**LISLE COMMUNITY UNIT SCHOOL DISTRICT 202**
**LISLE SENIOR HIGH SCHOOL/JUNIOR HIGH SCHOOL**
**5211 CENTER AVENUE**
**LISLE, ILLINOIS 60532**
**Finance Committee Meeting**
**April 27, 2020**
**6:30 PM**


| | | |
|---|---|---|
| 1. | Call to Order | |
| 2. | Public Comment | |
| 3. | Minutes from the March 16, 2020 Finance Committee Meeting | 2 |
| 4. | FY2020 Audit Engagement Letter | |
| 5. | Amendment to Contract for Transportation Services - Westway Coach (School Year 2019-2020) | |
| 6. | Fourth Amendment to Purchase and Sale Agreement for Tate Woods School | |
| 7. | FY2020 School Maintenance Project Grant Update | 4 |
| 8. | Investment Concentration and Collateral Report | 5 |
| 9. | Quarterly Financial Update | 15 |
| 10. | Technology Systems Specialist | 20 |
| 11. | Financial Projection | 25 |
| 12. | Agenda Topics for Future Finance Committee Meetings | |
| 13. | Adjournment | |

**LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202**
**BOARD OF EDUCATION**
**FINANCE COMMITTEE MINUTES**
**MARCH 16, 2020**

Record of minutes of the Finance Committee of the Whole Meeting of the Board of Education of Lisle Community Unit School District No. 202, DuPage County, Illinois, which was held in the Board Room of the Administrative Office, 5211 Center Avenue, Lisle, Illinois on March 16, 2020.

The meeting was called to order at 6:31 p.m. by Ms. Sima.

Present: Eunice McConville, Finance Committee Chairperson (via telephone)
Pam Ahlmann
Dan Helderle
Lisa Kiener-Barnett
Meg Sima
Randee Sims

Also Present: Dr. Keith Filipiak, Superintendent
Dr. Linda Kotalik, Assistant Superintendent
David Wilkinson, Director of Finance
Jennifer Law, Director of Pupil Services

**Public Comment**
None

**Minutes from the February 24, 2020 Finance Committee Meeting**
The minutes from the February 24, 2020 Finance Committee Meeting were reviewed. Those present came to a consensus that the minutes accurately reflect the meeting's discussion.

**Modifications to Intergovernmental Agreement with Lisle Park District**
Dr. Filipiak provided an overview of the proposed modifications to the Intergovernmental Agreement with the Lisle Park District. Both entities will continue to share usage of their grounds and facilities. The Park District will now reimburse the School District for the cost of overtime related to their programs and provide some additional services specified in the agreement. The School District will now maintain its own grounds. Administration clarified that the actual costs of overtime will be tracked and invoiced to the Park District.

**Staffing Plan 2020-2021**
Dr. Kotalik gave a summary of the staffing plan. Administration is projecting an increase of +3.2 FTE in licensed staff and a +4.0 increase in classified staff for the 2020-2021 school year. The increases are consistent with staffing changes discussed in detail during the February special and regular board meetings.

**Technology Equipment Requests 2020-2021**
Dr. Kotalik outlined the upcoming technology equipment purchases for the District. Chromebook purchases are planned for only the sixth and ninth grades. Laptops are planned for Lisle Elementary staff along with some additional purchases at each of the buildings for targeted initiatives. District level maintenance costs to support the network and security were also outlined in the request. The purchases will be included in the FY2021 budget and the Finance Committee referred the list of technology items for action at the next regular school board meeting.

**Regular and Extra-Curricular/Co-Curricular Transportation Extension**
The Finance Committee reviewed a one-year extension of the Westway Coach agreement. The extension yields a 6% increase for all regular routes and a 3% for field trips/co-curricular for the 2020-2021 school year. A primary reason for the increase is that driver shortages and a strong economy have required Westway Coach to continue increasing driver pay rates to keep wages competitive and help retain existing drivers. Board Members in attendance referred the Regular and Extra-Curricular Transportation Extension for action at the next regular school board meeting.

**Omni Financial Group Services Agreement**
Administration shared that OMNI currently serves as third party administrator (TPA) for the District's 403(b) plan. In order to begin using OMNI as TPA for the 457 plan, the District needs to enter into a new services agreement. The annual costs to utilize OMNI under the new services agreement are not expected to change. The Finance Committee referred the agreement for action at the next regular school board meeting.

**Lisle Community Unit School District 202 403(b) Retirement Plan Restatement**
Administration recommends restating the District's 403(b) plan document to utilize OMNI's IRS pre-approved plan document. A restatement using an IRS pre-approved plan means that the employer has reliance that the provisions in the pre-approved plan are compliant with IRS regulations retroactive to 1/1/2010. Board Members in attendance referred the Lisle Community Unit School District 202 403(b) Retirement Plan Restatement for action at the next regular school board meeting.

**Lisle Community Unit School District 202 457(b) Deferred Compensation Plan Restatement**
Mr. Wilkinson shared that the Board of Education is currently responsible for administering the 457(b) plan and making sure the plan stays in compliance with IRS regulations. To help mitigate this risk, the Administration would like to begin using OMNI as third party administrator (TPA) for the District's 457(b) plan. OMNI also has information sharing agreements in place with numerous investment providers offering more vendor options to employees. As part of the transition to using OMNI as TPA, the Board needs to adopt a new plan document. The Finance Committee referred the new plan document for action at the next regular school board meeting.

**Third Amendment to Purchase and Sale Agreement for Tate Woods School**
Kindi Academy requested to reduce the minimum number of days to terminate the contract from 30 days to 10 days so the Buyer may have more time to allow the Village of Lisle to vote on the required special use permit. Board Members in attendance referred the Third Amendment related to the Sale of Tate Woods Elementary for action at the next regular school board meeting.

**Agenda Topics for Future Finance Committee Meetings**
None

**Adjournment**
Meeting was called to adjourn at 7:15 p.m. by Ms. Ahlmann and Mr. Helderle

**FOR INFORMATION**

**Lisle Community Unit School Dist. No. 202**
**Finance Committee Meeting**
**April 27, 2020**

**SUBJECT:** FY2020 School Maintenance Project Grant Update

**BACKGROUND DATA:** The Board of Education approved a resolution at the January 2020 Regular Meeting authorizing the School Maintenance Grant Program Application. The School Maintenance Project Grant (SMPG) is a dollar for dollar state matching grant program providing awards up to $50,000 to grantees exclusively for the maintenance or upkeep of buildings or structures for educational purposes.

The Illinois State Board of Education (ISBE) provided notice on April 1st that the School District was awarded the grant. The School District requested the full grant amount of $50,000 to replace bleachers in the south gymnasium at Lisle Senior High School. The project is considered a health/life safety project as it will provide handicap accessibility with an estimated cost of $263,000 (not including architect and engineering fees). The Board must reserve local funds to cover the Districts portion of the project costs, which are estimated to be around $213,000. ISBE has determined that the Capital Projects Fund is not an acceptable local source match. As a result, the School District will utilize the Operations and Maintenance Fund as the local source match. All project activities must be expended or legally obligated within two years of disbursement by the State.

The Administration is working with Perkins+Will on next steps and is targeting the summer of 2021 for the project.

ILLINOIS SCHOOL DISTRICT
LIQUID ASSET FUND PLUS

# Total Portfolio - Provider Allocation Report

Internal Use Only

As of: 03/31/20

PMA Financial Network
2135 CityGate Lane
7th Floor
Naperville, Illinois 60563
Telephone . 630-657-6400
Facsimile . 630-718-8701

## Lisle Community School District #202 / GENERAL FUND (10108-101)

| Type | % Alloc. | Instrument | Original Cost | |
|---|---|---|---|---|
| SEC | 25.77% | TREASURY BILL United States Treasury Securities | $6,225,713.82 | |
| CD | 16.56% | BMO HARRIS BANK, NA See pages 6-10 | $4,000,000.00 | |
| MM | 10.40% | Money Market Account AAAm rating from S&P | $2,513,355.79 | |
| CD | 5.17% | CITIBANK NA See pages 4-5 | $1,250,000.00 | |
| SDA | 3.15% | CITIBANK | $760,351.94 | |
| SEC | 2.06% | US TREASURY N/B United States Treasury Securities | $497,241.33 | |
| CD | 1.03% | CROSSFIRST BANK | $249,400.00 | FDIC |
| SEC | 1.03% | SMARTBANK | $249,144.79 | |
| SEC | 1.03% | LIVE OAK BANKING COMPANY | $249,125.28 | |
| CD | 1.03% | GATEWAY FIRST BANK / FARMERS EXCHANGE BANK | $249,000.00 | |
| SEC | 1.03% | BMW BANK NORTH AMERICA | $248,136.98 | |
| SEC | 1.03% | TRISTATE CAPITAL BANK | $248,124.58 | |
| CD | 1.03% | FIRST COMMUNITY BANK OF THE HEARTLAND, INC. | $247,900.00 | |
| CD | 1.03% | ASIAN PACIFIC NATIONAL BANK | $247,800.00 | |
| CD | 1.03% | BANK LEUMI USA | $247,800.00 | |
| CD | 1.03% | ESSEX BANK | $247,800.00 | |
| CD | 1.03% | LUANA SAVINGS BANK | $247,800.00 | |
| CD | 1.03% | MISSION NATIONAL BANK | $247,800.00 | |
| CD | 1.02% | EAST BOSTON SAVINGS BANK | $247,600.00 | |
| CD | 1.02% | FIRST NATIONAL BANK / THE FIRST, NA | $247,600.00 | |
| CD | 1.02% | GRAND BANK | $247,600.00 | |
| CD | 1.02% | GREAT MIDWEST BANK | $247,600.00 | |
| CD | 1.02% | PRUDENTIAL BANK | $247,600.00 | |
| CD | 1.02% | CUSTOMERS BANK | $247,400.00 | |
| CD | 1.02% | TBK BANK, SSB / THE NATIONAL BANK | $247,400.00 | |
| CD | 1.02% | WESTERN ALLIANCE BANK / TORREY PINES BANK | $247,400.00 | |
| CD | 1.02% | FARMERS BANK AND TRUST | $247,200.00 | |
| CD | 1.02% | FIRST INTERNET BANK OF INDIANA | $247,200.00 | |
| CD | 1.02% | T BANK, NA | $247,200.00 | |
| CD | 1.02% | VERITEX COMMUNITY BANK | $247,200.00 | |
| SEC | 1.02% | TEXAS CAPITAL BANK NA | $247,162.76 | |
| SEC | 1.02% | UMPQUA BANK ROSEBURG | $247,157.19 | |
| SEC | 1.02% | WEX BANK | $247,142.68 | |
| SEC | 1.02% | INVESTORS BK/SHORT HILLS | $247,123.43 | |
| SEC | 1.02% | BANK OF THE WEST SF CA | $247,122.22 | |
| SEC | 1.02% | CITIZENS BANK NA/RI | $247,122.22 | |
| SEC | 1.02% | PEOPLES UNITED BANK NA | $247,122.22 | |
| SEC | 1.02% | RADIUS BANK | $247,122.22 | |

ILLINOIS SCHOOL DISTRICT
LIQUID ASSET FUND PLUS

# Total Portfolio - Provider Allocation Report

Internal Use Only

As of: 03/31/20

*PMA Financial Network*
2135 CityGate Lane
7th Floor
Naperville, Illinois 60563
Telephone . 630-657-6400
Facsimile . 630-718-8701

## Lisle Community School District #202 / GENERAL FUND (10108-101)

| Type | % Alloc. | Instrument | Original Cost | |
|---|---|---|---|---|
| CD | 1.02% | THIRD COAST BANK, SSB | $247,100.00 | FDIC |
| CD | 1.02% | CIBC BANK USA / PRIVATE BANK - MI | $247,000.00 | |
| CD | 1.02% | BANK OF CHINA | $246,700.00 | |
| CD | 1.01% | STATE BANK OF NEW RICHLAND | $245,100.00 | |
| | **100.00%** | | **$24,158,469.45** | |

April 7, 2020

Keith Filipiak
Lisle Community School District #202
5211 Center Avenue
Lisle, IL 60532

Mr. Filipiak,

Per your request, we have compiled this additional collateral information regarding the District's deposits. Attached you will find copies of the Letter of Credit issued by FHLB New York for deposits at Citibank along with a copy of the Bank Deposit Guaranty Bonds for BMO Harris Bank, NA.

Please feel free to contact me if you require any additional information or if you have any questions.

Sincerely,

Jeremy S Lindstrom
Credit Risk Analyst

Information contained in this document has been taken from sources which PMA believes to be reliable. Nonetheless, it cannot be guaranteed to its accuracy or completeness and PMA is not responsible for any errors or omission resulting from the use of such information.

| Provider | Purchase Date | Maturity Date | Transaction # | Amount Invested + Total Interest |
|---|---|---|---|---|
| **Citibank** | 20-Nov-19 | 13-Aug-20 | 278724 | $1,263,021.72 |
| | 27-Mar-19 | | SDA | $760,351.94 |
| | | | **Provider Totals:** | $2,023,373.66 |

| Current LOC # | FHLB | LOC Start | LOC End | LOC Amount |
|---|---|---|---|---|
| 202003190023 | NEW YORK | 03/20/20 | 04/09/20 | $150,000,000.00 |
| | | | **Total:** | $150,000,000.00 |

*PMA Financial Network*
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Facsimile . 630-718-8701

***EXHIBIT A TO IRREVOCABLE LETTER OF CREDIT***

***FEDERAL HOME LOAN BANK OF NEW YORK***

***Federal Home Loan Bank of New York***

***Date: April 7, 2020***
***No: 202003190023, 202001080033***

***Attention: Portfolio Operations/Letters of Credit***

***Re: Letter of Credit No. 202003190023, 202001080033***

***Greetings:***

***The undersigned is the beneficiary of the above-referenced Letter of Credit and hereby certifies to you that set forth below is the list of Local Government Agencies (collectively, the "Depositor") with funds deposited at Citibank, N.A., for which the undersigned is acting as agent, which list is current as of March 31, 2020.***

| FEIN # | Client # | | CD | SDA | Total |
|---|---|---|---|---|---|
| 36-2742192 | 10108-101 | Lisle Community School District #202 / GENERAL FUND | $1,263,021.72 | $760,351.94 | $2,023,373.66 |
| | | **FEIN Totals:** | $1,263,021.72 | $760,351.94 | $2,023,373.66 |
| | | **Report Totals:** | $1,263,021.72 | $760,351.94 | $2,023,373.66 |

***The investments identified on this exhibit are included in Exhibit A of the above referenced letter of credit. Exhibit A is signed and delivered to Federal Home Loan Bank of New York at the beginning of each month.***

***Very truly yours,***

***PMA Financial Network, Inc., as Agent for the Local Government Agencies***

***By:***

***Title:*** ***Senior Vice President, Trading and Operations***

***Authorized Signature***

# BANK DEPOSIT GUARANTY BOND

(FOR PUBLIC FUNDS THROUGH PMA FINANCIAL NETWORK, INC)

Philadelphia Indemnity Insurance Company

Designated Address: One Bala Plaza Suite 100
Bala Cynwyd, PA 19004-1403
(Underwriter)

BOND NO. PB02865200023

**Section I: THE GUARANTEE**

PHILADELPHIA INDEMNITY INSURANCE COMPANY, in consideration of an agreed premium, subject to all of the terms and conditions of this bond, hereby agrees to guarantee the deposits in certain Designated Depository Accounts in BMO Harris Bank, NA, 111 W Monroe Street, 5 East, Chicago IL 60603 (Hereinafter called Depository Institution) in excess of the deposit insurance provided by the Federal Deposit Insurance Corporation.

PHILADELPHIA INDEMNITY INSURANCE COMPANY shall promptly reimburse the Designated Depository Account Owner of a Designated Depository Account up to the Limit of Liability as specified in Section III of this bond in the event of loss due to the insolvency and failure of the Depository Institution (hereinafter called an Event of Default).

An Event of Default shall mean that the Depository Institution shall be taken over by a state or federal regulatory authority and liquidated or the deposits sold or transferred by the Federal Deposit Insurance Corporation in such a manner that the Federal Deposit Insurance Corporation refuses to sell, transfer, or reimburse the deposits in excess of the FDIC deposit insurance.

