



PALATINE PUBLIC LIBRARY DISTRICT

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PMA SECURITIES, LLC

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Overview of Proposed 2020 Financing

January 21, 2020

FINANCING MECHANISMS

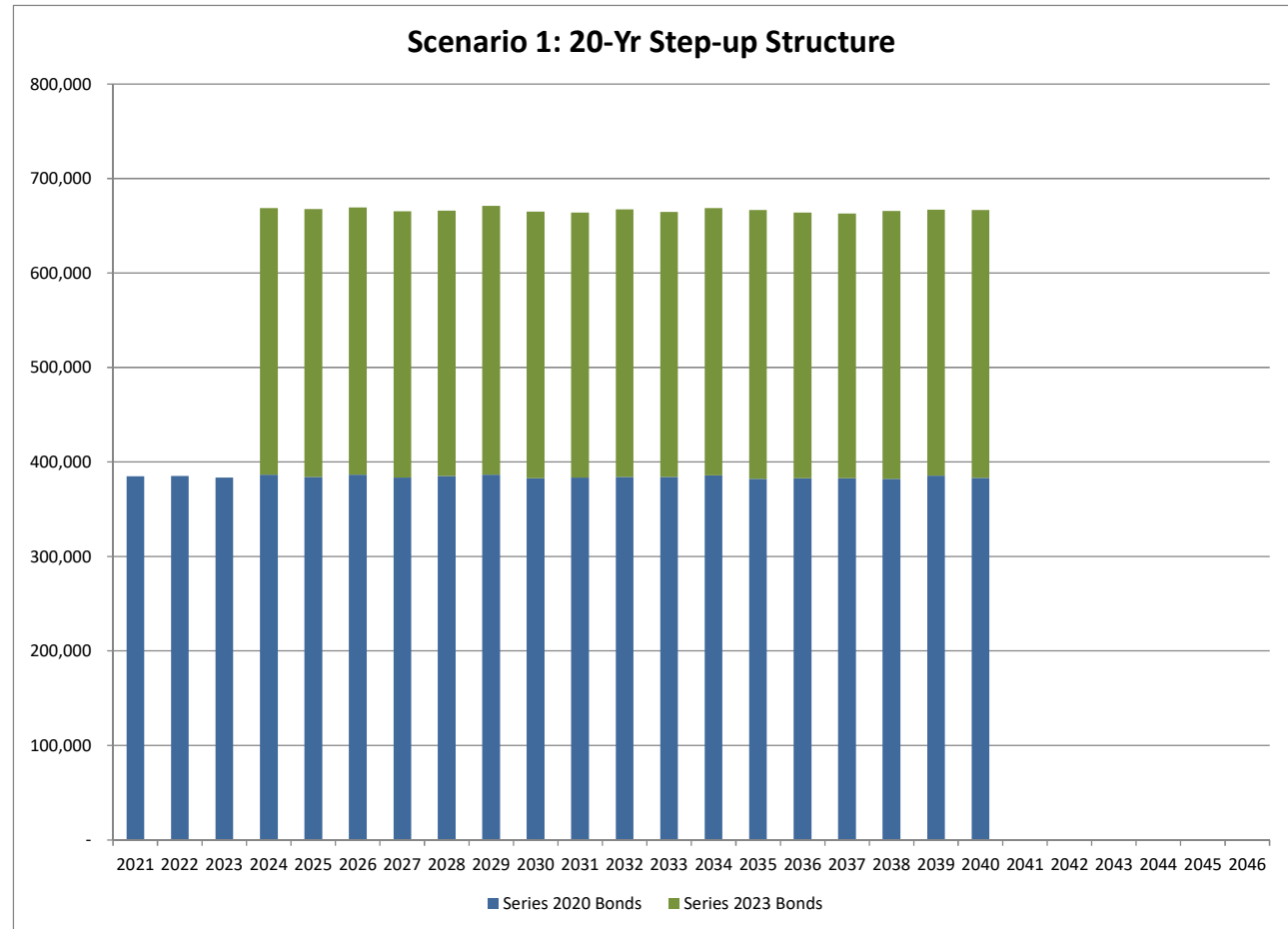
| | Alternate Revenue Source Bonds | Debt Certificates |
|---------------------------------------|--|--|
| Purpose | Capital Projects | Capital Projects |
| Referendum Requirement | 30-Day Petition Period (Backdoor Referendum) | None |
| Separate Tax Levy Available | Yes; however, paid from operations or other source | No; Paid from operations |
| Public Hearing Required (BINA) | Yes | No |
| Final Maturity Limit | 40 Years | 20 Years |
| Subject to Debt Limit | No (as long as levy is not accessed, and proceeds used for capital projects) | Yes (unless proceeds used for capital projects) |
| Rating Required | Yes (for Public Offering) | Yes (for Public Offering) |
| Rating Differential | Same as Debt Certificates | Same as Alternate Revenue Source Bonds |
| Interest Rate Differential | Approximately 0.05% - 0.10% lower than Debt Certificates | Approximately 0.05% - 0.10% higher than Alternate Revenue Source Bonds |
| Other Restrictions | Bond Ordinance required; Revenue coverage tests may apply | Bond Ordinance required |

