



# Cary Consolidated School District 26

Referendum Options  
for the February 2, 2010 Ballot

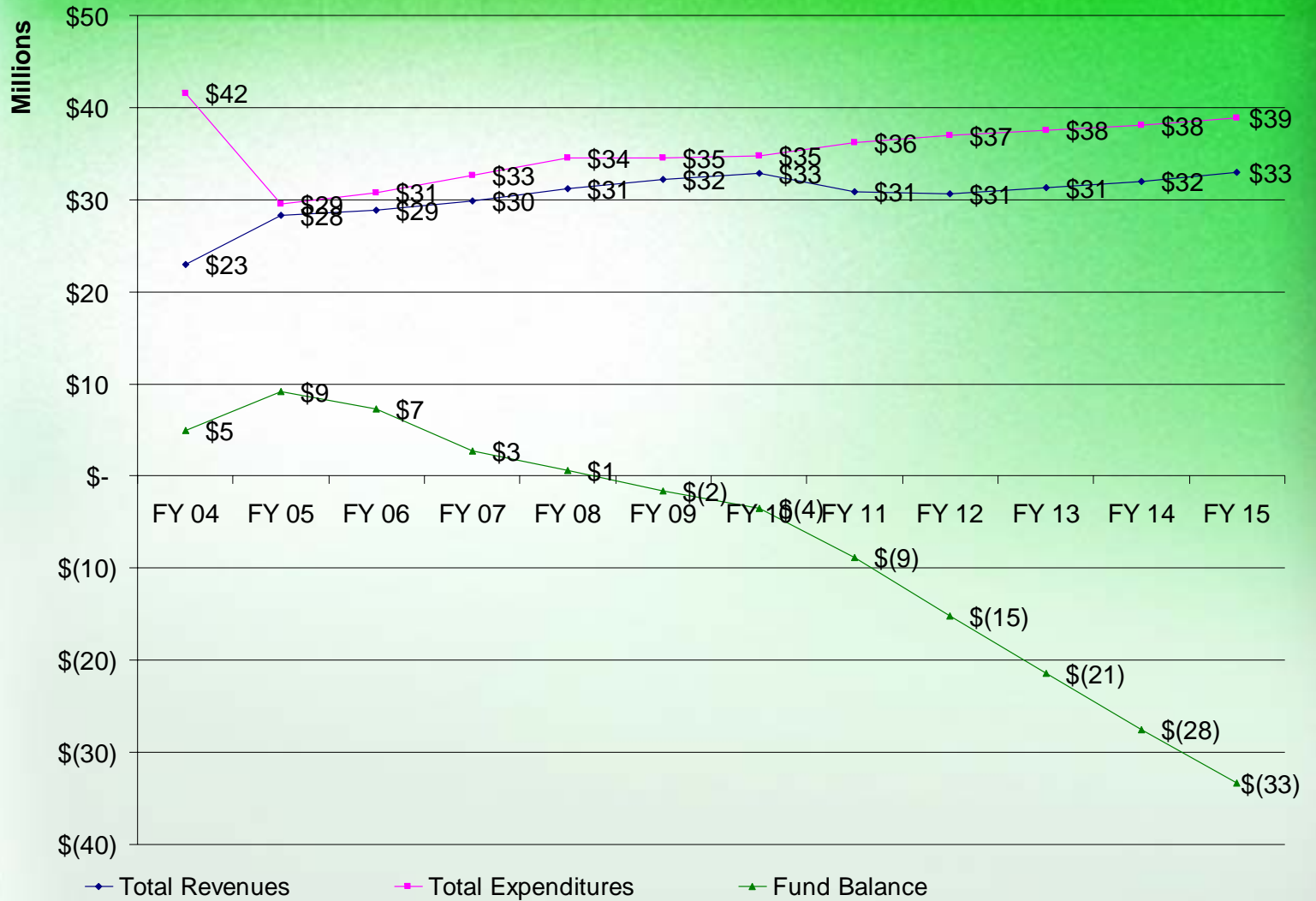
# Strategic Initiatives

- Restructure District finances in order to
  - Re-establish positive fund balances.
  - Balance the budget.
  - Establish a sufficient fund reserve to minimize short term borrowing.
- Provide a safe learning environment through adequate fund balances to support emergency facility and grounds capital needs such as:
  - Replace roofs at Three Oaks and Deerpath Schools.
  - Capital projects/ life safety projects including: parking lot repair or replacement, sidewalk repair or replacement, exterior maintenance of buildings, and building HVAC system updates and replacements.



