



# Raymond James Public Finance

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PREPARED FOR:

Arlington Heights SD 25  
Cook County, Illinois

December 10, 2024



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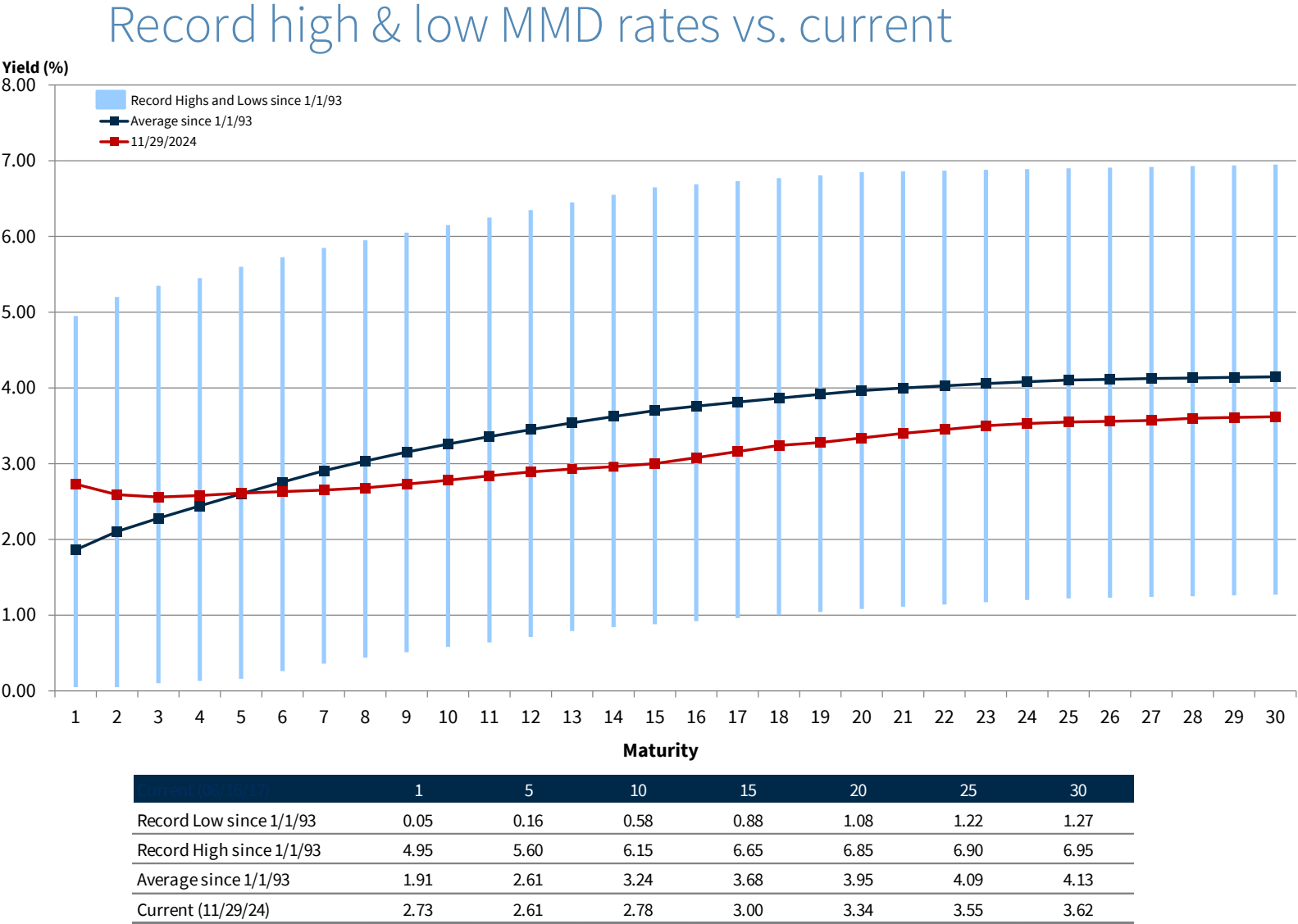
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# Section 1

MARKET UPDATE

# Historical AAA MMD rates

This graph shows the range between the record highs and lows of AAA MMD at each maturity since 1993, along with average rates over this time frame and the current rates.