*Orange highlight indicates Board action requirement for respective financing mechanism

FINANCING SCENARIOS

Non-Referendum Debt Service

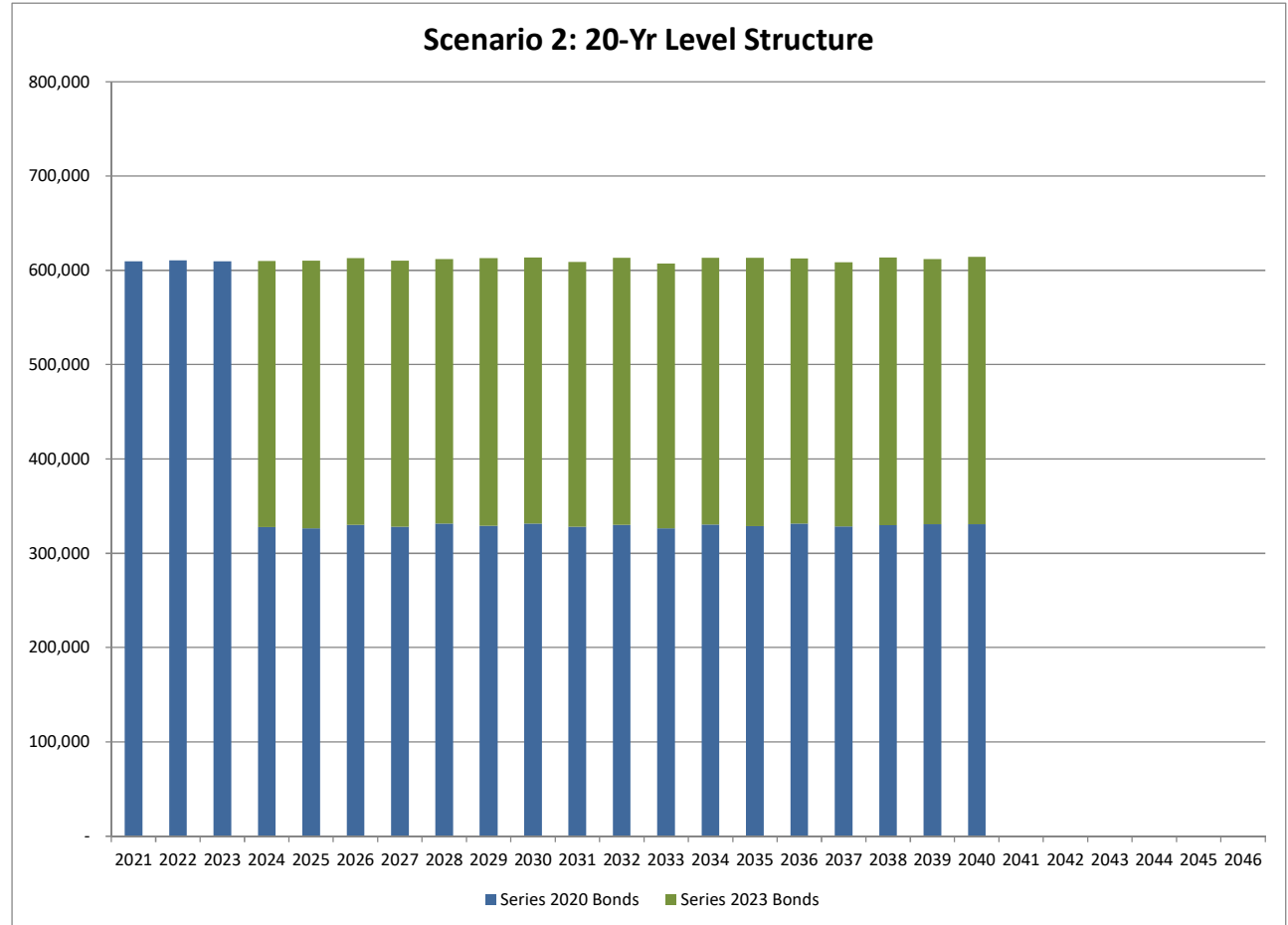
| Ley Year | Fiscal Year | PROPOSED | PROPOSED | Total |
|----------------------|-------------|---|---|----------------------|
| | | \$5.5 Million BQ (ARS) Bonds, Series 2020 (1) | \$3.5 Million BQ (ARS) Bonds, Series 2023 (2) | |
| 2016 | 2018 | \$ | \$ | \$ |
| 2017 | 2019 | | | |
| 2018 | 2020 | - | - | - |
| 2019 | 2021 | 384,867 | - | 384,867 |
| 2020 | 2022 | 385,400 | - | 385,400 |
| 2021 | 2023 | 383,600 | - | 383,600 |
| 2022 | 2024 | 386,600 | 282,333 | 668,933 |
| 2023 | 2025 | 384,200 | 283,600 | 667,800 |
| 2024 | 2026 | 386,600 | 282,800 | 669,400 |
| 2025 | 2027 | 383,600 | 281,800 | 665,400 |
| 2026 | 2028 | 385,400 | 280,600 | 666,000 |
| 2027 | 2029 | 386,800 | 284,200 | 671,000 |
| 2028 | 2030 | 382,800 | 282,400 | 665,200 |
| 2029 | 2031 | 383,600 | 280,400 | 664,000 |
| 2030 | 2032 | 384,000 | 283,200 | 667,200 |
| 2031 | 2033 | 384,000 | 280,600 | 664,600 |
| 2032 | 2034 | 386,000 | 282,800 | 668,800 |
| 2033 | 2035 | 382,250 | 284,600 | 666,850 |
| 2034 | 2036 | 383,000 | 281,000 | 664,000 |
| 2035 | 2037 | 383,000 | 280,000 | 663,000 |
| 2036 | 2038 | 382,250 | 283,500 | 665,750 |
| 2037 | 2039 | 385,750 | 281,250 | 667,000 |
| 2038 | 2040 | 383,250 | 283,500 | 666,750 |
| 2039 | 2041 | - | - | - |
| 2040 | 2042 | - | - | - |
| 2041 | 2043 | - | - | - |
| 2042 | 2044 | - | - | - |
| 2043 | 2045 | - | - | - |
| 2044 | 2046 | - | - | - |
| Total DS From | | | | |
| Current FY: | | \$ 7,686,967 | \$ 4,798,583 | \$ 12,485,550 |