**Section II: DESIGNATION OF DEPOSITORY OWNER AND ACCOUNT**

DESIGNATED DEPOSITORY ACCOUNT OWNER: PMA* as Agent for Lisle Community Unit School Dist

DESIGNATED ADDRESS FOR OWNER: 2135 CityGate Lane, 7th Floor, Naperville, IL 60563

DESIGNATED DEPOSITORY ACCOUNT NUMBER(S): TBD

STATED DATE OF DEPOSIT: 10/17/2019

STATED MATURITY DATE: 06/29/20

EARLY WITHDRAWAL PENALTY: $23,156.11

DEPOSIT AMOUNT: $3,984,297.47

*PMA – PMA Financial Network, LLC and/or PMA Securities LLC

**Section III: LIMIT OF LIABILITY**

The total limit of liability of PHILADELPHIA INDEMNITY INSURANCE COMPANY under this bond shall be

$4,049,628.93, which shall be the maximum guaranteed amount.

**Section IV: PAYMENT OF LOSS**

If an Event of Default should occur, the Designated Depository Account Owner of the Designated Depository Account for which this bond has been issued shall furnish to PHILADELPHIA INDEMNITY INSURANCE COMPANY an executed assignment of the receiver's certificate. PHILADELPHIA INDEMNITY INSURANCE COMPANY, within five (5) business days of receipt of the executed assignment of the receiver's certificate, will pay the Designated Depository Account Owner for the actual loss of uninsured deposits, up to the total limit of liability.

**Section V: TERMINATION OR CANCELATION**

This bond shall become effective at 12:01 a.m, on 10/17/2019 and shall remain in effect until 12:01 a.m. on the date the bond is terminated or canceled for the following reasons:

A. upon 15 days' notice of cancelation from Philadelphia Indemnity Insurance Company for non-payment of premium;
B. immediately upon notice from the Designated Depository Account Owner, of his/her/their desire to cancel the bond;
C. 30 days after written notice from PHILADELPHIA INDEMNITY INSURANCE COMPANY of its desire to cancel the bond.

"Notice" as used herein, shall be deemed completed upon sending notice by certified mail to the appropriate party at the Designated Address shown on this bond regardless of when, if ever, actually received by such party.

In the event of cancelation or termination of this bond, PHILADELPHIA INDEMNITY INSURANCE COMPANY shall have no obligation to return any premium or make any payment to any Designated Depository Account Owner, subject to section XI.

**Section VI: EXCLUSIONS**

This bond does not cover:

A. Loss to Designated Depository Account Owner when such Loss has been brought about or contributed to by any fraudulent, dishonest or criminal action of Designated Depository Account Owner; and
B. Incidental or consequential Loss of any kind.

**Section VII: COVERAGE PERIOD**

Coverage shall apply to the Designated Depository Account from the stated date of the deposit until the stated maturity date, subject to Section V and IX. In the event of cancelation or termination of this bond in compliance with Section V or IX, such cancelation or termination shall not affect the liability incurred or accrued in the event of an Event of Default prior to the effective date of such cancelation or termination.

**Section VIII**

It is understood and agreed that PHILADELPHIA INDEMNITY INSURANCE COMPANY'S liability to the Designated Depository Account Owner begins upon the occurrence of an Event of Default, and not prior.

**Section IX: CONSOLIDATION OR MERGER**

This bond shall terminate and be null and void at 12:01 a.m. on the date of consolidation or merger of the Depository Institution into any other bank or financial institution. In the event of termination due to consolidation or merger, PHILADELPHIA INDEMNITY INSURANCE COMPANY will return premium on a pro rata basis. If PHILADELPHIA INDEMNITY INSURANCE COMPANY, in its sole discretion, offers a written approval to bond the emerging Depository Institution matching the terms of the terminated bond within 5 days of the consolidation or merger, PHILADELPHIA INDEMNITY INSURANCE COMPANY shall have no obligation to refund premium.

**Section X: SOLE USE AND BENEFIT**

This bond is for the sole use and benefit of the Designated Depository Account Owner. This bond is non-negotiable and shall not be assigned under any circumstances by the Designated Depository Account Owner or any other person, entity, or holder. The Depository Institution shall not be deemed an agent or representative of PHILADELPHIA INDEMNITY INSURANCE COMPANY for any purpose in connection with this bond.

Section XI: INDEMNIFICATION FOR EARLY WITHDRAWAL

It is agreed that if:

A. PHILADELPHIA INDEMNITY INSURANCE COMPANY gives 30 days notice to the Designated Depository Account Owner to cancel the Bond in compliance with Section V (C) of the bond, and;
B. The Designated Depository Account Owner withdraws all funds in excess of the $250,000 FDIC Insured Limit from the Designated Depository Account within 14 days of receipt of such notice, and;
C. The Depository Institution requires the Designated Depository Account Owner to pay a penalty as a result of the early withdrawal of such funds, then PHILADELPHIA INDEMNITY INSURANCE COMPANY will reimburse the Designated Depository Account Owner for the penalty for early withdrawal within ten days of receipt of proof that the Designated Depository Account Owner has been required to pay such early withdrawal penalty.

This section shall not apply if the Bond is canceled for non-payment of premium in compliance with Section V (A) of the Bond or if the Bond is canceled by the Designated Depository Account Owner in compliance with Section V (B) of the Bond. This section shall not apply to any penalty for early withdrawal of funds if such funds are withdrawn prior to receipt of a notice of cancelation of the bond from PHILADELPHIA INDEMNITY INSURANCE COMPANY.

The reimbursement of the penalty for early withdrawal shall not include interest that had not accrued prior to the date of withdrawal.

SIGNED, SEALED AND DATED this 17 day of October, 2019

PHILADELPHIA INDEMNITY INSURANCE COMPANY

By: _____ (Attorney-In-Fact)

**SURRENDER OF BOND**

By signature below of the Designated Account Owner, notice is given to Philadelphia Indemnity Insurance Company of their desire to cancel Bond No. _____.

By: _____

Name and Title: _____

Dated: _____

**PHILADELPHIA INDEMNITY INSURANCE COMPANY**
One Bala Plaza, Suite 100
Bala Cynwyd, PA 19004-0950

**Power of Attorney**

KNOW ALL PERSONS BY THESE PRESENTS: That **PHILADELPHIA INDEMNITY INSURANCE COMPANY** (the Company), a corporation organized and existing under the laws of the Commonwealth of Pennsylvania, does hereby constitute and appoint **Melissa Neis of Parr Insurance Brokerage**, its true and lawful Attorney-in-fact with full authority to execute on its behalf bonds, undertakings, recognizances and other contracts of indemnity and writings obligatory in the nature thereof, issued in the course of its business and to bind the Company thereby, in an amount not to exceed **$50,000,000**.

This Power of Attorney is granted and is signed and sealed by facsimile under and by the authority of the following Resolution adopted by the Board of Directors of PHILADELPHIA INDEMNITY INSURANCE COMPANY on the 14th of November, 2016.

**RESOLVED:** That the Board of Directors hereby authorizes the President or any Vice President of the Company: (1) Appoint Attorney(s) in Fact and authorize the Attorney(s) in Fact to execute on behalf of the Company bonds and undertakings, contracts of indemnity and other writings obligatory in the nature thereof and to attach the seal of the Company thereto; and (2) to remove, at any time, any such Attorney-in-Fact and revoke the authority given. And, be it

**FURTHER RESOLVED:** That the signatures of such officers and the seal of the Company may be affixed to any such Power of Attorney or certificate relating thereto by facsimile, and any such Power of Attorney so executed and certified by facsimile signatures and facsimile seal shall be valid and binding upon the Company in the future with respect to any bond or undertaking to which it is attached.

IN TESTIMONY WHEREOF, PHILADELPHIA INDEMNITY INSURANCE COMPANY HAS CAUSED THIS INSTRUMENT TO BE SIGNED AND ITS CORPORATE SEALTO BE AFFIXED BY ITS AUTHORIZED OFFICE THIS 27TH DAY OF OCTOBER, 2017.

(Seal)

Robert D. O'Leary Jr., President & CEO
Philadelphia Indemnity Insurance Company

On this 27th day of October, 2017, before me came the individual who executed the preceding instrument, to me personally known, and being by me duly sworn said that he is the therein described and authorized officer of the **PHILADELPHIA INDEMNITY INSURANCE COMPANY**; that the seal affixed to said instrument is the Corporate seal of said Company; that the said Corporate Seal and his signature were duly affixed.

COMMONWEALTH OF PENNSYLVANIA
NOTARIAL SEAL
Morgan Knapp, Notary Public
Lower Merion Twp., Montgomery County
My Commission Expires Sept. 25, 2021
MEMBER, PENNSYLVANIA ASSOCIATION OF NOTARIES

(Notary Seal)

Notary Public: Morgan Knapp

residing at: Bala Cynwyd, PA

My commission expires: September 25, 2021

I, Edward Sayago, Corporate Secretary of PHILADELPHIA INDEMNITY INSURANCE COMPANY, do hereby certify that the foregoing resolution of the Board of Directors and the Power of Attorney issued pursuant thereto on the 27th day of October, 2017 are true and correct and are still in full force and effect. I do further certify that Robert D. O'Leary Jr., who executed the Power of Attorney as President, was on the date of execution of the attached Power of Attorney the duly elected President of PHILADELPHIA INDEMNITY INSURANCE COMPANY.

In Testimony Whereof I have subscribed my name and affixed the facsimile seal of each Company this 17 day of October, 20 19.

Edward Sayago, Corporate Secretary
**PHILADELPHIA INDEMNITY INSURANCE COMPANY**

# Lisle School District 202
# Quarterly Financial Update

For the Nine Months Ending March 31, 2020

## Budget Compared to Actual

The attached report compares revenues and expenditures through March with the adopted budget. Below are some of the highlights of the year-to-date activity:

### *Revenue:*

**Local Sources** - The District has received 49% of budgeted property taxes through the month of March. In response to the economic hardships caused by the COVID-19 pandemic, DuPage County is considering a proposal to allow qualifying tax payers to defer payment of their June 1st property tax installment until September 1st without penalty. The Treasurer's office is not proposing postponement of all property taxes out of concern that taxpayers who can otherwise pay would exercise the option. If the County Board approves this proposal at the April 28th meeting, the District will fall short of collecting the remaining 51% of property taxes in June 2020. These property tax receipts would be deferred and a significant portion may be collected in the following fiscal year. Fortunately, the District has been diligent in maintaining 3-6 months in reserves to help withstand this type of funding delay. These reserves will allow the district to cover payroll and accounts payable without having to issue tax anticipation warrants or other forms of short-term debt.

The District has received 88% of the budgeted interest income for the year. While interest rates have fallen precipitously over the last month, the collection of interest is contingent on the maturity dates of the various investments already held in the district's portfolio. The administration still expects to collect the balance of the budgeted interest over the remainder of the year.

The District has received 78% of the budgeted other local revenue through March. The remaining corporate personal property taxes, student lunch receipts, and student/athletic fees are anticipated to be lower than expected during the fourth quarter as a result of school closures and reduced sales tax revenue in the state.

**State and Federal Source**s - The District has received approximately $1,588,000, or 64%, of the budgeted State payments through March. As of the date of this report, the Illinois State Board of Education (ISBE) has committed to making all Evidence Based Funding payments to school districts in a timely manner. There is a level of uncertainty as to when the State will release its categorical payments. So far the State of Illinois has made one of four categorical grant payments from the 2020 project year. In the prior fiscal year, Illinois school districts received the second categorical payment in mid-April and the third payment in mid-May. It is certainly possible the remaining payments for the current project year will not be made until next fiscal year.

Currently, the States obligations from the 2020 project year are approximately $542,000 with 50% having been outstanding more than 90 days. Again, a healthy case reserve will help the district weather this type of delay in state payments.

Federal payments of approximately $610,000, or 57% of budget, have been collected. This is slightly below the 72% of budget collected at this time last year as a result of IDEA procedural changes impacting the distribution of funds. The budgeted Federal grants are expected to be received throughout the remainder of the fiscal year.

## *Expenditures:*

**Salaries** - Year-to-date salaries includes 18 of the 24 paychecks for the year. Therefore, year-to-date salaries compared to budget of 75% is in line with expectations.

**Employee Benefits** - The District has completed nine of the twelve months for the year. The costs of benefits are typically equal throughout the year. Therefore spending 74% of the budget through March appears reasonable.

**Purchased Services -** Purchased services expenditures are approximately $3,238,000 through March. Spending 69% of the budget is reasonable and slightly lower than the 71% of budget spent at this point in the prior fiscal year. Current year expenditures are trending approximately $80,000 lower than this period in the prior year. The District will most likely realize some budgetary savings in this area as a result of schools being closed for the last two months of the year. Expenditures are expected to be lower for some services, such as transportation, which is not being utilized during the closure.

**Supplies and Materials** - Spending 70% of the supplies and materials budget is reasonable having completed three-quarters of the current fiscal year. Supplies and materials expenditures of approximately $1,077,000 is higher than the $978,000 spent at this point in the prior fiscal year. The primary reason for this increase is the purchase of a large number of Chromebooks at the Senior High and Junior High as discussed at the March 2019 Finance Committee Meeting.

**Capital Outlay** – Expenditures for remodeling or additions to fixed assets occur primarily during the summer months when construction activity takes place. Additional costs may occur sporadically over the course of the year as needs arise. The majority of the capital outlay expenditures for the year relate to construction of Lisle Elementary School and the parking lot project at Lisle Senior High School.

**Other Objects (Includes Tuition and Debt Repayment)** - Tuition payments of approximately $1,717,000 for out-of-district special education, alternative learning, and career and technical education students have been paid year-to-date. The District has spent 72% of the tuition budget through March. Although this appears higher than expected having only completed seven months of the academic year, SASED requires the District to prepay the tuition for the entire year during the first quarter of the school year. For comparison, tuition expenditures at this time last year were approximately $2,104,000, or 90% of budget. It's also worth noting that ISBE passed an emergency rule allowing all approved special education private facilities to continue to invoice school districts and requires school districts to continue to pay the per diem rate for tuition.

The $1.78 million of expenditures in the Debt Services fund relates to the December bond payments and capital lease payments for copiers. The remaining budget will be utilized for the June bond payments.

**Non-capitalized Equipment** - The majority of the equipment expenditures for the year relate to network switches for the new phone system, a floor scrubber for Lisle Junior High School, and grounds equipment for the maintenance department.

**Termination Benefits** – Through March, there has been approximately $8,800 in payments made to terminated or retiring employees as compensation for unused sick or vacation days.

