

FINANCING UPDATE FOR FINANCE COMMITTEE

Raymond James Public Finance

PREPARED BY: Elizabeth Hennessy, Managing Director

PREPARED FOR

School District Number 65, Cook County, Illinois (Evanston/Skokie)

April 22, 2019



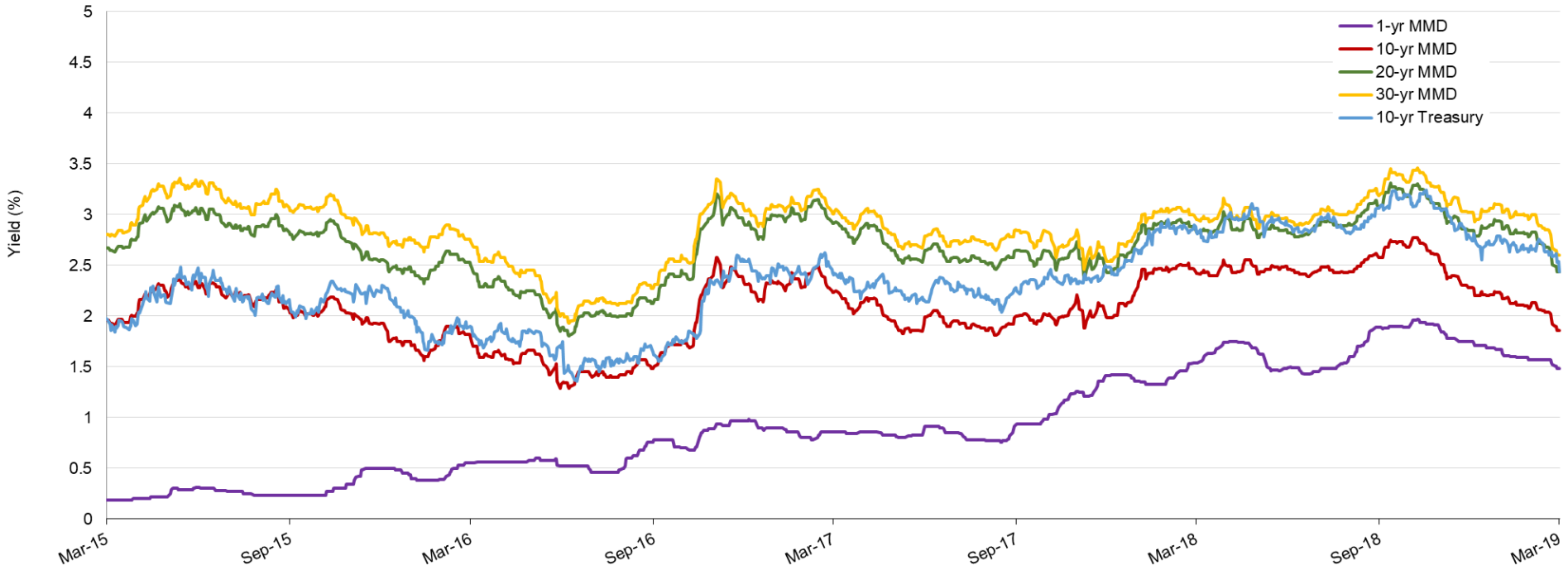
