



KEVIN W. McCANNA
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DANIEL D. FORBES
VICE PRESIDENT

BARBARA L. CHEVALIER
VICE PRESIDENT

RAPHALIATA MCKENZIE
VICE PRESIDENT

May 10, 2011

The Honorable Michael W. Walker
and Fellow Park Commissioners
Urbana Park District
303 West University Avenue
Urbana, Illinois 61801

Dear President Walker and Fellow Commissioners:

Bids were received today for the \$7,000,000 General Obligation Park Bonds (Alternate Revenue Source), Series 2011A. There were six bids received, which are listed at the bottom of this letter in accordance with the signed bids.

Upon examination, it is our opinion that the bid of Raymond James & Associates, Memphis, Tennessee, is the best bid received, and it is further our opinion that the bid is favorable to the District and should be accepted. After the sale, certain maturities of bonds were revised for retirement in keeping with the targeted levy. We therefore recommend that the Bonds be awarded to that bidder at a price of \$6,968,719.35, plus accrued interest, being at a true interest rate of 4.4132%.

| <u>Account Managers</u> | <u>True Interest Rate</u> |
|---|---------------------------|
| Raymond James & Associates, Memphis, Tennessee | 4.4124% (Original) |
| | 4.4132% (Revised) |
| Robert W. Baird & Co. Inc., Milwaukee, Wisconsin | 4.4733% |
| Stifel Nicolaus, St. Louis, Missouri | 4.5028% |
| Bernardi Securities, Inc., Chicago, Illinois | 4.5093% |
| BMO Capital Markets GKST Inc., Chicago, Illinois | 4.6749% |
| Sterne, Agee & Leach, Nashville, Tennessee | 4.8447% |

Respectfully submitted,

SPEER FINANCIAL, INC.

Daniel D. Forbes
Vice President

DDF/lad

Attachments



Auction Date **Type** **Start** **End** **Time Now** **Status**
 Tue., May 10, 2011 AON 11:15:00 am 11:30:00 am ---:--:-- EDT Over

\$7,000,000

Urbana Park District, Champaign County, Illinois
 General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

| | Bidder | Firm | TIC | Time | Gross Interest | + Discount/ (Premium) | Total Interest | Bid No. | Cumulative Improvement |
|-----|---------|---------------|-----------|-------------|----------------|--------------------------|----------------|---------|------------------------|
| 1st | RAYM-TM | Raymond James | 4.412413% | 11:16:18 am | \$4,898,472.95 | 30,679.95 | \$4,929,152.90 | 1 | - |
| 2nd | RWBA-DK | Robert Baird | 4.473338% | 11:28:12 am | \$4,949,541.68 | 40,056.95 | \$4,989,598.63 | 1 | - |
| 3rd | STIF-JP | Stifel | 4.502843% | 11:29:38 am | \$5,049,935.42 | (0.00) | \$5,049,935.42 | 4 | 0.132191% |
| 4th | BERN-GD | Bernardi | 4.509311% | 11:29:50 am | \$5,054,678.75 | 14,000.00 | \$5,068,678.75 | 4 | 0.048702% |
| 5th | BMOC-RB | BMO Capital | 4.674881% | 11:29:42 am | \$5,169,395.83 | 56,000.00 | \$5,225,395.83 | 1 | - |
| 6th | STER-BG | Sterne. Agee | 4.844714% | 11:29:26 am | \$5,353,254.17 | 48,169.45 | \$5,401,423.62 | 2 | 0.010711% |

SPEER FINANCIAL, INC.