# Lisle Community Unit School District 202
## Budget Compared to Actual - All Funds
### For the Nine Months Ending March 31, 2020

| | Educational | Operations & Maint. | Debt Services | Trans-portation | Municipal Ret/Soc Sec | Capital Projects | Working Cash | Tort | Total | Budget | Percent Realized |
|---|---|---|---|---|---|---|---|---|---|---|---|
| **Fund Balance - July 1, 2019** | **$ 25,144,480** | **$ 2,277,091** | **$ 1,520,977** | **$ 1,978,239** | **$ 691,448** | **$ 8,599,441** | **$ 802,616** | **$ -** | **$ 41,014,292** | | |
| **Revenue:** | | | | | | | | | | | |
| Local Sources: | | | | | | | | | | | |
| Property Taxes | 11,715,022 | 1,566,545 | 373,980 | 909,436 | 586,483 | - | 2,178 | 2,178 | 15,155,822 | 30,884,100 | 49% |
| Interest | 478,027 | 38,048 | 26,168 | 45,913 | 16,013 | 68,101 | 15,065 | 2 | 687,337 | 784,800 | 88% |
| Other Local | 801,361 | 87,730 | - | 2,333 | - | - | - | - | 891,424 | 1,148,600 | 78% |
| State Sources | 1,189,857 | - | - | 398,349 | - | - | - | - | 1,588,206 | 2,485,608 | 64% |
| Federal Sources | 610,404 | - | - | - | - | - | - | - | 610,404 | 1,069,507 | 57% |
| **Total Revenue** | **14,794,671** | **1,692,323** | **400,148** | **1,356,031** | **602,496** | **68,101** | **17,243** | **2,180** | **18,933,193** | **36,372,615** | **52%** |
| **Expenditures:** | | | | | | | | | | | |
| Salaries | 12,255,165 | 790,401 | | 30,380 | | - | | - | 13,075,946 | 17,520,960 | 75% |
| Employee Benefits | 3,530,445 | 152,566 | | 84 | 641,539 | - | | - | 4,324,634 | 5,827,048 | 74% |
| Purchased Services | 1,536,777 | 345,206 | - | 1,287,617 | | 65,861 | | 2,180 | 3,237,641 | 4,705,019 | 69% |
| Supplies and Materials | 571,637 | 502,864 | | 2,356 | | - | | - | 1,076,857 | 1,536,566 | 70% |
| Capital Outlay | 54,170 | 87,277 | | - | | 10,520,648 | | - | 10,662,095 | 27,216,900 | 39% |
| Other Objects | 1,764,159 | - | 1,776,227 | - | - | - | | - | 3,540,386 | 4,336,589 | 82% |
| Non-capitalized Equipment | 36,165 | 97,826 | | - | | - | | - | 133,991 | 320,662 | 42% |
| Termination Benefits | 1,593 | 7,184 | | - | | - | | | 8,777 | 13,851 | 63% |
| **Total Expenditures** | **19,750,111** | **1,983,324** | **1,776,227** | **1,320,437** | **641,539** | **10,586,509** | | **2,180** | **36,060,327** | **61,477,595** | **59%** |
| **Revenue Over (Under) Expenditures** | **(4,955,440)** | **(291,001)** | **(1,376,079)** | **35,594** | **(39,043)** | **(10,518,408)** | **17,243** | **-** | **(17,127,134)** | **(25,104,980)** | |
| **Other Sources/(Uses)** | | | | | | | | | | | |
| Other Sources | - | - | 318,588 | - | - | 2,500,000 | - | - | 2,818,588 | 7,059,500 | 40% |
| Other (Uses) | (1,818,588) | (1,000,000) | - | - | - | - | - | - | (2,818,588) | (4,559,500) | 62% |
| **Total Other Sources/(Uses)** | **(1,818,588)** | **(1,000,000)** | **318,588** | **-** | **-** | **2,500,000** | **-** | **-** | **-** | **2,500,000** | |
| **Fund Balance - March 31, 2020** | **$ 18,370,452** | **$ 986,090** | **$ 463,486** | **$ 2,013,833** | **$ 652,405** | **$ 581,033** | **$ 819,859** | **$ -** | **$ 23,887,158** | | |

**Lisle Community Unit School District 202**
**State Funding Update**
**Vouchers Awaiting Processing by Comptroller**
**March 31, 2020**

| Program Name | Project Yr | Voucher Date | Amount |
|---|---|---|---|
| Special Education - Private Facility Tuition | 2020 | 12/20/2019 | $ 58,671.56 |
| | 2020 | 3/25/2020 | $ 58,671.56 |
| Special Education - Orphanage - Individual | 2020 | 12/20/2019 | $ 18,745.43 |
| | 2020 | 3/25/2020 | $ 14,059.07 |
| Driver Education | 2020 | 12/20/2019 | $ 4,712.97 |
| | 2020 | 3/25/2020 | $ 4,712.97 |
| Transportation - Regular and Vocational | 2020 | 12/19/2019 | $ 86,322.73 |
| | 2020 | 3/25/2020 | $ 86,322.74 |
| Transportation - Special Education | 2020 | 12/19/2019 | $ 105,112.20 |
| | 2020 | 3/25/2020 | $ 105,112.20 |
| **Grant Total** | | | **$ 542,443.43** |

| Days Outstanding | |
|---|---|
| 0-30 | $ 268,878.54 |
| 31-60 | $ - |
| 61-90 | $ - |
| 91-120 | $ 273,564.89 |
| | $ 542,443.43 |

**FOR DISCUSSION**

**Lisle Community Unit School District 202**
**Board of Education Meeting**
**April 27, 2020**

**SUBJECT:** Technology Systems Specialist

**BACKGROUND:** With the June 2020 retirement of the Help Desk Manager, the District is in a great position to review the roles and needs of the Technology Department within the District. With Prescient Solutions managing the infrastructure and backbone of the network we have found a tremendous need in the area of managing our internal systems (software, student accounts, and rights and privileges within various systems, testing etc.). This need has become even greater as we have added 1:1 devices and as we continue to transition to more technology based learning programs.

Administration would like for the Board of Education to consider transitioning the Help Desk position to a Technology Systems Specialist who would have a higher skill level and expertise above the school based "Technology Assistant" and can manage all of the software needs (including the Help Desk function) for students and staff.

Essentially, the Technology Systems Specialist (TSS) position will absorb the duties of the help desk, as well as the other responsibilities included in the included job description. Briefly, the Technology Systems Specialist will be responsible for district-wide systems and projects and allow other staff members to focus on their specific responsibilities. The TSS will work side by side with Prescient Solutions to solve escalated issues from building techs and be able to relay ideas and solutions back from one point of contact. Additionally, the District Data Coordinator will be able to work with the TSS and Prescient Solutions on on-line testing requirements and implementations at the district level. This will also allow a clear flow of communication from the Data Coordinator to building level technicians in regards to testing. Lastly, the TSS will be directly involved in purchasing and obtaining and comparing quotes/specs for internal software and projects.

Determining an exact salary range for this position is difficult in the educational setting as schools use this position in very different ways. Consequently, due to the technical skills and knowledge needed for this position and the unique need in District 202, Administration would like to place this position on the CEAL salary schedule at the "Maintenance" salary placement as a 12-month employee.

**SUMMARY:** With the expanded focus on Remote Learning and e-Learning it has become abundantly clear that the management of the internal systems for students and staff must be robust and comprehensive as our goal is to provide support to our learning community while keeping them safe and secure. The Technology Systems Specialist will be able to support the District in these essential functions.

**FINANCIAL IMPACT:** The salary and compensation will be included in the FY 2021 budget.

**RECOMMENDATION:** N/A

**SUGGESTED MOTION:** N/A

# Lisle Community Unit School District No. 202

## JOB DESCRIPTION / RESPONSIBILITIES

**TITLE:** Technology Systems Specialist

**REPORTS TO:** Assistant Superintendent

**POSITION PURPOSE:** Responsible for the management and maintenance of the District's software environment and the day to day management of the District IT staff.

**QUALIFICATIONS:** Typical qualifications would be equivalent to:

- High School Diploma
- Minimum 2 years of experience in related field
- Google Administrator Certified
- The ideal candidate will have experience with some or all of the following systems/hardware:

| | |
|---|---|
| GSuite for Education | Google Admin Console |
| Cisco Networking | Chromebooks |
| Hyper-V | Windows 10 |
| Windows Server | Scripting/task automation |
| Apple iOS & MacOS | JAMF School MDM |
| Audio/Visual Experience | Multimedia creation/distribution |

**POSITION RESPONSIBILITEIS:**

1. Implement, support and maintain all information technology systems throughout the District.
2. Manage district ticketing system to track and monitor assigned issues to ensure timely resolutions.
3. Document issue resolutions completely and accurately in the district incident tracking system. Communicate effectively with users and other support staff on issue status.
4. Manage district software and hardware subscriptions.
5. Assist with problem-solving with hardware, software and web-based programs.
6. Work cooperatively with external vendors and other various contacts and agencies to obtain quotes for work/equipment and the completion of tasks and projects, as needed.
7. Provide and/or coordinate appropriate and meaningful professional development opportunities and conduct training for various staff groups, as needed
8. Provide personalized service to end users by troubleshooting and identifying source of users' technology-related issues and providing a resolution.
9. Utilize proprietary software, office productivity software and knowledge management tools to retrieve information and resolve problems.
10. Assist in maintaining an inventory of district hardware, software and related documentation.
11. Assist in operational support activities such as hardware life cycle, OS/application deployment, license compliance, image building and security patches.
12. Assist in documenting FAQ information to enable end users to become self-sufficient in solving common problems.

Draft

13. Assist in continually researching new technologies and planning for future successful implementations.
14. Complete training to update necessary skills for required job functions.
15. Completes all other related duties as assigned.

**Note:** The above description is illustrative of tasks and responsibilities. It is not meant to be all inclusive of every task or responsibility.

**KNOWLEDGE, SKILLS AND ABILITIES:**

- Ability to follow oral or written work orders from supervisor, and to coordinate work with others.
- Ability to carry out instructions furnished in written, oral or diagrammatic form.
- Ability to add, subtract, multiply and divide all units of measure.
- Ability to describe orally or in writing maintenance or repair problems as needed.
- Ability to troubleshoot, problem solve and resolve technology issues.
- Ability to report work orally or in writing to supervisor as required.
- Ability to establish and maintain cooperative working relationships with students, staff and others contacted in the course of work.

**TRAVEL REQUIREMENT:**

May require travel between District buildings.

**APPROVED:**

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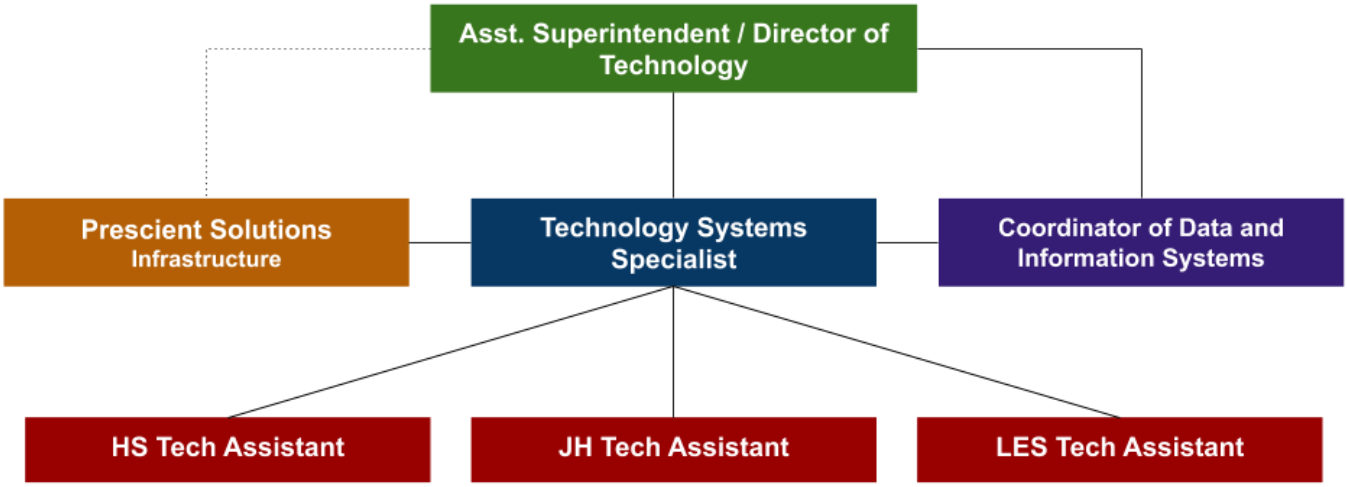
# Lisle CUSD 202
# Summary of District Technology Positions




**Coordinator of Data and Information Systems (District Data Coordinator):** The Coordinator of Data and Information Systems is responsible for all district data in PowerSchool, which is our student information system, as well as other district systems (i.e. BlackBoard, MAP, PARCC, etc.), and all aspects of required ISBE reporting for staff and students. Additionally, as the use of data and technology have expanded within the district the Coordinator of Data and Information Systems has also absorbed the responsibilities for managing student registration, report card development and maintenance and all data regarding staff for state reporting purposes. The ***Technology Systems Specialist*** will work with the data coordinator to support these systems across the district. This includes preparation of district devices for state testing sessions and the configuration of district services for efficient use within these various systems.

**Prescient Solutions:** Prescient Solutions is responsible for the physical and digital (i.e. virtual servers) infrastructure of the school district. This includes server management and security, wired and wireless networking, Windows deployment services, VOIP district phone system, as well as other infrastructure components. The ***Technology Systems Specialist*** will work with Prescient on future implementation of infrastructure projects, informing of networking and server modifications needed for district systems and infrastructure hardware procurement.

**Technology Assistants:** The Technology Assistants are located at each building and are responsible for all of the day-to-day functioning at their respective buildings. This includes supporting both staff and students with troubleshooting, device repairs and replacements and assisting the building in other needs as building administration sees fit. The ***Technology Systems Specialist*** will work with the Technology Assistants to support them, when needed, especially when issues escalate and cannot be resolved by them. Additionally, the Technology Systems Specialist will work with the Technology Assistants on implementing district systems and initiatives as they arise at each building.

**Help Desk:** The current help desk position is responsible for onboarding and offboarding staff and students from all IT systems, ordering equipment and supplies (from computers to light bulb replacements for projectors), managing technology subscriptions (curricular, student management, business functions etc.),

coordinating technology recycling pickups and paperwork for each school, phone system updates for staff, as well as any other duties needed by the IT department. ***The Technology Systems Specialist will absorb all of the duties of the current help desk position.***

**Technology Systems Specialist (TSS)**: In addition to all of the above functions, the TSS will be responsible for technology budgeting and purchasing, managing district software systems used by both staff and students, providing IT education to district personnel and implementation and management of district-wide initiatives as Remote Learning continues. The TSS will also assume the management of all iPads in the district. This responsibility has been a function of two certified staff members who frankly do not have the time or expertise to continue this duty. Lastly, this position will absorb 100% of the functions listed in the Help Desk position.

**Summary:** As an employee of the school district, the addition of the Technology Systems Specialist provides the internal working knowledge needed to best perform the described job functions and to be the liaison for the various technology related positions in the district. This position will alleviate some of the gaps in the current structure and will allow the technology department to function in its greatest capacity for the students and staff of the school district.

# Lisle Community Unit School District 202

An Analysis of the District's Financial History and Projection of the District's Future Financial Condition

April 27, 2020

# EXECUTIVE SUMMARY

The following analysis focuses on both the historical performance and projected financial condition of Lisle Community Unit School District 202. Preparing and evaluating this analysis on an annual basis allows the District to utilize a "proactive" management style in conducting its financial affairs. Because resources available to public schools are limited, it is imperative to focus on what actions need to be taken now in order to continuously be assured that adequate resources are available to not only our students of today but also to our students of the future.

## REVIEW OF PAST PERFORMANCE

Lisle School District's financial position has remained strong over the past five years. The District has experienced an average increase in revenue of about .5% annually since FY2015 with total OPERATING FUNDS revenue of $31,559,949 for FY2019. Investment earnings have improved during this time period and new property EAV has seen a healthy increase of on average approximately $4,175,000 annually. These additional property tax receipts have helped to offset historically low interest rates. State sources have remained mostly flat due to the State's fiscal challenges. Federal sources have also remained mostly flat over the last five years. During this time period, CPI has increased on average 1.7% per year.

Total expenditures have increased on average 1.25% annually since FY2015 in the OPERATING FUNDS. Negotiated salary contracts have included 3% to 4% annual raises and the total increase in salary expenditures have been around 2.6% over the past five years. The District has been able to contain other major costs such as health insurance and property insurance by participating in self-insured cooperatives with other school districts. Total expenditures across ALL FUNDS were $58,830,709 for FY2019 including $25.3 million in capital expenditures, primarily for the construction of Lisle Elementary School.

## REVIEW OF PROJECTIONS

Annual expenditures across ALL FUNDS are expected to exceed annual revenues by $8,623,000 in FY2020 as a result of construction costs related to building Lisle Elementary School. Net income for the OPERATING FUNDS only (Educational, Operations and Maintenance, Transportation, and Working Cash Funds) is projected to be a surplus of $1,945,000 in FY2020 with an anticipated deficit of $337,000 in FY2025. The District anticipates a healthy increase in property tax revenues during FY2021 as the result of the remaining portion of a mixed-use residential and retail development in Downtown Lisle being added to the tax rolls. However, this increase may be offset by a lower Consumer Price Index (CPI) as a result of the current recession. A significant decrease in interest earnings over the next few year will also impact revenues as interest rates have fallen precipitously over the last month.