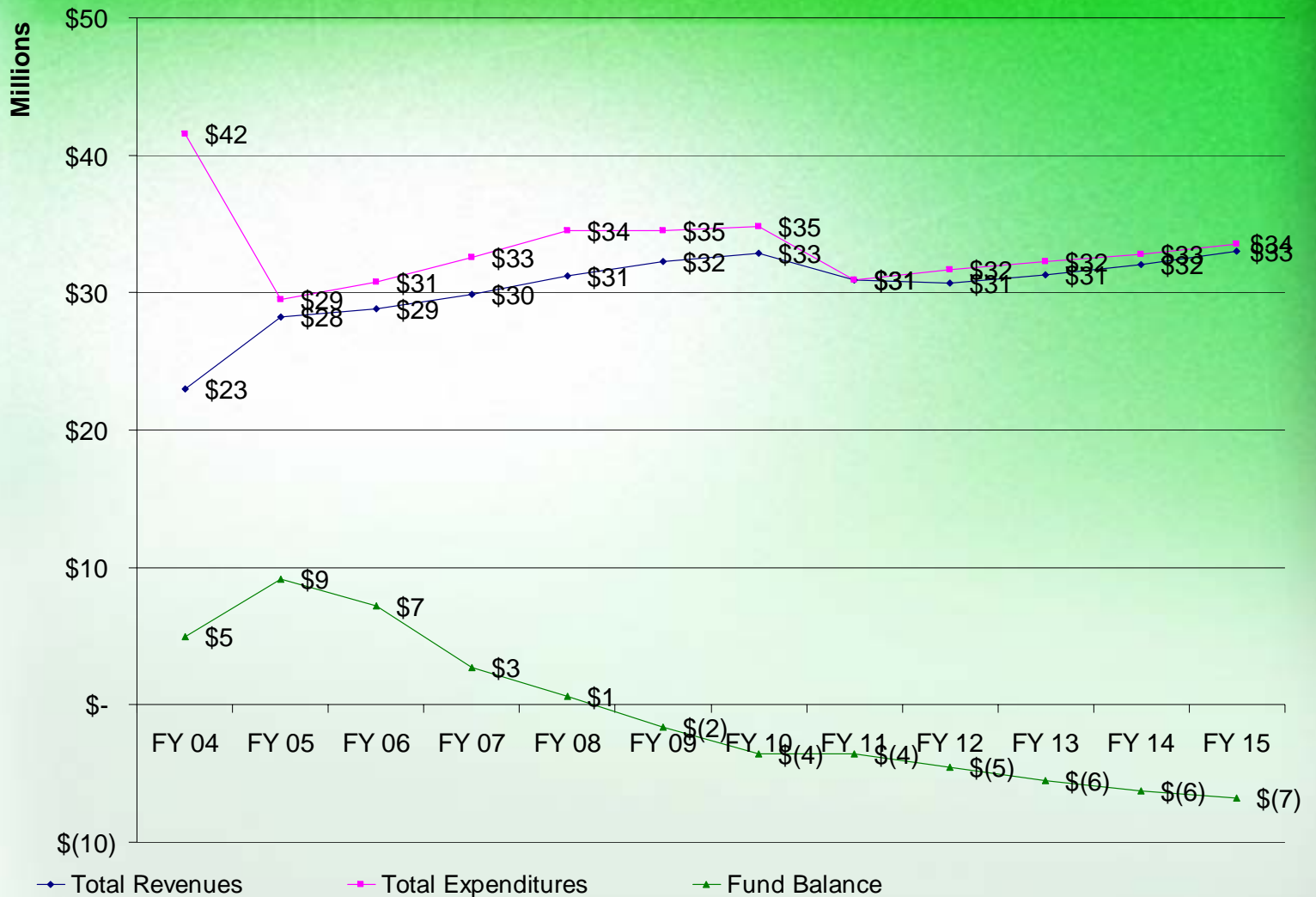


# 5 Year Projection



Dollars in Millions

# Projected Fund Balance without Referendum



Dollars in Millions



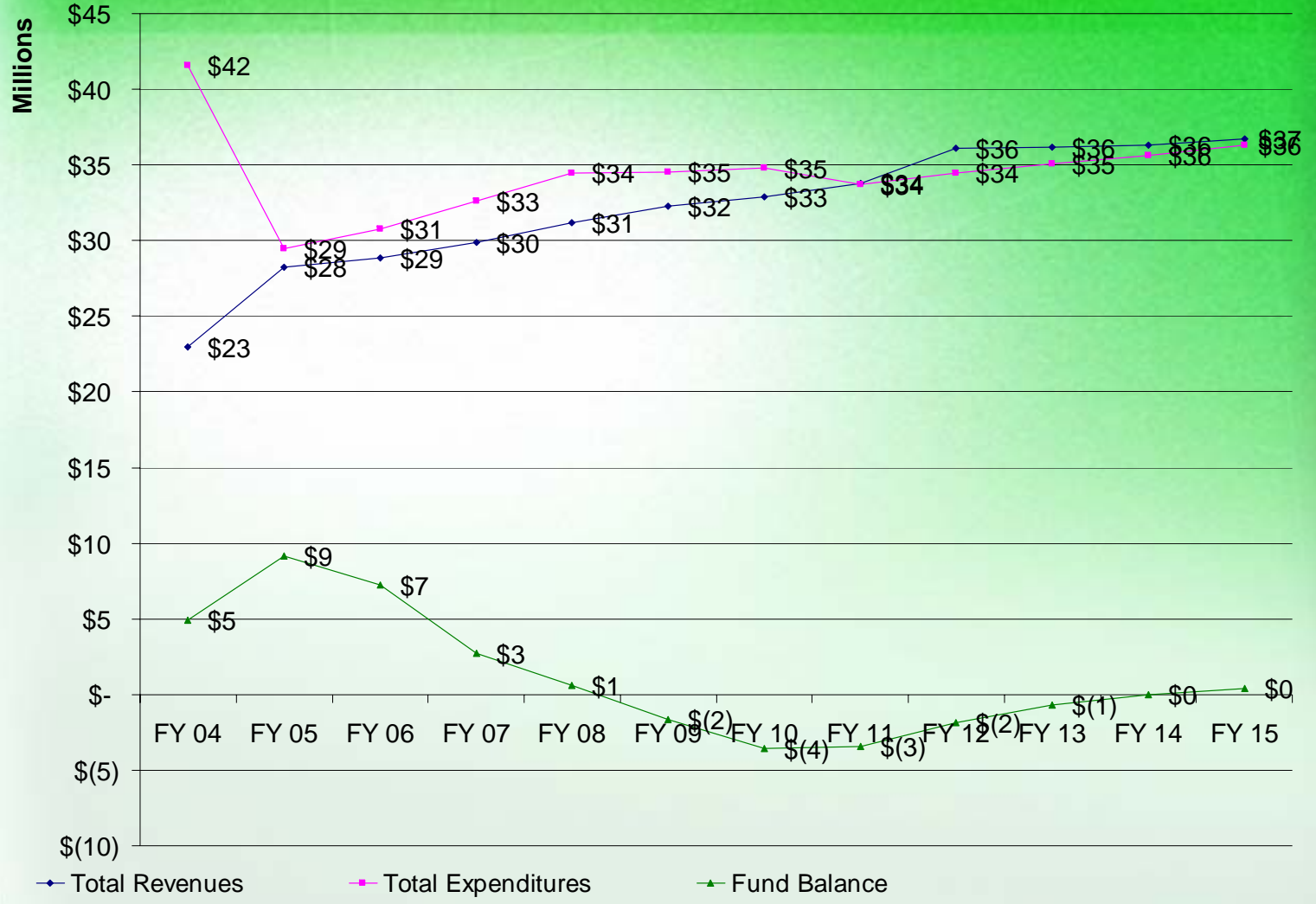
# Option I - Education Rate Increase

- Educational Fund Increase
  - Estimated Rate Increase: \$0.70 (offset by Bond rate decrease of \$0.20 giving overall rate increase of \$0.50).
  - Cash Flow: Increased cash flow beginning with the 2010 levy.
  - TAWs: The need would not be removed.
  - Estimated annual additional taxpayer cost\*: \$473.
  - Estimated monthly additional taxpayer cost\*: \$39.
  - Fund Balance: Would not be positive until FY14.
  - Sustainability: Not limited.
  - Deficit Reduction Plan: None required.

\* Costs based upon a \$300,000 house value.



# Option I - Education Rate Increase Projected Fund Balance



Dollars in Millions



# Option I - Education Rate Increase Possible Impact to Homeowners

Proposed Rate Increase	0.70
Bond Rate Decrease	0.20
Net Overall Increase	0.50

House Value	Taxable Assessment	Tax Dollar Increase
\$100,000	\$27,833	\$139
150,000	44,500	223
200,000	61,167	306
250,000	77,833	389
<b>300,000</b>	<b>94,500</b>	<b>473</b>