PUBLIC FINANCE CONSULTANTS SINCE 1954

SUITE 4100 • ONE NORTH LASALLE STREET • CHICAGO, ILLINOIS 60602 • (312) 346-3700 • FAX (312) 346-8833

Investment Rating:
Standard & Poor's ... AA

\$7,000,000
URBANA PARK DISTRICT
Champaign County, Illinois
General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Date of Sale: May 10, 2011
Revised Average Life: 15.812 Years
Bond Buyer Index: 4.69%
(Based on TIC)

Page 1 of 3

| <u>Bidders*</u> | <u>Price</u> | <u>Maturities</u> | <u>Bid Maturities</u> | <u>Revised Maturities</u> | <u>Rates</u> | <u>True Interest**</u> |
|--|---------------------------|-------------------|-----------------------|---------------------------|--------------|---------------------------|
| Raymond James & Associates, Memphis, TN | 99.562% | 2012 | \$ 65,000 | \$ 50,000 | 3.000% | 4.4124% |
| | \$6,969,320 (Original) | 2013 | 195,000 | 195,000 | 3.000% | \$4,929,153 (Original) |
| | | 2014 | 200,000 | 200,000 | 3.000% | |
| | | 2015 | 200,000 | 200,000 | 3.000% | |
| | 99.550% | 2016 | 205,000 | 205,000 | 3.000% | 4.4132% |
| | \$6,968,719 (Revised) | 2017 | 210,000 | 210,000 | 3.000% | \$4,938,191 (Revised) |
| | | 2018 | 215,000 | 215,000 | 3.000% | |
| | | 2019 | 220,000 | 220,000 | 3.000% | |
| | | 2020 | 230,000 | 230,000 | 4.000% | |
| | | 2021 | 235,000 | 235,000 | 4.000% | |
| | | 2022 | 245,000 | 245,000 | 4.000% | |
| | | 2023 | 255,000 | 255,000 | 4.000% | |
| | | 2024 | 265,000 | 265,000 | 4.000% | |
| | | 2025 | 275,000 | 280,000 | 4.000% | |
| | | 2026 | 285,000 | 295,000 | 4.000% | |
| | | 2027 | 300,000 | 300,000 | 4.125% | |
| | | 2028 | 315,000 | 315,000 | 4.250% | |
| | | 2029 | 325,000 | 325,000 | 4.375% | |
| | | 2030 | 340,000 | 340,000 | 4.375% | |
| | | 2031 | 360,000 | 360,000 | 4.500% | |
| | | 2032 | 375,000 | 375,000 | 4.625% | |
| | | 2033 | 390,000 | 390,000 | 5.000% | |
| | | 2034 | 410,000 | 410,000 | 5.000% | |
| | | 2035 | 430,000 | 430,000 | 5.000% | |
| | | 2036 | 455,000 | 455,000 | 5.000% | |
| | | | <u>\$7,000,000</u> | <u>\$7,000,000</u> | | |

*Syndicate information is provided by the underwriter. The information contained in this report is the most current available.

**The true interest rate reflects the time value of money where dollars spent in early years have a greater weight than dollars spent in later years.

SPEER FINANCIAL, INC.

\$7,000,000
URBANA PARK DISTRICT
Champaign County, Illinois
General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Page 2 of 3

| <u>Bidders*</u> | <u>Price</u> | <u>Maturities</u> | <u>Rates</u> | <u>Interest**</u> |
|--|--------------|---|--------------|-------------------|
| Robert W. Baird & Co. Inc., Milwaukee, WI | 99.428% | 2012-2013 | 2.000% | 4.4733% |
| | \$6,959,943 | 2014-2018 | 3.000% | \$4,989,599 |
| | | 2019-2025 | 4.000% | |
| | | 2026-2027 | 4.250% | |
| | | 2028-2029 | 4.375% | |
| | | 2030-2031 | 4.625% | |
| | | 2032-2033 | 4.750% | |
| | | 2034-2036 | 5.000% | |
| Stifel Nicolaus, St. Louis, MO | 100.000% | 2012-2018 | 3.000% | 4.5028% |
| | \$7,000,000 | 2019 | 3.250% | \$5,049,935 |
| | | 2020-2021 | 3.500% | |
| | | 2022-2024 | 4.000% | |
| | | 2025-2026 | 4.250% | |
| | | 2027-2029 | 4.500% | |
| | | 2030-2036 | 5.000% | |
| | | Bernardi Securities, Inc., Chicago, IL | 99.800% | |
| \$6,986,000 | 2017 | | 2.750% | \$5,068,679 |
| | 2018-2019 | | 3.000% | |
| | 2020 | | 3.200% | |
| | 2021 | | 3.350% | |
| | 2022 | | 3.500% | |
| | 2023 | | 3.700% | |
| | 2024-2026 | | 4.250% | |
| | 2027-2028 | | 4.500% | |
| | 2029-2030 | | 4.700% | |
| | 2031-2032 | | 5.000% | |
| | 2033-2034 | | 5.100% | |
| | 2035-2036 | | 5.200% | |