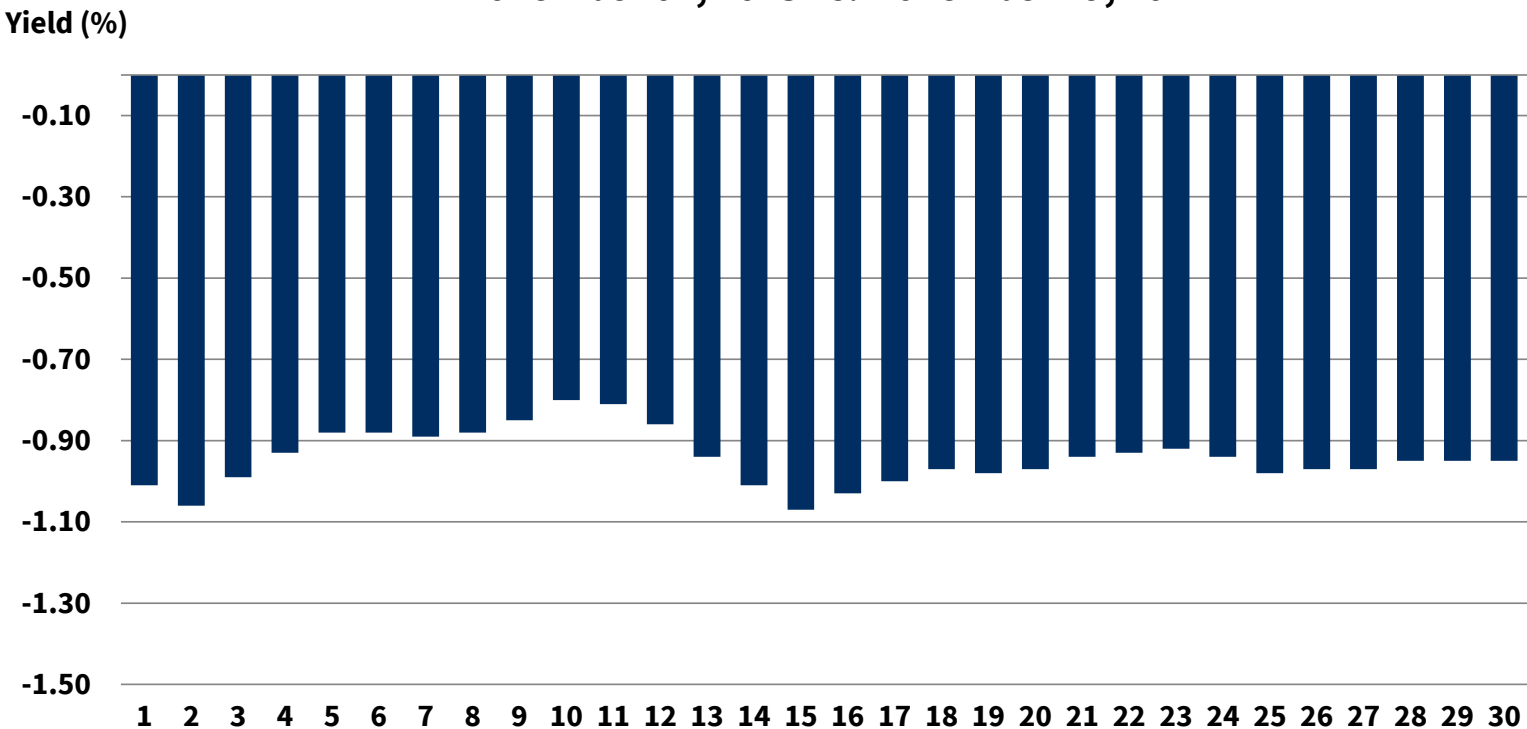


# MMD changes

Since November 1st, 2023, the Tax-Exempt benchmark rates have decreased by at least 80 bps across the entire curve.

## Changes in AAA MMD

November 01, 2023 vs. November 29, 2024



|            | 1     | 5     | 10    | 15    | 20    | 25    | 30    |
|------------|-------|-------|-------|-------|-------|-------|-------|
| 11/1/2023  | 3.74  | 3.49  | 3.58  | 4.07  | 4.31  | 4.53  | 4.57  |
| 11/29/2024 | 2.73  | 2.61  | 2.78  | 3.00  | 3.34  | 3.55  | 3.62  |
| Change     | -1.01 | -0.88 | -0.80 | -1.07 | -0.97 | -0.98 | -0.95 |

