

PROPOSED Refunding Series 2010(B) & (D) Alt. Revenue Bonds

Presentation before the CUSD No. 4 Finance
and Referendum Oversight Committees

Table of Content

1. Tax Impact
2. Projects Necessitating Original Bond Sale
3. Series 2010 (Alt. Revenue Source) Bond Sale – O/S
4. Redemption Opportunity – 2010B and 2010D Series
5. RFP Solicitation – Underwriter Services
6. Financing Plan
7. Summary of Responses

No New Taxes

- This proposed restructuring reallocates existing scheduled proceeds from bond holders to the district.
- No new dollars are being requested
- No new taxes

Original Reason for 2010 Bonds

			Estimated Amounts
Sources of Funds		Land for new Central High School	\$3,500,000
Par amount of bonds sold	\$86,758,095	New BTW Elementary School	\$18,000,000
Estimated Grants	\$150,000	New addition on Garden Hills E/S & renovation	\$13,700,000
Total available revenue	\$86,908,095	New geothermal systems at Bottenfield,	\$5,913,773
		New E/S in Savoy	\$18,000,000
		Additions/renovations at Kenwood	\$6,500,000
Uses of Funds		Additions/renovations at Bottenfield	\$6,500,000
Pay off Centennial & Garden Hills Energy Contracts	-\$2,829,359	Additions/renovations at Westview	\$6,500,000
Issuance Costs	-\$937,783	Renovations at Robeson	\$2,451,912
Net Available Revenue for Projects	\$83,140,953	Miscellaneous	\$815,268
		Pay off QZAB's	\$1,260,000
		Totals	\$83,140,953

**NEW ISSUE
BOOK-ENTRY ONLY**

Subject to compliance by the District with certain covenants, in the opinion of Bond Counsel, under present law, interest on the Tax-Exempt Obligations (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. Interest on the Taxable Obligations is includable in gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for a more complete discussion. The Tax-Exempt Obligations are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein. Interest on the Obligations is not exempt from present State of Illinois income taxes.

\$86,758,095.75

**Community Unit School District Number 4
Champaign County, Illinois
(Champaign)**

\$2,862,815.40 General Obligation Capital Appreciation Bonds (Alternate Revenue Source), Series 2010A
\$49,790,000 Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B*
**\$11,380,280.35 General Obligation Capital Appreciation Lease Obligations
(Alternate Revenue Source), Series 2010C**
\$22,725,000 Taxable General Obligation Lease Obligations (Alternate Revenue Source), Series 2010D**

**RATING†: S&P: "AA" BONDS
"AA" LEASE OBLIGATIONS**

**RATING†: S&P: "AA" BONDS
"AA" LEASE OBLIGATIONS**

of Bond Counsel, under present law, interest on the Tax-Exempt Obligations (i) is excludable from gross income of the owners thereof for federal income tax purposes, (ii) is not included as an item of tax preference in computing the federal alternative minimum tax for individuals and corporations and (iii) is not taken into account in computing adjusted current earnings, which is used as an adjustment in determining the federal alternative minimum tax for certain corporations. Interest on the Taxable Obligations is includable in gross income of the owners thereof for federal income tax purposes. See "TAX MATTERS" herein for a more complete discussion. The Tax-Exempt Obligations are "qualified tax-exempt obligations" under Section 265(b)(3) of the Internal Revenue Code of 1986, as amended. See "QUALIFIED TAX-EXEMPT OBLIGATIONS" herein.