RAYMOND JAMES

SECTION 1	Market Update
SECTION 2	Current Situation and Financing Update

SECTION 1

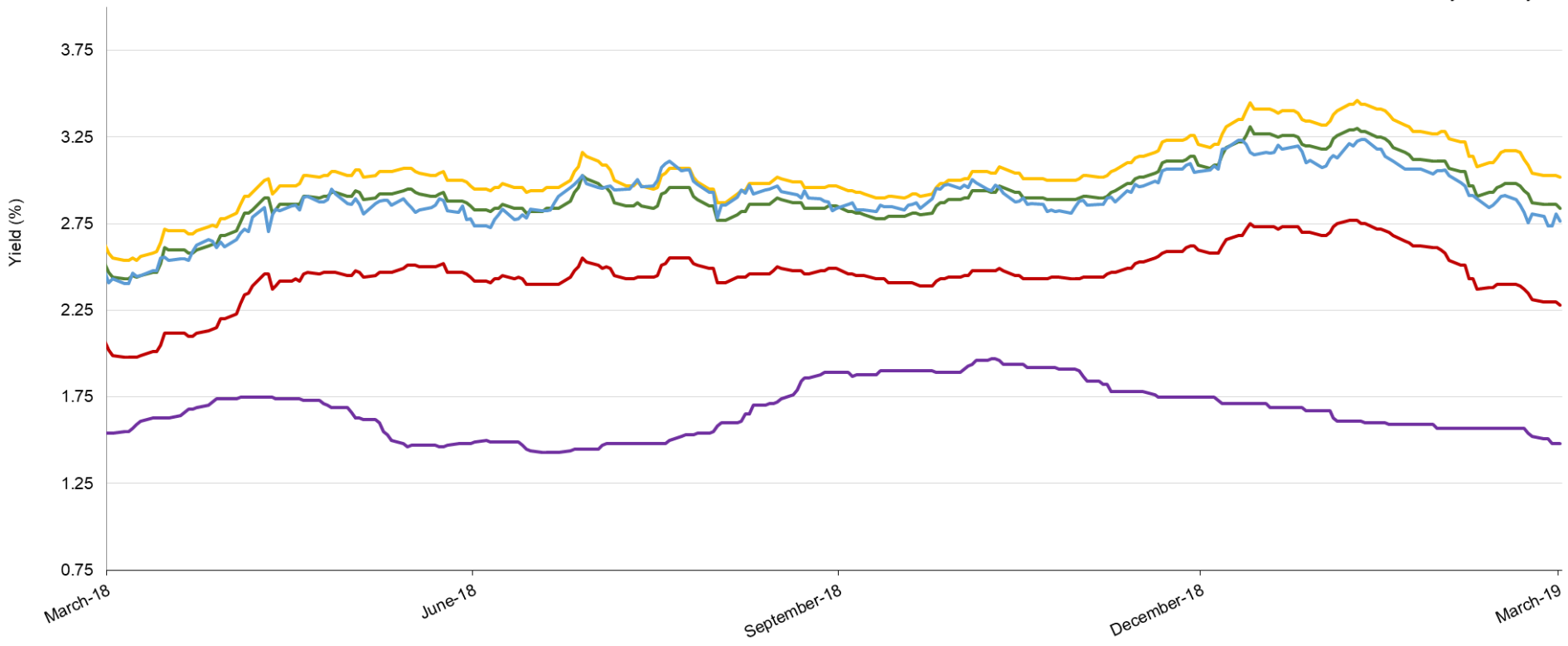
Market Update

AAA-MMD Index and Treasury Rates (5-year period)



AAA-MMD Index and Treasury Rates
(1-year period)

