



A Presentation to :

Northfield Township High School District Number 225

William Blair & Company[®]

Financing Update

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Special Board Meeting January 8, 2007



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Market Update

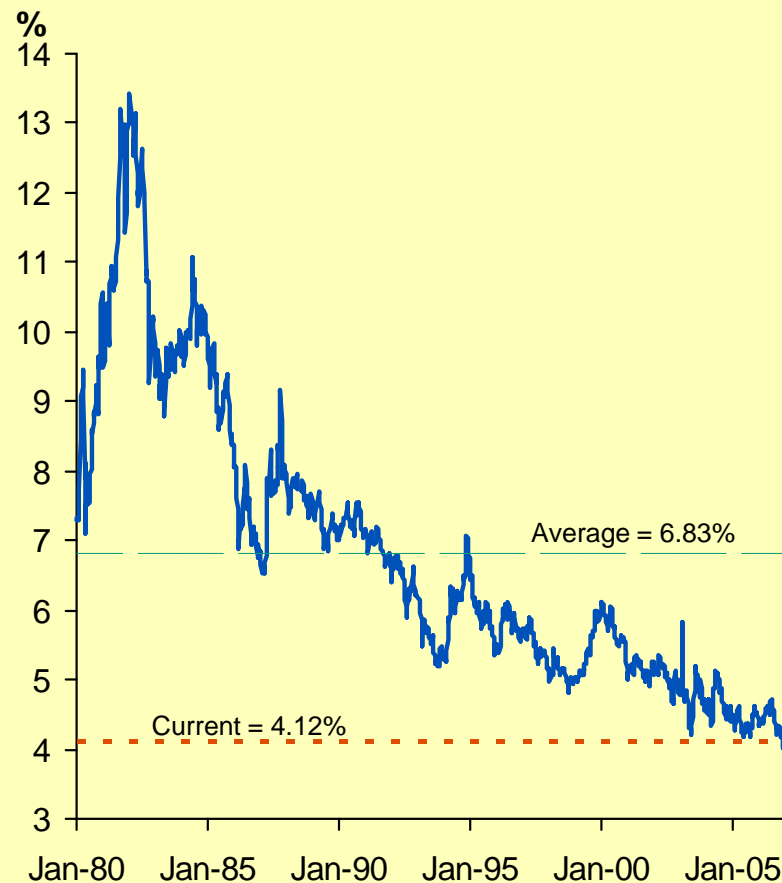
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Market Commentary-December 21, 2006

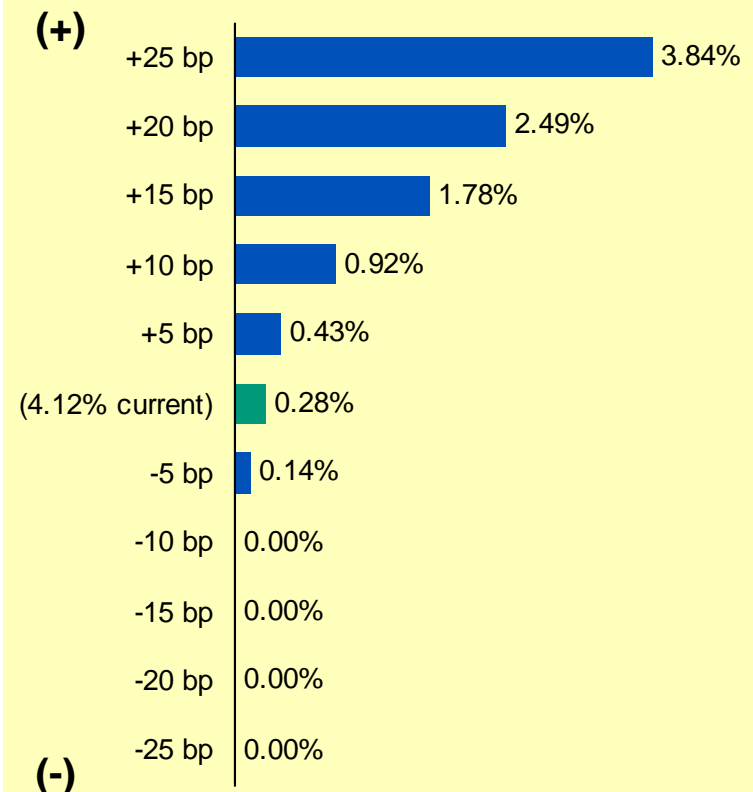
- ◆ *Medium/Long-Term Rates:* The BBI-20 was unchanged at 4.12%, 9 bps above its 30-year low (4.03% on 12/7/06). The 20-year AAA MMD decreased 1 bps to 3.92%, 11 bps above its 30-year low (3.81% on 12/5/06). The 10-year Treasury decreased 1 bp to 4.59%.
- ◆ *Short-term Rates:* The BMA Index reset at 3.89%, a 30 bps increase from the previous week. This increase reflects the annual run-up in the BMA Index due to supply and demand factors. The 1-month LIBOR Index reset at 5.35%, its level from the previous week.