350,000	111,167	556
400,000	127,833	639
450,000	144,500	723
500,000	161,167	806
550,000	177,833	889
600,000	194,500	973
650,000	211,167	1,056
700,000	227,833	1,139
750,000	244,500	1,223



# Option I - Education Rate Increase Change to Homeowner



## Current Tax Bill

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Total Tax Rate	2.6871
Bond Portion	0.41
Homeowner	
Est. House Value	\$300,000
Assessment	\$100,000
Taxable Value	\$94,500
<b>Total Taxes Paid</b>	<b>\$2,539</b>
Bond Portion	\$388

## Tax Bill With Proposed Net Rate Increase

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Net 0.50 Increase	
<b>Total Tax Rate</b>	<b>3.1871</b>
Bond Portion	0.21
<b>Total Tax Bill</b>	<b>\$3,012</b>
Bond Portion	\$198

# Option I - Education Rate Increase

CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT 26  
McHenry and Lakes Counties, Illinois

*Estimated Total Debt Service/Tax Rate  
Financing Plan for Potential Referendum  
Decrease P&I Tax Rate by 20 cents for 3 years*

Levy Year	Bonds Due	Fiscal Year	Outstanding Debt Service	Estimated Current Tax Rate	Estimated Debt Service Restructuring Dtd 3/1/2010	Estimated Tax Rate After Referendum	EAV <sup>(1)</sup>
