

Glen Ellyn School District 41

\$40 Million Bond financing plan

for an

April 17, 2007 referendum

For the purpose of expanding, renovating and equipping facilities.

The following information pertains to the impact of the proposed District 41 referendum. It shows how the district plans to repay the bonds, and it shows the impact of the referendum on the taxes paid by individual property owners.

The property values illustrated (\$300,000 and \$600,000) were chosen because they are representative of values in the area D41 serves, which includes parts of Carol Stream, Glendale Heights, Glen Ellyn, Lombard and Wheaton.

This material has been adapted from a document provided by William Blair & Company. The information on this page, and the boxed explanations on each subsequent page, have been provided by Glen Ellyn School District 41.

Current Situation

This chart is an overview of the **current** Bond and Interest fund. The district is repaying bonds from its 1997 referendum. These payments continue through 2016. The Equalized Assessed Valuation (EAV) is actual through 2005; the EAV values starting in 2006 are projections based on historical information.

-January 31, 2007-

<u>Tax Year</u>	<u>Equalized Assessed Valuation</u>	<u>% Change</u>	<u>Outstanding Debt Service</u>	<u>Total Debt Service</u>	<u>Total Tax Rate</u>
2003	961,378,702	13.0%	\$2,410,721	\$2,410,721	0.25
2004	1,047,122,045	8.9%	2,394,303	2,394,303	0.23
2005	1,146,196,786	9.5%	2,431,953	2,431,953	0.21
2006	1,237,663,290	8.0%	2,486,983	2,486,983	0.20
2007	1,335,067,390	7.9%	2,535,213	2,535,213	0.19
2008	1,438,802,127	7.8%	2,586,313	2,586,313	0.18
2009	1,549,302,130	7.7%	2,619,500	2,619,500	0.17
2010	1,667,049,092	7.6%	2,661,563	2,661,563	0.16
2011	1,792,411,184	7.5%	2,727,800	2,727,800	0.15
2012	1,882,031,743	5.0%	2,840,000	2,840,000	0.15
2013	1,976,133,330	5.0%	2,842,250	2,842,250	0.14
2014	2,074,939,996	5.0%	2,849,000	2,849,000	0.14
2015	2,178,686,996	5.0%	2,902,500	2,902,500	0.13
2016	2,287,621,346	5.0%	3,075,000	3,075,000	0.13
2017	2,402,002,413	5.0%		0	-
2018	2,522,102,534	5.0%		0	-
2019	2,648,207,661	5.0%		0	-
2020	2,780,618,044	5.0%		0	-
2021	2,919,648,946	5.0%		0	-
2022	3,065,631,393	5.0%		0	-
2023	3,218,912,963	5.0%		0	-
2024	3,379,858,611	5.0%		0	-
Total:			\$30,126,120	\$30,126,120	

\$40M Overall Level Debt Service

This chart shows the impact of the 2007 levy (the first year) on the tax rate of a successful \$40 million referendum to be paid off through 2025 as compared to what taxpayers would have paid on the current debt alone in levy year 2007. The April 17, 2007 referendum would affect the spring 2008 tax bills, which are based on the 2007 Tax Levy cycle.