Number 4

Alternate Revenue Source), Series 2010A
 Revenue Source), Series 2010B*
 Lease Obligations
 Series 2010C
 Alternate Revenue Source), Series 2010D**

Due: June 1, as shown on the inside cover
 (the "Series 2010A Bonds"), the
 "Series 2010B Bonds" and, together with the Series
 Obligations (Alternate Revenue Source), Series 2010C
 Obligations (Alternate Revenue Source), Series 2010D
 Obligations, the "Lease Obligations"), of Community
 issued in fully registered form and will be registered
 Depository Trust Company ("DTC"), New York, New
 The Series 2010A Bonds and the Series 2010C Lease
 B Bonds and the Series 2010D Lease Obligations are
 the Taxable Obligations are referred to herein as the

ing their interests in the Obligations purchased.
 ry only. Principal of, interest on and Accreted Value
 tion, Kansas City, Missouri, as registrar and paying
 equent disbursement to the beneficial owners of the
 payments on the Obligations will be made to such
 Obligations will be the responsibility of DTC and its

file as set forth under "GENERAL DESCRIPTION" herein.
 and alter, repair and equip existing school buildings,
 acquire land and improve school sites, (ii) pay capitalized interest and (iii) pay for certain costs associated with the issuance of the Bonds.

Proceeds of the Lease Obligations will be used to (i) build and equip two school buildings, demolish the Booker T. Washington Elementary School Building, acquire land and improve school sites, (ii) pay capitalized interest and (iii) pay for certain costs associated with the issuance of the Lease Obligations.

In the opinion of Bond Counsel, the Obligations are valid and legally binding obligations of the District, payable from (i) the Sales Tax Revenues (as defined herein), (ii) the Build America Payments (as defined herein) and (iii) ad valorem property taxes upon all taxable property in the District without limitation as to rate or amount, except that the rights of the owners of the Obligations and the enforceability of the Obligations may be limited by bankruptcy, insolvency, reorganization, moratorium and other similar laws affecting creditors' rights and by equitable principles, whether considered at law or in equity, including the exercise of judicial discretion. See "SECURITY" herein.

Certain of the Obligations are subject to redemption prior to maturity. See "REDEMPTION" herein.

The Obligations are offered when, as and if issued and received by the Underwriters subject to prior sale, withdrawal or modification of the offer without notice, and to the approval of legality by Chapman and Cutler LLP, Chicago, Illinois, Bond Counsel. Chapman and Cutler LLP will also pass on certain matters for the Underwriters and the herein defined Lessor. The Obligations in definitive form are expected to be delivered through the facilities of DTC on or about February 18, 2010.

**STIFEL
NICOLAUS**

Blaylock Robert Van, LLC

The date of this Official Statement is February 4, 2010.

* Build America Bonds—Direct Payment to Issuer. The portion of the final maturity with CUSIP number 158429 JN3 are Recovery Zone Economic Development Bonds.

** Build America Bonds—Direct Payment to Issuer.

†See "Rating" herein.

Build America Bonds (BABs)

- Build America Bonds (BABs)
 - Created as part of the American Recovery and Reinvestment Act in 2009
 - Designed to encourage investments in local municipalities
 - Offered bondholders a 35% federal subsidy of the interest paid through refundable tax credits.
 - Subsidy payments were reduced in March 2013 due to the Budget Control Act of 2011.
 - As of the Federal fiscal year 2019, subsidy payments have been cut by 6.2%. The current subsidy rate is 32.83%.
 - The sequestration rate cuts reset each year but aren't projected to increase back up to the original 35%.

REDEMPTION

Optional Redemption. The Taxable Obligations due on and after June 1, 2020, will be subject to redemption prior to maturity at the option of the District as a whole or in part on any date on and after June 1, 2019, and if in part in integral multiples of \$5,000 in such principal amounts and from such maturities as determined by the District (less than all of the Taxable Obligations of a single series and maturity to be selected by the Registrar), at a redemption price of par plus accrued interest to the redemption date.

REQUEST FOR PROPOSALS – BOND UNDERWRITER SERVICES

Champaign Community Unit School District No. 4 is inviting the submission of Request for Proposals for Bond Underwriter Services via email to hansense@u4sd.org. RFPs are due on July 22, 2019 at 10:00 am.