2008	2/1 2010	6/30 2010	\$3,291,238	\$0.41		\$0.41	\$810,464,761
2009	2011	2011	3,274,399	0.40	\$1,717,335	0.21	818,569,409
2010	2012	2012	3,289,861	0.40	1,735,179	0.21	826,755,103
2011	2013	2013	3,295,854	0.39	1,748,741	0.21	835,022,654
2012	2014	2014	3,277,410	0.38	1,975,929	0.23	860,073,333
2013	2015	2015	3,293,463	0.37	1,994,579	0.23	885,875,533
2014	2016	2016	3,294,013	0.36	2,059,569	0.23	912,451,799
2015	2017	2017	3,292,598	0.35	2,129,299	0.23	939,825,353
2016	2018	2018	3,289,535	0.34	2,195,099	0.23	968,020,114
2017	2019	2019	2,454,543	0.25	2,268,475	0.23	997,060,717
2018	2020	2020	1,147,013	0.11	2,344,822	0.23	1,026,972,539
2019	2021	2021			2,423,832	0.23	1,057,781,715
2020	2022	2022			2,499,736	0.23	1,089,515,166
2021	2023	2023			2,581,311	0.23	1,122,200,621
2022	2024	2024			2,668,079	0.23	1,155,866,640
2023	2025	2025			2,753,899	0.23	1,190,542,639
2024	2026	2026			2,842,867	0.23	1,226,258,918
2025	2027	2027			2,933,762	0.23	1,263,046,686
2026	2028	2028			3,030,318	0.23	1,300,938,087
2027	2029	2029			3,129,639	0.23	1,339,966,229
2028	2030	2030			3,228,176	0.23	1,380,165,216
Total Debt Service			\$29,908,686		\$48,260,638		