- 1-yr MMD
- 10-yr MMD
- 20-yr MMD
- 30-yr MMD
- 10-yr Treasury



SECTION 2

Current Situation and Financing Update

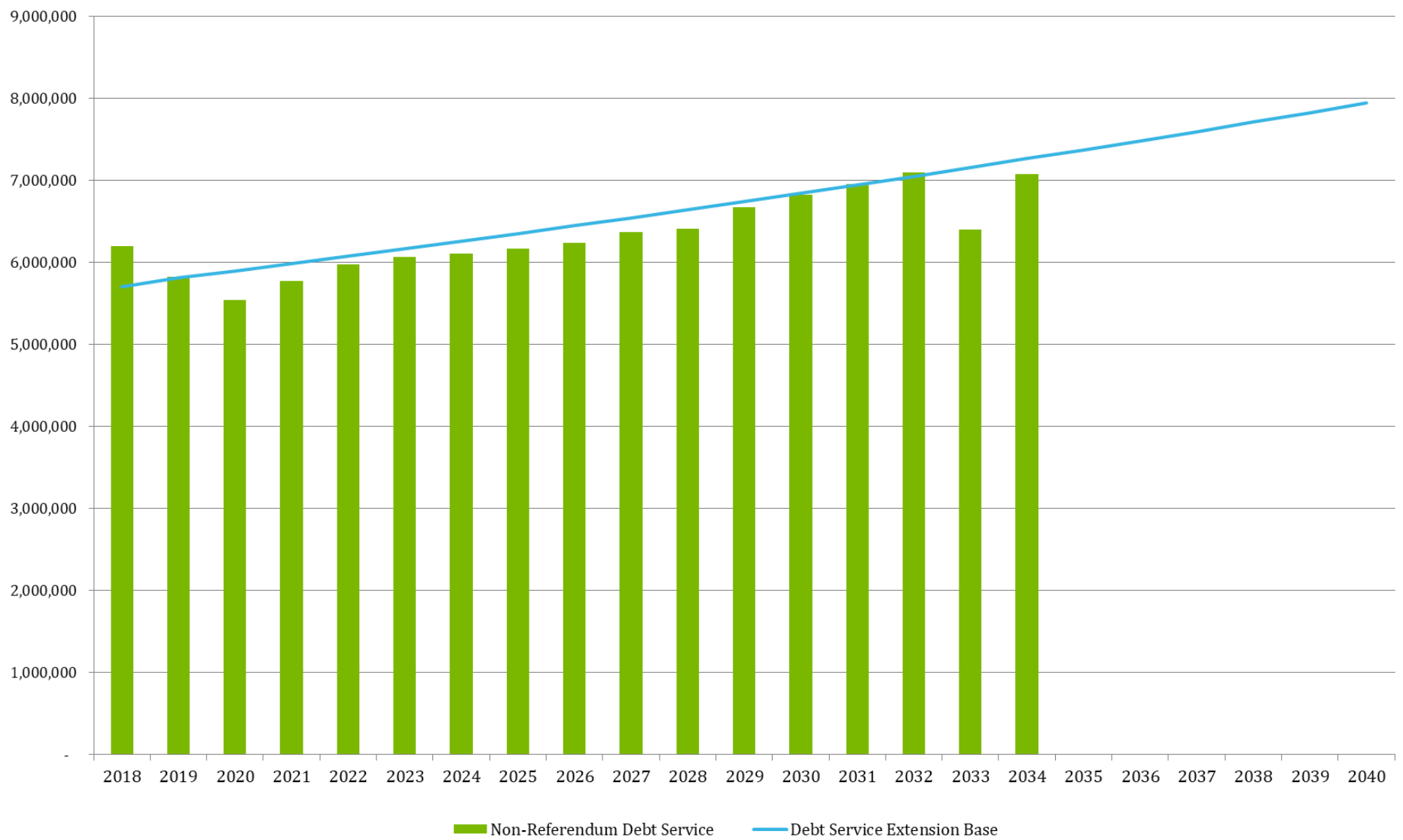
Summary of Outstanding Debt Service Tax Rate

Current

Tax Year	Equalized Assessed Value	EAV Change	Debt Service Extension Base	CPI Growth(1)	Non-Referendum Current DSEB D/S	B&I Tax Rate
2018	3,032,954,923	0.00%	5,703,220	2.10%	6,198,675	0.204
2019	3,032,954,923	0.00%	5,811,581	1.90%	5,829,875	0.192
2020	3,032,954,923	0.00%	5,898,755	1.50%	5,547,075	0.183
2021	3,032,954,923	0.00%	5,987,237	1.50%	5,778,575	0.191
2022	3,032,954,923	0.00%	6,077,045	1.50%	5,974,813	0.197
2023	3,032,954,923	0.00%	6,168,201	1.50%	6,069,163	0.200
2024	3,032,954,923	0.00%	6,260,724	1.50%	6,106,038	0.201
2025	3,032,954,923	0.00%	6,354,635	1.50%	6,173,881	0.204
2026	3,032,954,923	0.00%	6,449,954	1.50%	6,235,794	0.206
2027	3,032,954,923	0.00%	6,546,703	1.50%	6,369,813	0.210
2028	3,032,954,923	0.00%	6,644,904	1.50%	6,412,063	0.211
2029	3,032,954,923	0.00%	6,744,578	1.50%	6,672,538	0.220
2030	3,032,954,923	0.00%	6,845,746	1.50%	6,821,125	0.225
2031	3,032,954,923	0.00%	6,948,432	1.50%	6,953,150	0.229
2032	3,032,954,923	0.00%	7,052,659	1.50%	7,100,000	0.234
2033	3,032,954,923	0.00%	7,158,449	1.50%	6,405,000	0.211
2034	3,032,954,923	0.00%	7,265,825	1.50%	7,075,000	0.233
2035	3,032,954,923	0.00%	7,374,813	1.50%	-	0.000
2036	3,032,954,923	0.00%	7,485,435	1.50%	-	0.000
2037	3,032,954,923	0.00%	7,597,717	1.50%	-	0.000
2038	3,032,954,923	0.00%	7,711,682	1.50%	-	0.000
2039	3,032,954,923	0.00%	7,827,358	1.50%	-	0.000
2040	3,032,954,923	0.00%	7,944,768	1.50%	-	0.000
					101,523,903	