*Syndicate information is provided by the underwriter. The information contained in this report is the most current available.
 **The true interest rate reflects the time value of money where dollars spent in early years have a greater weight than dollars spent in later years.

SPEER FINANCIAL, INC.

\$7,000,000
URBANA PARK DISTRICT
Champaign County, Illinois
General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Page 3 of 3

| <u>Bidders*</u> | <u>Price</u> | <u>Maturities</u> | <u>Rates</u> | <u>Interest**</u> |
|--|--------------|-------------------|--------------|-------------------|
| BMO Capital Markets GKST Inc. Chicago, IL | 99.200% | 2012-2016 | 3.000% | 4.6749% |
| | \$6,944,000 | 2017-2019 | 3.250% | \$5,225,396 |
| | | 2020-2021 | 3.500% | |
| | | 2022-2025 | 4.000% | |
| | | 2026 | 4.250% | |
| | | 2027-2029 | 4.500% | |
| | | 2030-2031 | 5.000% | |
| | | 2032-2036 | 5.250% | |
| Sterne, Agee & Leach, Nashville, TN M&I Marshall & Ilsley Bank | 99.312% | 2012-2016 | 3.000% | 4.8447% |
| | \$6,951,831 | 2017 | 3.250% | \$5,401,424 |
| | | 2018-2019 | 3.500% | |
| | | 2020-2022 | 4.250% | |
| | | 2023-2025 | 4.500% | |
| | | 2026-2028 | 4.750% | |
| | | 2029-2031 | 5.000% | |
| | | 2032-2036 | 5.250% | |

*Syndicate information is provided by the underwriter. The information contained in this report is the most current available.
 **The true interest rate reflects the time value of money where dollars spent in early years have a greater weight than dollars spent in later years.

\$7,000,000
 Urbana Park District, Champaign County, Illinois
 General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Bidder: Raymond James & Associates Bidder TIC: 4.412413 %
Best AON TIC: 4.412413 % Status: Winner**

| Due | Principal Amount | Serial/ Sinker/ | Term | Coupon |
|--------------|------------------|--------------------|------|--------|
| Dec 15, 2012 | \$65,000 | Serial | | 3.000% |
| Dec 15, 2013 | \$195,000 | Serial | | 3.000% |
| Dec 15, 2014 | \$200,000 | Serial | | 3.000% |
| Dec 15, 2015 | \$200,000 | Serial | | 3.000% |
| Dec 15, 2016 | \$205,000 | Serial | | 3.000% |
| Dec 15, 2017 | \$210,000 | Serial | | 3.000% |
| Dec 15, 2018 | \$215,000 | Serial | | 3.000% |
| Dec 15, 2019 | \$220,000 | Serial | | 3.000% |
| Dec 15, 2020 | \$230,000 | Serial | | 4.000% |
| Dec 15, 2021 | \$235,000 | Serial | | 4.000% |
| Dec 15, 2022 | \$245,000 | Serial | | 4.000% |
| Dec 15, 2023 | \$255,000 | Serial | | 4.000% |
| Dec 15, 2024 | \$265,000 | Serial | | 4.000% |
| Dec 15, 2025 | \$275,000 | Serial | | 4.000% |
| Dec 15, 2026 | \$285,000 | Serial | | 4.000% |
| Dec 15, 2027 | \$300,000 | Serial | | 4.125% |
| Dec 15, 2028 | \$315,000 | Serial | | 4.250% |
| Dec 15, 2029 | \$325,000 | Serial | | 4.375% |
| Dec 15, 2030 | \$340,000 | Serial | | 4.375% |
| Dec 15, 2031 | \$360,000 | Serial | | 4.500% |
| Dec 15, 2032 | \$375,000 | Serial | | 4.625% |
| Dec 15, 2033 | \$390,000 | Sinker | | 5.000% |
| Dec 15, 2034 | \$410,000 | Sinker | | 5.000% |
| Dec 15, 2035 | \$430,000 | Sinker | | 5.000% |
| Dec 15, 2036 | \$455,000 | Term | | 5.000% |