**Present Value Difference in Debt Service: \$3,945,563**


(1) Growth assumptions based on 2008 EAV; 1% annually for 3 years; 3% annually thereafter



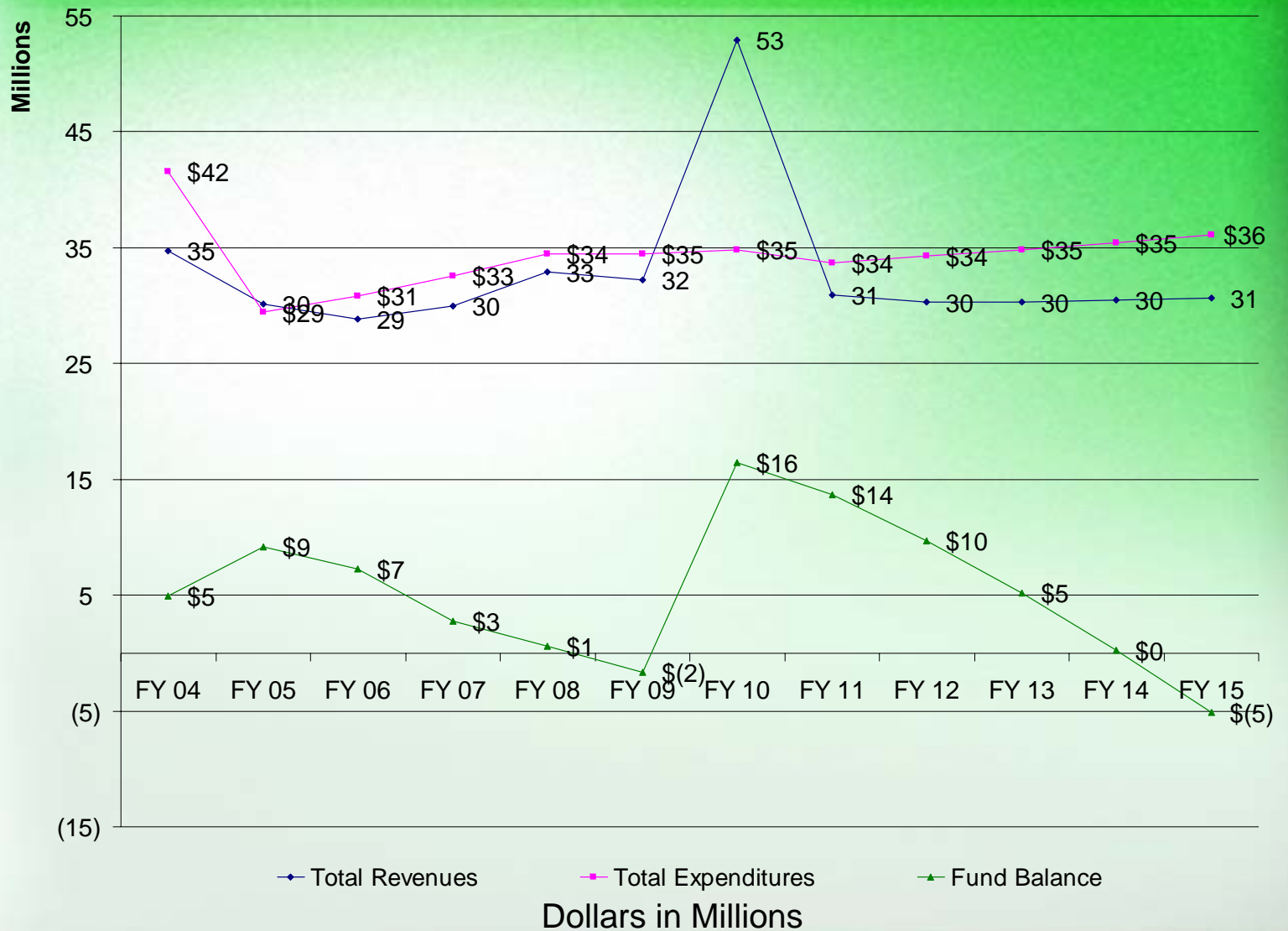
# Option II – \$20M Working Cash Bond

- Working Cash Bond Increase
  - Estimated Rate Increase: \$0.10/\$0.15.
  - Cash Flow: Increased cash flow effective immediately.
  - TAWs: The need would be removed.
  - Estimated annual additional taxpayer cost\*: \$95/\$142.
  - Estimated monthly additional taxpayer cost\*: \$8/\$12.
  - Fund Balance: Would be positive beginning FY10 until FY14.
  - Sustainability: Limited to the use of \$20M.
  - Deficit Reduction Plan: Required beginning with FY12.

\* Costs based upon a \$300,000 house value.



# Option II – \$20M Working Cash Bond Projected Fund Balance



# Option II – \$20M Working Cash Bond

## Projected use of Working Cash



# Summary of Outstanding Bond Issues

## SUMMARY OF OUTSTANDING BOND ISSUES

Community Consolidated School District Number 26  
McHenry and Lake Counties, Illinois  
(Cary)

Moody's Bond Rating	Outstanding Bonds	Current Par Outstanding	Interest Rates	Comments
A1	School Bonds, Series 1992 (CABs)	\$1,062,477	7.00%	\$5,000,000 Referendum No Tax Rate Increase
A1	School Bonds, Series 1997	-0-	6.875%	\$6,000,000 Referendum <sup>(1)</sup> No Tax Rate Increase
A1	School Bonds, Series 2000	\$15,000	5.375%	Part 1 of \$18 million Referendum \$.19 Tax Rate Increase