While the District's revenues and fund balances are adequate during the projection period to cover payroll and regular bills; uncertainty in the State and Federal economic climates could alter funding levels for education and significantly impact this picture. This uncertainty has been magnified in light of recent events surrounding the COVID-19 pandemic. A substantial downturn in the State's economy may lead to a reduction in budget dollars available for the Evidence Based Funding Formula (EBF) and mandated categorical grants. If the State does not have the funds to both address its pension crisis and fund EBF, pension reform may take center stage which has the potential to shift a large portion of these costs to local school districts greatly impacting the District budget. A property tax freeze may also gain new momentum as taxpayers endure economic hardship during the recession. Tax freeze legislation would severely limit the District's ability to generate revenues that

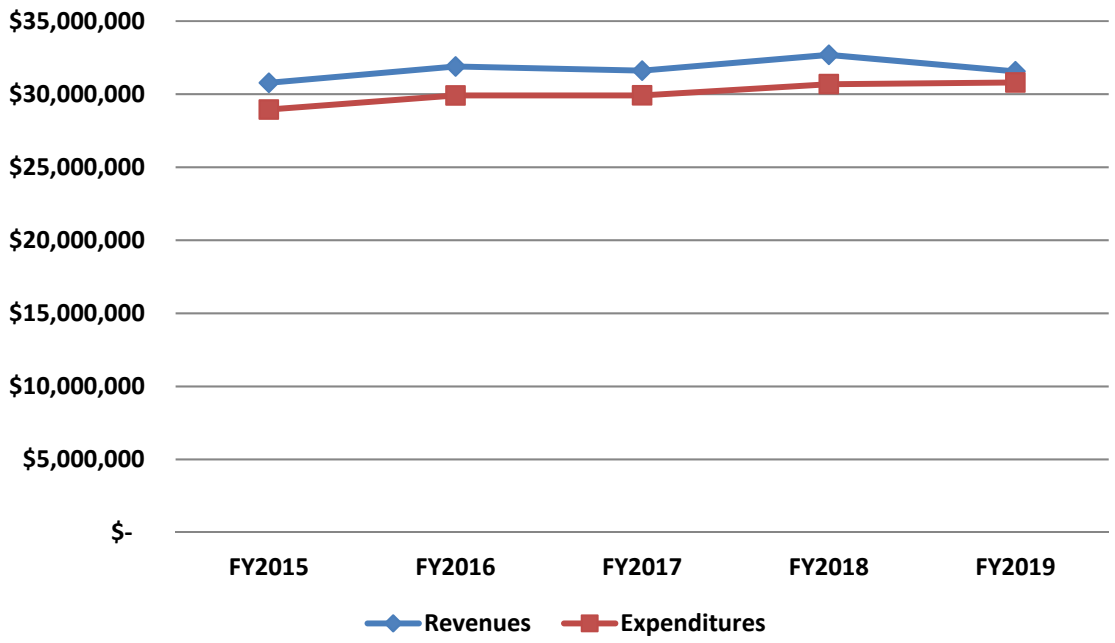
would keep pace with the cost increases from one year to the next. Finally, additional costs related to roof replacement, HVAC units, educational enhancements, and other necessary facilities improvements will reduce some of the fund balances available to withstand these uncertainties.

Reviewing the financial projections such as this on a regular basis will allow the District to determine the long-term effect of these issues and the financial decisions being made today. The greatest challenge for the Board of Education over the next few years will be to find an acceptable median between the vision our learning community has for the education of our children and how to best fund this vision given the economic climate and the resources available.

# HISTORICAL FINANCIAL REVIEW

In developing a long-term financial plan for a school district, it is critical to first review the historical trends in the District's revenues and expenditures. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District's operations and constitute the majority of activity occurring in the District.

Additional funds utilized by the District include the Debt Services, Municipal Retirement/Social Security Fund, Capital Projects, and Tort Funds. These funds are included in the financial projection to facilitate the reconciliation of figures in this report to the annual financial report filed with the Illinois State Board of Education. The following chart reflects the trend in Lisle School District 202's revenues and expenditures in the OPERATING FUNDS over the past five fiscal years.

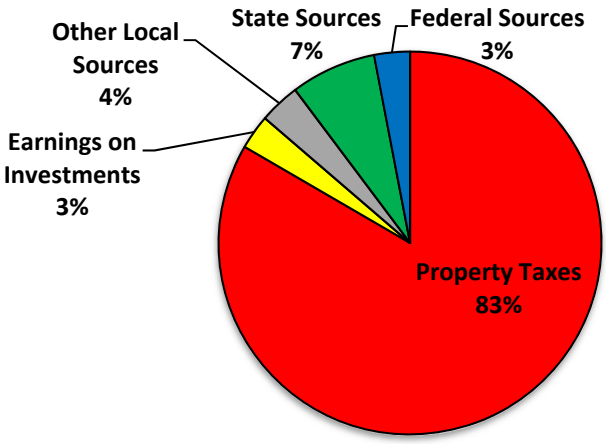



Note: A detailed breakdown of the revenues and expenditures is shown on the Historical Performance – Operating Funds statement at the back of this report

For the past five (5) years revenues have exceeded expenditures in the OPERATING FUNDS annually by an average of approximately $1.6 million. The following discussion will look specifically at the trends in the District's revenue and the costs associated with providing an education to approximately 1,450 students.

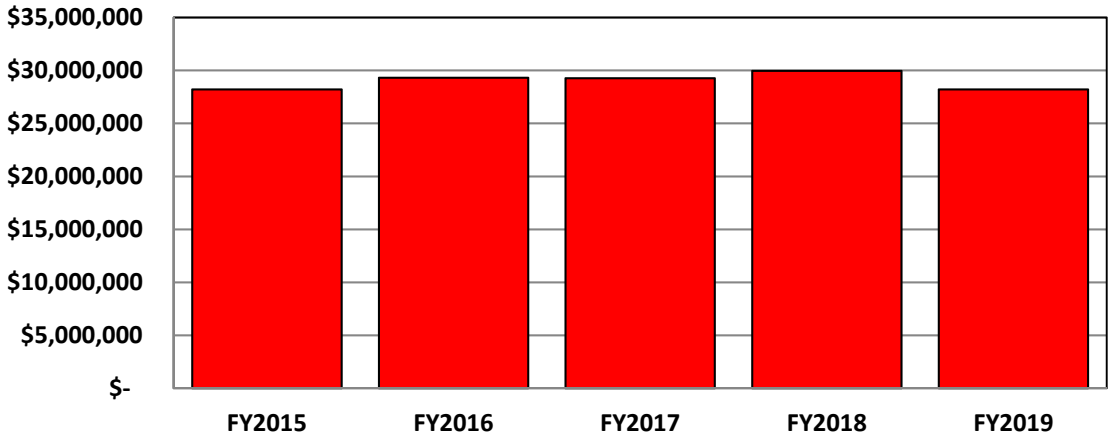
## REVENUE

The following pie chart illustrates the composition of Lisle School District's revenue for the fiscal year ended June 30, 2019. As evident in the chart below, Lisle School District relies almost exclusively on property taxes and State and Federal sources to fund the operations of the District.



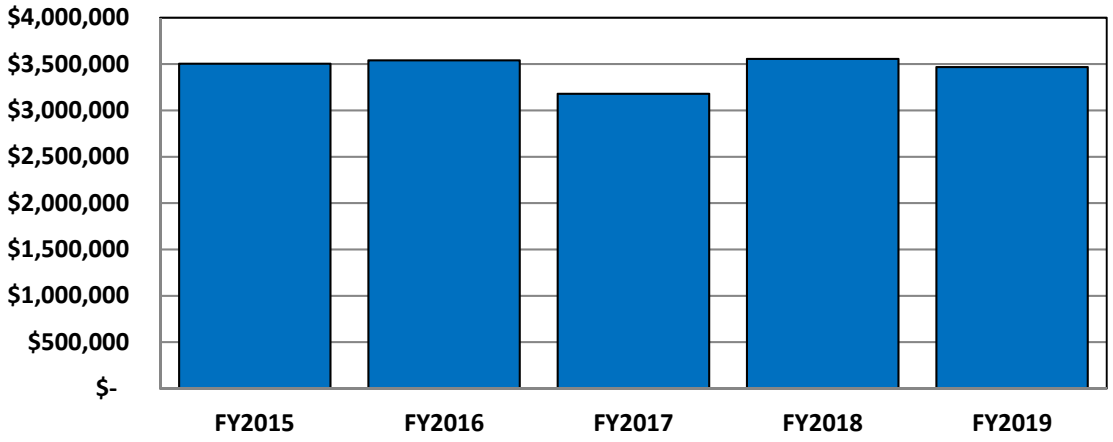

## PROPERTY TAX REVENUE

Property taxes currently account for approximately 83% of the District's revenue. The following chart reflects the growth pattern of property tax revenue over the past five years. On average, the property tax levy has increased by approximately 1.8% annually since 2015. Property tax revenue on the cash basis decreased in FY2019 due to the tax objection settlement in the Operations & Maintenance Fund and the DuPage County Treasurer distributing 52.5% of the 2017 tax levy in June of 2018.



## STATE AND FEDERAL SOURCE REVENUE

State and Federal sources currently account for approximately 10% of the District's total revenue. The following chart reflects the growth pattern of State and Federal sources over the past five years. Fiscal years 2015 through 2019's State and Federal sources were adjusted to reflect **net collections** of approximately $318,700, $179,000, $108,000, ($228,000), and ($50,000) respectively, remitted by the Illinois State Board of Education in the subsequent fiscal year (missed the June 30th cutoff) to better reflect trend data. Total State and Federal sources have been approximately $3,450,000 annually over the past five years.




## EXPENDITURES

Lisle School District 202's expenditures can be broken down into eight (8) different categories. These categories and their descriptions are as follows:

1. **Salaries** - Amounts paid to permanent, temporary or substitute employees of the District.

2. **Employee Benefits** - Fringe benefits paid on behalf of the employees but not directly to the employees. This includes medical, dental, life, and disability insurance, Social Security contributions, Teachers Retirement System (TRS) contributions, the Illinois Municipal Retirement Fund (IMRF) contributions, and tuition reimbursements.

3. **Purchased Services** - Amounts paid for personal services rendered by personnel who are not on the payroll of the District. Examples include, but are not limited to, legal services, audit services, accounting and payroll services, telephone services, postage, property insurance, the cost of private contractors used to transport regular and special education students, contracts related to the upkeep of building and grounds and equipment, and any type of contractual services related to the enhancement of the teaching or instructional process.

4. **Supplies and Materials** - Amounts paid for material items that are consumed, worn out, or deteriorated in use. These primarily include textbooks, library books, and utilities.

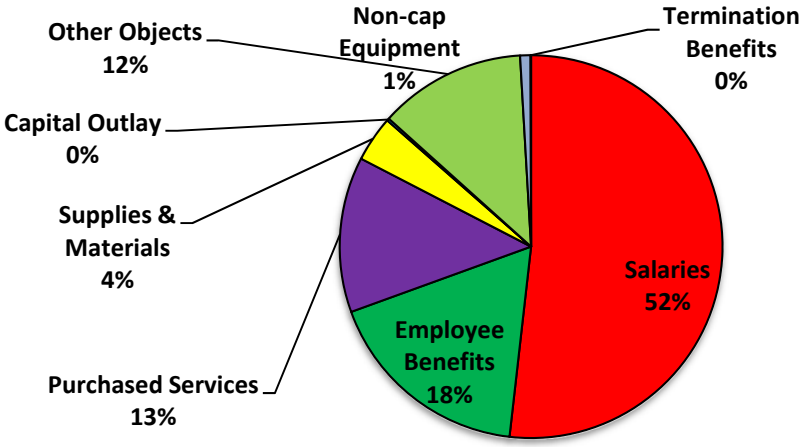
5. **Capital Outlay** - Expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.

6. **Other Objects** - Tuition paid to other educational facilities such as the Special Education Co-op for services rendered to students residing in the District. "Other" also includes the repayment of debt in the Debt Services Fund.

7. **Non-capitalized Equipment** – Items that would be classified as capital assets except that they cost less than the capitalization threshold but more than the $500 minimum value established by School Code.

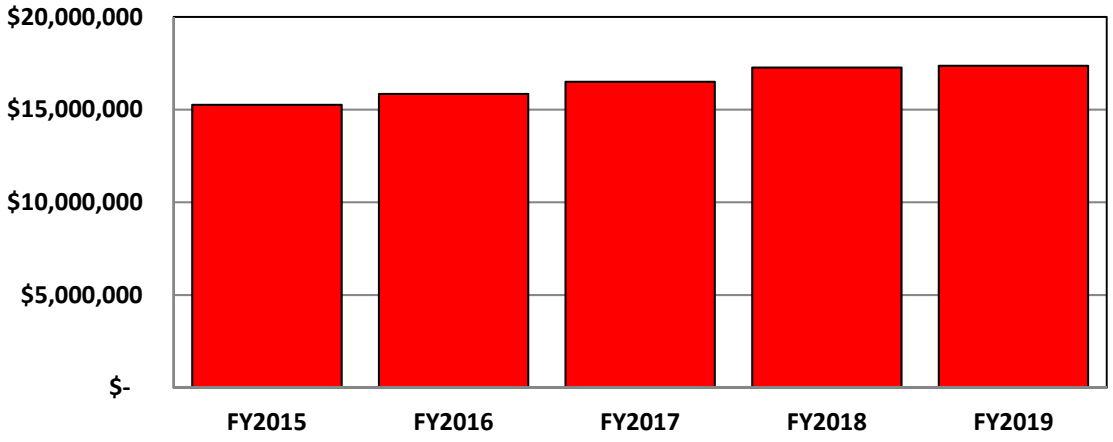
8. **Termination Benefits** – Payments made to terminated or retiring employees as compensation for unused sick or vacation days.

The following pie chart illustrates the composition of Lisle School District's expenditures for the fiscal year ending June 30, 2019. The District has experienced an average increase in OPERATING FUND expenditures of about 1.25% annually since FY2015. Total expenditures for FY2019, excluding the Capital Projects Fund, were $33,513,623. As evident in the below chart, salaries and employee benefits account for the majority of the cost of operating the school district.



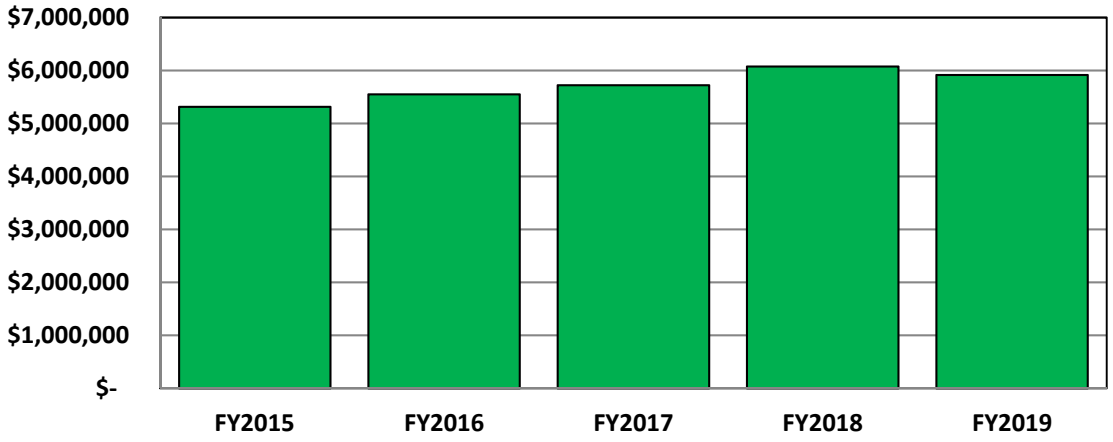
## SALARY EXPENDITURES

The largest operating expenditure of the District is the cost of salaries. Approximately half of the District's operating expenditures are attributed to this expense item. Salary expenditures have increased at an average rate of approximately 2.6% from FY2015 through FY2019. These increases are from annual salary increases, the change in the number of employees, and cost savings through attrition. The following chart reflects the growth pattern of salary expenditures in the District.



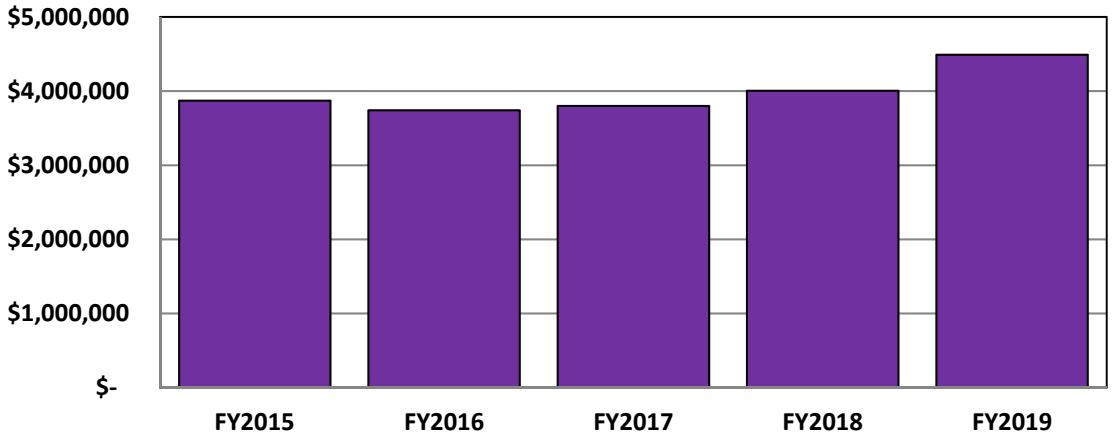

## EMPLOYEE BENEFIT EXPENDITURES

The cost of employee benefits accounts for approximately 18% of the total expenditures of the District. Benefits have increased at an average rate of approximately 2.2% from FY2015 through FY2019. The District has been able to control the cost of health insurance by participating in a self-insurance cooperative (Educational Benefits Cooperative) with more than one hundred (100) other school districts. The following chart reflects the growth pattern of benefits expenditures in the District.



