

Park Ridge-Niles School District 64, Cook County, Illinois

June 27, 2013

Financing Options

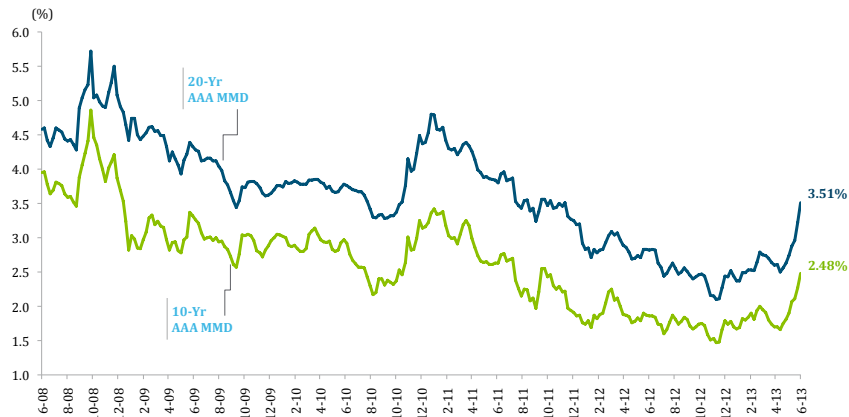
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Market Overview

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Historical AAA MMD Interest Rates

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



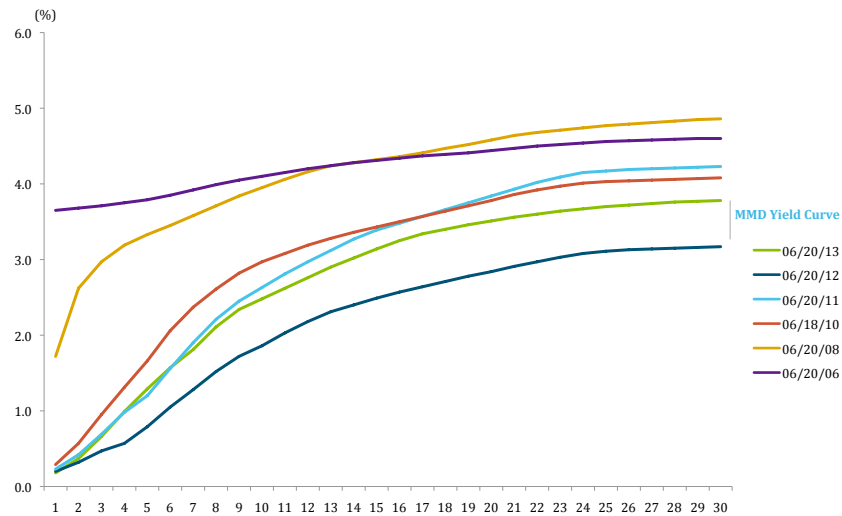
Note: Reflects market conditions as of June 20, 2013
Source: Thomson Financial

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Municipal Yield Curve Comparison

AAA MMD Curves During the Past Seven Years

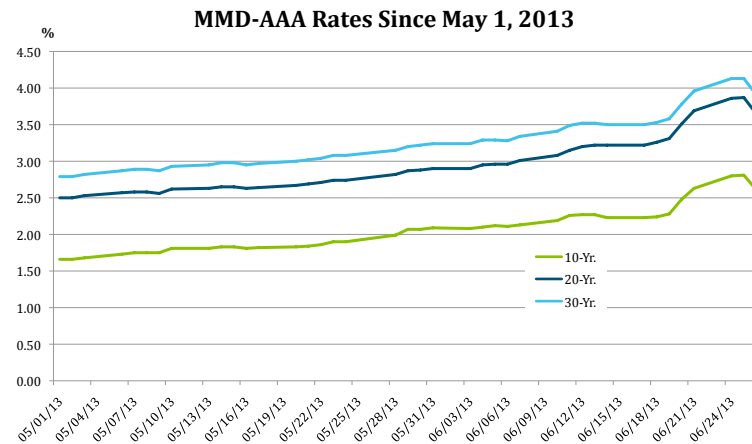


Note: Reflects market conditions as of June 20, 2013
Source: Thomson Financial

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MMD-AAA Rate Slide Since May 1, 2013

