \$ 10,800,875 | \$ 5,073,256 | \$ (315,581) | \$ 26,845,633 | | | \$ - | \$ 1,473,900 | \$ - | \$ 1,473,900 | \$ 28,319,533 | \$ 28,602,729 | | | | | |
| Total Proceeds | | \$ 9,500,000 | \$ 6,600,000 | \$ 2,700,000 | | | | | | | | | | | | | | | |

(1) Public Act 96-0501 only applies to DSEBs created by tax cap legislation and does not apply to voted DSEBs.

Therefore the DSEB is expected to remain flat for future levy years.

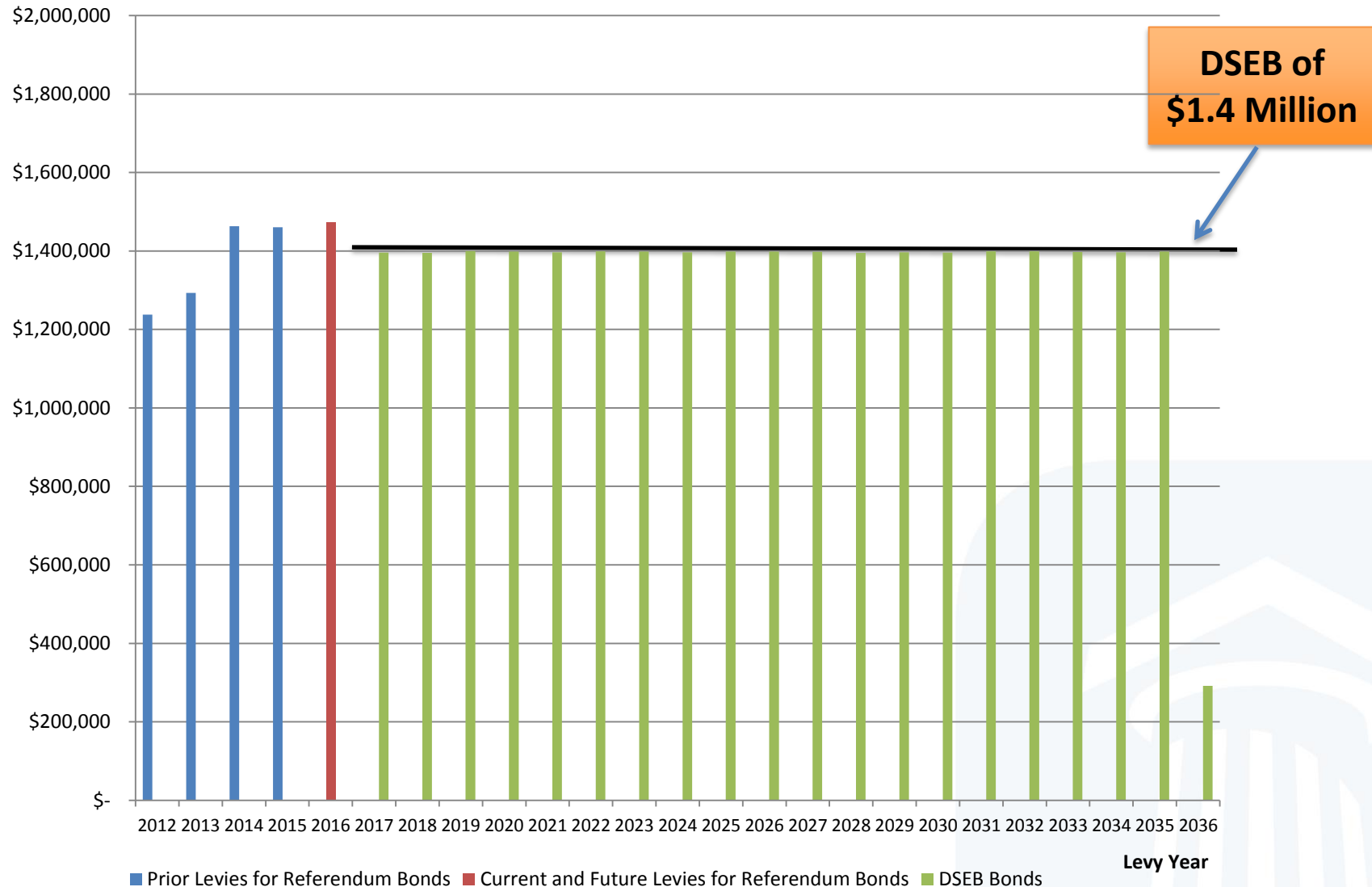
(2) Rates based upon the "AAA" MMD index for May 22, 2017 and recent bond sales which PMA believes to be accurate and reliable, plus 0.50%. Estimated TIC = 3.67%.