Municipal G.O. Interest Rates At Historic Lows

Historic BBI-20 Index¹



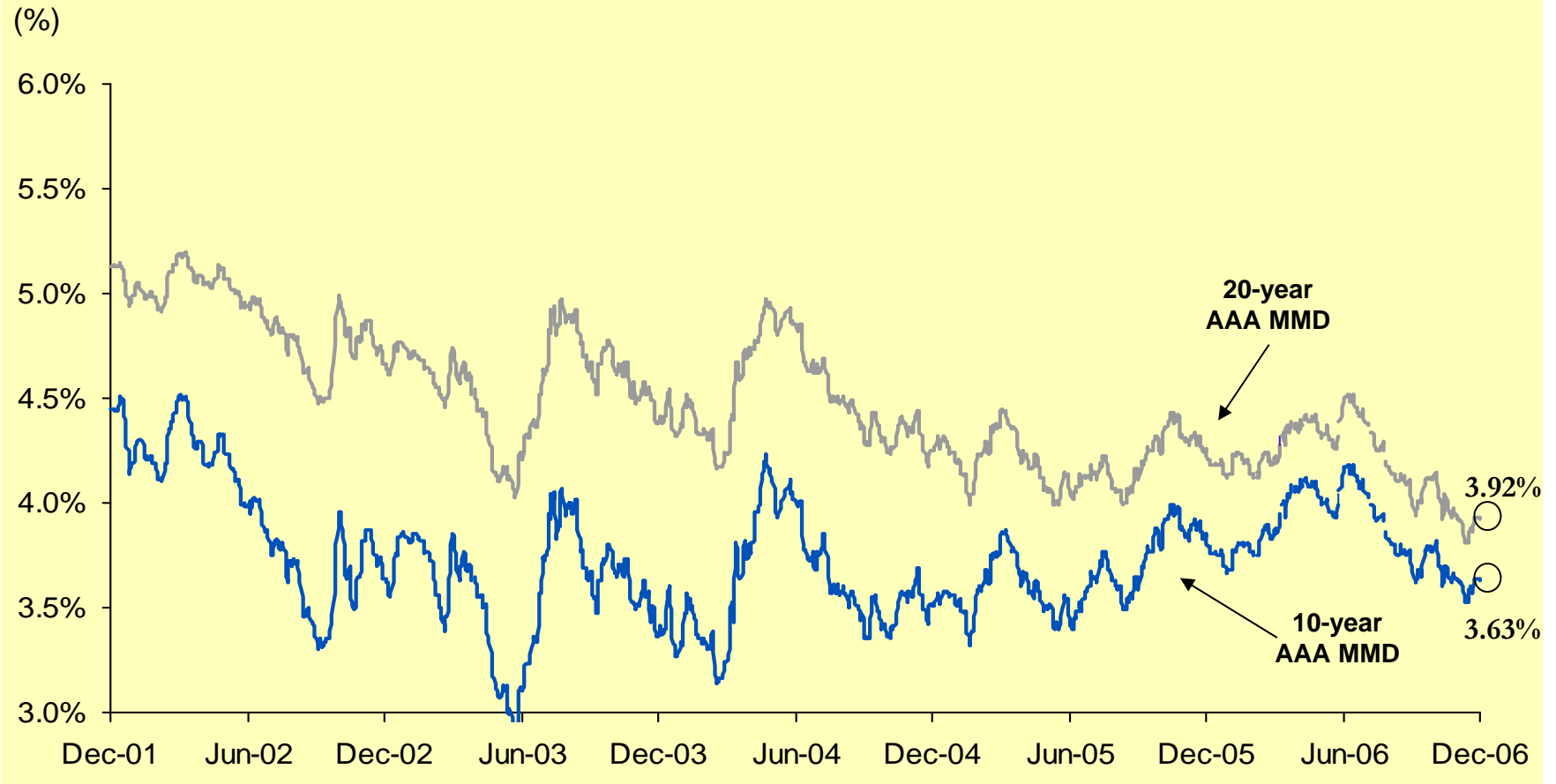
Percentage of time BBI-20 has been at or below specified level since 1980



¹ Reflects market conditions as of December 21, 2006; 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 A1 by Moody's
Source: Bloomberg Information Systems