Purchase Price: \$6,969,320.05

Insurer: None Selected

Spread: None Entered

**Time Submitted: May 10, 2011 at
 11:16:18 AM EDT**

| SpeerAuction Interest Cost Calculations (for informational purposes only) | |
|---|----------------|
| Issue Size | \$7,000,000 |
| Gross Interest | \$4,898,472.95 |
| Plus Discount/(Less Premium) | 30,679.95 |
| Total Interest Cost | \$4,929,152.90 |
| True Interest Rate | 4.412413% |
| Total Bond Years | 110,478.33 |
| Average Life | 15.783 Years |

Firm: Raymond James & Associates

**Winner - Unofficial, subject to verification and award.

Urbana Park District, Champaign County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Final

Debt Service Schedule

Part 1 of 2

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|------------|------------|--------|------------|------------|--------------|
| 05/24/2011 | - | - | - | - | - |
| 12/15/2011 | - | - | 168,991.67 | 168,991.67 | 168,991.67 |
| 06/15/2012 | - | - | 144,850.00 | 144,850.00 | - |
| 12/15/2012 | 50,000.00 | 3.000% | 144,850.00 | 194,850.00 | 339,700.00 |
| 06/15/2013 | - | - | 144,100.00 | 144,100.00 | - |
| 12/15/2013 | 195,000.00 | 3.000% | 144,100.00 | 339,100.00 | 483,200.00 |
| 06/15/2014 | - | - | 141,175.00 | 141,175.00 | - |
| 12/15/2014 | 200,000.00 | 3.000% | 141,175.00 | 341,175.00 | 482,350.00 |
| 06/15/2015 | - | - | 138,175.00 | 138,175.00 | - |
| 12/15/2015 | 200,000.00 | 3.000% | 138,175.00 | 338,175.00 | 476,350.00 |
| 06/15/2016 | - | - | 135,175.00 | 135,175.00 | - |
| 12/15/2016 | 205,000.00 | 3.000% | 135,175.00 | 340,175.00 | 475,350.00 |
| 06/15/2017 | - | - | 132,100.00 | 132,100.00 | - |
| 12/15/2017 | 210,000.00 | 3.000% | 132,100.00 | 342,100.00 | 474,200.00 |
| 06/15/2018 | - | - | 128,950.00 | 128,950.00 | - |
| 12/15/2018 | 215,000.00 | 3.000% | 128,950.00 | 343,950.00 | 472,900.00 |
| 06/15/2019 | - | - | 125,725.00 | 125,725.00 | - |
| 12/15/2019 | 220,000.00 | 3.000% | 125,725.00 | 345,725.00 | 471,450.00 |
| 06/15/2020 | - | - | 122,425.00 | 122,425.00 | - |
| 12/15/2020 | 230,000.00 | 4.000% | 122,425.00 | 352,425.00 | 474,850.00 |
| 06/15/2021 | - | - | 117,825.00 | 117,825.00 | - |
| 12/15/2021 | 235,000.00 | 4.000% | 117,825.00 | 352,825.00 | 470,650.00 |
| 06/15/2022 | - | - | 113,125.00 | 113,125.00 | - |
| 12/15/2022 | 245,000.00 | 4.000% | 113,125.00 | 358,125.00 | 471,250.00 |
| 06/15/2023 | - | - | 108,225.00 | 108,225.00 | - |
| 12/15/2023 | 255,000.00 | 4.000% | 108,225.00 | 363,225.00 | 471,450.00 |
| 06/15/2024 | - | - | 103,125.00 | 103,125.00 | - |
| 12/15/2024 | 265,000.00 | 4.000% | 103,125.00 | 368,125.00 | 471,250.00 |
| 06/15/2025 | - | - | 97,825.00 | 97,825.00 | - |
| 12/15/2025 | 280,000.00 | 4.000% | 97,825.00 | 377,825.00 | 475,650.00 |
| 06/15/2026 | - | - | 92,225.00 | 92,225.00 | - |
| 12/15/2026 | 295,000.00 | 4.000% | 92,225.00 | 387,225.00 | 479,450.00 |
| 06/15/2027 | - | - | 86,325.00 | 86,325.00 | - |
| 12/15/2027 | 300,000.00 | 4.125% | 86,325.00 | 386,325.00 | 472,650.00 |
| 06/15/2028 | - | - | 80,137.50 | 80,137.50 | - |
| 12/15/2028 | 315,000.00 | 4.250% | 80,137.50 | 395,137.50 | 475,275.00 |
| 06/15/2029 | - | - | 73,443.75 | 73,443.75 | - |
| 12/15/2029 | 325,000.00 | 4.375% | 73,443.75 | 398,443.75 | 471,887.50 |
| 06/15/2030 | - | - | 66,334.38 | 66,334.38 | - |
| 12/15/2030 | 340,000.00 | 4.375% | 66,334.38 | 406,334.38 | 472,668.76 |
| 06/15/2031 | - | - | 58,896.88 | 58,896.88 | - |
| 12/15/2031 | 360,000.00 | 4.500% | 58,896.88 | 418,896.88 | 477,793.76 |
| 06/15/2032 | - | - | 50,796.88 | 50,796.88 | - |