A1	School Bonds, Series 2001	\$445,000	4.35 - 4.45%	Part 2 of \$18 million Referendum
A1	Refunding Bonds, Series 2002 (Refunded Series 1993 Bonds)	-0-	3.25%	Interest savings of \$264,934
A1 (negative outlook)	Refunding Bonds, Series 2003 (Refunded Series 1997 Bonds)	\$4,795,000	3.25 - 3.65%	Interest savings of \$164,500
A1 (negative outlook)	Refunding Bonds, Series 2004 (Refunded Series 2001 Bonds)	\$7,635,000	2.75 - 3.95%	Interest savings of \$203,603
A1 (negative outlook)	Alternate Revenue Bonds, Series 2004A	\$1,220,000	4.25%	Refunding and \$790,000 new money for energy conservation; Paid for out of operations
A1 (negative outlook)	Refunding Bonds, Series 2005 (Refunded Series 2000 Bonds)	\$10,040,000	3.30 - 5.00%	Interest savings of \$600,933
	<b>TOTAL OUTSTANDING</b>	<b>\$25,212,477</b>		<b>\$1,233,950 Total Savings on Refundings</b>

(1) Total project cost was approximately \$12 million; remaining \$6 million paid from existing funds

# Option II – \$20M Working Cash Bond

## Possible Impact to Homeowners



	Bond Rate
Rate Increase	0.10

	Bond Rate
Rate Increase	0.15

House Value	Taxable Assessment	Tax Dollar Increase
\$100,000	\$27,833	\$28
150,000	44,500	45
200,000	61,167	61
250,000	77,833	78
<b>300,000</b>	<b>94,500</b>	<b>95</b>
350,000	111,167	111
400,000	127,833	128
450,000	144,500	145
500,000	161,167	161
550,000	177,833	178
600,000	194,500	195
650,000	211,167	211
700,000	227,833	228
750,000	244,500	245