Changes in AAA MMD: November 01, 2023 vs. November 29, 2024

# Section 2

## DEBT SUMMARY

# Debt Limit

## Statutory Debt Limit

|                                  |       |                     |
|----------------------------------|-------|---------------------|
| Equalized Assessed Valuation     | 2023  | 2,397,656,811       |
| Times: Statutory Debt Limit      | 6.90% | 165,438,320         |
| Less: Outstanding Bond Principal |       | 86,535,000          |
| <b>Net Debt Limit</b>            |       | <b>\$78,903,320</b> |

## Statutory Debt Limit-Working Cash

|   |        |                         |
|---|--------|-------------------------|
| Equalized Assessed Valuation  | 2023   | 2,397,656,811           |
| Times: Maximum Education Fund Extension   | 3.50%  | 83,917,988              |
| Plus: Corporate and Personal Property Replacement Taxes (FY23 Actual)                     |        | 3,248,958               |
| Plus: State Funding (Evidence-Based Funding - FY 2023 Actual)                             |        | 5,058,581               |
| Subtotal:   |        | 92,225,527              |
| Times:  | 85.00% | 78,391,698              |
| Less: Greater of<br>Outstanding Working Cash Bonds<br>or Working Cash Fund Balance (FY23) |        | 32,380,000<br>7,924,478 |
| <b>Net Working Cash Fund Debt Limit</b>   |        | <b>\$46,011,698</b>     |

# Outstanding Debt Summary

|                          |  |  |  |
|--------------------------|--|--|--|
| <b>Dated</b>             | September 22, 2022                     | February 8, 2018                       | February 16, 2017                      |
| <b>Issue</b>             | G.O. SCHOOL BONDS                      | G.O. LIMITED SCHOOL BONDS              | G.O. LIMITED SCHOOL BONDS              |
| <b>Series</b>            | 2022                                   | 2018                                   | 2017                                   |
| <b>Original Par</b>      | \$56,045,000.00                        | \$7,375,000.00                         | \$27,650,000.00                        |
| <b>Earliest Call</b>     | 12/15/2031                             | 12/15/2027                             | Dec 15, 2026 at Par                    |
| <b>Maturity</b>          | Dec 15 (Sep 15 Final Maturity)         | Dec 15                                 | Dec 15                                 |
| <b>Credit Ratings</b>    | Principal Coupon Interest Debt Service | Principal Coupon Interest Debt Service | Principal Coupon Interest Debt Service |
| Calendar Year            | Aaa                                    | Aaa                                    | Aaa                                    |
| 2025                     | 2,725,000 5.00% 2,423,850 5,148,850    | 790,000 4.00% 239,400 1,029,400        | 2,090,000 5.00% 1,181,000 3,271,000    |
| 2026                     | 1,850,000 5.00% 2,287,600 4,137,600    | 825,000 4.00% 207,800 1,032,800        | 2,190,000 5.00% 1,076,500 3,266,500    |
| 2027                     | 1,935,000 5.00% 2,195,100 4,130,100    | 860,000 4.00% 174,800 1,034,800        | 2,300,000 5.00% 967,000 3,267,000      |
| 2028                     | 2,040,000 5.00% 2,098,350 4,138,350    | 890,000 4.00% 140,400 1,030,400        | 2,415,000 5.00% 852,000 3,267,000      |
| 2029                     | 2,145,000 5.00% 1,996,350 4,141,350    | 925,000 4.00% 104,800 1,029,800        | 2,540,000 5.00% 731,250 3,271,250      |
| 2030                     | 2,270,000 5.00% 1,889,100 4,159,100    | 960,000 4.00% 67,800 1,027,800         | 2,665,000 5.00% 604,250 3,269,250      |
| 2031                     | 2,385,000 5.00% 1,775,600 4,160,600    | 735,000 4.00% 29,400 764,400           | 2,800,000 5.00% 471,000 3,271,000      |
| 2032                     | 2,540,000 5.00% 1,656,350 4,196,350    |  | 3,230,000 5.00% 331,000 3,561,000      |
| 2033                     | 2,655,000 5.00% 1,529,350 4,184,350    |  | 3,390,000 5.00% 169,500 3,559,500      |
| 2034                     | 2,810,000 5.00% 1,396,600 4,206,600    |  |  |
| 2035                     | 2,960,000 5.00% 1,256,100 4,216,100    |  |  |
| 2036                     | 3,105,000 5.00% 1,108,100 4,213,100    |  |  |
| 2037                     | 3,280,000 5.00% 952,850 4,232,850      |  |  |
| 2038                     | 3,445,000 5.00% 788,850 4,233,850      |  |  |
| 2039                     | 3,615,000 4.00% 616,600 4,231,600      |  |  |
| 2040                     | 3,775,000 4.00% 472,000 4,247,000      |  |  |
| 2041                     | 3,920,000 4.00% 321,000 4,241,000      |  |  |
| 2042                     | 4,105,000 4.00% 123,150 4,228,150      |  |  |
| 2043                     |  |  |  |
|                          | \$54,155,000 \$27,440,500 \$81,595,500 | \$6,745,000 \$1,234,200 \$7,979,200    | \$25,635,000 \$7,640,063 \$33,275,063  |
| <b>Callable</b>          | \$36,210,000                           | \$3,510,000                            | \$19,340,000                           |
| <b>Non-Callable</b>      | 17,945,000                             | 3,235,000                              | 6,295,000                              |
| <b>Refunded</b>          |  |  |  |
| <b>Total Outstanding</b> | <b>\$54,155,000</b>                    | <b>\$6,745,000</b>                     | <b>\$25,635,000</b>                    |
|                          |  |  | <b>WC Bond Total 32,380,000</b>        |