Champaign Unit 4 is especially interested in qualified underwriters who can contribute to the diversity of our District. Champaign Community Unit School District #4 is committed to providing equal employment opportunities to all employees, candidates for employment, and bond underwriters and will not discriminate against any employee, candidate for employment, or contractor on the basis of race, color, religion, sex, national origin, disability, or other class protected by law.

It is the intent of the District to utilize Minority and Female Business Enterprises (MBE/FBE) for bond underwriter services and the District encourages certified MBE/FBEs to submit Statements of Qualifications.

The Board of Education reserves the right to waive all irregularities in the bidding, to reject any or all bids, and to accept bids that are in the best interest of the school district.

The Request for Qualifications is available on the district's website at

<http://www.champaignschools.org/pages/finance/BidsRFPs>.
#1412629, 7/13

**COMMUNITY UNIT SCHOOL DISTRICT NUMBER 4,
CHAMPAIGN COUNTY, ILLINOIS (CHAMPAIGN)**

REQUEST FOR PROPOSALS FOR UNDERWRITER

INTRODUCTION

Community Unit School District Number 4, Champaign County, Illinois (the “*District*”), intends to issue two series of General Obligation Refunding School Bonds (Alternate Revenue Source) (collectively, the “*Bonds*”), to refund certain outstanding obligations of the District. The refunded obligations are expected to consist of all or a portion of the District’s Taxable General Obligation Bonds (Alternate Revenue Source), Series 2010B, and Taxable General Obligation Lease Obligations (Alternate Revenue Source), Series 2010D (together, the “*Prior Obligations*”).

The Bonds will be issued as alternate bonds payable (i) together with the Prior Obligations not being refunded by the Bonds, the District’s General Obligation Capital Appreciation Bonds (Alternate Revenue Source), Series 2010A, and General Obligation Capital Appreciation Lease Obligations (Alternate Revenue Source), Series 2010C, from collections distributed to the District from those taxes imposed by The County of Champaign, Illinois, pursuant to the County School Facility Occupation Tax Law of the State of Illinois, as amended, and (ii) from ad valorem property taxes levied against all of the taxable property in the District without limitation as to rate or amount.

PURPOSE

The District is requesting proposals from investment banking firms to provide underwriting services to the District in connection with the proposed financing described above. The District expects to select one or more responding firms to act as underwriter for the Bonds. The District expressly reserves the right to reject any or all proposals and to accept that proposal which is in the best interests of the District.

FACTS AND CONSTRAINTS

1. On a series-by-series basis, the debt service on the Bonds must be lower than the debt service on the refunded obligations in every tax year. The District is considering the use of capitalized interest to provide additional savings in the first two years. Interest on the Bonds is expected to be payable semi-annually on June 1 and December 1. The Bonds are expected to be issued on a tax-exempt basis and will not be bank-qualified.

PROPOSAL REQUIREMENTS

A. Profile of the Proposer.

1. Provide a general description of your firm, together with a specific description of your firm’s public finance activities in the State of Illinois.
2. Identify the professional staff who will be primarily responsible for performing the services outlined.

B. Firm Experience.

Provide three references from Illinois school districts for whom your firm has served as underwriter within the last 12 months.

C. Financing Plan.

Provide a proposed financing plan and describe the services and marketing your firm will provide for the transaction, including the sales and distribution process. The proposed Financing Plan should include two scenarios (labelled accordingly): (i) level savings across each year and (ii) a second showing capitalized interest in the first two years with level savings in the remaining years. At the discretion of the Respondent they may choose to show a third, alternative Financing Plan (with the understanding that only after first showing the requested options).

D. Fee Proposal.

Provide a proposed underwriting fee schedule for the Bonds. Please identify any additional fees that will be passed on to the District in conjunction with the issuance of the Bonds.

TIMETABLE

The Board of Education of the District would like to adopt a parameters bond resolution authorizing the issue and sale of the Bonds as early as their August 12, 2019, Regular Board Meeting but no later than the September 9, 2019 Regular Board Meeting.