Urbana Park District, Champaign County, Illinois

General Obligation Park Bonds (Alternate Revenue Source), Series 2011A

Final

Debt Service Schedule

Part 2 of 2

| Date | Principal | Coupon | Interest | Total P+I | Fiscal Total |
|--------------|-----------------------|----------|-----------------------|------------------------|--------------|
| 12/15/2032 | 375,000.00 | 4.625% | 50,796.88 | 425,796.88 | 476,593.76 |
| 06/15/2033 | - | - | 42,125.00 | 42,125.00 | - |
| 12/15/2033 | 390,000.00 | 5.000% | 42,125.00 | 432,125.00 | 474,250.00 |
| 06/15/2034 | - | - | 32,375.00 | 32,375.00 | - |
| 12/15/2034 | 410,000.00 | 5.000% | 32,375.00 | 442,375.00 | 474,750.00 |
| 06/15/2035 | - | - | 22,125.00 | 22,125.00 | - |
| 12/15/2035 | 430,000.00 | 5.000% | 22,125.00 | 452,125.00 | 474,250.00 |
| 06/15/2036 | - | - | 11,375.00 | 11,375.00 | - |
| 12/15/2036 | 455,000.00 | 5.000% | 11,375.00 | 466,375.00 | 477,750.00 |
| Total | \$7,000,000.00 | - | \$4,906,910.45 | \$11,906,910.45 | - |

Yield Statistics

| | |
|--|--------------|
| Accrued Interest from 05/15/2011 to 05/24/2011 | 7,242.50 |
| Bond Year Dollars | \$110,683.33 |
| Average Life | 15.812 Years |
| Average Coupon | 4.4332876% |
| Net Interest Cost (NIC) | 4.4615490% |
| True Interest Cost (TIC) | 4.4132110% |
| Bond Yield for Arbitrage Purposes | 4.2736823% |
| All Inclusive Cost (AIC) | 4.4780475% |

IRS Form 8038

| | |
|---------------------------|--------------|
| Net Interest Cost | 4.3473051% |
| Weighted Average Maturity | 15.682 Years |