Historic AAA MMD Interest Rates

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

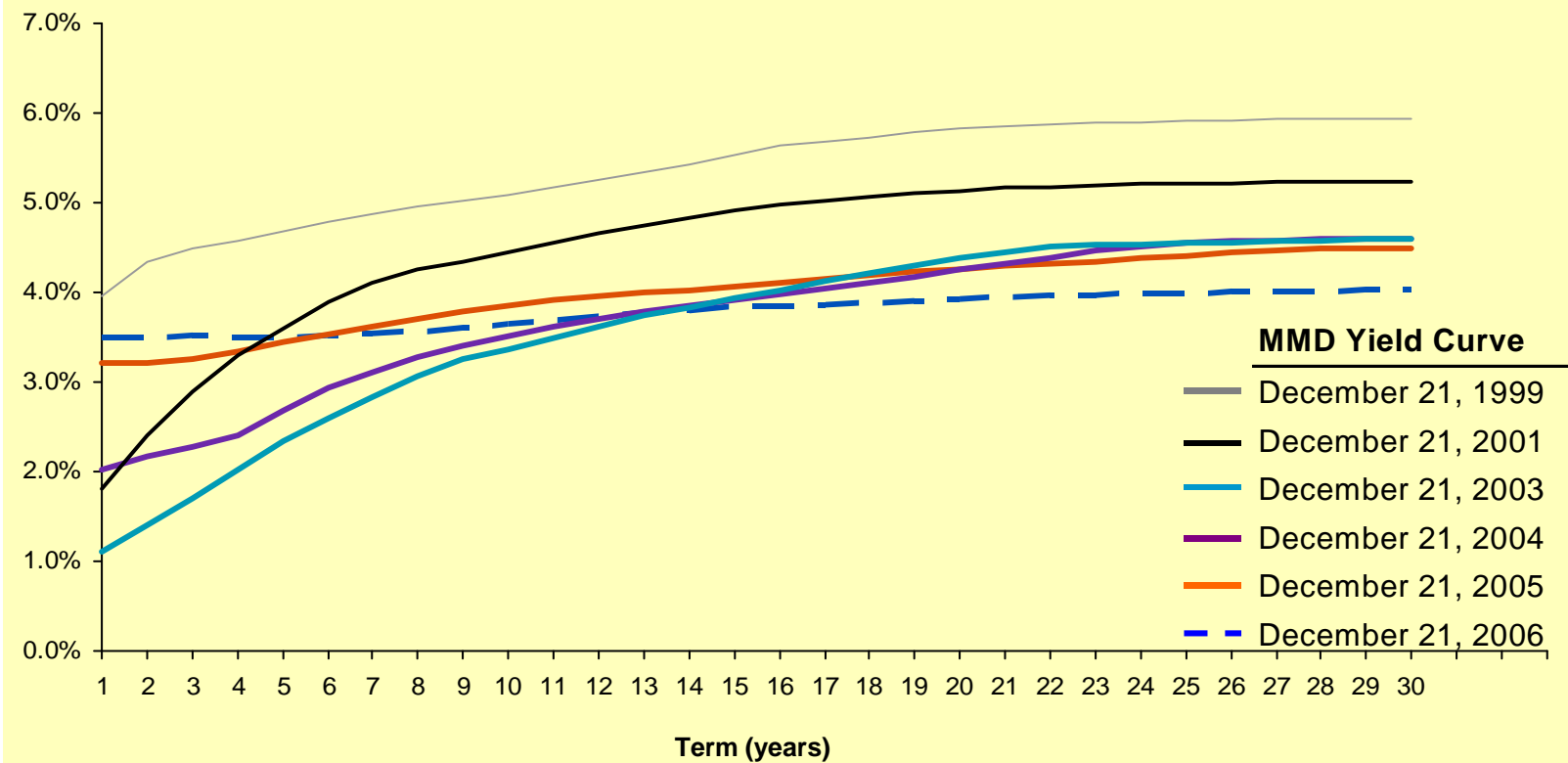


Note: Reflects market conditions as of December 21, 2006

Source: Thomson Financial

Municipal Yield Curve Comparison

AAA MMD curves during the past 7 years



Note: Reflects market conditions as of December 21, 2006
Source: Thomson Financial