(3) Shortened Final Maturity 07/01/2037

- Estimated True Interest Cost: 3.67%

Scenario 2 – BQ DSEB Issue in 2017 and NBQ DSEB Issue in 2018

Total Proceeds: \$18.8 Million



- The breakeven point between Scenarios 1 and 2 is 0.40%
- The analysis incorporates the additional costs of issuance for bond issues in 2017 and 2018
 - PMA's total compensation will be \$2,500 greater with two issues
- If the District issues two series of bonds, however its interest earnings may not be as high as with one NBQ sale in 2017

| Month | Monthly | Cumulative | % Complete |
|--------|-----------------|-----------------|------------|
| Feb-18 | \$ 1,380,000.00 | \$ 1,380,000.00 | 5.39% |
| Mar-18 | 70,000 | 1,450,000 | 5.66% |
| Apr-18 | 250,000 | 1,700,000 | 6.64% |
| May-18 | 700,000 | 2,400,000 | 9.38% |
| Jun-18 | 900,000 | 3,300,000 | 12.89% |
| Jul-18 | 1,200,000 | 4,500,000 | 17.58% |
| Aug-18 | 1,200,000 | 5,700,000 | 22.27% |
| Sep-18 | 1,500,000 | 7,200,000 | 28.13% |
| Oct-18 | 1,500,000 | 8,700,000 | 33.98% |
| Nov-18 | 1,500,000 | 10,200,000 | 39.84% |
| Dec-18 | 1,400,000 | 11,600,000 | 45.31% |
| Jan-19 | 1,000,000 | 12,600,000 | 49.22% |
| Feb-19 | 900,000 | 13,500,000 | 52.73% |
| Mar-19 | 1,200,000 | 14,700,000 | 57.42% |
| Apr-19 | 1,300,000 | 16,000,000 | 62.50% |
| May-19 | 1,400,000 | 17,400,000 | 67.97% |
| Jun-19 | 1,500,000 | 18,900,000 | 73.83% |
| Jul-19 | 1,500,000 | 20,400,000 | 79.69% |
| Aug-19 | 1,400,000 | 21,800,000 | 85.16% |
| Sep-19 | 1,400,000 | 23,200,000 | 90.63% |
| Oct-19 | 1,000,000 | 24,200,000 | 94.53% |
| Nov-19 | 800,000 | 25,000,000 | 97.66% |
| Dec-19 | 600,000 | 25,600,000 | 100.00% |

- Estimated draw schedule provided by Gilbane on 3/27/17

| | Option 1 | Option 2 |
|---|----------------------------|--|
| | Series 2017 | Series 2017 & 2018 |
| | One NBQ issue in June 2017 | Two Issues: Max BQ in September 2017 & Balance in April 2018 |
| Total Project Sources..... | \$ 25,600,000 | \$ 25,600,000 |
| 2017 Proceeds | 18,800,000 | 9,500,000 |
| 2018 Proceeds | - | 9,300,000 |
| Fund Balance Used | 6,800,000 | 6,800,000 |
| Debt Service (1)..... | \$ 27,624,313 | \$ 26,845,633 |
| Estimated Interest Income on Bond Proceeds..... | \$ (220,495) | \$ (155,963) |
| Estimated Net Debt Service..... | \$ 27,403,818 | \$ 26,689,670 |

(1) Rates based upon the "AAA" MMD index for May 22, 2017 and recent bond sales which PMA believes to be accurate and reliable plus 0.50%.

(2) True Interest Cost (TIC) is the semiannual discount rate which equates the principal and interest payments to the purchase price paid by the purchaser.

Method of Sale

- The District will enter into a Direct Placement for the Debt Certificates
 - No official statement, rating, underwriter or disclosure counsel is required
 - A term sheet is sent out to banks and other local units of government that will provide a proposal to purchase the debt certificates directly
 - The interest rate is typically higher than a public offering but may result in a lower overall financing cost since some costs of issuance are avoided
 - Direct placements are quite common for debt certificates

- Public Offering
 - The District and financial advisor prepares an official statement to send to potential investors
- There are two types of public offerings: **competitive** and **negotiated**
 - The goal is to select the method of sale that will achieve the lowest cost of borrowing

- Based on the bonds' longer average life, PMA recommends that the District utilize a negotiated sale for its upcoming bond issue(s)
- PMA will prepare and distribute a Request for Proposals (RFP) to several underwriters
- PMA will review the submitted proposals and deliver a recommendation to the District

Preliminary Timeline

| | |
|--|------------------|
| Deliver financing options and timeline to the Board | June 6 |
| Board approves financing plan | June 20 |
| Board adopts resolution for sale of 2017A Debt Certificates, if needed | July 18 |
| Debt Certificates close, if needed | Early August |
| Board adopts at its regular meeting: | |
| 1. resolution of intent to issue Working Cash and Funding Bonds | |
| 2. resolution calling a BINA Hearing for Working Cash and Funding Bonds | August 15 |
| PMA distributes RFP for underwriting services for 2017B Bonds | August 16 |
| Notice of BINA Hearing published in local newspaper | August 17 |
| Notice of intent published in local newspaper | August 17 |

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|---|------------------------|
| Underwriting proposals due to PMA for 2017B Bonds | August 30 |
| 30-day petition period expires | September 18 |
| Board holds BINA Hearing at regular meeting | September 19 |
| Board approves underwriter recommendation at regular meeting | September 19 |
| Board adopts parameters resolution for sale of Working Cash Bonds and Funding Bonds at COW meeting <ul style="list-style-type: none">- names delegates who will approve bond sale results- valid for six months | October 3 |
| Series 2017B Bonds sold; delegates approve results | Week of October 9 |
| Series 2017B Bonds close | On or about November 1 |

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