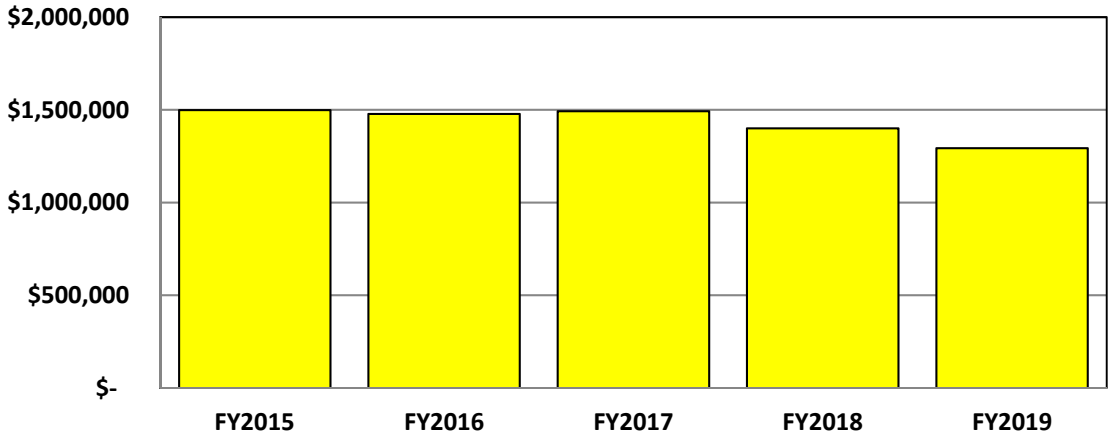
## PURCHASED SERVICE EXPENDITURES

The cost of purchased services has increased approximately 3% from FY2015 through FY2019. A significant purchased service is the cost of transportation and food service along with property/casualty, liability, and workers' compensation insurance. The District has been able to mitigate some of the insurance increases by participating in two self-insurance pools with over sixty (60) other school districts. The following chart reflects the growth pattern of purchased service expenses in the District.



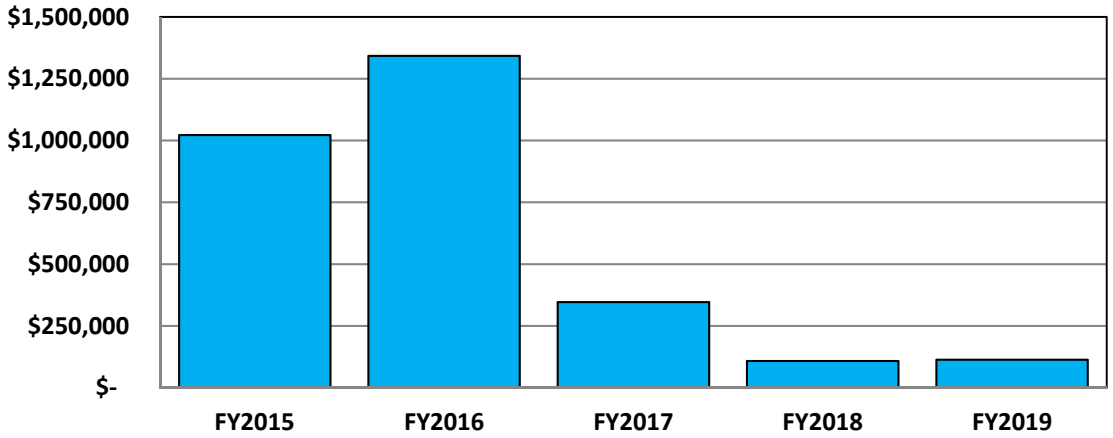

## SUPPLIES & MATERIALS EXPENDITURES

The supplies and materials expenditures have decreased by approximately 3% from FY2015 through FY2019. The following chart reflects the growth pattern of supplies and materials expenditures in the District.



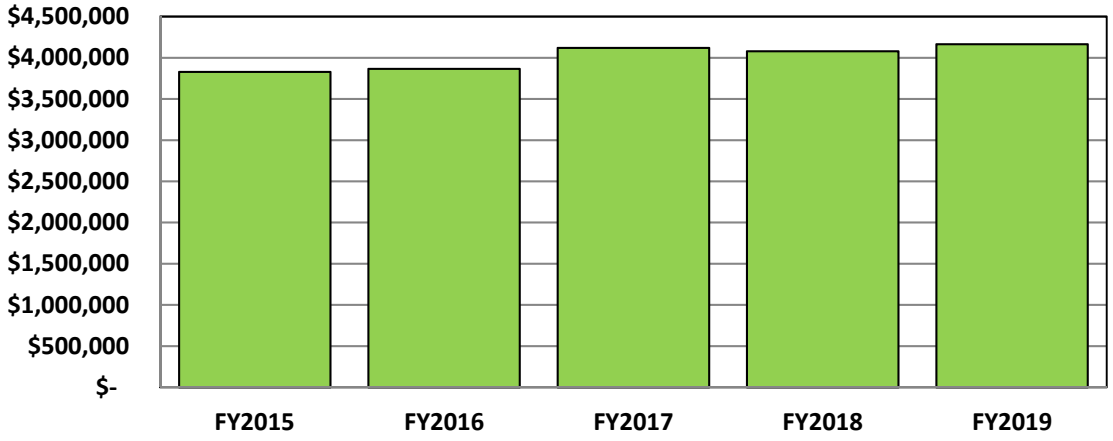
# CAPITAL OUTLAY EXPENDITURES

The School District typically spends on average approximately $600,000 per year for capital outlay. A partial roof replacement at the Junior High School during the summer of 2014 resulted in larger expenditures during FY2015. Re-roofing a portion of Lisle Senior High School and installing new roof top units resulted in above average expenditures in FY2016. The following chart reflects the growth pattern of capital outlay expenditures in the District, excluding the costs to construct Lisle Elementary School in the Capital Projects Fund.



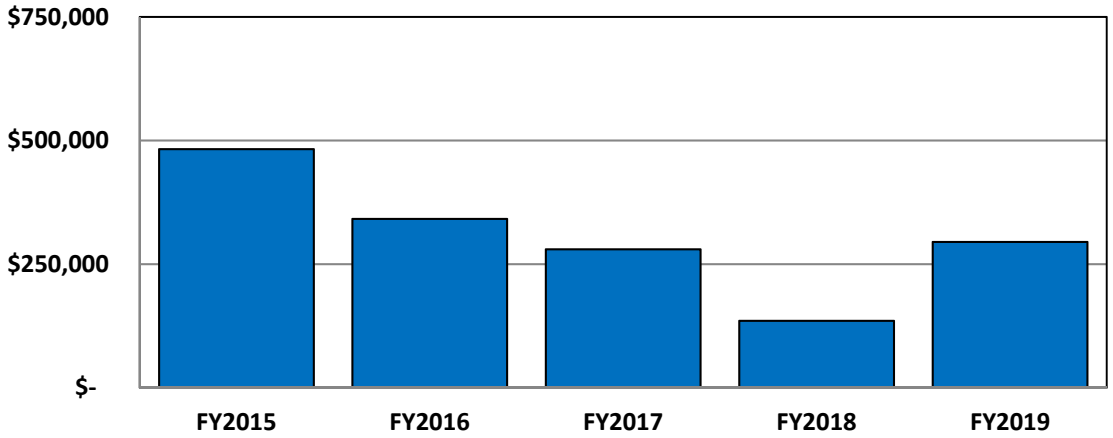

# OTHER OBJECT EXPENDITURES

Tuition and other expenditures have increased by an average rate of 1.7% from FY2015 through FY2019. Other object expenditures also include bond and capital lease payments. The average expenditures, including debt service payments, for the past five years have been approximately $4,000,000. The tuition expenditures are impacted by the number of students requiring special education services from outside facilities. The cost of tuition can significantly change from year-to-year based on the specific needs of the students enrolled. The following chart reflects the growth pattern of tuition and other expenditures in the District.



## NON-CAPITALIZED EQUIPMENT EXPENDITURES

The School District typically spends on average approximately $300,000 per year for non-capitalized equipment. The purchase of technology equipment, furniture, maintenance equipment, and other educational equipment with a unit cost of less than $5,000, but greater than $500, is a typical cost in this category. Also included are buildings and grounds improvements below the Districts $25,000 capitalization threshold. The following chart reflects the pattern of non-capitalized equipment expenditures in the District.




# CURRENT FUND CONDITION

The following summarizes the fund balances, with early taxes deferred, as of June 30, 2019:

| | |
|---|---|
| Educational Fund | $13,663,147 |
| Operations and Maintenance Fund | 749,262 |
| Debt Services Fund | 1,156,240 |
| Transportation Fund | 1,096,666 |
| Illinois Municipal Retirement Fund | 119,460 |
| Capital Projects Fund | 8,599,441 |
| Working Cash Fund | 800,491 |
| Tort Fund | (2,124) |
| Fund Balance Available | $26,182,583 |

Total fund balances have decreased approximately $7,223,000 since June 30, 2014 due to the construction of Lisle Elementary School.

# PROJECTIONS

The following six-year financial projection was derived by incorporating trends in the District's revenue and expenditures with assumptions made on several critical issues that will determine the District's future financial condition. Please note that all projections are based on assumptions and should be considered as such when making all financial decisions.

## ASSUMPTIONS USED IN MAKING THE PROJECTIONS

## REVENUES

**1. Property Taxes:**

***Consumer Price Index -*** The Property Tax Extension Limitation Law (PTEL) caps property tax increases for current property owners at the lessor of the Consumer Price Index (CPI) or 5%. The District was temporarily exempt from this law since the successful Education Fund tax rate increase passed in 2004. The 2007 property tax levy was the last year of the PTEL exemption. The following is the actual and projected CPI used to determine property taxes for the next six years.

| Tax Levy Year | CPI | |
|---|---|---|
| 2019 | 1.9% | Actual |
| 2020 | 2.3% | Actual |
| 2021 | 1.8% | Projected |
| 2022 | 1.8% | Projected |
| 2023 | 1.8% | Projected |
| 2024 | 1.8% | Projected |
| 2025 | 1.8% | Projected |

The projected CPI of 1.8% for tax levy years 2021-2025 is based on the five-year average CPI increase. A 1% percent difference in this estimate would have an impact of approximately $300,000 on the District's annual property tax revenue.

***New Property -*** The District receives approximately $50,000 of additional property tax revenue for each $1,000,000 of equalized assessed value (typically 1/3 of market value) of new property. New property has been approximately $3,500,000 annually for the past five years. The following is the projected equalized assessed value of new property in the District and the associated property tax revenue.

| Tax Levy Year | New EAV | New Taxes | |
|---|---|---|---|
| 2019 | $6,600,000 | $314,000 | Actual |
| 2020 | $4,000,000 | $191,000 | Projected |
| 2021 | $2,000,000 | $95,000 | Projected |
| 2022 | $2,000,000 | $95,000 | Projected |
| 2023 | $2,000,000 | $95,000 | Projected |
| 2024 | $2,000,000 | $95,000 | Projected |
| 2025 | $2,000,000 | $95,000 | Projected |

The projected new EAV for 2020-2025 is based on the ten-year average of new property with adjustments in 2020 for the Marquette Property developed in Downtown Lisle.

2. **Earnings on Investment and Other Local Sources -** Earning on investments are projected to decrease during the projection period as fund balances are spent on capital projects. In addition, the historically low interest will reduce investment yields. The remaining local source revenues are expected to increase by projected CPI of 1.8% during the projection period.
3. **State Sources –** State Sources under the evidence based funding model are expected to remain flat during the projection period. Approximately 7% of the District's revenue is in the form of State grants. Any reduction in funding for programs outside the funding formula would result in a decrease to the District's state funding sources.
4. **Federal Sources –** Federal source revenues are projected to remain constant during the projection period. Few competitive grants are anticipated to be offered in the next few years due to tighter federal budget dollars.

# EXPENDITURES

1. **Salaries -** The negotiated agreements between the Board of Education and the Certified and Classified staff will expire August 2019 and June 2020, respectively. The Certified contract includes an average salary increase of 3.6% for FY2020. The Classified contract includes a salary increase of 3.5% for FY2020. The Administrators received a 3.6% increase in salaries for FY2020.

   Salaries for FY2020 are projected to increase 1.4% based on using the budgeted amounts for the current fiscal year. Total salaries are expected to increase approximately 4.5% in FY2021 based on the 10 year average for negotiated agreements and the staffing changes outlined in the March 2020 Staffing Plan. Retirement and staff savings of approximately $40,000 will be realized based on the salary differential of retiring staff members and the positions being filled. The salaries increases are projected to be around 3.3% for FY2022 thru FY2025. The financial projection will be impacted by approximately $185,000 (compounded annually) for every 1% the future negotiated contracts increase/decrease from the projected amounts.
2. **Employee Benefits –** Employee benefits for FY2020 were forecasted using the current budgeted expenditures for the fiscal year. Benefits are expected to increase in FY2021 with a 5.5% increase in the health insurance premiums based on the District's upcoming renewal in July 2020. Historical increases in health insurance rates have been approximately 3.1% over the last ten years by participating in the District's insurance co-op.

   Employee benefit costs are projected to increase approximately 3% annually for FY2022 thru FY2025 based on the ten-year average health insurance increases. Benefit costs for all years of the projection reflect adjustments for retired administrators and teachers that will start or stop receiving retiree health insurance benefits.
3. **Purchased Services –** Most purchased services are projected to increase 1.8% annually, which is consistent with historical trends and the projected Consumer Price Index. Transportation expenditures are estimated to increase by 2.6% annually based on the 5-year average for these costs.
4. **Supplies & Materials -** Supplies and materials are projected to increase 1.8% annually, which is consistent with historical trends and the projected Consumer Price Index.

5. **Capital Outlay –** Capital outlay expenditures are projected to be around $155,000 annually if you exclude the cost of construction and renovation projects. These annual expenditures are projected to increase 1.8% annually, which is consistent with the projected Consumer Price Index.

   The additional costs that follow reflect the remaining construction expenditures for Lisle Elementary School along with aspects of the capital improvements outlined in the October 2019 Facility Needs Plan presentation, a summary of which is included in the back of this report.

| Fiscal Year | Amount |
|---|---|
| 2021 | $280,000 |
| 2022 | $1,277,000 |
| 2023 | $2,306,000 |
| 2024 | $1,698,000 |
| 2025 | $390,000 |

6. **Other Objects –** Other object expenditures are based on 100% of the budgeted figures for FY2020. Approximately 60% of the expenditures in other objects are tuition costs impacted by the number of students requiring special education services from outside facilities. The cost of tuition can significantly change from year-to-year based on the specific needs of the students enrolled. Tuition costs are projected to increase by estimated CPI of 1.8%, which is similar to the historical trends at Lisle 202 over the last five years.

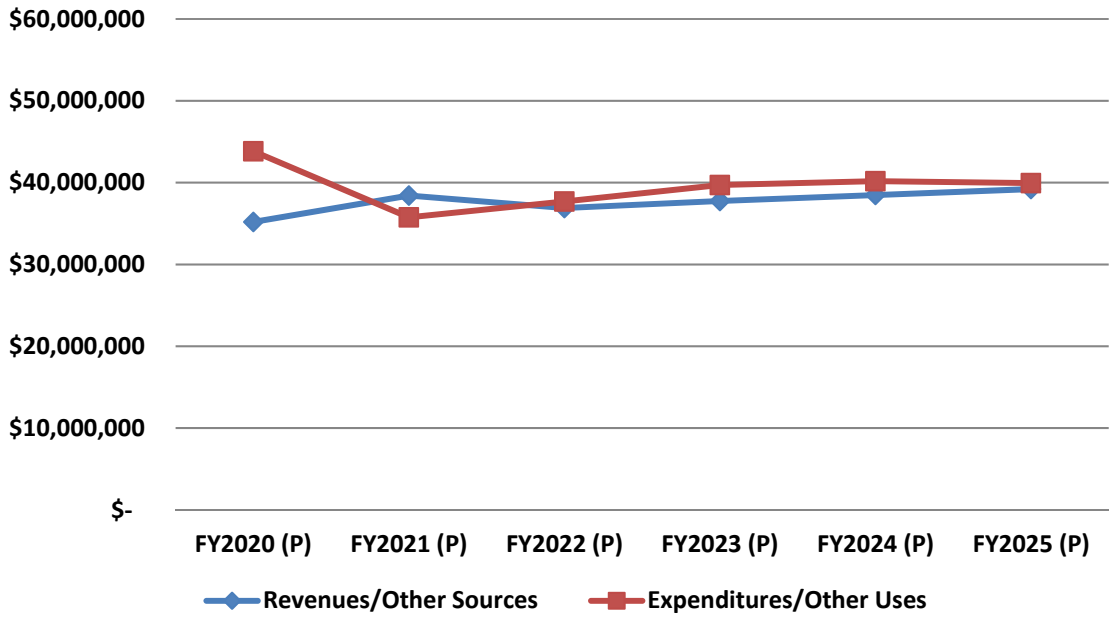
   The remaining expenditures in other objects relate to the repayment of outstanding debt service obligations. Debt service payments of approximately $1.5 million will remain relatively constant during the projection period.