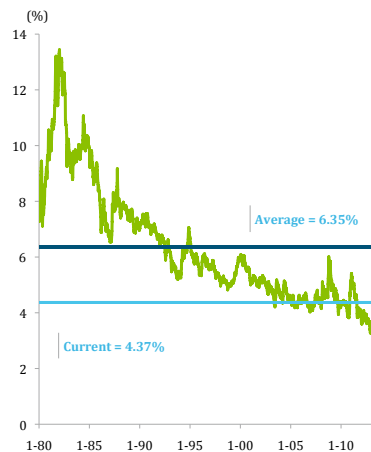


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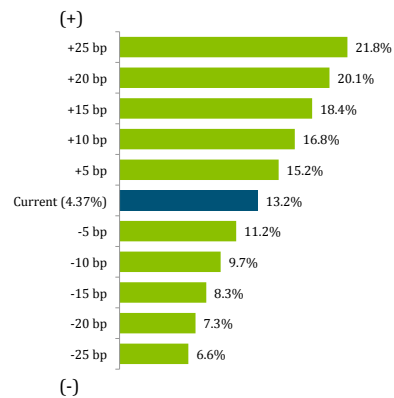
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Municipal G.O. Interest Rates at Historical Lows

Historical BBI-20 Index¹



Percentage of Time BBI-20 Has Been At or Below Specified Level Since 1980



(1) Reflects market conditions as of June 20, 2013, the 20-year Bond-Buyer Index (BBI-20) is based on the average yields of 20-year bonds issued by 20 different general obligation bond issuers; these issuers are all rated Aa2 by Moody's
Source: Bloomberg Information Systems

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Outstanding Bonds and Financing Options

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Outstanding Bonds

Dated	December 1, 2008				November 1, 2001				
Issue	G.O. REFUNDING SCHOOL BONDS				G.O. SCHOOL BONDS				
Series	2008				2001				
Original Par	\$2,555,000				\$17,065,000				
Earliest Call	NON-CALLABLE				NON-CALLABLE				
Maturity	December 1,				December 1,				
Credit Ratings (Moody/S&P/Fitch)									
	Fiscal Year Ending June 30,								
	2013	305,000	4.000%	65,100	370,100	1,855,000	5.500%	562,788	2,417,788
	2014	315,000	4.000%	52,700	367,700	1,960,000	5.500%	457,875	2,417,875
	2015	370,000	4.000%	39,000	409,000	2,320,000	5.500%	340,175	2,660,175
	2016	385,000	4.000%	23,900	408,900	2,445,000	5.500%	209,138	2,654,138
	2017	405,000	4.000%	8,100	413,100	2,580,000	5.500%	70,950	2,650,950
	Total	1,780,000		188,800	1,968,800	11,160,000		1,640,925	12,800,925
Callable	\$0				\$0				
Non-Callable	\$1,780,000				\$11,160,000				
Total Outstanding	\$1,780,000				\$11,160,000				
Purpose/ Notes	REFUNDING OF SERIES 1997 BONDS				REFUNDING OF SERIES 1997 BONDS				
Underwriter	William Blair & Company				William Blair & Company				
Bond Counsel	Chapman and Cutler				Chapman and Cutler				

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Non-Referendum Limited Bonds

- The District can issue bonds without a referendum to fund this plan, if the debt service payments fit within the District's Debt Service Extension Base. This amount *increases* with CPI annually.
- The types of limited bonds the District can issue include:

Working Cash Fund Bonds	Life Safety Bonds	Funding Bonds
✓ Can be used either for capital or operating; requires a petition period and public hearing	✓ Proceeds must be used for life safety projects only which are approved by the State and Regional Superintendent of Schools; requires public hearing	✓ Can be used to refund debt obligations of the District such as lease or debt certificates; requires petition period and public hearing

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Proposed Projects

- The District is considering several capital projects at Field School for summer of 2014 estimated to cost \$8.2M.
- The District can issue limited tax working cash or life safety bonds for these projects.
- The following options assume the bonds are sold in March of 2014 and uses today's interest rates for "Aa" rated bond issues.
- In order to keep the debt payments and tax rate stable, a small amount of outstanding bonds are restructured.