(1) CPI is assumed to grow at 1.5% from LY 2020 on

OUTSTANDING DEBT SERVICE



Community Consolidated School District Number 65 (Evanston/Skokie)		
Statutory Debt Limit		
Equalized Assessed Valuation	2017	3,032,954,923
Times: Statutory Debt Limit	6.90%	209,273,890
Less: Outstanding Bond Principal		<u>(79,994,931)</u>
Net Debt Limit		<u>129,278,958</u>

Community Consolidated School District Number 65 (Evanston/Skokie)

Working Cash Fund Bond Limit

Equalized Assessed Valuation	2017	3,032,954,923
Times: Maximum Education Fund Extension	3.50%	106,153,422
Plus: Corporate and Personal Property Replacement Taxes (FY17 Estimate)		2,255,781
Subtotal:		108,409,203
Times:	85.00%	<u>92,147,823</u>
Less: Greater of Outstanding Working Cash Bonds or Working Cash Fund Balance		- 12,316,984
<u>Net Working Cash Fund Debt Limit</u>		<u>79,830,839</u>

LIMITED TAX (NON-REFERENDUM) DEBT

Summary of Outstanding Debt Service Tax Rate

Current

Tax Year	Equalized Assessed Value	EAV Change	Debt Service Extension Base	CPI Growth(1)	Non-Referendum Current DSEB D/S	B&I Tax Rate	Remaining DSEB Capacity
2018	3,032,954,923	0.00%	5,703,220	2.10%	6,198,675	0.204	(495,455)
2019	3,032,954,923	0.00%	5,811,581	1.90%	5,829,875	0.192	(18,294)
2020	3,032,954,923	0.00%	5,898,755	1.50%	5,547,075	0.183	351,680
2021	3,032,954,923	0.00%	5,987,237	1.50%	5,778,575	0.191	208,662
2022	3,032,954,923	0.00%	6,077,045	1.50%	5,974,813	0.197	102,232
2023	3,032,954,923	0.00%	6,168,201	1.50%	6,069,163	0.200	99,038
2024	3,032,954,923	0.00%	6,260,724	1.50%	6,106,038	0.201	154,686
2025	3,032,954,923	0.00%	6,354,635	1.50%	6,173,881	0.204	180,754
2026	3,032,954,923	0.00%	6,449,954	1.50%	6,235,794	0.206	214,160
2027	3,032,954,923	0.00%	6,546,703	1.50%	6,369,813	0.210	176,890
2028	3,032,954,923	0.00%	6,644,904	1.50%	6,412,063	0.211	232,841
2029	3,032,954,923	0.00%	6,744,578	1.50%	6,672,538	0.220	72,040
2030	3,032,954,923	0.00%	6,845,746	1.50%	6,821,125	0.225	24,621
2031	3,032,954,923	0.00%	6,948,432	1.50%	6,953,150	0.229	(4,718)
2032	3,032,954,923	0.00%	7,052,659	1.50%	7,100,000	0.234	(47,341)
2033	3,032,954,923	0.00%	7,158,449	1.50%	6,405,000	0.211	753,449
2034	3,032,954,923	0.00%	7,265,825	1.50%	7,075,000	0.233	190,825
2035	3,032,954,923	0.00%	7,374,813	1.50%	-	0.000	7,374,813
2036	3,032,954,923	0.00%	7,485,435	1.50%	-	0.000	7,485,435
2037	3,032,954,923	0.00%	7,597,717	1.50%	-	0.000	7,597,717
2038	3,032,954,923	0.00%	7,711,682	1.50%	-	0.000	7,711,682
2039	3,032,954,923	0.00%	7,827,358	1.50%	-	0.000	7,827,358
2040	3,032,954,923	0.00%	7,944,768	1.50%	-	0.000	7,944,768
					101,523,903		

(1) CPI is assumed to grow at 1.5% from LY 2020 on

- The District can issue bonds without a referendum to fund capital projects, if the debt service payments fit within the District’s Debt Service Extension Base (DSEB). DSEB grows with CPI annually.
- The types of limited bonds the District can issue include:

Working Cash Fund Bonds	Life Safety Bonds	Funding Bonds
<ul style="list-style-type: none"> ✓ Can be used either for capital or operating; ✓ requires a petition period and public hearing 	<ul style="list-style-type: none"> ✓ Proceeds must be used for life safety projects only which are approved by the Board of Education, State and Regional Superintendent of Schools; ✓ requires public hearing 	<ul style="list-style-type: none"> ✓ Can be used to refund debt obligations of the District such as lease or debt certificates; ✓ requires petition period and public hearing

- The District has approximately \$3.6M accumulated fund balance in the debt service fund
- The options show uses those funds to increase the bond proceeds by \$3M in each option
- Each option assumes bonds are issued in Sept 2019 along with the refunding of the Series 2011A bonds on a tax-exempt basis- this is needed to access room under the DSEB

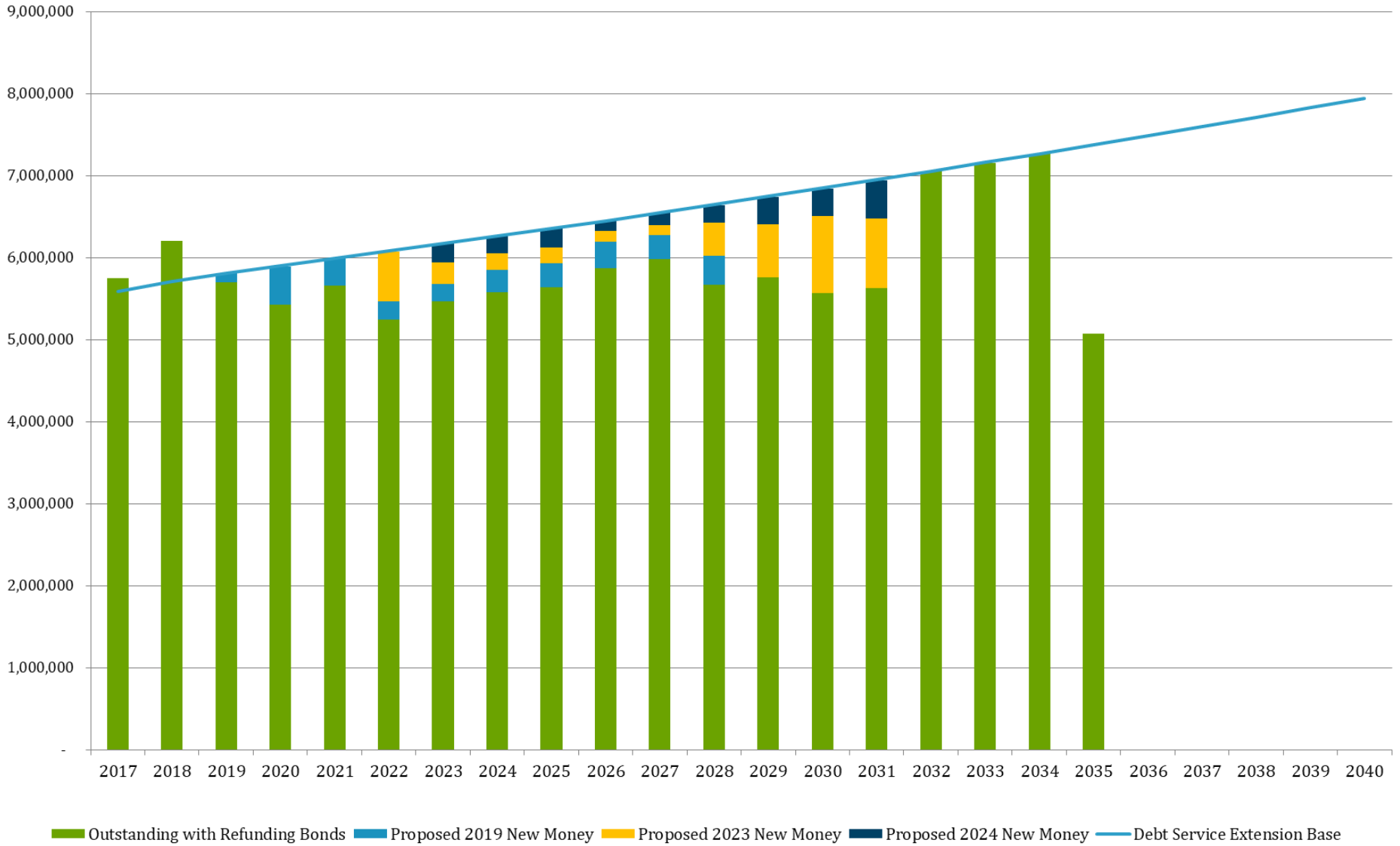
MULTI-PHASE FINANCING OPTION (REFUNDING AND NEW MONEY 2019 TO 2024)