House Value	Taxable Assessment	Tax Dollar Increase
\$100,000	\$27,833	\$42
150,000	44,500	67
200,000	61,167	92
250,000	77,833	117
<b>300,000</b>	<b>94,500</b>	<b>142</b>
350,000	111,167	167
400,000	127,833	192
450,000	144,500	217
500,000	161,167	242
550,000	177,833	267
600,000	194,500	292
650,000	211,167	317
700,000	227,833	342
750,000	244,500	367

# Option II – \$20M Working Cash Bond Change to Homeowner



## Current Tax Bill

Total Tax Rate	2.6871
Bond Portion	0.41
Homeowner	
Est. House Value	\$300,000
Assessment	\$100,000
Taxable Value	\$94,500
<b>Total Taxes Paid</b>	<b>\$2,539</b>
Bond Portion	\$388

## Tax Bill with Proposed Rates

0.10 Increase	
Total Tax Rate	2.7871
Bond Portion	0.51
<b>Total Tax Bill</b>	<b>\$2,634</b>
Bond Portion	\$482
0.15 Increase	
Total Tax Rate	2.8371
Bond Portion	0.56
<b>Total Tax Bill</b>	<b>\$2,681</b>
Bond Portion	\$529

# Option IIA - \$20 Million/\$.10 Tax Rate Increase

## CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT 26 McHenry and Lakes Counties, Illinois

### *Estimated Total Debt Service/Tax Rate Financing Plan for Potential Referendum \$20 MILLION INCREASE TAX RATE BY 10 CENTS*

Levy Year	Bonds Due	Fiscal Year	Outstanding Debt Service	Estimated Current Tax Rate	Less: Refunded Debt	Estimated Debt Service New Money Refunding Dtd 3/1/2010	Total Debt Service After Referendum	Estimated Tax Rate After Referendum	EAV <sup>(1)</sup>
2008	2010	2010	\$3,291,238	\$0.41			\$3,291,238	\$0.41	\$810,464,761
2009	2011	2011	3,274,399	0.40	\$86,513	\$980,179	\$4,168,066	0.51	818,569,409
2010	2012	2012	3,289,861	0.40	148,888	1,069,287	4,210,260	0.51	826,755,103
2011	2013	2013	3,295,854	0.39	113,988	1,069,287	4,251,153	0.51	835,022,654
2012	2014	2014	3,277,410	0.38		1,104,287	4,381,697	0.51	860,073,333
2013	2015	2015	3,293,463	0.37		1,223,237	4,516,699	0.51	885,875,533
2014	2016	2016	3,294,013	0.36		1,357,037	4,651,049	0.51	912,451,799
2015	2017	2017	3,292,598	0.35		1,499,647	4,792,244	0.51	939,825,353
2016	2018	2018	3,289,535	0.34		1,644,397	4,933,932	0.51	968,020,114
2017	2019	2019	2,454,543	0.25		2,629,631	5,084,173	0.51	997,060,717
2018	2020	2020	1,147,013	0.11		4,088,294	5,235,306	0.51	1,026,972,539
2019	2021	2021		0.00		5,391,941	5,391,941	0.51	1,057,781,715
2020	2022	2022		0.00		5,556,384	5,556,384	0.51	1,089,515,166
2021	2023	2023		0.00		4,792,248	4,792,248	0.43	1,122,200,621
Total Debt Service			\$29,908,686		\$349,388	\$32,405,851	\$61,965,150		

(1) Growth assumptions based on 2008 EAV; 1% annually for 3 years; 3% annually thereafter

# Option IIB - \$20 Million/\$.15 Tax Rate Increase

## CARY COMMUNITY CONSOLIDATED SCHOOL DISTRICT 26 McHenry and Lakes Counties, Illinois

*Estimated Total Debt Service/Tax Rate  
Financing Plan for Potential Referendum  
\$20 MILLION  
INCREASE TAX RATE BY 15 CENTS*