7. **Non-Capitalized Equipment –** Non-capitalized equipment has historically been approximately $300,000 annually. These annual expenditures are projected to remain flat over the projection period.

8. **Termination Benefits –** Termination benefits are projected to remain flat at approximately $13,000 per year based on the five-year historical average.

# SIX YEAR PROJECTION – ALL FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years. Other sources in FY2021 include proceeds of $2.5 million from the sale of Tate Woods Elementary School. Expenditures in FY2018-FY2020 include the costs to construct a new PreK-5 elementary school as the Capital Projects Fund is included in the projection.



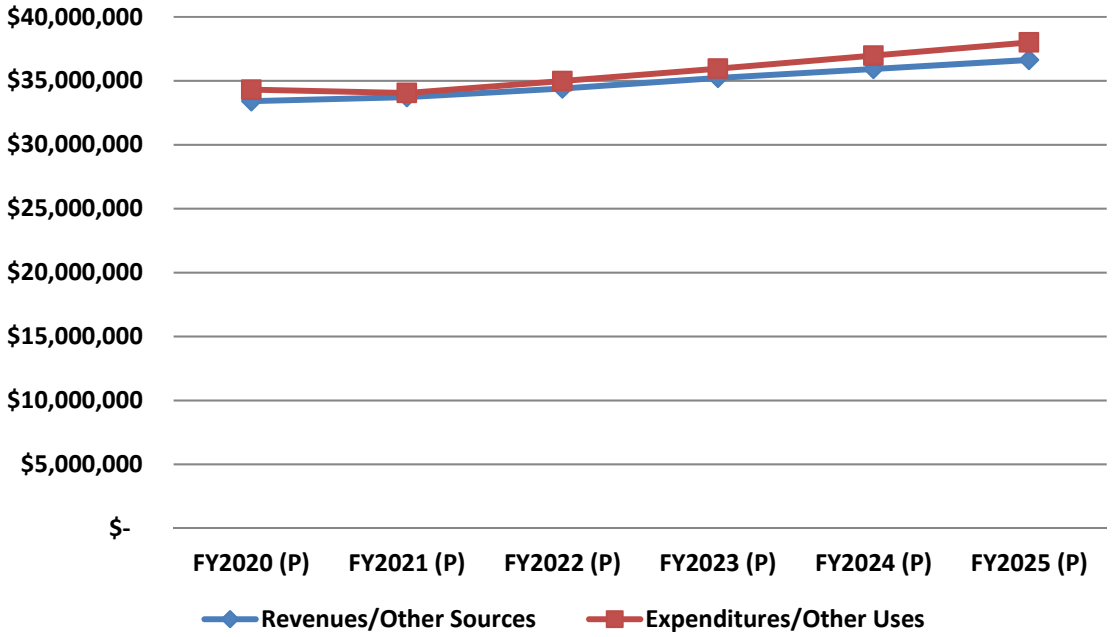

Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures – All Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The "Projected Surplus/(Deficit)" column indicates the difference between the revenues received by the District for a given fiscal year compared to the expenditures disbursed in the same fiscal year. The "Projected Other Sources/(Uses)" column reflects the sale of fixed assets such as the sale of Tate Woods Elementary School. The "Projected Total" column indicates the total of these annual surpluses/deficits and other sources/uses. In other words, it is projected that Lisle School District 202's expenditures over the next six years, across all funds, will be $11,165,000 more than the projected revenues and other sources over this time period. The reduction is the result of spending down fund balance for construction of Lisle Elementary School and capital improvements outlined in the Facility Needs Plan.

| Fiscal Year Ending | Projected Surplus/(Deficit) | Projected Other Sources/(Uses) | Projected Total |
|---|---|---|---|
| June 30, 2020 | ($8,623,000) | ($22,000) | ($8,645,000) |
| June 30, 2021 | $160,000 | $2,500,000 | $2,660,000 |
| June 30, 2022 | ($807,000) | - | ($807,000) |
| June 30, 2023 | ($1,949,000) | - | ($1,949,000) |
| June 30, 2024 | ($1,694,000) | - | ($1,694,000) |
| June 30, 2025 | ($730,000) | | ($730,000) |
| Total All Years | ($13,643,000) | $2,478,000 | ($11,165,000) |

# SIX YEAR PROJECTION – OPERATING FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years for the operating funds only. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District's operation. Excluded are the Debt Services Fund, Municipal Retirement/Social Security Fund, Capital Projects Fund and Tort Fund. FY2020 includes transfers of $2.5 million out of operating funds to the Capital Projects Fund for costs related to the construction of Lisle Elementary School.



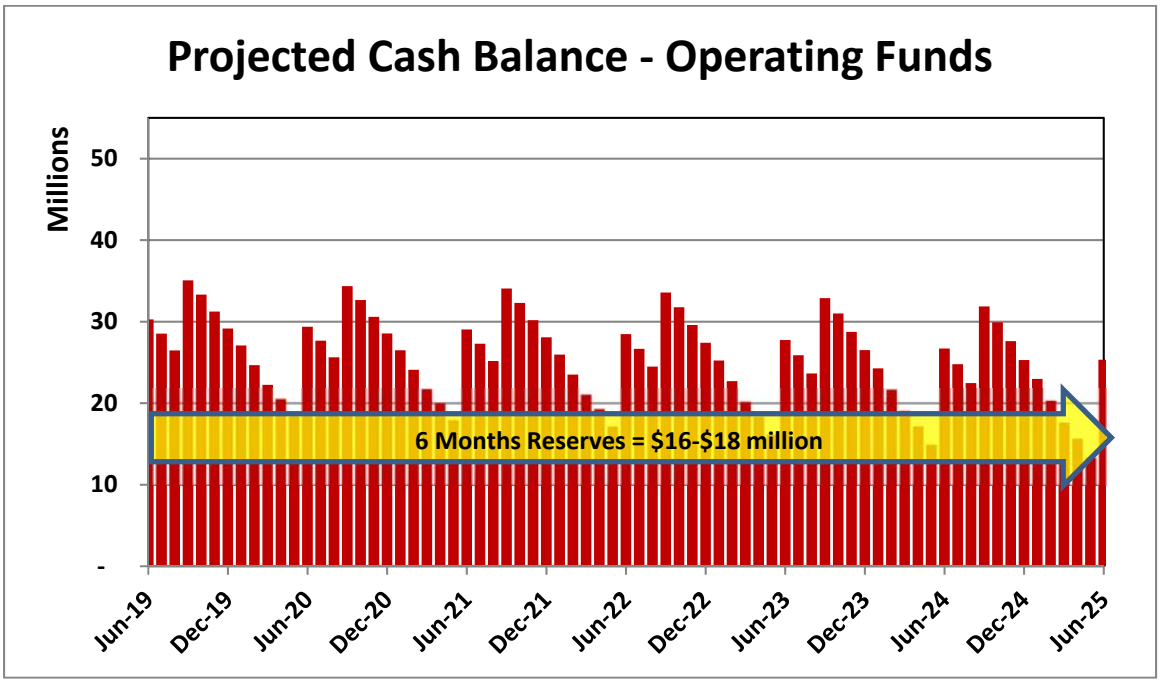

Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures - Operating Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The "Projected Surplus/(Deficit)" column indicates the difference between the revenues received by the District for a given fiscal year compared to the expenditures disbursed in the same fiscal year. The "Projected Other Sources/(Uses)" column reflects transfers to non-operating funds and consist primarily of transfers to the Capital Projects fund for capital outlay expenditures. The "Projected Total" column indicates the total of these annual surpluses/deficits and other sources/uses. In other words, it is projected that Lisle School District 202's expenditures and other uses over the next six years, across the operating funds only, will be $4,942,000 more than the projected revenues and other sources over this time period. The reduction is the result of spending down fund balance for capital improvements outlined in the Facility Needs Plan.

| Fiscal Year Ending | Projected Surplus/(Deficit) | Projected Other Sources/(Uses) | Projected Total |
|---|---|---|---|
| June 30, 2020 | $1,945,000 | ($2,841,000) | ($896,000) |
| June 30, 2021 | $708,000 | ($1,035,000) | ($327,000) |
| June 30, 2022 | $454,000 | ($1,035,000) | ($581,000) |
| June 30, 2023 | $312,000 | ($1,035,000) | ($723,000) |
| June 30, 2024 | ($8,000) | ($1,035,000) | ($1,043,000) |
| June 30, 2025 | ($337,000) | ($1,035,000) | ($1,372,000) |
| Total All Years | $3,074,000 | ($8,016,000) | ($4,942,000) |

# PROJECTED CASH FLOW – OPERATING FUNDS

Because the majority of Lisle School District's revenue is generated through property taxes, it is imperative to insure the District has adequate cash flow between the June and September property tax collection dates so payroll and other expenditures can be honored. The chart below summarizes the projected annual deficit, cash balances as of May (lowest cash point during the year) and as of June (the end of the fiscal year).



| PROJECTED CASH FLOW – OPERATING FUNDS | | | |
|---|---|---|---|
| **Fiscal Year** | **Projected Increase/(Decrease)** | **May Cash Balance (Lowest Point)** | **June Cash Balance (Year End)** |
| June 30, 2020 | ($896,000) | $18,435,000 | $29,371,000 |
| June 30, 2021 | ($327,000 | $17,947,000 | $29,044,000 |
| June 30, 2022 | ($581,000) | $17,168,000 | $28,463,000 |
| June 30, 2023 | ($723,000) | $16,186,000 | $27,740,000 |
| June 30, 2024 | ($1,043,000) | $14,944,000 | $26,697,000 |
| June 30, 2025 | ($1,372,000) | $13,373,000 | $25,325,000 |

Current cash balances are adequate to cover payroll and regular expenditures through the projection period. The District will have a strong cash position with the May 2025 cash balance (low point) in the operating funds being approximately 35% of the operating expenditures for the year. This aligns with the Districts fund balance policy of maintaining a 25%-50% reserve exclusive of early tax receipts.

# SUMMARY

When the community approved the referendum in 2004, the School Board made a commitment that they would not ask for another tax increase through referendum for at least ten years. The combination of strong tax revenues and cost control measures over the past ten years has enabled the District to build a solid fund balance reserve and maintain its promise to the community.

Having these reserve levels has provided the District financial stability even during years when property tax increases were capped at the Consumer Price Index of less than 2% and the State of Illinois often being many months delinquent in their remittance of funds to the District.

Looking ahead, maintaining adequate reserves improves the District's ability to handle future economic downturns, unfunded mandates, and regulatory changes such as recent legislation affecting the distribution of State funding and discussion about shifting the State's pension liability to the local school district. As the buildings age and the District reviews the facility plan for the future, the fund balances may be utilized for the anticipated roof, parking lot, HVAC, electrical, and other infrastructure needs. However, the COVID-19 pandemic has greatly increased the fiscal vulnerability of the State of Illinois which could have a significant impact on local school district finances. Local economic hardship could greatly influence the property tax base and raise the probability of a state-wide property tax freeze in an effort to provide relief to those hit hard by the economic downturn.

This financial projection is one of many steps in the District's goal of managing a plan for financial integrity. The intent of this report is to assist the Board of Education in developing a multi-year plan for securing the District's financial future.

# Lisle Community Unit School District 202
## Projected Statements of Revenues & Expenditures
## ALL FUNDS

| | Estimated FY2020 | | FY2021 | | FY2022 | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|---|---|---|---|
| Beginning Fund Balances | $ 26,183,000 | [1] | $ 17,538,000 | | $ 20,198,000 | $ 19,391,000 | $ 17,442,000 | $ 15,748,000 |
| Revenues: | | | | | | | | |
| Property Taxes | $ 29,693,000 | | $ 31,019,000 | | $ 32,197,000 | $ 32,993,000 | $ 33,665,000 | $ 34,341,000 |
| Earnings on Investments | 805,000 | | 164,000 | | 47,000 | 99,000 | 138,000 | 166,000 |
| Other Local Sources | 1,129,000 | | 1,177,000 | | 1,088,000 | 1,106,000 | 1,125,000 | 1,144,000 |
| State Sources | 2,486,000 | | 2,486,000 | | 2,486,000 | 2,486,000 | 2,486,000 | 2,486,000 |
| Federal Sources | 1,070,000 | | 1,070,000 | | 1,070,000 | 1,070,000 | 1,070,000 | 1,070,000 |
| Total | $ 35,183,000 | | $ 35,916,000 | | $ 36,888,000 | $ 37,754,000 | $ 38,484,000 | $ 39,207,000 |
| Expenditures: | | | | | | | | |
| Salaries | $ 17,641,000 | | $ 18,463,000 | | $ 19,056,000 | $ 19,687,000 | $ 20,339,000 | $ 21,013,000 |
| Employee Benefits | 6,045,000 | | 6,484,000 | | 6,683,000 | 6,883,000 | 7,106,000 | 7,321,000 |
| Purchased Services | 4,263,000 | | 4,512,000 | | 4,586,000 | 4,687,000 | 4,790,000 | 4,895,000 |
| Supplies & Materials | 1,535,000 | | 1,563,000 | | 1,591,000 | 1,620,000 | 1,650,000 | 1,680,000 |
| Capital Outlay | 9,578,000 | | 414,000 | | 1,412,000 | 2,417,000 | 1,835,000 | 528,000 |
| Other Objects | 4,515,000 | | 4,000,000 | | 4,047,000 | 4,089,000 | 4,138,000 | 4,180,000 |
| Non-Cap Equipment | 220,000 | | 307,000 | | 307,000 | 307,000 | 307,000 | 307,000 |
| Termination Benefits | 9,000 | | 13,000 | | 13,000 | 13,000 | 13,000 | 13,000 |
| Total | $ 43,806,000 | | $ 35,756,000 | | $ 37,695,000 | $ 39,703,000 | $ 40,178,000 | $ 39,937,000 |
| Revenues Over/(Under) Expenditures | $ (8,623,000) | | $ 160,000 | | $ (807,000) | $ (1,949,000) | $ (1,694,000) | $ (730,000) |
| Other Sources/(Uses) | $ (22,000) | | $ 2,500,000 | [2] | $ - | $ - | $ - | $ - |
| Net Change in Fund Balances | $ (8,645,000) | | $ 2,660,000 | | $ (807,000) | $ (1,949,000) | $ (1,694,000) | $ (730,000) |
| Ending Fund Balances [3] | $ 17,538,000 | | $ 20,198,000 | | $ 19,391,000 | $ 17,442,000 | $ 15,748,000 | $ 15,018,000 |

[1] Beginning fund balance adjusted to the modified accrual basis of accounting to better match revenues with expenditures by fiscal year.

[2] Sale of Tate Woods Elementary School

[3] Ending fund balances exclude early tax receipts received in June to be used for operations in the subsequent fiscal year.