Financing Plan Update

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Financing Plan

- ◆ Voters of District 225 approved a \$94 million referendum on November 7, 2006.
- ◆ The financing plan addresses both operational and facility needs for the next 10 years.
- ◆ Operational needs are addressed by refunding \$21M of alternate bonds currently being paid from the general operating funds of the District and paying for capital facility needs that would otherwise be paid from general operating funds.
- ◆ Capital needs are addressed by \$73M of improvements for both the Glenbrook North and Glenbrook South campuses as well as district-wide capital needs including life safety.
- ◆ The bonds are structured with a level tax rate/level debt service structure. The tax rate increase anticipated from the issue of the bonds is .085 per \$100 of EAV or \$120 on a \$548,472 sale value home.
- ◆ The majority of the bonds including the refunding (\$69M) are proposed to be issued as soon as possible for the following reasons:
 - Low interest rate environment, long term rates are at 30 year low levels (see market update);
 - Ability to meet the 24 month spending exception to arbitrage rebate;
 - Increase time factor results in increased interest earnings.
 - Ability to access the 2006 bond and interest tax levy.
- ◆ \$15M are proposed to be issued in January, 2008 (calendar 2008) in order to meet the small issuer exception from arbitrage rebate.
- ◆ \$10M are proposed to be issued in October of 2011 to address capital needs 2011 through 2016.

Financing Plan B

Financing Plan B

Total Par Amount Approved (millions)	94,000,000
January, 2007	
Tax-Exempt Refunding	3,335,000
Taxable Refunding	18,665,000
New Money	47,000,000
Total Calendar Year 2007	69,000,000
January, 2008	
New Money	15,000,000
October, 2011	
New Money	10,000,000

Financing Plan B

Levy Year	Equalized Assessed Valuation	Increase	Non-Referendum Debt Service ¹	Jan 2007-Refund ARS Bonds Taxable Basis	Jan 2007-Refund ARS Bonds Tax-Exempt Basis	Jan 2007-New Money Proceeds \$47,000,000	Jan 2008- New Money Proceeds \$15,000,000	2011 New Money Proceeds \$10,000,000	Total Referendum Debt Service	Total Debt Service	B&I Tax Rate	B&I Tax Rate Increase Over 2005	Impact on \$548,472 Market Value Home
2004	4,683,211,000	17.86%	2,032,910							2,032,910	0.043		
2005	5,122,282,709	9.38%	2,032,910							2,032,910	0.040		
2006	5,224,728,363	2.00%	2,027,910	\$2,956,843	\$136,068	\$1,368,999			\$4,461,910	\$6,489,820	0.124	0.085	\$ 120
2007	5,538,212,065	6.00%	2,030,898	2,522,631	156,500	1,574,568	\$568,219		4,821,918	6,852,815	0.124		
2008	5,648,976,306	2.00%	2,034,410	2,653,944	156,500	1,574,568	619,875		5,004,886	7,039,296	0.125		
2009	5,761,955,832	2.00%	2,034,360	2,798,431	156,500	1,574,568	619,875		5,149,374	7,183,734	0.125		
2010	6,107,673,182	6.00%	2,030,748	3,229,750	156,500	1,574,568	619,875		5,580,693	7,611,440	0.125		
2011	6,229,826,646	2.00%	2,032,535	2,931,775	156,500	1,574,568	619,875	\$450,063	5,732,780	7,765,315	0.125		
2012	6,354,423,179	2.00%	2,029,275	3,092,131	156,500	1,574,568	619,875	450,063	5,893,136	7,922,411	0.125		
2013	6,735,688,570	6.00%	2,032,715	2,776,631	941,500	1,574,568	619,875	450,063	6,362,636	8,395,351	0.125		
2014	6,870,402,341	2.00%	2,031,440		2,462,250	2,999,568	619,875	450,063	6,531,755	8,563,195	0.125		
2015	7,007,810,388	2.00%	2,035,000			5,628,318	619,875	450,063	6,698,255	8,733,255	0.125		
2016	7,428,279,011	6.00%	2,035,000			6,157,068	619,875	450,063	7,227,005	9,262,005	0.125		
2017	7,576,844,591	2.00%	2,035,000			6,337,668	619,875	450,063	7,407,605	9,442,605	0.125		
2018	7,728,381,483	2.00%	2,035,000			6,530,180	619,875	450,063	7,600,118	9,635,118	0.125		
2019	8,876,430,106	6.00%	2,035,000			7,925,055	619,875	450,063	8,994,993	11,029,993	0.124		
2020	9,053,958,708	2.00%	2,035,000			7,926,800	619,875	450,063	8,996,738	11,031,738	0.122		
2021	9,235,037,882	2.00%	2,035,000			7,930,000	619,875	450,063	8,999,938	11,034,938	0.119		
2022	9,789,140,155	6.00%	2,035,000			7,930,000	619,875	450,063	8,999,938	11,034,938	0.113		
2023	9,984,922,959	2.00%	2,035,000			7,650,000	619,875	730,063	8,999,938	11,034,938	0.111		
2024	10,184,621,418	2.00%	2,035,000				7,999,875	996,763	8,996,638	11,031,638	0.108		
2025	10,795,698,703	6.00%	2,035,000				7,998,925	995,163	8,994,088	11,029,088	0.102		
2026	11,011,612,677	2.00%	2,035,000				1,321,925	7,672,375	8,994,300	11,029,300	0.100		
2027	11,231,844,930	2.00%	2,035,000					2,314,975	2,314,975	4,349,975	0.039		
2028	11,905,755,626	6.00%	2,035,000							2,035,000	0.017		
2029	12,143,870,739	2.00%	2,035,000							2,035,000	0.017		
2030	12,386,748,153	2.00%	2,035,000							2,035,000	0.016		
Total:				\$22,962,137	\$4,478,818	\$79,405,626	\$27,806,944	\$18,110,088	\$152,763,612				