URBANA PARK DISTRICT
Preliminary Financing Plan Overview
2011 Debt Service Plan

| EAV Year | Calendar Year | Equalized Assessed Value | Percent Change | Estimated Corporate Fund Revenue Stream 8.95 Cents | Less: | | Final (Over)/Under Revenue Stream | Final Accumulated (Over)/Under Revenue |
|-------------|------------------|--------------------------------|-------------------|---|--|--|--|---|
| | | | | | Estimated Carle Tax Litigation Set Aside - 6% | Final \$7,000,000 Series 2011A Debt Service | | |
| 2009 | 2010 | \$604,148,607 | known | | | | | |
| 2010 | 2011 | \$609,577,321 | known | | | \$168,992 | (\$168,992) | (\$168,992) |
| 2011 | 2012 | \$609,577,321 | | \$545,572 | \$32,734 | \$339,700 | \$173,137 | \$4,146 |
| 2012 | 2013 | \$609,577,321 | | \$545,572 | \$32,734 | \$483,200 | \$29,637 | \$33,783 |
| 2013 | 2014 | \$609,577,321 | | \$545,572 | \$32,734 | \$482,350 | \$30,487 | \$64,271 |
| 2014 | 2015 | \$609,577,321 | | \$545,572 | \$32,734 | \$476,350 | \$36,487 | \$100,758 |
| 2015 | 2016 | \$609,577,321 | | \$545,572 | \$32,734 | \$475,350 | \$37,487 | \$138,245 |
| 2016 | 2017 | \$609,577,321 | | \$545,572 | \$32,734 | \$474,200 | \$38,637 | \$176,883 |
| 2017 | 2018 | \$609,577,321 | | \$545,572 | \$32,734 | \$472,900 | \$39,937 | \$216,820 |
| 2018 | 2019 | \$609,577,321 | | \$545,572 | \$32,734 | \$471,450 | \$41,387 | \$258,208 |
| 2019 | 2020 | \$609,577,321 | | \$545,572 | \$32,734 | \$474,850 | \$37,987 | \$296,195 |
| 2020 | 2021 | \$609,577,321 | | \$545,572 | \$32,734 | \$470,650 | \$42,187 | \$338,382 |
| 2021 | 2022 | \$609,577,321 | | \$545,572 | \$32,734 | \$471,250 | \$41,587 | \$379,970 |
| 2022 | 2023 | \$609,577,321 | | \$545,572 | \$32,734 | \$471,450 | \$41,387 | \$421,357 |
| 2023 | 2024 | \$609,577,321 | | \$545,572 | \$32,734 | \$471,250 | \$41,587 | \$462,945 |
| 2024 | 2025 | \$609,577,321 | | \$545,572 | \$32,734 | \$475,650 | \$37,187 | \$500,132 |
| 2025 | 2026 | \$609,577,321 | | \$545,572 | \$32,734 | \$479,450 | \$33,387 | \$533,519 |
| 2026 | 2027 | \$609,577,321 | | \$545,572 | \$32,734 | \$472,650 | \$40,187 | \$573,707 |
| 2027 | 2028 | \$609,577,321 | | \$545,572 | \$32,734 | \$475,275 | \$37,562 | \$611,269 |
| 2028 | 2029 | \$609,577,321 | | \$545,572 | \$32,734 | \$471,888 | \$40,950 | \$652,219 |
| 2029 | 2030 | \$609,577,321 | | \$545,572 | \$32,734 | \$472,669 | \$40,169 | \$692,388 |
| 2030 | 2031 | \$609,577,321 | | \$545,572 | \$32,734 | \$477,794 | \$35,044 | \$727,431 |
| 2031 | 2032 | \$609,577,321 | | \$545,572 | \$32,734 | \$476,594 | \$36,244 | \$763,675 |
| 2032 | 2033 | \$609,577,321 | | \$545,572 | \$32,734 | \$474,250 | \$38,587 | \$802,262 |
| 2033 | 2034 | \$609,577,321 | | \$545,572 | \$32,734 | \$474,750 | \$38,087 | \$840,350 |
| 2034 | 2035 | \$609,577,321 | | \$545,572 | \$32,734 | \$474,250 | \$38,587 | \$878,937 |
| 2035 | 2036 | \$609,577,321 | | \$545,572 | \$32,734 | \$477,750 | \$35,087 | \$914,025 |
| | | | | \$13,639,293 | \$818,358 | \$11,906,910 | \$914,025 | |