-January 31, 2007-

<u>Tax Year</u>	<u>Equalized Assessed Valuation</u>	<u>% Change</u>	<u>Outstanding Debt Service</u>	<u>\$40,000,000 Proposed Debt Service</u>	<u>Less: Capitalized Interest</u>	<u>Total Debt Service</u>	<u>Total Tax Rate</u>	<u>Tax Rate Impact Versus Tax Rate on Current Debt</u>	<u>Impact \$300,000 Home</u>	<u>Impact \$600,000 Home</u>
2003	961,378,702	13.0%	\$2,410,721			\$2,410,721	0.25			
2004	1,047,122,045	8.9%	2,394,303			\$2,394,303	0.23			
2005	1,146,196,786	9.5%	2,431,953			\$2,431,953	0.21			
2006	1,237,663,290	8.0%	2,486,983			\$2,486,983	0.20			
2007	1,335,067,390	7.9%	2,535,213	2,518,413		\$5,053,625	0.38	0.19	\$179	\$368
2008	1,438,802,127	7.8%	2,586,313	2,471,340		\$5,057,653	0.35			
2009	1,549,302,130	7.7%	2,619,500	2,435,280		\$5,054,780	0.33			
2010	1,667,049,092	7.6%	2,661,563	2,394,828		\$5,056,390	0.30			
2011	1,792,411,184	7.5%	2,727,800	2,330,185		\$5,057,985	0.28			
2012	1,882,031,743	5.0%	2,840,000	2,217,145		\$5,057,145	0.27			
2013	1,976,133,330	5.0%	2,842,250	2,213,000		\$5,055,250	0.26			
2014	2,074,939,996	5.0%	2,849,000	2,205,250		\$5,054,250	0.24			
2015	2,178,686,996	5.0%	2,902,500	2,152,000		\$5,054,500	0.23			
2016	2,287,621,346	5.0%	3,075,000	1,980,500		\$5,055,500	0.22			
2017	2,402,002,413	5.0%		5,056,750		\$5,056,750	0.21			
2018	2,522,102,534	5.0%		5,053,750		\$5,053,750	0.20			
2019	2,648,207,661	5.0%		5,057,750		\$5,057,750	0.19			
2020	2,780,618,044	5.0%		5,058,000		\$5,058,000	0.18			
2021	2,919,648,946	5.0%		5,054,250		\$5,054,250	0.17			
2022	3,065,631,393	5.0%		5,056,250		\$5,056,250	0.16			
2023	3,218,912,963	5.0%		5,053,250		\$5,053,250	0.16			
2024	3,379,858,611	5.0%		5,055,000		\$5,055,000	0.15			
2025	3,548,851,542	5.0%		5,055,750		\$5,055,750	0.14			

The new bond debt service wraps around the old (existing) debt to create a total level debt service structure. It is important to understand that the total debt payments are level and will not increase after 2007.

Total: **\$30,126,120** **\$68,418,690** **\$0** **\$98,544,810**

Net New Debt Service \$68,418,690 ←

This is the estimated total amount that would be repaid due to the 2007 referendum, including interest.

The Impact on home calculation= (home value/3-5000) * (tax rate increase/100). Each homeowner receives a \$5,000 homeowner

\$40M Overall Level Debt Service – \$300k Home Annual Impact

	<u>Tax Year</u>	<u>Tax Rate for Currently Outstanding Bonds</u>	<u>Proposed Tax Rate with \$40M Bonds</u>	<u>\$300,000(1) Market Value Home</u>	<u>Average(2) Annual Reassessment</u>	<u>Current(3) Taxes Paid on Outstanding Bonds</u>	<u>Proposed Taxes including \$40M Bonds(3)</u>	<u>Annual Difference</u>	
This chart shows the impact on dollars paid by the owner of a residence that in 2007 is assigned a fair market value* of \$300,000 by the Assessor. The chart estimates payments in future years as the value of the residence appreciates.	2003	0.25	0.25						
	2004	0.23	0.23						
	2005	0.21	0.21						
	2006	0.20	0.20						
	2007	0.19	0.38	300,000		180	360	179	
	2008	0.18	0.35	319,500	6.5%	182	357	174	
	2009	0.17	0.33	340,268	6.5%	183	354	170	
	2010	0.16	0.30	362,385	6.5%	185	351	166	
	2011	0.15	0.28	385,940	6.5%	188	349	161	
	The yellow column shows payments as they are today.	2012	0.15	0.27	403,307	4.5%	195	348	152
		2013	0.14	0.26	421,456	4.5%	195	347	152
2014		0.14	0.24	440,422	4.5%	195	345	151	
2015		0.13	0.23	460,241	4.5%	198	344	147	
2016		0.13	0.22	480,951	4.5%	209	343	134	
The green column shows payments as they would be if the referendum passes.	2017		0.21	502,594	4.5%	-	342	342	
	2018		0.20	525,211	4.5%	-	341	341	
	2019		0.19	548,845	4.5%	-	340	340	
	2020		0.18	573,543	4.5%	-	339	339	
	2021		0.17	599,353	4.5%	-	337	337	
The blue column shows the difference, isolating the impact of the referendum.	2022		0.16	626,324	4.5%	-	336	336	
	2023		0.16	654,508	4.5%	-	335	335	
	2024		0.15	683,961	4.5%	-	334	334	
	2025		0.14	714,739	4.5%	-	332	332	

*Sale price might differ from the fair market value. All information is based on the conservative assessment assumptions as stated below right.