(1) Market value home (335,000 on Cook County tax bill) multiplied times tax rate increase per \$100 times

16% time 2.732 2005 multiplier less 5,000 homeowner maximum deduction.

Glen development TIF comes onto tax rolls - \$500,000,000 of EAV.

Savings from Refunding Bonds, Updated January 3, 2007

Levy Year	Refunded Series	Refunded		New Series 2006	Total Savings
	2000C Bonds Debt Service	Series 2003 Bonds Debt Service	Total Refunded Debt Service	Refunding Debt Service	
2007	\$679,175	\$903,375	\$1,582,550	3,067,668	(1,485,118)
2008	778,925	907,838	1,686,763	2,718,940	(1,032,178)
2009	877,425	907,088	1,784,513	2,855,280	(1,070,768)
2010	1,450,625	906,233	2,356,858	2,994,920	(638,063)
2011		2,480,273	2,480,273	3,427,080	(946,808)
2012		2,474,400	2,474,400	3,130,900	(656,500)
2013		2,475,900	2,475,900	3,287,780	(811,880)
2014		2,468,150	2,468,150	3,759,580	(1,291,430)
2015		2,462,456	2,462,456	2,331,000	131,456
2016		2,460,956	2,460,956	-	2,460,956
2017		2,453,725	2,453,725	-	2,453,725
2018		2,451,119	2,451,119	-	2,451,119
2019		2,447,600	2,447,600	-	2,447,600
	\$3,786,150	\$25,799,111	\$29,585,261	\$27,573,148	\$2,012,114

Debt Structure Commentary

- ◆ Interest rates have increased between .05% and .10% since December 11th, increasing the cost of the debt structure slightly.
- ◆ The current structure shows some of the Series 2011 bonds, projected to amortize in 2027 versus 2026 on the December 11th version.
- ◆ Savings from refunding of Series 2000C and Series 2003 bonds is approximately the same as estimated December 11th, shortening the amortization by 4 years.
- ◆ Estimates of Total Debt Service for \$94M is still substantially less than estimated in July of 2006:
 - December 11, 2006 estimate of total debt service: \$17M less, amortization two years shorter than July 2006 estimate
 - January 3, 2007 estimate of total debt service: \$14.3M less, amortization one year shorter than July 2006 estimate

Proposed Financing Schedule

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>	<u>Status</u>
Week of November 13	Distribute Preliminary Official Statement (POS) to all Parties for Review	WBC	Done
27-Nov-06	Receive comments on POS	All Parties	Done
2-Jan-07	Mail POS to Investors	WBC	Done
2-Jan-07	District receives bond and escrow resolution in Board packets	C&C/S	Done
4-Jan-07	Meet with District to review rating agency presentation	WBC/District	
5-Jan-07	Meet with Standard and Poors and Moody's for bond rating	WBC/District	
8-Jan-07 Special Meeting	Board approves parameters bond resolution and escrow agreement	WBC/District	

Proposed Financing Schedule

<u>Date</u>	<u>Activity</u>	<u>Responsibility</u>	<u>Status</u>
8-Jan-07	Receive Bond Ratings	District/WBC	
Jan 11 or Jan 17	Potential Pricing Date	District/WBC	
12-Jan-07	Process documentation	All Parties	
13-Jan-07	Final documents to District for signature	S/C&C/WBC	
15-Jan-07	Mail Final OS & Closing Memo	WBC	
18-Jan-07	Close bond issue issue; invest proceeds	All parties	

Bond Counsel Abbreviation, Chapman and Cutler	C & C
Local Counsel Abbreviation, Scariano	S
Underwriter, William Blair & Company	WBC
Northfield Township High School District 225	District

* Estimated subject to change.