Levy Year	Bonds Due	Fiscal Year	Estimated Outstanding Debt Service	Estimated Current Tax Rate	Estimated Debt Service New Money Dtd 3/1/2010	Total Debt Service After Referendum	Estimated Tax Rate After Referendum	EAV <sup>(1)</sup>
<u>Year</u>	<u>2/1</u>	<u>6/30</u>	<u>Debt Service</u>	<u>Tax Rate</u>	<u>Dtd 3/1/2010</u>	<u>Referendum</u>	<u>Referendum</u>	<u>EAV<sup>(1)</sup></u>
2008	2010	2010	\$3,291,238	0.41		\$3,291,238	\$0.41	\$810,464,761
2009	2011	2011	3,274,399	0.40	\$1,309,152	4,583,551	0.56	818,569,409
2010	2012	2012	3,289,861	0.40	1,336,030	4,625,891	0.56	826,755,103
2011	2013	2013	3,295,854	0.39	1,376,530	4,672,383	0.56	835,022,654
2012	2014	2014	3,277,410	0.38	1,535,780	4,813,190	0.56	860,073,333
2013	2015	2015	3,293,463	0.37	1,662,780	4,956,242	0.56	885,875,533
2014	2016	2016	3,294,013	0.36	1,812,980	5,106,992	0.56	912,451,799
2015	2017	2017	3,292,598	0.35	1,969,130	5,261,727	0.56	939,825,353
2016	2018	2018	3,289,535	0.34	2,128,730	5,418,265	0.56	968,020,114
2017	2019	2019	2,454,543	0.25	3,124,358	5,578,900	0.56	997,060,717
2018	2020	2020	1,147,013	0.11	4,600,097	5,747,109	0.56	1,026,972,539
2019	2021	2021			5,922,260	5,922,260	0.56	1,057,781,715
2020	2022	2022			2,491,291	2,491,291	0.23	1,089,515,166
Total Debt Service			\$29,908,686		\$29,269,114	\$59,177,800		

(1) Growth assumptions based on 2008 EAV; 1% annually for 3 years; 3% annually thereafter

# Option I - Education Rate Increase Ballot Question

- The following Education Fund Rate Increase question would be placed on the February 2, 2010 ballot:
  - Shall the limiting rate under the Property Tax Extension Limitation Law for Cary Community Consolidated School District Number 26, McHenry and Lake Counties, Illinois, be increased by an additional amount equal to 0.70% above the limiting rate for levy year 2008 and be equal to 2.958% of the equalized assessed value of the taxable property therein for levy year 2010?



# Option II – \$20M Working Cash Bond Ballot Question

- The following Working Cash Bond for \$20 Million question would be placed on the February 2, 2010 ballot:
  - Shall the Board of Education of Cary Community Consolidated School District Number 26, McHenry and Lake Counties, Illinois, be authorized to issue \$20 million bonds for a working cash fund as provided for by Article 20 of the School Code?
- If approved, all uses of funds require Board of Education action.



# Recommendation

- Option I – Education Rate
  - Overall Increase: \$0.50.
  - TAWs needed.
  - \$39 per month cost.
  - Positive Fund Balances in FY14.
  - Revenue Stream is sustainable.
  - Deficit Reduction Plan is not required.
  - Balanced Budget beginning in FY11.
  - Future funding needs are not foreseeable.
- Option II – Working Cash
  - Overall Increase: \$0.10.
  - TAWs eliminated until FY13.
  - \$8 per month cost.
  - Positive Fund Balances in FY10.
  - Revenue Stream limited to \$20 million.
  - Deficit Reduction Plan is required in FY12.
  - Balanced Budget does not occur.
  - Future funding needs will need to be addressed no later than FY14.
- Administration recommends the Educational Fund Rate Increase question be placed on the February 2, 2010 ballot.

