

Preliminary

City of Racine

Illustration of Hypothetical Refinancing ⁽¹⁾

Calendar Year	BEFORE REFINANCING				AFTER REFINANCING					POTENTIAL DEBT SERVICE SAVINGS	
	\$18,980,000 Water Sys Mort Rev Ref Bonds (AR) Dated April 2, 2007			TOTAL DEBT SERVICE	\$18,980,000 Water Sys Mort Rev Ref Bonds (AR) Dated April 2, 2007		\$6,755,000 Water Sys Mort Rev Ref Bonds (AR) Dated September 8, 2015 ⁽¹⁾				TOTAL NEW DEBT SERVICE
	PRINCIPAL (9/1)	RATE	INTEREST (3/1 & 9/1)		PRINCIPAL (9/1)	INTEREST (3/1 & 9/1)	PRINCIPAL (9/1)	INTEREST (3/1 & 9/1)	TOTAL		
							TIC= 2.91%				
2015	\$1,230,000	4.000%	\$620,169	\$1,850,169	\$1,230,000	\$620,169			\$1,850,169	\$0	
2016	\$1,280,000	4.250%	\$570,969	\$1,850,969	\$1,280,000	\$240,600	\$25,000	\$194,787	\$219,787	\$1,740,387	\$110,581
2017	\$1,350,000	4.250%	\$516,569	\$1,866,569	\$760,000	\$186,200	\$610,000	\$198,150	\$808,150	\$1,754,350	\$112,219
2018	\$1,380,000	4.750%	\$459,194	\$1,839,194	\$755,000	\$153,900	\$630,000	\$185,950	\$815,950	\$1,724,850	\$114,344
2019	\$1,445,000	4.750%	\$393,644	\$1,838,644	\$790,000	\$118,038	\$645,000	\$173,350	\$818,350	\$1,726,388	\$112,256
2020	\$1,525,000	4.750%	\$325,006	\$1,850,006	\$830,000	\$80,513	\$665,000	\$160,450	\$825,450	\$1,735,963	\$114,044
2021	\$1,595,000	4.750%	\$252,569	\$1,847,569	\$865,000	\$41,088	\$680,000	\$147,150	\$827,150	\$1,733,238	\$114,331
2022	\$720,000	4.125%	\$176,806	\$896,806	***		\$655,000	\$126,750	\$781,750	\$781,750	\$115,056
2023	\$745,000	4.125%	\$147,106	\$892,106	***		\$670,000	\$107,100	\$777,100	\$777,100	\$115,006
2024	\$780,000	4.750%	\$116,375	\$896,375	***		\$695,000	\$87,000	\$782,000	\$782,000	\$114,375
2025	\$815,000	4.750%	\$79,325	\$894,325	***		\$725,000	\$59,200	\$784,200	\$784,200	\$110,125
2026	\$855,000	4.750%	\$40,613	\$895,613	***		\$755,000	\$30,200	\$785,200	\$785,200	\$110,413
	\$13,720,000		\$3,698,344	\$17,418,344	\$6,510,000	\$1,440,506	\$6,755,000	\$1,470,087	\$8,225,087	\$16,175,594	\$1,242,750

Maturities callable 9/1/2016 or any date thereafter.

CALLABLE MATURITIES

*** REFINANCED WITH 2015 ISSUE.

LESS CHANGE IN DEBT SERVICE RESERVE FUND..	(\$658,202)
ROUNDING AMOUNT.....	\$1,000
POTENTIAL GROSS SAVINGS.....	\$585,548

(1) This illustration represents a mathematical calculation of potential interest cost savings (cost), assuming hypothetical rates based on current rates +15bps for municipal bonds as of 6/9/15. Actual rates may vary. If actual rates are higher than those assumed, the interest cost savings would be lower. This illustration provides information and is not intended to be a recommendation, proposal or suggestion for a refinancing or otherwise to be considered as advice.

(2) POTENTIAL PRESENT VALUE SAVINGS \$.....	\$390,810
POTENTIAL PRESENT VALUE SAVINGS %.....	5.420%

(2) Present value calculated using the All Inclusive Cost (AIC) of 3.02% as the discount rate.

Interest Rate Sensitivity		
Change in Rates	Est. PV % Savings	Est. PV \$ Savings
-0.30%	7.386%	\$532,546
-0.20%	6.727%	\$485,018
-0.10%	6.072%	\$437,826
+0.10%	4.782%	\$344,778
+0.20%	4.141%	\$298,567
+0.30%	3.508%	\$252,945