Financing Plan

- Scenario I
 - “Level savings” across each year
 - This strategy could be used to provide a predictable stream of moneys for the Capital Improvement Plan.
 - Approx. \$1M of Savings would be available in the first year
 - Alternatively the moneys could be used to abate debt service.
- Scenario II
 - Capitalized interest in the first two years with level savings in the remaining years
 - This strategy could be used to provide upfront moneys to cover current expenses on the existing referendum projects or new projects.
 - Alternatively the moneys could be used to abate debt service.
 - Capitalized interest comes at the cost of higher interest over the life of the bonds than shown in Scenario I.

Responses

- 11 firms responded to RFP
 - Bernardi Securities
 - J.P. Morgan
 - Loop Capital Markets
 - Mesirow Financial
 - Oppenheimer & Co
 - Piper Jaffray
 - Raymond James
 - Bair and Blaylock
 - Stern Brothers
 - Stifel & Backstrom
 - Wells Fargo

Selection Criteria

- Completeness of Proposal
- Proposal Met the Requirements of the Law
- Minority and Women Owned Enterprise
- Pricing and Fee Structure Compared With Peers

Firms Selected for Tonight

- JP Morgan
- Stern Brothers
- Stifel & Backstrom
- Wells Fargo

J.P. Morgan

	"Level Savings"	Capitalized Interest
Sources of Funds		
Par Amount	59,835,000	63,795,000
Reoffering Premium	12,080,254	12,887,736
Total Sources of Funds	71,915,254	76,682,736
Uses of Funds		
Deposit to Escrow Account	71,685,759	71,685,739
Capitalized Interest	-	4,756,843
Estimated Costs of Issuance	224,381	239,231
Rounding Amount	5,114	923
Total Uses of Funds	71,915,254	76,682,736
All-In True Interest Cost	2.60%	2.60%
Current		
Principal	69,930,000	69,930,000
Interest (Includes BAB Credit)	34,117,367	34,117,367
Total	104,047,367	104,047,367
Proposed		
Principal	59,835,000	63,795,000
Interest	31,456,651	33,560,643
Total	91,291,651	97,355,643
Gross Savings	12,755,716	11,448,567
Net PV Savings	10,419,471	10,102,330
Estimated Cost of Issuance	\$3.75 per \$1,000	\$3.75 per \$1,000
32.935% BAB Credit, 42.345% RZEDB		

Stern Brothers

	"Level Savings"	Capitalized Interest
Sources of Funds		
Par Amount	62,860,000	66,990,000
Reoffering Premium	8,591,477	9,179,364
Total Sources of Funds	71,451,477	76,169,364
Uses of Funds		
Deposit to Escrow Account	71,006,834	71,006,834
Capitalized Interest	-	4,689,300
Estimated Costs of Issuance	440,020	468,930
Rounding Amount	4,623	4,300
Total Uses of Funds	71,451,477	76,169,364
All-In True Interest Cost (Calculated)	2.57%	2.57%
Current		
Principal	69,930,000	69,930,000
Interest (Includes BAB Credit)	33,525,140	33,525,140
Total	103,455,140	103,455,140
Proposed		
Principal	62,860,000	66,990,000
Interest	28,390,000	30,312,700
Total	91,250,000	97,302,700
Gross Savings	12,205,140	10,841,740
Net PV Savings	9,951,778	9,684,185
Estimated Cost of Issuance	\$2.50 per \$1,000	\$2.50 per \$1,000
32.83% BAB Credit, 45% RZDEB Credit		