# Lisle Community Unit School District 202
## Projected Statements of Revenues & Expenditures
## OPERATING FUNDS

| | Estimated FY2020 | | FY2021 | | FY2022 | | FY2023 | | FY2024 | | FY2025 | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| Beginning Fund Balances | $ 16,310,000 | [1] | $ 15,414,000 | | $ 15,087,000 | | $ 14,506,000 | | $ 13,783,000 | | $ 12,740,000 | |
| Revenues: | | | | | | | | | | | | |
| Property Taxes | $ 28,063,000 | | $ 28,898,000 | | $ 29,745,000 | | $ 30,521,000 | | $ 31,168,000 | | $ 31,827,000 | |
| Earnings on Investments | 688,000 | | 119,000 | | 38,000 | | 74,000 | | 106,000 | | 133,000 | |
| Other Local Sources | 1,104,000 | | 1,152,000 | | 1,063,000 | | 1,081,000 | | 1,100,000 | | 1,119,000 | |
| State Sources | 2,486,000 | | 2,486,000 | | 2,486,000 | | 2,486,000 | | 2,486,000 | | 2,486,000 | |
| Federal Sources | 1,070,000 | | 1,070,000 | | 1,070,000 | | 1,070,000 | | 1,070,000 | | 1,070,000 | |
| Total | $ 33,411,000 | | $ 33,725,000 | | $ 34,402,000 | | $ 35,232,000 | | $ 35,930,000 | | $ 36,635,000 | |
| Expenditures: | | | | | | | | | | | | |
| Salaries | $ 17,641,000 | | $ 18,463,000 | | $ 19,056,000 | | $ 19,687,000 | | $ 20,339,000 | | $ 21,013,000 | |
| Employee Benefits | 5,170,000 | | 5,564,000 | | 5,728,000 | | 5,892,000 | | 6,077,000 | | 6,252,000 | |
| Purchased Services | 4,191,000 | | 4,482,000 | | 4,581,000 | | 4,682,000 | | 4,785,000 | | 4,891,000 | |
| Supplies & Materials | 1,535,000 | | 1,563,000 | | 1,591,000 | | 1,620,000 | | 1,650,000 | | 1,680,000 | |
| Capital Outlay | 253,000 | | 134,000 | | 135,000 | | 136,000 | | 137,000 | | 138,000 | |
| Other Objects | 2,447,000 | | 2,491,000 | | 2,537,000 | | 2,583,000 | | 2,630,000 | | 2,678,000 | |
| Non-Cap Equipment | 220,000 | | 307,000 | | 307,000 | | 307,000 | | 307,000 | | 307,000 | |
| Termination Benefits | 9,000 | | 13,000 | | 13,000 | | 13,000 | | 13,000 | | 13,000 | |
| Total | $ 31,466,000 | | $ 33,017,000 | | $ 33,948,000 | | $ 34,920,000 | | $ 35,938,000 | | $ 36,972,000 | |
| Revenues Over/(Under) Expenditures | $ 1,945,000 | | $ 708,000 | | $ 454,000 | | $ 312,000 | | $ (8,000) | | $ (337,000) | |
| Other Sources/(Uses) | $ (2,841,000) | [2] | $ (1,035,000) | [3] | $ (1,035,000) | [3] | $ (1,035,000) | [3] | $ (1,035,000) | [3] | $ (1,035,000) | [3] |
| Net Change in Fund Balances | $ (896,000) | | $ (327,000) | | $ (581,000) | | $ (723,000) | | $ (1,043,000) | | $ (1,372,000) | |
| Ending Fund Balances [4] | $ 15,414,000 | | $ 15,087,000 | | $ 14,506,000 | | $ 13,783,000 | | $ 12,740,000 | | $ 11,368,000 | |

[1] Beginning fund balance adjusted to the modified accrual basis of accounting to better match revenues with expenditures by fiscal year.
[2] Includes transfers of $1.5 million from the Ed Fund and $1 million from the O&M Fund to the Capital Projects Fund for construction of Lisle Elementary School.
[3] Includes $1 million annual transfer to the Captial Projects Fund for the capital improvement plan and $35,000 to the Debt Services Fund for capital leases.
[4] Ending fund balances exclude early tax receipts received in June to be used for operations in the subsequent fiscal year.

**Note: The Illinois State Board of Edcuation defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds (Excludes Debt Services, IMRF, Capital Projects, and Tort Funds)**

**LISLE COMMUNITY UNIT SCHOOL DISTRICT 202**
**ESTIMATED FINANCIAL PROFILE SUMMARY**

| | FY2020 | | | | FY2021 | | | | FY2022 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Fund Balance to Revenue Ratio:** | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 |
| Total Sum of Fund Balance (Funds 10, 20, 40, 70 + (50 & 80 if negative)) | 15,411,824.33 | 0.466 | **Weight** | 0.35 | 15,083,388.81 | 0.448 | **Weight** | 0.35 | 14,502,020.85 | 0.422 | **Weight** | 0.35 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 33,091,513.43 | | **Value** | 1.40 | 33,689,242.04 | | **Value** | 1.40 | 34,366,198.80 | | **Value** | 1.40 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | (318,588.00) | | | | (35,000.00) | | | | (35,000.00) | | | |
| **2. Expenditures to Revenue Ratio:** | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 |
| Total Sum of Direct Expenditures (Funds 10, 20 & 40) | 31,465,131.10 | 0.951 | **Adjustment** | 0 | 33,017,677.55 | 0.980 | **Adjustment** | 0 | 33,947,566.77 | 0.988 | **Adjustment** | 0 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 33,091,513.43 | | **Weight** | 0.35 | 33,689,242.04 | | **Weight** | 0.35 | 34,366,198.80 | | **Weight** | 0.35 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | (318,588.00) | | | | (35,000.00) | | | | (35,000.00) | | | |
| Possible Adjustment: | | 0 | **Value** | 1.40 | | 0 | **Value** | 1.40 | | 0 | **Value** | 1.40 |
| **3. Days Cash on Hand:** | **Total** | **Days** | **Score** | 3 | **Total** | **Days** | **Score** | 3 | **Total** | **Days** | **Score** | 3 |
| Total Sum of Cash & Investments (Funds 10, 20 40 & 70)* | 15,413,948.33 | 176.35 | **Weight** | 0.10 | 15,085,512.81 | 164.48 | **Weight** | 0.10 | 14,504,144.85 | 153.81 | **Weight** | 0.10 |
| Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360) | 87,403.14 | | **Value** | 0.30 | 91,715.77 | | **Value** | 0.30 | 94,298.80 | | **Value** | 0.30 |
| **4. Percent of Short-Term Borrowing Maximum Remaining:** | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 |
| Tax Anticipation Warrants Borrowed (Funds 10, 20 & 40) | **0.00** | 100.00 | **Weight** | 0.10 | **0.00** | 100.00 | **Weight** | 0.10 | **0.00** | 100.00 | **Weight** | 0.10 |
| EAV x 85% x Combined Tax Rates (Fund 10, 20, & 40) | 23,849,903.59 | | **Value** | 0.40 | 24,559,338.28 | | **Value** | 0.40 | 25,279,709.44 | | **Value** | 0.40 |
| **5. Percent of Long-Term Debt Margin Remaining:** | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 |
| Long-Term Debt Outstanding (Principal only) | **12,470,000.00** | 85.69 | **Weight** | 0.10 | **11,540,000.00** | 86.70 | **Weight** | 0.10 | **10,560,000.00** | 87.77 | **Weight** | 0.10 |
| Total Long-Term Debt Allowed (EAV x 13.8%) | 87,178,432.40 | | **Value** | 0.40 | 86,778,064.30 | | **Value** | 0.40 | 86,379,534.89 | | **Value** | 0.40 |
| | | | **Total Profile Score:** | **3.90** | | | **Total Profile Score:** | **3.90** | | | **Total Profile Score:** | **3.90** |
| **Estimated Financial Profile Designation:** | | | | **RECOGNITION** | | | | **RECOGNITION** | | | | **RECOGNITION** |

* Projection score does not factor in nominal balances for current liabilities

**LISLE COMMUNITY UNIT SCHOOL DISTRICT 202**
**ESTIMATED FINANCIAL PROFILE SUMMARY**

| | FY2023 | | | | FY2024 | | | | FY2025 | | | |
|---|---|---|---|---|---|---|---|---|---|---|---|---|
| **1. Fund Balance to Revenue Ratio:** | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 4 |
| Total Sum of Fund Balance (Funds 10, 20, 40, 70 + (50 & 80 if negative)) | 13,778,476.43 | 0.391 | **Weight** | 0.35 | 12,735,446.60 | 0.355 | **Weight** | 0.35 | 11,362,812.31 | 0.310 | **Weight** | 0.35 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 35,196,180.86 | | **Value** | 1.40 | 35,894,083.94 | | **Value** | 1.40 | 36,598,533.69 | | **Value** | 1.40 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | (35,000.00) | | | | (35,000.00) | | | | (35,000.00) | | | |
| **2. Expenditures to Revenue Ratio:** | **Total** | **Ratio** | **Score** | 4 | **Total** | **Ratio** | **Score** | 3 | **Total** | **Ratio** | **Score** | 3 |
| Total Sum of Direct Expenditures (Funds 10, 20 & 40) | 34,919,725.27 | 0.992 | **Adjustment** | 0 | 35,937,113.78 | 1.001 | **Adjustment** | 0 | 36,971,167.97 | 1.010 | **Adjustment** | 0 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 35,196,180.86 | | **Weight** | 0.35 | 35,894,083.94 | | **Weight** | 0.35 | 36,598,533.69 | | **Weight** | 0.35 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | (35,000.00) | | | | (35,000.00) | | | | (35,000.00) | | | |
| Possible Adjustment: | | 0 | **Value** | 1.40 | | | **Value** | 1.05 | | | **Value** | 1.05 |
| **3. Days Cash on Hand:** | **Total** | **Days** | **Score** | 3 | **Total** | **Days** | **Score** | 3 | **Total** | **Days** | **Score** | 3 |
| Total Sum of Cash & Investments (Funds 10, 20 40 & 70)* | 13,780,600.43 | 142.06 | **Weight** | 0.10 | 12,737,570.60 | 127.59 | **Weight** | 0.10 | 11,364,936.31 | 110.66 | **Weight** | 0.10 |
| Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360) | 96,999.24 | | **Value** | 0.30 | 99,825.32 | | **Value** | 0.30 | 102,697.69 | | **Value** | 0.30 |
| **4. Percent of Short-Term Borrowing Maximum Remaining:** | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 |
| Tax Anticipation Warrants Borrowed (Funds 10, 20 & 40) | **0.00** | 100.00 | **Weight** | 0.10 | **0.00** | 100.00 | **Weight** | 0.10 | **0.00** | 100.00 | **Weight** | 0.10 |
| EAV x 85% x Combined Tax Rates (Fund 10, 20, & 40) | 25,938,894.87 | | **Value** | 0.40 | 26,488,736.26 | | **Value** | 0.40 | 27,048,584.35 | | **Value** | 0.40 |
| **5. Percent of Long-Term Debt Margin Remaining:** | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 | **Total** | **Percent** | **Score** | 4 |
| Long-Term Debt Outstanding (Principal only) | **9,535,000.00** | 88.91 | **Weight** | 0.10 | **8,455,000.00** | 90.12 | **Weight** | 0.10 | **7,325,000.00** | 91.70 | **Weight** | 0.10 |
| Total Long-Term Debt Allowed (EAV x 13.8%) | 85,982,835.74 | | **Value** | 0.40 | 85,587,958.43 | | **Value** | 0.40 | 88,299,268.83 | | **Value** | 0.40 |
| | | | **Total Profile Score:** | **3.90** | | | **Total Profile Score:** | **3.55** | | | **Total Profile Score:** | **3.55** |
| **Estimated Financial Profile Designation:** | | | **RECOGNITION** | | | | **RECOGNITION** | | | | **RECOGNITION** | |

* Projection score does not factor in nominal balances for current liabilities

# Lisle Community Unti School District 202
# Beginning Fund Balance Reconciliation
# June 30, 2019

| | | Accrual Adjustments | Modified Cash Adjustments | | |
|---|---|---|---|---|---|
| | Fund Balances Per AFR June 30, 2019 | Deferred Property Tax Receipts June 2019 | State & Federal Payments July-Aug 2018 | State & Federal Payments July-Aug 2019 | Fund Balances Modified Accrual June 30, 2019 |
| Educational Fund | $ 25,144,488 | $ (11,425,491) | $ (392,434) | $ 336,584 | 13,663,147 |
| O&M Fund | 2,277,091 | (1,527,829) | - | - | 749,262 |
| Debt Services Fund | 1,520,977 | (364,737) | - | - | 1,156,240 |
| Transportation Fund | 1,978,239 | (886,960) | (163,655) | 169,042 | 1,096,666 |
| IMRF/SS Fund | 691,447 | (571,987) | - | - | 119,460 |
| Capital Projects Fund | 8,599,441 | - | - | - | 8,599,441 |
| Working Cash Fund | 802,615 | (2,124) | - | - | 800,491 |
| Tort Fund | - | (2,124) | - | - | (2,124) |
| | $ 41,014,298 | $ (14,781,252) | $ (556,089) | $ 505,626 | 26,182,583 |

# Lisle Community Unit School District 202
## Historical Performance
## ALL FUNDS

| | | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 | |
|---|---|---|---|---|---|---|---|
| Revenues: | | | | | | | |
| Property Taxes | | $ 28,201,881 | $ 29,308,671 | $ 29,263,552 | $ 29,965,229 | $ 28,211,184 | |
| Earnings on Investments | | 87,622 | 117,298 | 229,173 | 391,769 | 986,610 | |
| Other Local Sources | | 1,211,517 | 1,287,402 | 1,312,741 | 1,229,552 | 1,168,475 | |
| State Sources | [1] | 2,440,796 | 2,502,512 | 2,119,925 | 2,468,335 | 2,445,137 | |
| Federal Sources | [2] | 1,063,565 | 1,038,262 | 1,059,039 | 1,088,093 | 1,021,658 | |
| Total | | $ 33,005,381 | $ 34,254,145 | $ 33,984,430 | $ 35,142,978 | $ 33,833,064 | |
| Expenditures: | | | | | | | |
| Salaries | | $ 15,259,471 | $ 15,849,174 | $ 16,498,751 | $ 17,266,513 | $ 17,361,820 | |
| Employee Benefits | | 5,314,627 | 5,551,661 | 5,722,969 | 6,077,173 | 5,916,934 | |
| Purchased Services | | 3,870,131 | 3,740,142 | 3,800,412 | 4,004,832 | 4,490,382 | |
| Supplies & Materials | | 1,498,345 | 1,478,256 | 1,492,690 | 1,400,437 | 1,293,349 | |
| Capital Outlay | | 1,022,173 | 1,342,357 | 782,129 | 3,798,519 | 25,297,030 | |
| Other Objects | | 3,828,496 | 3,865,684 | [3] 4,119,311 | 4,077,822 | 4,164,364 | |
| Non-Cap Equipment | | 482,427 | 341,497 | 279,958 | 135,411 | 294,807 | |
| Termination Benefits | | 5,939 | 27,443 | 14,470 | 4,289 | 12,023 | |
| Total | | $ 31,281,609 | $ 32,196,214 | $ 32,710,690 | $ 36,764,996 | $ 58,830,709 | |
| Revenus Over/(Under) Expenditures | | $ 1,723,772 | $ 2,057,931 | $ 1,273,740 | $ (1,622,018) | $ (24,997,645) | |
| Other Sources/(Uses) | | $ 141,000 | $ - | $ - | $ 2,000 | $ 14,198,000 | [4] |
| Net Change in Fund Balances | | $ 1,864,772 | $ 2,057,931 | $ 1,273,740 | $ (1,620,018) | $ (10,799,645) | |

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of $316,360, $82,802, $152,977, ($274,619), and ($10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year for FY2015 thru FY2019, respectively.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of $2,312, $96,194, ($44,530), $46,469, and ($39,649) remitted in the subsequent fiscal year for FY2015 thru FY2019, respectively.

[3] Does not include debt service "expenditures" of $3,345,000 related to Series 2015 Bond refunding.

[4] Issuance of Series 2019 Bonds

# Lisle Community Unit School District 202
# Historical Performance
# OPERATING FUNDS

| | | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 |
|---|---|---|---|---|---|---|
| Revenues: | | | | | | |
| Property Taxes | | $ 26,002,345 | $ 26,979,298 | $ 26,946,202 | $ 27,667,354 | $ 26,192,526 |
| Earnings on Investments | | 83,379 | 111,904 | 195,213 | 260,418 | 757,451 |
| Other Local Sources | | 1,188,205 | 1,261,940 | 1,287,061 | 1,204,859 | 1,143,177 |
| State Sources | [1] | 2,440,796 | 2,502,512 | 2,119,925 | 2,468,335 | 2,445,137 |
| Federal Sources | [2] | 1,063,565 | 1,038,262 | 1,059,039 | 1,088,093 | 1,021,658 |
| Total | | $ 30,778,290 | $ 31,893,916 | $ 31,607,440 | $ 32,689,059 | $ 31,559,949 |
| Expenditures: | | | | | | |
| Salaries | | $ 15,259,471 | $ 15,849,174 | $ 16,498,751 | $ 17,266,513 | $ 17,361,820 |
| Employee Benefits | | 4,537,272 | 4,749,894 | 4,899,171 | 5,241,824 | 5,082,781 |
| Purchased Services | | 3,867,709 | 3,707,089 | 3,797,293 | 3,998,584 | 4,204,949 |
| Supplies & Materials | | 1,498,345 | 1,478,256 | 1,492,690 | 1,400,437 | 1,293,349 |
| Capital Outlay | | 1,022,173 | 1,342,357 | 346,371 | 79,113 | 68,062 |
| Other Objects | | 2,276,287 | 2,418,686 | 2,587,852 | 2,556,150 | 2,483,159 |
| Non-Cap Equipment | | 482,427 | 341,497 | 279,958 | 135,411 | 294,807 |
| Termination Benefits | | 5,939 | 27,443 | 14,470 | 4,289 | 12,023 |
| Total | | $ 28,949,623 | $ 29,914,396 | $ 29,916,556 | $ 30,682,321 | $ 30,800,950 |
| Revenus Over/(Under) Expenditures | | $ 1,828,667 | $ 1,979,520 | $ 1,690,884 | $ 2,006,738 | $ 758,999 |
| Other Sources/(Uses) | | $ 68,000 | $ (5,037,000) [3] | $ (11,040,000) [3] | $ (35,000) | $ (7,794,000) [3] |
| Net Change in Fund Balances | | $ 1,896,667 | $ (3,057,480) | $ (9,349,116) | $ 1,971,738 | $ (7,035,001) |

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of $316,360, $82,802, $152,977, ($274,619), and ($10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year for FY2015 thru FY2019, respectively.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of $2,312, $96,194, ($44,530), $46,469, and ($39,649) remitted in the subsequent fiscal year for FY2015 thru FY2019, respectively.