URBANA PARK DISTRICT

COSTS OF ISSUANCE /ALLOCATION OF PROCEEDS

CHAMPAIGN COUNTY, ILLINOIS

CRYSTAL LAKE POOL PROJECT-20 YEARS TO MATURITY

ISSUE SIZE: \$7,000,000

Confirmed

| Estimated Cost Items | Service Provider | Final Series 2011A | Status |
|-------------------------------|-------------------------|-----------------------|-----------|
| 1 Financial Advisor | Speer Financial, Inc. | 22,250 | Confirmed |
| 2 Bond Counsel | Chapman & Cutler LLP | 9,750 | Confirmed |
| 3 Official Statement Printing | low bidder | 1,787 | Confirmed |
| 4 Rating | Moody's Investors Group | 9,000 | Confirmed |
| 5 Paying Agent/Registrar | name of bank | 850 | Estimated |
| 6 Postage and Mailing | Speer Financial, Inc. | 1,200 | Estimated |
| 7 Addendum Printing | Speer Financial, Inc. | 350 | Estimated |
| 8 Underwriter Discount | To the purchaser | 31,281 | Estimated |
| 9 Bidding Escrow | Speer Financial, Inc. | 500 | Estimated |
| 10 SpeerAuction.com | Speer Financial, Inc. | 3,250 | Estimated |
| Total Cost of Issuance | | 80,218 | Estimated |
| Capital Projects | | 6,919,782 | Estimated |
| Total Proceeds | | 7,000,000 | Confirmed |

Excludes cost for local counsel

Percent of issue assigned to issuance costs

1.1460%

SPEER FINANCIAL, INC.

run date: 10-May-11

file name: 2011 AB/ coi

Summary:

Urbana Park District, Illinois; General Obligation

Primary Credit Analyst:

Kathryn Horan Clayton, Chicago (1) 312-233-7023; kathryn_clayton@standardandpoors.com

Secondary Contact:

Caroline West, Chicago 312-233-7047; caroline_west@standardandpoors.com

Table Of Contents

Rationale

Outlook

Related Criteria And Research

Summary:

Urbana Park District, Illinois; General Obligation

| Credit Profile | | |
|--|-----------|----------|
| US\$7. mil GO pk bnds (alternate rev source) ser 2011A dtd 05/15/2011 due 12/15/2036 | | |
| <i>Long Term Rating</i> | AA/Stable | New |
| <hr/> | | |
| Urbana Pk Dist GO pk bnds (alternate rev source) (Build America Bnds) ser 2010 due 12/15/2011-2030 | | |
| <i>Long Term Rating</i> | AA/Stable | Affirmed |

Rationale

Standard & Poor's Ratings Services assigned its 'AA' rating to Urbana Park District, Ill.'s series 2011A general obligation (GO) alternative revenue source bonds. At the same time, Standard & Poor's affirmed its 'AA' rating on the district's GO debt. The outlook is stable.

The rating reflects our view of the district's:

- Stable service- and education-based economy anchored by the University of Illinois;
- Solid financial position, evidenced by very strong general fund reserves; and
- Low overall net debt burden.

The preceding credit strengths are offset in part by our view of the district's service area's adequate but below-average income levels.

Unlimited ad valorem taxes levied on taxable property within the district secure the debt service on the series 2011A bonds, which is expected to be abated each year providing pledged revenues of the park district's \$0.11 corporate tax rate increase are on hand to pay debt service prior to abating the levy. As an additional source of repayment on the bonds, the district has pledged proceeds from the annual sale of short-term bonds. The district's ability to levy against its debt service extension base on all property within the district up to the \$710,520 extension base secures the annual short-term bonds. Proceeds of the bonds will be used to finance the construction of and improvements to a new outdoor pool facility and park.