Stifel & Backstrom

	"Level Savings"	Capitalized Interest
Sources of Funds		
Par Amount	59,640,000	64,525,000
Reoffering Premium	11,128,172	12,030,887
Total Sources of Funds	70,768,172	76,555,887
Uses of Funds		
Deposit to Escrow Account	70,166,980	70,166,980
Capitalized Interest	-	5,740,819
Estimated Costs of Issuance	596,400	645,250
Rounding Amount	4,792	2,839
Total Uses of Funds	70,768,172	76,555,887
All-In True Interest Cost	2.58%	2.58%
Current		
Principal	68,595,000	68,595,000
Interest (Includes BAB Credit)	32,687,582	32,687,582
Total	101,282,582	101,282,582
Proposed		
Principal	59,640,000	64,525,000
Interest	29,441,078	31,864,395
Total	89,081,078	96,389,395
Gross Savings	12,201,504	10,634,006
Net PV Savings	9,747,476	9,694,617
Estimated Cost of Issuance	\$2.85 per \$1,000	\$2.85 per \$1,000

Does not include 2010B RZEDB

Wells Fargo

	"Level Savings"	Capitalized Interest
Sources of Funds		
Par Amount	61,065,000	65,110,000
Reoffering Premium	10,457,147	11,211,552
Total Sources of Funds	71,522,147	76,321,552
Uses of Funds		
Deposit to Escrow Account	71,210,236	71,210,236
Capitalized Interest	-	4,780,905
Estimated Costs of Issuance	305,325	325,550
Rounding Amount	6,586	4,862
Total Uses of Funds	71,522,147	76,321,552
All-In True Interest Cost	2.64%	2.64%
Current		
Principal	69,930,000	69,930,000
Interest (Includes BAB Credit)	34,115,519	34,115,519
Total	104,045,519	104,045,519
Proposed		
Principal	61,065,000	65,110,000
Interest	30,043,262	32,201,379
Total	91,108,262	97,311,379
Gross Savings	12,937,257	11,622,219
Net PV Savings	10,459,945	10,288,809
Estimated Cost of Issuance	\$5.00 per \$1,000	\$5.00 per \$1,000

*Net of BAB Subsidy based on current sequestration rate through Federal FY 2027 and 35% subsidy thereafter. **Net of CAPI through 6/1/2021

“Level Savings” Summary

	J.P. Morgan	Stern Brothers	Stifel and Backstrom	Wells Fargo
Sources of Funds				
Par Amount	59,835,000	62,860,000	59,640,000	61,065,000
Reoffering Premium	12,080,254	8,591,477	11,128,172	10,457,147
Total Sources of Funds	71,915,254	71,451,477	70,768,172	71,522,147
Uses of Funds				
Deposit to Escrow Account	71,685,759	71,006,834	70,166,980	71,210,236
Capitalized Interest	-	-	-	-
Estimated Costs of Issuance	224,381	440,020	596,400	305,325
Rounding Amount	5,114	4,623	4,792	6,586
Total Uses of Funds	71,915,254	71,451,477	70,768,172	71,522,147
All-In True Interest Cost	2.60%	2.57%	2.58%	2.64%
Current				
Principal	69,930,000	69,930,000	68,595,000	69,930,000
Interest (Includes BAB Credit)	34,117,367	33,525,140	32,687,582	34,115,519
Total	104,047,367	103,455,140	*101,282,582	104,045,519
Proposed				
Principal	59,835,000	62,860,000	59,640,000	61,065,000
Interest	31,456,651	28,390,000	29,441,078	30,043,262
Total	91,291,651	91,250,000	89,081,078	91,108,262
Gross Savings	12,755,716	12,205,140	12,201,504	12,937,257
Net PV Savings	10,419,471	9,951,778	9,747,476	10,459,945
Estimated Cost of Issuance	\$3.75 per \$1,000	\$2.50 per \$1,000	\$2.85 per \$1,000	\$5.00 per \$1,000