(1) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%. Estimated TIC: 3.30%.
 (2) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 1.00%. Estimated TIC: 3.60%.

Non-Referendum Debt Service

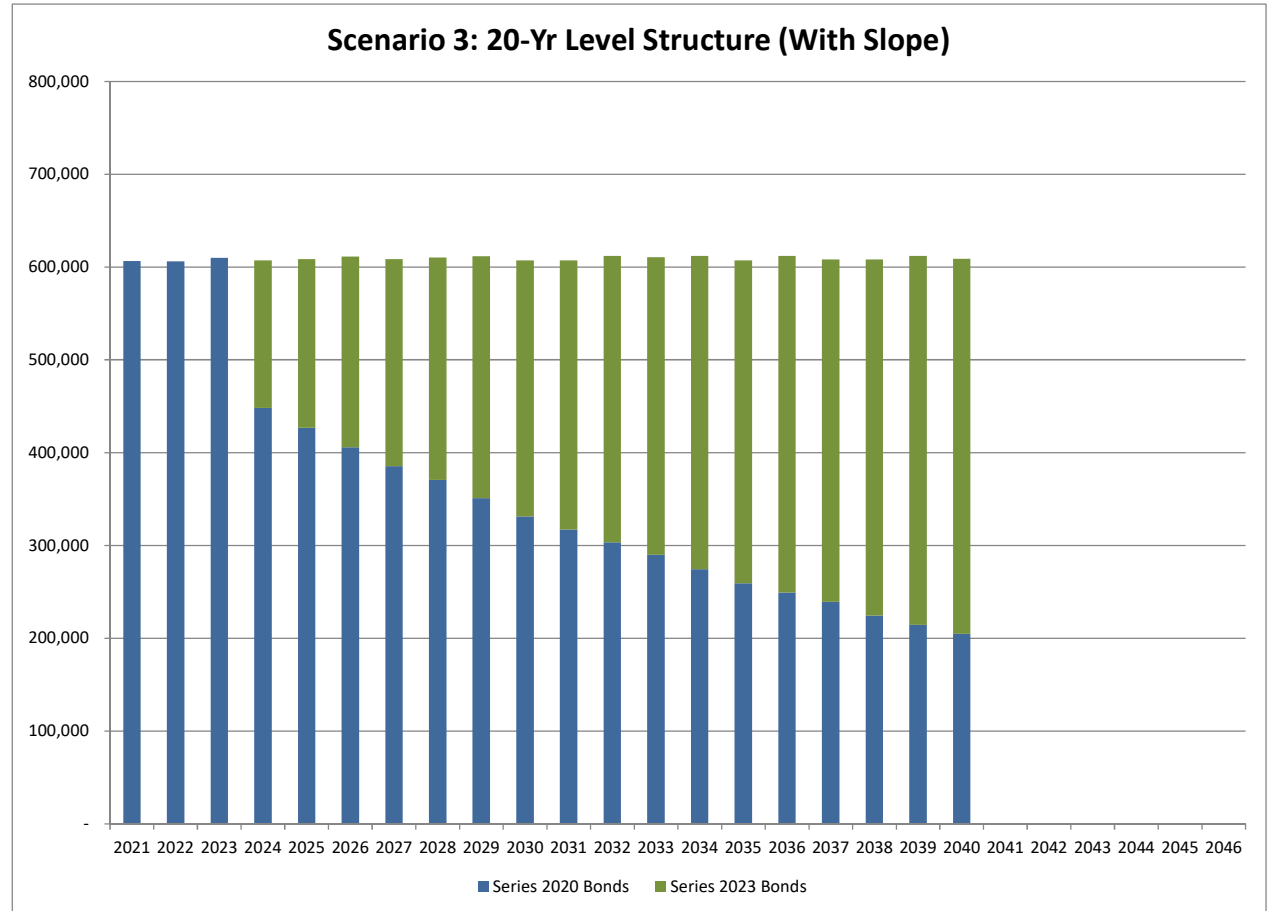
| Levy Year | Fiscal Year | PROPOSED | PROPOSED | Total |
|----------------------------------|-------------|---|---|----------------------|
| | | \$5.5 Million BQ (ARS) Bonds, Series 2020 (1) | \$3.5 Million BQ (ARS) Bonds, Series 2023 (2) | |
| 2016 | 2018 | - | \$ - | \$ - |
| 2017 | 2019 | - | - | - |
| 2018 | 2020 | - | - | - |
| 2019 | 2021 | 609,400 | - | 609,400 |
| 2020 | 2022 | 610,700 | - | 610,700 |
| 2021 | 2023 | 609,500 | - | 609,500 |
| 2022 | 2024 | 327,700 | 282,333 | 610,033 |
| 2023 | 2025 | 326,500 | 283,600 | 610,100 |
| 2024 | 2026 | 330,100 | 282,800 | 612,900 |
| 2025 | 2027 | 328,300 | 281,800 | 610,100 |
| 2026 | 2028 | 331,300 | 280,600 | 611,900 |
| 2027 | 2029 | 328,900 | 284,200 | 613,100 |