The Urbana Park District serves an estimated population of 40,550 and is located in east-central Illinois in Champaign County, approximately 135 miles south of Chicago. The local economy is anchored by the University of Illinois, which is located in both Urbana and Champaign cities and employs 11,700. Other leading employers in the district's service area include:

- Carle Clinic & Hospital (5,669 employees), health care;
- Provena Covenant Medical Center (1,000), health care;
- Supervalu Distribution Center (900), wholesale grocery distribution; and
- Flex-N-Gate Corp. (503), corporate headquarters and metal stamping and welding.

According to management, the leading employers in the area have been stable. The 2010 average unemployment

rate for the City of Urbana was 9.4%, which was slightly higher than the county's rate of 9.0%, yet below the state's average of 10.3% for the same time period. Income levels in the city are what we consider adequate, although they may be diluted due to the student body presence, with per capita and median household effective buying incomes for Urbana residents at 68% and 63% of national averages, respectively. While new construction has slowed, the tax base has continued to grow, most recently increasing 2.8% in levy year 2009 to \$604.15 million. The tax base is diverse, in our view, with the 10 leading taxpayers making up 20.3% of total equalized assessed value. The fair market value of the tax base is more than \$1.8 billion, or, in our opinion, an adequate \$44,697 per capita.

The park district operates 22 parks and eight facilities including a nature center, a gym, a special recreation facility, and an indoor aquatic center. Property tax revenues are the district's leading source of income, providing 78% of total governmental revenues, followed by charges for services and merchandise (11%) and intergovernmental revenue (5.1%). Each year, the district does a competitive analysis of programs and operations to determine appropriate user fees and the most efficient use of the park facilities, and presents the findings to the board during the budget process.

The district maintained what we consider a very strong unreserved general fund balance totaling \$1.57 million (96% of general fund expenditures) at the end of fiscal 2010 (April 30). The ending balance represented a surplus of \$430,000 for the year. The district's recreation fund and museum fund provide additional liquidity for the district, and held \$599,000 and \$269,000, respectively, at the end of fiscal 2010. For fiscal 2011, district management expects to post a minimum surplus of \$300,000 total across all three accounts. The fiscal 2012 budget for all three funds shows balanced operations.

In April of 2011, district voters approved a new corporate tax rate increase of \$0.11, which is expected to provide funds for the construction and maintenance of a new outdoor pool center and park. Management expects annual income from the additional levy to support the pool construction and operations thereafter, which it has pledged as the intended source of repayment for the 2011A alternative revenue source bonds while outstanding. The pool is expected to open in the 2013 season.

The district's management practices are considered "good" under Standard & Poor's Financial Management Assessment (FMA) methodology. An FMA of "good" indicates that practices exist in most areas, although not all might be formalized or regularly monitored by governance officials. Highlights include detailed annual program review and monthly budget-to-actual reports to the board. The district reports on its investment portfolio and earnings on a monthly basis. While no formal long-term financial plan exists, management uses a multiyear capital project plan that outlines both anticipated projects and the anticipated sources of funds for the projects. The park district board strives to maintain a level of reserves equal to a minimum of three months' expenditures.

In our opinion, the debt burden is low at 2.8% of state equalized market value and \$1,239 per capita. Debt service carrying charges in fiscal 2010 were moderate, in our view, at 15.3% of total governmental funds expenditures less capital outlay. Amortization of the district's debt is average; approximately 50% of the district's debt outstanding will mature over 10 years. We understand that park district management has no additional debt plans at this time, beyond the annual issuance of the short-term GO bonds.

Outlook

The stable outlook reflects our expectation that the district will maintain its very strong financial position. We do not expect to change the rating within the two-year parameter of the outlook because we believe the district will continue to adjust expenditures and/or programs as needed in order to maintain efficient operations. The district's participation in the Urbana-Champaign area economy, which is home to the University of Illinois, provides further stability to the rating.

Related Criteria And Research

USPF Criteria: GO Debt, Oct. 12, 2006

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