# Call Dates

| Series      | 2022         | 2018        | 2017         |
|-------------|--------------|-------------|--------------|
| Call Date   | 12/15/2031   | 12/15/2027  | 12/15/2026   |
| Outstanding | \$54,155,000 | \$6,745,000 | \$25,635,000 |

Note: As of May 7, 2024

- Tax-Exempt bonds may be refunded on a tax-exempt basis within 90 days of the call date.
- The next call date is 12/15/2026. *If interest rates are where they are today in **August of 2026***, the net present value savings on the refunding of the Series 2017 Bonds would be **\$1,579,710** or **8.17%** of the amount of bonds refunded.
- When the ratio of present value savings divided by bonds refunded is over 3%, it makes sense to refund the bonds.
- A sensitivity of refunding savings plus or minus .25% is shown on the next page.

# 2017 Refunding Opportunity

The District may be able to refinance its Series 2017 General Obligation Limited Tax School Bonds for cash flow and present value savings with a **2026** refinancing which would occur when the bonds become currently callable (September 2026)

## Savings Sensitivity of Series 2017 Bonds

| Arlington Heights SD 25 Cook County, Illinois<br>2026 Refunding Bonds<br>Refunding of Callable Series 2017 |  | Underlying Rating: Aaa<br>Assumes General Market |
|--|--|--|
| Structure: Level Savings; SLGS Escrow  |  | <b>Current Refunding</b>                         |
| Rates as of:   |  | 12/2/2024  |
| Assumed Delivery Date  |  | 9/16/2026  |
| Tax Status of Refunded Bonds   |  | Tax-Exempt                                       |
| Maturities Refunded  |  | 2027-2033  |
| Par Amount Refunded  |  | \$19,340,000                                     |
| Current Debt Service   |  | 23,947,085                                       |
| Estimated New Debt Service   |  | 22,368,335                                       |
| Total Estimated Gross Savings  |  | \$1,578,750                                      |
| Total Estimated Present Value Savings  |  | 1,405,208  |
| Total Estimated % Present Value Savings  |  | 7.27%  |
| Positive Arbitrage in Escrow   |  | \$84,592   |
| Call Date  |  | 12/15/2026                                       |
| All in Cost (%)  |  | 3.24%  |
| Final Maturity   |  | 12/15/2033                                       |
| <b>Net Present Value Savings: Sensitivity Analysis</b>   |  |  |
| -25 Basis Points   |  | \$1,610,196                                      |
| Current Rates  |  | 1,405,208  |
| +25 Basis Points   |  | 1,203,166  |

Note: Assumes no change in current market rates.