| 2028 | 2030 | 331,300 | 282,400 | 613,700 |
| 2029 | 2031 | 328,300 | 280,400 | 608,700 |
| 2030 | 2032 | 330,100 | 283,200 | 613,300 |
| 2031 | 2033 | 326,500 | 280,600 | 607,100 |
| 2032 | 2034 | 330,500 | 282,800 | 613,300 |
| 2033 | 2035 | 328,750 | 284,600 | 613,350 |
| 2034 | 2036 | 331,500 | 281,000 | 612,500 |
| 2035 | 2037 | 328,500 | 280,000 | 608,500 |
| 2036 | 2038 | 330,000 | 283,500 | 613,500 |
| 2037 | 2039 | 330,750 | 281,250 | 612,000 |
| 2038 | 2040 | 330,750 | 283,500 | 614,250 |
| 2039 | 2041 | - | - | - |
| 2040 | 2042 | - | - | - |
| 2041 | 2043 | - | - | - |
| 2042 | 2044 | - | - | - |
| 2043 | 2045 | - | - | - |
| 2044 | 2046 | - | - | - |
| Total DS From Current FY: | | \$ 7,429,350 | \$ 4,798,583 | \$ 12,227,933 |



(1) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%. Estimated TIC: 3.27%.
 (2) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 1.00%. Estimated TIC: 3.60%.