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Outstanding Debt Service

Calendar Year	Levy Year	Equalized Assessed Valuation	% Change	Debt Service Extension Base (1994 Levy)	CPI % Increase in DSEB	Remaining Debt Base Available	Outstanding Referendum Debt Service	Total Tax Rate
2012	2011	1,843,115,448	-8.6%	1,836,201	1.5%		2,845,000	0.15
2013	2012	1,705,216,205	-7.5%	1,891,287	3.0%	1,891,287	2,845,775	0.17
2014	2013	1,705,216,205	0.0%	1,923,439	1.7%	1,923,439	3,140,375	0.18
2015	2014	1,705,216,205	0.0%	1,952,291	1.5%	1,952,291	3,137,975	0.18
2016	2015	1,705,216,205	0.0%	1,981,575	1.5%	1,981,575	3,143,100	0.18
2017	2016	1,739,320,529	2.0%	2,011,299	1.5%	2,011,299		
2018	2017	1,739,320,529	0.0%	2,041,468	1.5%	2,041,468		
2019	2018	1,739,320,529	0.0%	2,072,090	1.5%	2,072,090		
2020	2019	1,774,106,940	2.0%	2,103,172	1.5%	2,103,172		
2021	2020	1,774,106,940	0.0%	2,134,719	1.5%	2,134,719		
2022	2021	1,774,106,940	0.0%	2,166,740	1.5%	2,166,740		
2023	2022	1,809,589,078	2.0%	2,199,241	1.5%	2,199,241		
2024	2023	1,809,589,078	0.0%	2,232,230	1.5%	2,232,230		
2025	2024	1,809,589,078	0.0%	2,265,713	1.5%	2,265,713		
2026	2025	1,845,780,860	2.0%	2,299,699	1.5%	2,299,699		
2027	2026	1,845,780,860	0.0%	2,334,194	1.5%	2,334,194		
2028	2027	1,845,780,860	0.0%	2,369,207	1.5%	2,369,207		
2029	2028	1,882,696,477	2.0%	2,404,745	1.5%	2,404,745		
2030	2029	1,882,696,477	0.0%	2,440,817	1.5%	2,440,817		
Total							\$12,267,225	

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Proposed \$8.2M Limited Tax Working Cash Fund Bonds- No Tax Increase

								Less: Restructured	Proposed \$8.2M				
Bond Year	Tax Year	Equalized Assessed Valuation	% Change	Debt Service Extension Base (1994 Levy)	CPI % Increase in DSEB	Referendum Outstanding Debt Service	Current Tax Rate for Debt Service	Referendum Series 2001 Debt Service	Plus Restructuring Series 2014 Debt Service	Remaining Debt Base Available	Proposed Total Debt Service	Proposed Tax Rate	
2012	2011	1,843,115,448	-8.6%	1,836,201	1.5%	2,845,000	0.15				1,836,201	2,845,000	0.15
2013	2012	1,705,216,205	-7.5%	1,891,287	3.0%	2,845,775	0.17				1,891,287	2,845,775	0.17
2014	2013	1,705,216,205	0.0%	1,923,439	1.7%	3,140,375	0.18	(243,725)	238,721		1,440,993	3,135,371	0.18
2015	2014	1,705,216,205	0.0%	1,952,291	1.5%	3,137,975	0.18	(322,725)	318,295		1,311,271	3,133,545	0.18
2016	2015	1,705,216,205	0.0%	1,981,575	1.5%	3,143,100	0.18	(321,775)	318,295		1,341,506	3,139,620	0.18
2017	2016	1,739,320,529	2.0%	2,011,299	1.5%			0	2,008,295	3,004	2,008,295	0.12	
2018	2017	1,739,320,529	0.0%	2,041,468	1.5%				2,036,600	4,868	2,036,600	0.12	
2019	2018	1,739,320,529	0.0%	2,072,090	1.5%				2,071,000	1,090	2,071,000	0.12	
2020	2019	1,774,106,940	2.0%	2,103,172	1.5%				2,101,200	1,972	2,101,200	0.12	
2021	2020	1,774,106,940	0.0%	2,134,719	1.5%				1,227,200	907,519	1,227,200	0.07	
2022	2021	1,774,106,940	0.0%	2,166,740	1.5%					2,166,740	0	0.00	
2023	2022	1,827,330,148	3.0%	2,199,241	1.5%					2,199,241	0	0.00	
2024	2023	1,827,330,148	0.0%	2,232,230	1.5%					2,232,230	0	0.00	
2025	2024	1,827,330,148	0.0%	2,265,713	1.5%					2,265,713	0	0.00	
2026	2025	1,882,150,052	3.0%	2,299,699	1.5%					2,299,699	0	0.00	
2027	2026	1,882,150,052	0.0%	2,334,194	1.5%					2,334,194	0	0.00	
2028	2027	1,882,150,052	0.0%	2,369,207	1.5%					2,369,207	0	0.00	
2029	2028	1,938,614,554	3.0%	2,404,745	1.5%					2,404,745	0	0.00	
2030	2029	1,938,614,554	0.0%	2,440,817	1.5%					2,440,817	0	0.00	
2031	2030	1,938,614,554	0.0%	2,477,429	1.5%					2,477,429	0	0.00	
Total						\$12,267,225		(\$888,225)	\$10,319,604		\$21,698,604		