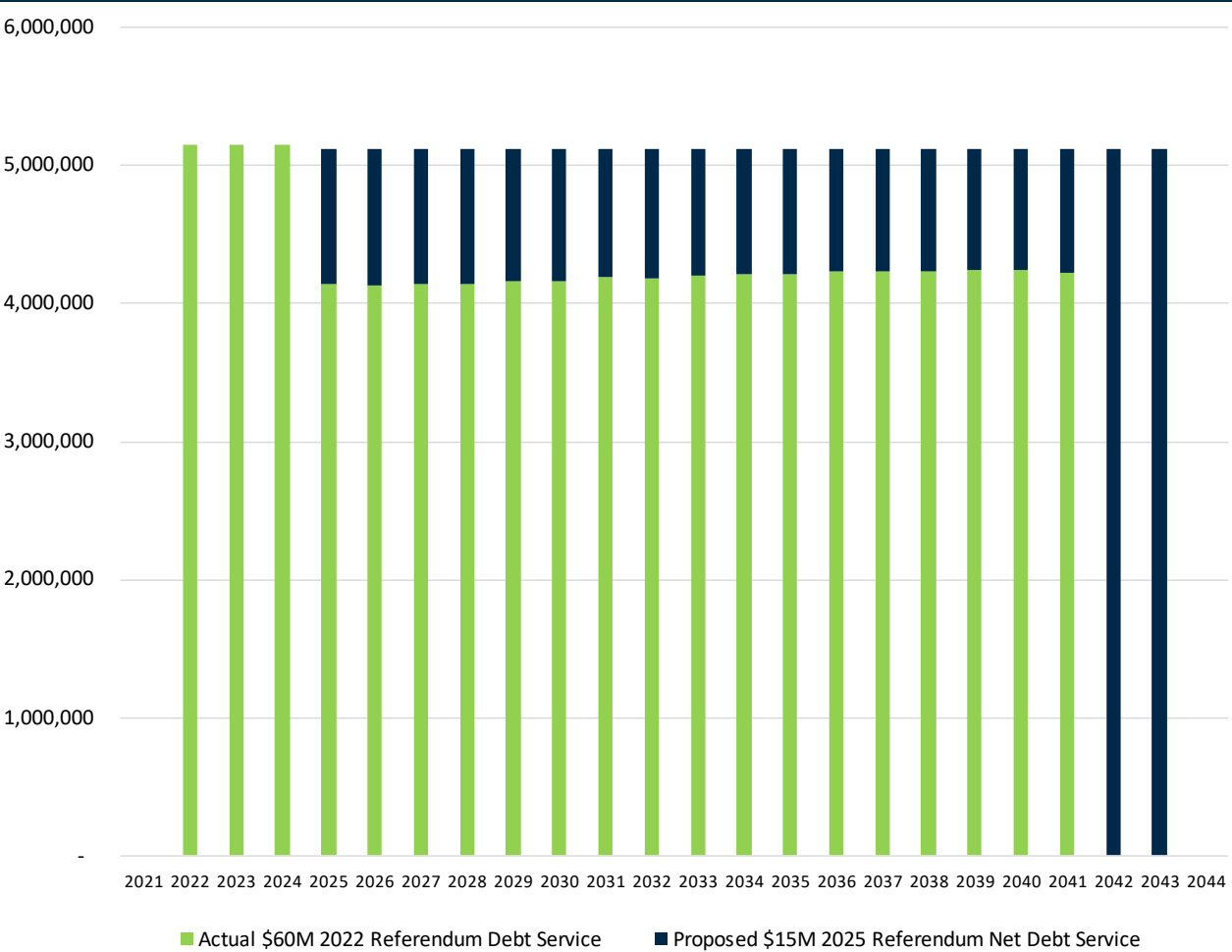
Preliminary and subject to change.

