

McLean County Unit District No. 5

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TO: Board of Education
FROM: Alan Chapman
RE: Operating Funds Financial Projections
DATE: January 31, 2007

The following five year operating funds financial projections are based upon current financial data and a number of assumptions. These scenarios do not represent recommendations and do not reflect any decisions regarding changes in programming, potential new construction or potential changes in tax rates. They do, however, allow for a comparison of several possibilities for consideration, and project the financial impact of implementing those particular possibilities on year-end balances in our operating funds through FY12.

The FY07 financial planning model includes the following revenue assumptions:

- 6.25 % Growth in Equalized Assessed Valuation in FY08 through FY12
- \$150 Increase in General State Aid in FY08 through FY12

Scenario 1

FY07 Base Model plus:

- Transfer of \$1,000,000 From Working Cash to Educational Fund in FY07
- Transfer of \$1,700,000 From Working Cash to Educational Fund in FY08
- (3) new 600 student elementary schools in FY10
- (1) new 1,200 student middle school in FY11
- Projected Portable Classrooms FY08 (\$201,490) and FY09 (\$241,725)

Scenario 2

FY07 Base Model plus:

- Transfer of \$1,000,000 From Working Cash to Educational Fund in FY07
- Transfer of \$1,700,000 From Working Cash to Educational Fund in FY08
- (3) new 600 student elementary schools in FY10
- (1) new 1,200 student middle school in FY11
- Projected Portable Classrooms FY08 (\$201,490) and FY09 (\$241,725)
- Educational Fund tax rate increase of \$.30 applicable to 2007 levy (payable in 2008)

Scenario 3

FY07 Base Model plus:

- (3) new 600 student elementary schools in FY11
- (1) new 1,200 student middle school in FY12
- Projected Portable Classrooms FY08 (\$201,490), FY09 (\$241,725) and FY10 (\$537,100)

Scenario 4

FY07 Base Model plus:

- (3) new 600 student elementary schools in FY11
- (1) new 1,200 student middle school in FY12
- Projected Portable Classrooms FY08 (\$201,490), FY09 (\$241,725) and FY10 (\$537,100)
- Educational Fund tax rate increase of \$.30 applicable to 2007 levy (payable in 2008)

Scenario 5

FY07 Base Model plus:

- (3) new 600 student elementary schools in FY11
- (1) new 1,200 student middle school in FY12
- Implement .5 Day Kindergarten program in FY09 (Reduces projected classroom needs by 15-17 and certified FTE by 17.5-21.0 each year)
- Projected Portable Classrooms FY08 (\$201,490)

Scenario 6

FY07 Base Model plus:

- (3) new 600 student elementary schools in FY11
- (1) new 1,200 student middle school in FY12
- Implement .5 Day Kindergarten program in FY09 (Reduces projected classroom needs by 15-17 and certified FTE by 17.5-21.0 each year)
- Projected Portable Classrooms FY08 (\$201,490)
- Educational Fund tax rate increase of \$.30 applicable to 2007 levy (payable in 2008)