All-In TIC: 2.458%

(1) \$400,000 market value home is multiplied by residential assessment (10%) times the multiplier of 2.97 less 6,000 minimum homeowner deduction, times the rate increase per \$100 of equalized assessed valuation.

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\$25M Maximum Over 20 Years-No Tax Increase

						Less: Restructuring		Proposed \$25M						
Bond Year	Tax Year	Equalized Assessed Valuation	% Change	Debt Service Extension Base (1994 Levy)	CPI % Increase in DSEB	Referendum Outstanding Debt Service	Current Tax Rate for Debt Service	Referendum Series 2014 Debt Service	Plus Restructured Series 2014 Debt Service	Remaining Debt Base Available	Proposed Total Debt Service	Total Tax Rate	Impact on \$400,000 Mkt Value Home(1)	
2012	2011	1,843,115,448	-8.6%	1,836,201	1.5%	2,845,000	0.15			1,836,201	2,845,000	0.15	\$174.12	
2013	2012	1,705,216,205	-7.5%	1,891,287	3.0%	2,845,775	0.17			1,891,287	2,845,775	0.17	\$188.25	
2014	2013	1,705,216,205	0.0%	1,923,439	1.7%	3,140,375	0.18	(835,700)	830,833	1,928,307	3,135,508	0.18	\$207.41	
2015	2014	1,705,216,205	0.0%	1,952,291	1.5%	3,137,975	0.18	(1,113,025)	1,107,777	1,957,539	3,132,727	0.18	\$207.23	
2016	2015	1,705,216,205	0.0%	1,981,575	1.5%	3,143,100	0.18	(1,113,025)	1,107,777	1,986,823	3,137,852	0.18	\$207.57	
2017	2016	1,739,320,529	2.0%	2,011,299	1.5%					2,007,777	3,522	2,007,777	0.12	\$130.21
2018	2017	1,739,320,529	0.0%	2,041,468	1.5%					2,040,767	701	2,040,767	0.12	\$132.35
2019	2018	1,739,320,529	0.0%	2,072,090	1.5%					2,069,582	2,508	2,069,582	0.12	\$134.22
2020	2019	1,774,106,940	2.0%	2,103,172	1.5%					2,100,782	2,390	2,100,782	0.12	\$133.57
2021	2020	1,774,106,940	0.0%	2,134,719	1.5%					2,132,050	2,669	2,132,050	0.12	\$135.56
2022	2021	1,774,106,940	0.0%	2,166,740	1.5%					2,162,050	4,690	2,162,050	0.12	\$137.47
2023	2022	1,827,330,148	3.0%	2,199,241	1.5%					2,199,050	191	2,199,050	0.12	\$135.75
2024	2023	1,827,330,148	0.0%	2,232,230	1.5%					2,227,650	4,580	2,227,650	0.12	\$137.51
2025	2024	1,827,330,148	0.0%	2,265,713	1.5%					2,263,050	2,663	2,263,050	0.12	\$139.70
2026	2025	1,882,150,052	3.0%	2,299,699	1.5%					2,294,850	4,849	2,294,850	0.12	\$137.53
2027	2026	1,882,150,052	0.0%	2,334,194	1.5%					2,333,050	1,144	2,333,050	0.12	\$139.82
2028	2027	1,882,150,052	0.0%	2,369,207	1.5%					2,367,250	1,957	2,367,250	0.13	\$141.87
2029	2028	1,938,614,554	3.0%	2,404,745	1.5%					2,400,000	4,745	2,400,000	0.12	\$139.65
2030	2029	1,938,614,554	0.0%	2,440,817	1.5%					2,436,750	4,067	2,436,750	0.13	\$141.78
2031	2030	1,938,614,554	0.0%	2,477,429	1.5%					2,477,000	429	2,477,000	0.13	\$144.13
2032	2031	1,996,772,990	3.0%	2,514,590	1.5%					2,510,250	4,340	2,510,250	0.13	\$141.81
2033	2032	1,996,772,990	0.0%	2,552,309	1.5%					2,551,500	809	2,551,500	0.13	\$144.14
Total						\$12,267,225		(\$3,061,750)	\$41,619,795		\$50,825,270			
All-In TIC: 3.735%														
(1) \$400,000 market value home is multiplied by residential assessment (10%) times the multiplier of 2.97 less \$6,000 minimum homeowner deduction, times the rate increase per \$100 of equalized assessed valuation.														