- (1) The home value is inflated over the 20 year period in consideration of market reassessment.
- (2) Equalized assessed valuation of the District is based on 6.5% reassessment and \$17M of new construction annually in levy 2007-2011. Thereafter, the reassessment increases are 4.5% and the increase due to new construction is .5%.
- (3) The Impact on home calculation= (home value/3-5000) * (tax rate increase/100). Each homeowner receives a \$5,000 homeowner exemption.

\$40M Overall Level Debt Service – \$600k Home Annual Impact

This chart shows the impact on dollars paid by the owner of a residence that in 2007 is assigned a fair market value * of \$600,000 by the Assessor. The chart estimates payments in future years as the value of the residence appreciates.

The yellow column shows payments as they are today.

The green column shows payments as they would be if the referendum passes.

The blue column shows the difference, isolating the impact of the referendum.

*Sale price might differ from the fair market value. All information is based on the conservative assessment assumptions as stated below right.

Tax Year	Tax Rate for Currently Outstanding Bonds	Proposed Tax Rate with \$40M Bonds	\$600,000 (1) Market Value Home	Average(2) Annual Reassessment	Current(3) Taxes Paid on Outstanding Bonds	Proposed Taxes including \$40M Bonds(3)	Annual Difference
2003	0.25	0.25					
2004	0.23	0.23					
2005	0.21	0.21					
2006	0.20	0.20					
2007	0.19	0.38	600,000		370	738	368
2008	0.18	0.35	639,000	6.5%	374	731	357
2009	0.17	0.33	680,535	6.5%	375	724	349
2010	0.16	0.30	724,770	6.5%	378	718	340
2011	0.15	0.28	771,880	6.5%	384	712	328
2012	0.15	0.27	806,614	4.5%	398	709	311
2013	0.14	0.26	842,912	4.5%	397	706	309
2014	0.14	0.24	880,843	4.5%	396	703	307
2015	0.13	0.23	920,481	4.5%	402	700	298
2016	0.13	0.22	961,903	4.5%	424	698	273
2017		0.21	1,005,188	4.5%	-	695	695
2018		0.20	1,050,422	4.5%	-	692	692
2019		0.19	1,097,691	4.5%	-	689	689
2020		0.18	1,147,087	4.5%	-	686	686
2021		0.17	1,198,706	4.5%	-	683	683
2022		0.16	1,252,648	4.5%	-	680	680
2023		0.16	1,309,017	4.5%	-	677	677
2024		0.15	1,367,922	4.5%	-	674	674
2025		0.14	1,429,479	4.5%	-	672	672

(1) The home value is inflated over the 20 year period in consideration of market reassessment.

(2) Equalized assessed valuation of the District is based on 6.5% reassessment and \$17M of new construction annually in levy 2007-2011.