Tax Year	Debt Service <i>Extension Base</i>	CPI <i>Growth (1)</i>	Proposed 2019 Financing				Proposed 2023 Financing				Proposed 2024 Financing			Non-Referendum Total DSEB D/S	Remaining DSEB Capacity	
			Non-Referendum Current DSEB D/S	LESS 2011A Refunded DSEB D/S	PLUS Proposed Refunding DSEB D/S	PLUS New Money DSEB D/S	LESS Funds on Hand	LESS 2013 Refunded DSEB D/S	PLUS Proposed Refunding DSEB D/S	PLUS New Money DSEB D/S	LESS Funds on Hand	LESS 2014 Refunded DSEB D/S	PLUS Proposed Refunding DSEB D/S			PLUS New Money DSEB D/S
			2017	5,585,916	2.10%	5,743,665										
2018	5,703,220	2.10%	6,198,675	(262,850)	262,850	2,999,967	(3,000,000)						6,198,642	(495,421)		
2019	5,811,581	1.90%	5,829,875	(1,010,700)	878,700	108,267							5,806,142	5,440		
2020	5,898,755	1.50%	5,547,075		1,175,200	472,800							5,893,775	4,980		
2021	5,987,237	1.50%	5,778,575	(1,479,500)	1,360,400	327,600							5,987,075	162		
2022	6,077,045	1.50%	5,974,813	(1,551,788)	1,427,000	227,600	(1,564,738)	954,925	608,300				6,076,113	932		
2023	6,168,201	1.50%	6,069,163	(1,522,788)	1,394,400	216,200	(1,829,575)	1,137,850	266,400		213,700	222,700	6,168,051	150		
2024	6,260,724	1.50%	6,106,038	(1,387,913)	1,261,400	275,000	(1,817,575)	1,129,600	200,400		285,600	207,800	6,260,351	373		
2025	6,354,635	1.50%	6,173,881	(1,456,756)	1,332,000	291,200	(1,849,675)	1,150,900	196,800		285,600	227,200	6,351,150	3,485		
2026	6,449,954	1.50%	6,235,794	(1,430,569)	1,303,200	331,400	(1,289,425)	760,850	123,200		285,600	125,600	6,445,650	4,304		
2027	6,546,703	1.50%	6,369,813	(1,503,288)	1,378,800	299,600	(1,363,425)	811,750	117,400		285,600	147,800	6,544,051	2,653		
2028	6,644,904	1.50%	6,412,063	(1,468,888)	1,344,600	353,600	(1,361,175)	810,700	406,800		(600,000)	525,600	6,642,301	2,603		
2029	6,744,578	1.50%	6,672,538	(1,433,363)	1,294,800		(1,349,175)	1,164,200	649,600		(2,330,000)	1,736,000	6,741,801	2,777		
2030	6,845,746	1.50%	6,821,125				(1,161,125)	956,600	937,200		(3,830,000)	2,782,600	6,841,800	3,946		
2031	6,948,432	1.50%	6,953,150				(1,128,150)	939,400	842,400		(4,125,000)	2,990,000	6,945,000	3,432		
2032	7,052,659	1.50%	7,100,000					177,050		(225,000)			7,052,050	609		
2033	7,158,449	1.50%	6,405,000					751,900					7,156,900	1,549		
2034	7,265,825	1.50%	7,075,000					384,500		(195,000)			7,264,500	1,325		
2035	7,374,813	1.50%	-					5,067,600					5,067,600	2,307,213		
2036	7,485,435	1.50%	-										-	7,485,435		
2037	7,597,717	1.50%	-										-	7,597,717		
2038	7,711,682	1.50%	-										-	7,711,682		
2039	7,827,358	1.50%	-										-	7,827,358		
2040	7,944,768	1.50%	-										-	7,944,768		
			124,623,963	(15,809,700)	14,413,350	5,903,233	(3,000,000)	(14,714,038)	16,197,825	4,348,500	(420,000)	(10,885,000)	9,390,300	2,295,900	132,344,334	
All in True Interest Cost:				2.76%	3.19%			3.41%	3.09%			3.00%	3.02%			
Total Interest Cost:					713,233	12.1%			898,500	20.7%			515,900	22.5%		
			NPV Savings	Proceeds	Interest to Total D/S Ratio		NPV Savings	Proceeds	Interest to Total D/S Ratio		NPV Savings	Proceeds	Interest to Total D/S Ratio			
			1,201,488	5,416,866			115,645	3,569,414			1,046,075	1,991,031				
												10,977,310	TOTAL PROCEEDS			
												2,363,208	TOTAL PV SAVINGS			