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Rating Comparisons

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Moody's Ratios for "Aaa" Rated School Districts

	Glenview D34	Wilmette D39	Park Ridge Niles D64	Des Plaines D62	Arlington Heights D25	Moody's Median
Moody's Standard & Poor's	Aaa	Aaa	Aa2-Positive AA	AA+	Aaa	Aaa
Total GF Revenues	64,580,381	59,702,157	71,515,109	79,279,452	62,520,383	
GF Balance as % of Revenues	49.68%	51.34%	50.78%	111.84%	85.37%	32.40%
Direct Debt	16,430,000	14,900,000	10,780,000	103,851,323	5,120,000	
Direct Debt as % of Full Value	0.28%	0.28%	0.19%	1.77%	0.09%	0.60%
Direct Debt Per Capita	\$410	\$570	\$268	\$2,000	\$102	\$582
All Debt-Direct and Overlapping	176,564,436	197,217,952	145,836,824	215,991,480	146,704,033	
Debt Burden (Direct and Overlapping as % of FV)	3.05%	3.73%	2.64%	3.71%	2.57%	2.30%

Source: FY 2012 Audit

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Rating Definitions

Moody's and Standard and Poor's Rating Definitions

	STANDARD MOODY'S & POORS		BOND CREDIT RATING CATEGORY COMMENTS
	MOODY'S	STANDARD & POORS	
Investment Grade	Aaa	AAA	Extremely strong capacity to meet financial obligations
	Aa1	AA+	Very strong capacity to meet obligations
	Aa2	AA	
	Aa3	AA -	
	A1	A+	Strong financial capacity but susceptible to adversity
	A2	A	
	A3	A -	
	Baa1	BBB+	Adequate financial capacity but adverse conditions will lead to weakness
	Baa2	BBB	
	Baa3	BBB -	
Non-Investment Grade	Ba1	BB+	More prone to changes in the economy
	Ba2	BB	
	Ba3	BB -	
	B1	B+	Significant speculative characteristics
	B2	B	
	B3	B -	
	Caa1	CCC+	Bonds that are of poor standing and currently vulnerable to poor economic conditions
	Caa2	CCC	
	Caa3	CCC -	
	Ca1	CC+	Highly speculative bonds and highly vulnerable
	Ca2	CC	
	Ca3	CC -	
	C1	C+	The lowest rated class of bonds and perhaps in bankruptcy or in arrears
	C2	C	
	C3	C -	
		D	Default

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Notice and Disclaimer

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The opinions expressed are our own unless otherwise stated.

Per Rule G-23 we are providing the information contained in this proposal for discussion purposes in anticipation of serving as an underwriter. In our capacity as underwriter, our primary role will be to purchase the Bonds as a principal in a commercial, arms' length transaction and we will have financial and other interests that differ from yours. We will not be acting as a municipal advisor, financial advisor or fiduciary.

Additional information is available upon request.

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