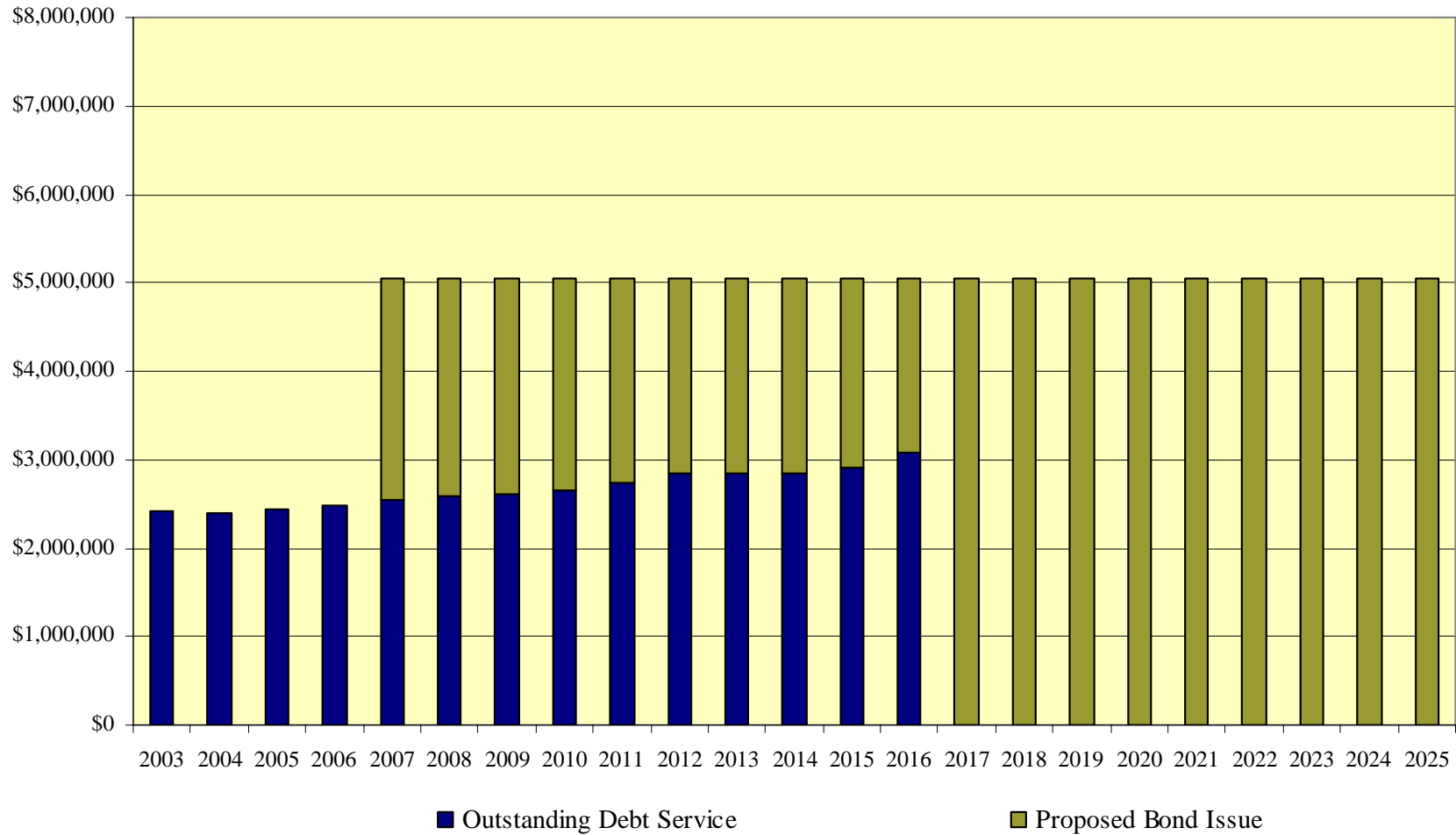
Thereafter, the reassessment increases are 4.5% and the increase due to new construction is .5%.

(3) The Impact on home calculation= (home value/3-5000) * (tax rate increase/100). Each homeowner receives a \$5,000 homeowner exemption.

\$40,000,000 Referendum Bonds -- Overall Level Debt Service

This graph depicts projected payments for the current debt and the proposed bond issue. The district's debt payments remain fairly level from 2007 to 2025, about \$5 million each year.

Glen Ellyn School District Number 41
\$40,000,000 Referendum -2007
Option I: Overall Level Debt Service



\$40,000,000 Referendum Bonds -- Overall Level Debt Service

This graph depicts the projected impact on the tax rate for the district's Bond and Interest fund. The rate declines over the life of the bonds.

Glen Ellyn School District Number 41
 \$40,000,000 Referendum -2007
 Option I: Overall Level Debt Service