(1) CPI is assumed to grow at 1.50% from LY 2020 on

(2) Rates used are based on AA-rated similar transactions over MMD Index as of April 2, 2019. Proposed Series 2019 has 0.25% cushion and Series 2023 and 2024 include +0.50% cushion.

MULTI-PHASE FINANCING OPTION (REFUNDING AND NEW MONEY 2019 TO 2024)



DATE	ACTIVITY	RESPONSIBLE PARTY	BOARD ACTION	STATUS
Finance Committee Meeting Monday, April 8, 2019	Discuss Refunding and New Money Working Cash Financing Plan and Proposed Financing Schedule	District/RJ		Done
Monday, April 15, 2019	Receive Resolution of Intent authorizing the issue working cash fund bonds for board packets	C&C		Done
Regular Meeting Monday, April 22, 2019	Review Financing Plan Presentation Board approves Resolution of Intent authorizing the issue of working cash fund bonds Board President approves order calling a public hearing for May 20th public meeting	District/RJ	Action Item; Roll Call Vote	
Wednesday, April 24, 2019	Publication of Notice of Intent in Local Newspaper	RJ		
Wednesday, April 24, 2019	Publication of Notice of Public Hearing	RJ		
Thursday, May 16, 2019	District Posts Notice of Public Hearing on website and at District Office	District		
Regular Meeting Monday, May 20, 2019	Public Hearing on Issue of Bonds	District	Action Item; Roll Call Vote	
Friday, May 24, 2019	Petition Period ends	District		
Thursday, August 1, 2019	Distribute Draft Preliminary Official Statement	C&C/RJ		
Thursday, August 8, 2019	Receive comments on Preliminary Official Statement	ALL		
Friday, August 9, 2019	Review Rating Agency Presentation	District/RJ		
Wednesday, August 14, 2019	Rating Agency Meeting/Conference Call Moody's Investor Services	District/RJ		
Regular Meeting Monday, August 19, 2019	Approve parameters bond resolution authorizing the sale of bonds with final approval from Board Delegates	RJ	Action Item; Roll Call Vote	
Wednesday, August 21, 2019	Receive Bond Rating/Due Diligence Call on Preliminary Official Statement	ALL		
Friday, August 30, 2019	Mail final Preliminary Official Statement to investors	RJ		
Early Mid September	Sale of bonds with approval of Board Delegates assuming appropriate market conditions	District/RJ		
Ongoing	Process bond documents	ALL		
Thursday, October 3, 2019	Close bond issue	ALL		
Regular Meeting Monday, October 21, 2019	Board approves resolution abating \$5.3M Bond proceeds from Working Cash Fund to O&M Fund/Capital Projects	District/RJ		

RESPONSIBLE PARTIES	
Chapman and Cutler, Bond/Disclosure Counsel	C&C
Evanston CCSD 65, Issuer	District
Raymond James, Financial Advisor	RJ

*Preliminary, subject to change.

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The analysis or information presented herein is based upon hypothetical projections and/or past performance that have certain limitations. No representation is made that it is accurate or complete or that any results indicated will be achieved. In no way is past performance indicative of future results. Changes to any prices, levels, or assumptions contained herein may have a material impact on results. Any estimates or assumptions contained herein represent our best judgment as of the date indicated and are subject to change without notice. Examples are merely representative and are not meant to be all-inclusive.

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