*Does not include 2010B RZEDB

Capitalized Interest Summary

	JP Morgan	Stern Brothers	Stifel and Backstrom	Wells Fargo
Sources of Funds				
Par Amount	63,795,000	66,990,000	64,525,000	65,110,000
Reoffering Premium	12,887,736	9,179,364	12,030,887	11,211,552
Total Sources of Funds	76,682,736	76,169,364	76,555,887	76,321,552
Uses of Funds				
Deposit to Escrow Account	71,685,739	71,006,834	70,166,980	71,210,236
Capitalized Interest	4,756,843	4,689,300	5,740,819	4,780,905
Estimated Costs of Issuance	239,231	468,930	645,250	325,550
Rounding Amount	923	4,300	2,839	4,862
Total Uses of Funds	76,682,736	76,169,364	76,555,887	76,321,552
All-In True Interest Cost	2.60%	2.57%	2.58%	2.64%
Current				
Principal	69,930,000	69,930,000	68,595,000	69,930,000
Interest (Includes BAB Credit)	34,117,367	33,525,140	32,687,582	34,115,519
Total	104,047,367	103,455,140	*101,282,582	104,045,519
Proposed				
Principal	63,795,000	66,990,000	64,525,000	65,110,000
Interest	33,560,643	30,312,700	31,864,395	32,201,379
Total	97,355,643	97,302,700	96,389,395	97,311,379
Gross Savings	11,448,567	10,841,740	10,634,006	11,622,219
Net PV Savings	10,102,330	9,684,185	9,694,617	10,288,809
Estimated Cost of Issuance	\$3.75 per \$1,000	\$2.50 per \$1,000	\$2.85 per \$1,000	\$5.00 per \$1,000

*Does not include 2010B RZEDB

Questions?

PROJECTED DEBT SERVICE COVERAGE

YEAR (ENDING JUNE 1)	DEBT SERVICE ON THE OBLIGATIONS ⁽¹⁾	SALES TAX ⁽²⁾	BUILD AMERICA PAYMENTS ("BABS") (CALCULATED AT 35% OF INTEREST PAYMENT ON THE BABS)	RECOVERY ZONE ECONOMIC DEVELOPMENT BONDS ("RZEDBS") (CALCULATED AT 45% OF INTEREST PAYMENT ON THE RZEDBS)	COVERAGE OF SALES TAX, BABS AND RZEDBS ⁽³⁾
2011	\$4,934,447	\$ 6,622,040	\$1,941,291	\$48,676	174%
2012	4,395,710	6,800,835	1,509,062	37,847	190%
2013	4,550,710	6,996,760	1,509,062	37,847	188%
2014	4,707,377	7,198,307	1,507,895	37,847	186%
2015	4,868,400	7,405,637	1,504,753	37,847	184%
2016	5,037,395	7,618,916	1,499,151	37,847	182%
2017	5,206,935	7,838,312	1,490,240	37,847	180%
2018	7,632,335	8,049,947	1,478,130	37,847	125%
2019	7,802,335	8,267,295	1,478,130	37,847	125%
2020	7,972,335	8,490,512	1,478,130	37,847	126%
2021	8,122,335	8,719,756	1,478,130	37,847	126%
2022	8,274,165	8,955,189	1,478,130	37,847	127%
2023	8,430,058	9,196,980	1,478,130	37,847	127%
2024	8,587,335	9,445,298	1,478,130	37,847	128%
2025	8,486,386	9,700,321	1,397,298	37,847	131%
2026	8,395,463	9,962,230	1,304,225	37,847	135%
2027	8,298,987	10,231,210	1,207,459	37,847	138%
2028	8,196,658	10,507,452	1,106,893	37,847	142%
2029	8,087,693	10,791,154	1,002,256	37,847	146%
2030	7,981,723	11,082,515	893,416	37,847	151%
2031	7,868,005	11,381,743	778,365	37,847	155%
2032	7,746,065	11,689,050	658,686	37,847	160%
2033	7,620,595	12,004,654	534,272	37,847	165%
2034	7,491,965	12,328,780	401,751	37,847	170%
2035	7,352,585	12,661,657	263,718	37,847	176%
2036	7,207,140	13,003,522	120,062	37,847	183%

(1) Net of capitalized interest.

(2) Per the hereinafter defined Revenue Study reflecting Sales Tax received by the District.

(3) Coverage of Sales Tax and BAB/RZEBS payments over Net Debt Service