# Section 3

## UPDATE REFERENDUM FINANCING PLAN

# \$15M Remaining Referendum Bonds Issued March 2025

|  |               |        | Actual        | Proposed         | Proposed       | Estimated        | Estimated         |
|--|---------------|--------|---------------|------------------|----------------|------------------|-------------------|
| Tax  | Equalized     |        | \$60M 2022    | \$15M 2025       | Aggregate      | Tax Rate for     | Tax Impact on     |
| Year   | Assessed      | %      | Referendum    | Referendum       | Referendum     | \$75M Referendum | \$400,000         |
|  | Valuation     | Change | Debt Service  | Net Debt Service | Debt Service   | Debt Service     | Market Value Home |
| 2021   | 1,947,586,766 | -7.93% |               |                  |                |                  |                   |
| 2022   | 2,340,497,604 | 20.17% | 5,148,634     | -                | 5,148,634      | 0.220            | 235               |
| 2023   | 2,397,656,811 | 2.44%  | 5,148,600     | -                | 5,148,600      | 0.215            | 238               |
| 2024   | 2,397,656,811 | 0.00%  | 5,148,850     | -                | 5,148,850      | 0.215            | 238               |
| 2025   | 2,397,656,811 | 0.00%  | 4,137,600     | 964,000          | 5,101,600      | 0.213            | 235               |
| 2026   | 2,397,656,811 | 0.00%  | 4,130,100     | 972,000          | 5,102,100      | 0.213            | 235               |
| 2027   | 2,397,656,811 | 0.00%  | 4,138,350     | 964,000          | 5,102,350      | 0.213            | 235               |
| 2028   | 2,397,656,811 | 0.00%  | 4,141,350     | 960,750          | 5,102,100      | 0.213            | 235               |
| 2029   | 2,397,656,811 | 0.00%  | 4,159,100     | 942,000          | 5,101,100      | 0.213            | 235               |
| 2030   | 2,397,656,811 | 0.00%  | 4,160,600     | 943,500          | 5,104,100      | 0.213            | 236               |
| 2031   | 2,397,656,811 | 0.00%  | 4,196,350     | 904,250          | 5,100,600      | 0.213            | 235               |
| 2032   | 2,397,656,811 | 0.00%  | 4,184,350     | 916,250          | 5,100,600      | 0.213            | 235               |
| 2033   | 2,397,656,811 | 0.00%  | 4,206,600     | 897,000          | 5,103,600      | 0.213            | 236               |
| 2034   | 2,397,656,811 | 0.00%  | 4,216,100     | 888,000          | 5,104,100      | 0.213            | 236               |
| 2035   | 2,397,656,811 | 0.00%  | 4,213,100     | 888,750          | 5,101,850      | 0.213            | 235               |
| 2036   | 2,397,656,811 | 0.00%  | 4,232,850     | 868,750          | 5,101,600      | 0.213            | 235               |
| 2037   | 2,397,656,811 | 0.00%  | 4,233,850     | 869,000          | 5,102,850      | 0.213            | 235               |
| 2038   | 2,397,656,811 | 0.00%  | 4,231,600     | 868,500          | 5,100,100      | 0.213            | 235               |
| 2039   | 2,397,656,811 | 0.00%  | 4,247,000     | 857,250          | 5,104,250      | 0.213            | 236               |
| 2040   | 2,397,656,811 | 0.00%  | 4,241,000     | 860,750          | 5,101,750      | 0.213            | 235               |
| 2041   | 2,397,656,811 | 0.00%  | 4,228,150     | 873,250          | 5,101,400      | 0.213            | 235               |
| 2042   | 2,397,656,811 | 0.00%  | -             | 5,099,250        | 5,099,250      | 0.213            | 235               |
| 2043   | 2,397,656,811 | 0.00%  | -             | 5,103,000        | 5,103,000      | 0.213            | 236               |
| 2044   | 2,397,656,811 | 0.00%  | -             | -                | -              | 0.000            | -                 |
| Total  |               |        | \$ 86,744,134 | \$ 25,640,250    | \$ 112,384,384 |                  |                   |
|  |               |        | Series 2022   | Series 2025      | Aggregate      |                  |                   |
| Proceeds:  |               |        | 60,000,000    | 15,000,000       | 75,000,000     |                  |                   |
| Capitalized Interest:  |               |        | 0             | 571,156          | 571,156        |                  |                   |
| All-In TIC:  |               |        | 3.83%         | 4.33%            | 3.93%          |                  |                   |
| Dated:   |               |        | Aug-22        | Mar-25           |                |                  |                   |
| Note: Rates used are based on actual pricing results of Series 2022 and December 2, 2024 indicative pricing plus a cushion of 0.25% for Series 2025. |               |        |               |                  |                |                  |                   |
| Zillow Median Sale value in Arlington Heights is \$435,093 as of October 31, 2024  |               |        |               |                  |                |                  |                   |



# Updated Bond Issue of \$15M Referendum Bonds March 2025

Issuing the bonds 5 months sooner results in more interest cost over time (\$60,000 per month).



Short term investment rates are currently elevated (over 4% for six months), allowing the District to earn more than the yield on the bonds (estimated at 3.46% without a cushion).



By issuing less than \$15M in a calendar year, the District qualifies for the small issuer exception from arbitrage rebate, allowing it to keep the interest earnings in excess of the arbitrage yield.

# Draft Financing Schedule

| Date                               | Activity  |
|------------------------------------|---|
| Board Meeting<br>December 10, 2024 | Approve Reimbursement resolution and review options to issue remaining referendum approved bonds and future refunding options |
| Board Meeting<br>January 14, 2025  | Approve parameters referendum bond resolution   |
| Week of January 20th               | Meet with rating agencies   |
| Week of February 3, 2025           | Sell Bonds given appropriate market conditions  |
| March 5, 2025                      | Close bond issue invest funds   |

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