Non-Referendum Debt Service

| Ley Year | Fiscal Year | PROPOSED \$5.5 Million BQ (ARS) Bonds, Series 2020 (1) | PROPOSED \$3.5 Million BQ (ARS) Bonds, Series 2023 (2) | Total |
|----------------------------------|-------------|--|--|----------------------|
| 2016 | 2018 | \$ _____ | \$ _____ | \$ _____ |
| 2017 | 2019 | _____ | _____ | _____ |
| 2018 | 2020 | - | - | - |
| 2019 | 2021 | 606,400 | - | 606,400 |
| 2020 | 2022 | 606,200 | - | 606,200 |
| 2021 | 2023 | 610,000 | - | 610,000 |
| 2022 | 2024 | 448,000 | 159,433 | 607,433 |
| 2023 | 2025 | 426,800 | 181,750 | 608,550 |
| 2024 | 2026 | 406,000 | 205,350 | 611,350 |
| 2025 | 2027 | 385,600 | 222,950 | 608,550 |
| 2026 | 2028 | 370,600 | 239,750 | 610,350 |
| 2027 | 2029 | 350,800 | 260,750 | 611,550 |
| 2028 | 2030 | 331,400 | 275,750 | 607,150 |
| 2029 | 2031 | 317,400 | 289,950 | 607,350 |
| 2030 | 2032 | 303,600 | 308,350 | 611,950 |
| 2031 | 2033 | 290,000 | 320,750 | 610,750 |
| 2032 | 2034 | 274,500 | 337,350 | 611,850 |
| 2033 | 2035 | 259,250 | 347,950 | 607,200 |
| 2034 | 2036 | 249,250 | 362,750 | 612,000 |
| 2035 | 2037 | 239,250 | 368,750 | 608,000 |
| 2036 | 2038 | 224,250 | 383,750 | 608,000 |
| 2037 | 2039 | 214,500 | 397,250 | 611,750 |
| 2038 | 2040 | 204,750 | 404,250 | 609,000 |
| 2039 | 2041 | - | - | - |
| 2040 | 2042 | - | - | - |
| 2041 | 2043 | - | - | - |
| 2042 | 2044 | - | - | - |
| 2043 | 2045 | - | - | - |
| 2044 | 2046 | - | - | - |
| Total DS From Current FY: | | \$ 7,118,550 | \$ 5,066,833 | \$ 12,185,383 |



(1) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 0.25%. Estimated TIC: 3.07%.
 (2) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable plus 1.00%. Estimated TIC: 3.71%.

- Please note that Scenario 3 offers the District less volatility in its annual debt service payments should there be a delay in the proposed 2023 financing.
- However, Scenario 3 also exposes the District to increased interest rate risk since more of the later years of the overall financing occur in the 2023 financing instead of the 2020 financing.

| | Scenario 1 | Scenario 2 | Scenario 3 |
|---|----------------------|----------------------|------------------------------|
| | Step-Up Structure | Level Structure | Level Structure (With Slope) |
| Total Proceeds | \$ 9,000,000 | \$ 9,000,000 | \$ 9,000,000 |
| 2020 Proceeds | 5,500,000 | 5,500,000 | 5,500,000 |
| 2023 Proceeds | 3,500,000 | 3,500,000 | 3,500,000 |
| Estimated Net Debt Service (1) | \$ 12,485,550 | \$ 12,227,933 | \$ 12,185,383 |
| Estimated Average Annual Debt Service..... | \$ 624,278 | \$ 611,397 | \$ 609,269 |
| Tax Status (2) (3)..... | BQ T-E | BQ T-E | BQ T-E |
| Estimated TIC (1)..... | 3.40% | 3.39% | 3.34% |
| Fiscal Year of Final Maturity..... | 2040 | 2040 | 2040 |

(1) Rates based upon the "AAA" MMD index for January 8, 2020 and recent bond sales which PMA believes to be accurate and reliable, plus additional spread for each respective financing

(2) BQ = Bank Qualified

(3) T-E = Tax-Exempt



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