[3] Includes cumulative transfers of $23 million to the Capital Projects Fund for the construction of Lisle Elementary School

Note: ISBE defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds

## Operating Fund Balance Review

### FY2020

| | Fund Balance (Early Taxes Deferred) 6/30/2020 | Adjustments | Adjusted Fund Balance 6/30/2020 | Total Expenditures FY2020 |
|---|---|---|---|---|
| Educational Fund | $ 12,693,402 | $ - | $ 12,693,402 | $ 26,794,376 |
| Operations & Maintenance Fund | $ 980,531 | $ - | $ 980,531 | $ 2,676,525 |
| Transportation Fund | $ 935,273 | $ - | $ 935,273 | $ 1,994,230 |
| Working Cash Fund | $ 804,742 | $ - | $ 804,742 | $ - |
| Totals | $ 15,413,948 | $ - | $ 15,413,948 | $ 31,465,131 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 49% | 176 |

### FY2021

| | Fund Balance (Early Taxes Deferred) 6/30/2021 | Adjustments | Adjusted Fund Balance 6/30/2021 | Total Expenditures FY2021 |
|---|---|---|---|---|
| Educational Fund | $ 12,417,304 | $ - | $ 12,417,304 | $ 28,149,675 |
| Operations & Maintenance Fund | $ 1,228,640 | $ - | $ 1,228,640 | $ 2,723,284 |
| Transportation Fund | $ 630,449 | $ - | $ 630,449 | $ 2,144,719 |
| Working Cash Fund | $ 809,120 | $ - | $ 809,120 | $ - |
| Totals | $ 15,085,513 | $ - | $ 15,085,513 | $ 33,017,678 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 46% | 164 |

### FY2022

| | Fund Balance (Early Taxes Deferred) 6/30/2022 | Adjustments | Adjusted Fund Balance 6/30/2022 | Total Expenditures FY2022 |
|---|---|---|---|---|
| Educational Fund | $ 11,993,896 | $ - | $ 11,993,896 | $ 28,949,069 |
| Operations & Maintenance Fund | $ 1,404,731 | $ - | $ 1,404,731 | $ 2,796,706 |
| Transportation Fund | $ 291,891 | $ - | $ 291,891 | $ 2,201,792 |
| Working Cash Fund | $ 813,626 | $ - | $ 813,626 | $ - |
| Totals | $ 14,504,145 | $ - | $ 14,504,145 | $ 33,947,567 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 43% | 153 |

### FY2023

| | Fund Balance (Early Taxes Deferred) 6/30/2023 | Adjustments | Adjusted Fund Balance 6/30/2023 | Total Expenditures FY2023 |
|---|---|---|---|---|
| Educational Fund | $ 11,428,266 | $ - | $ 11,428,266 | $ 29,786,924 |
| Operations & Maintenance Fund | $ 1,612,462 | $ - | $ 1,612,462 | $ 2,872,411 |
| Transportation Fund | $ (78,377) | $ - | $ (78,377) | $ 2,260,390 |
| Working Cash Fund | $ 818,250 | $ - | $ 818,250 | $ - |
| Totals | $ 13,780,600 | $ - | $ 13,780,600 | $ 34,919,725 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 39% | 142 |

### FY2024

| | Fund Balance (Early Taxes Deferred) 6/30/2024 | Adjustments | Adjusted Fund Balance 6/30/2024 | Total Expenditures FY2024 |
|---|---|---|---|---|
| Educational Fund | $ 10,569,569 | $ - | $ 10,569,569 | $ 30,666,083 |
| Operations & Maintenance Fund | $ 1,833,208 | $ - | $ 1,833,208 | $ 2,950,475 |
| Transportation Fund | $ (488,179) | $ - | $ (488,179) | $ 2,320,556 |
| Working Cash Fund | $ 822,972 | $ - | $ 822,972 | $ - |
| Totals | $ 12,737,571 | $ - | $ 12,737,571 | $ 35,937,114 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 35% | 127 |

### FY2025

| | Fund Balance (Early Taxes Deferred) 6/30/2025 | Adjustments | Adjusted Fund Balance 6/30/2025 | Total Expenditures FY2025 |
|---|---|---|---|---|
| Educational Fund | $ 9,410,705 | $ - | $ 9,410,705 | $ 31,557,859 |
| Operations & Maintenance Fund | $ 2,067,287 | $ - | $ 2,067,287 | $ 3,030,979 |
| Transportation Fund | $ (940,849) | $ - | $ (940,849) | $ 2,382,330 |
| Working Cash Fund | $ 827,793 | $ - | $ 827,793 | $ - |
| Totals | $ 11,364,936 | $ - | $ 11,364,936 | $ 36,971,168 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 31% | 110 |

# FACILITIES PLAN SUMMARY
## DISTRICT 202

| 10-Year Plan Summary By Building | | | | | | | |
|---|---|---|---|---|---|---|---|
| **Description** | **FY2020** | **FY2021** | **FY2022** | **FY2023** | **FY2024** | **FY25-29** | **Total** |
| Lisle Sr High | $450,000 | $75,000 | $675,000 | - | $565,000 | $2,625,000 | **$4,390,000** |
| Lisle Jr High | - | 80,000 | 202,000 | $620,000 | 1,133,000 | 339,000 | **2,374,000** |
| Wilde Field | - | - | - | 1,686,000 | - | - | **1,686,000** |
| Schiesher | - | - | 400,000 | - | - | - | **400,000** |
| **Total** | **$450,000** | **$155,000** | **$1,277,000** | **$2,306,000** | **$1,698,000** | **$2,964,000** | **$8,850,000** |

Note: Facility Needs Plan includes a cost estimate for demolition of Schiesher Elementary School. A determination regarding options and associated costs to be considered by the Facility Master Planning Committee.

The Plan assumes the pending sale of Tate Woods Elementary School.

# AN OVERVIEW OF PAST FINANCIAL PERFORMANCE AND FUTURE FINANCIAL PROJECTIONS

April 27, 2020

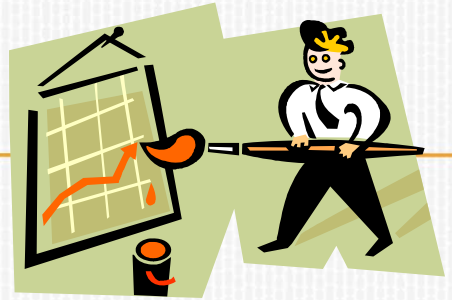
# AGENDA

1. Executive Summary
2. Review of Past Performance
3. Review Projection Assumptions
4. Review Projected Financial Results
5. Factors Impacting the Financial Future

# EXECUTIVE SUMMARY

1. Financial position has remained strong
2. Balanced budget in the operating funds
3. Fund Balance aligns with policy
4. Resources set aside for basic capital improvements
5. COVID-19 Economic Impact

# PROJECTION PROCESS



Today's financial projection is a WORKING DOCUMENT

- Accumulate information daily
- Continually review assumptions
- Update the projection for new information
- Periodically create "what if" scenarios

# FUNDS

## Operating Funds:

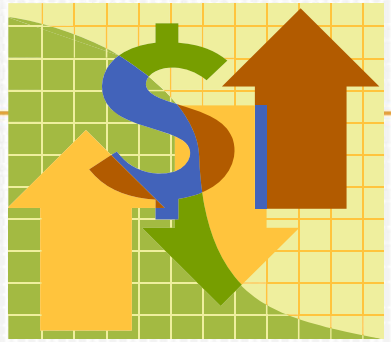
- Educational Fund
- Operations & Maintenance Fund
- Transportation Fund
- Working Cash Fund

## Non-operating Funds:

- Debt Services Fund
- IMRF/SS Fund
- Capital Projects Fund
- Tort Fund

# HISTORICAL FINANCIAL RESULTS
# OPERATING FUNDS

**AMOUNTS IN MILLIONS**

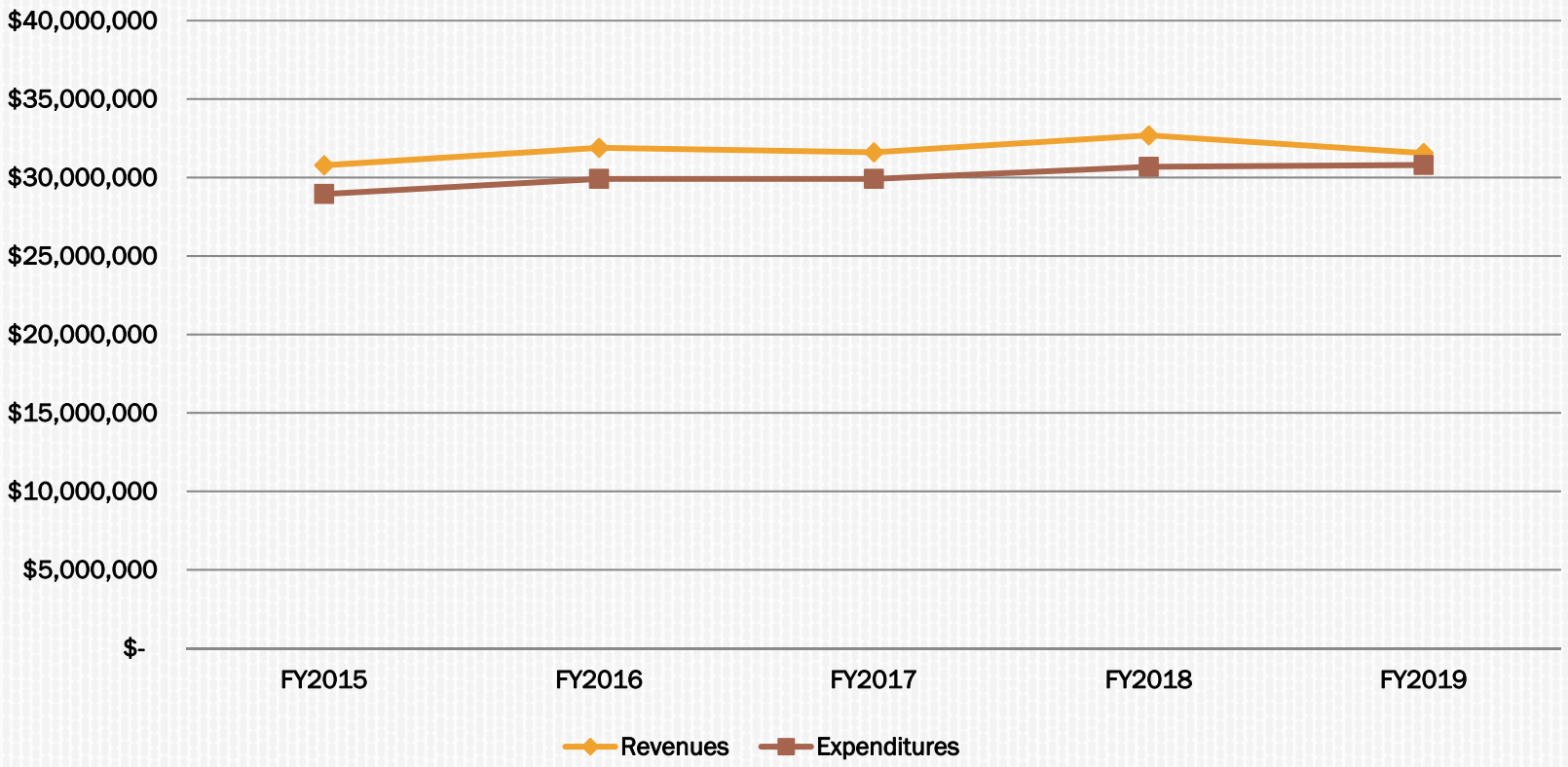


| | FY2015 | FY2016 | FY2017 | FY2018 | FY2019 |
|---|---|---|---|---|---|
| Revenues | $30.7 | $31.9 | $31.6 | $32.7 | $31.6 |
| Expenditures | $28.9 | $29.9 | $29.9 | $30.7 | $30.8 |
| Excess/(Deficiency) | $1.8 | $2.0 | $1.7 | $2.0 | $.8 |
| | | | | | |
| Other Sources/(Uses) | $.1 | ($5.0) | ($11.0) | - | ($7.8) |
| | | | | | |
| Net Change | $1.9 | ($3.0) | ($9.3) | $1.9 | ($7.0) |

Note – FY2015 thru FY2019 state and federal sources were adjusted to a modified cash basis to better reflect net collections remitted in the subsequent fiscal year from the Illinois State Board of Education.

# HISTORICAL FINANCIAL RESULTS

## OPERATING FUNDS




Note – Excludes Other Sources/(Uses) consisting of $23.7 million dollars of transfers to non-operating funds.

# HISTORICAL FINANCIAL RESULTS

## REVENUE – FY2019 – OPERATING FUNDS

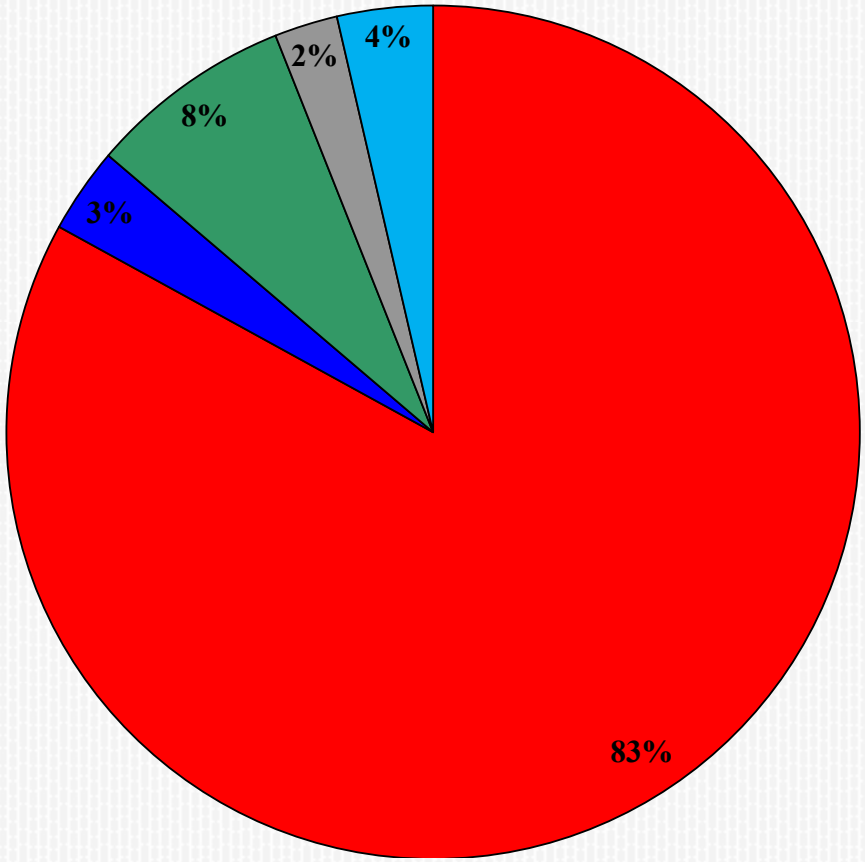
Property Taxes – 83%

Earnings on Investment – 2%

Other Local Sources – 4%

State Sources – 8%

Federal Sources – 3%



# HISTORICAL FINANCIAL RESULTS

## EXPENDITURES – FY2019 – OPERATING FUNDS

Salaries – 56%

Employee Benefits – 17%

Purchased Services – 14%

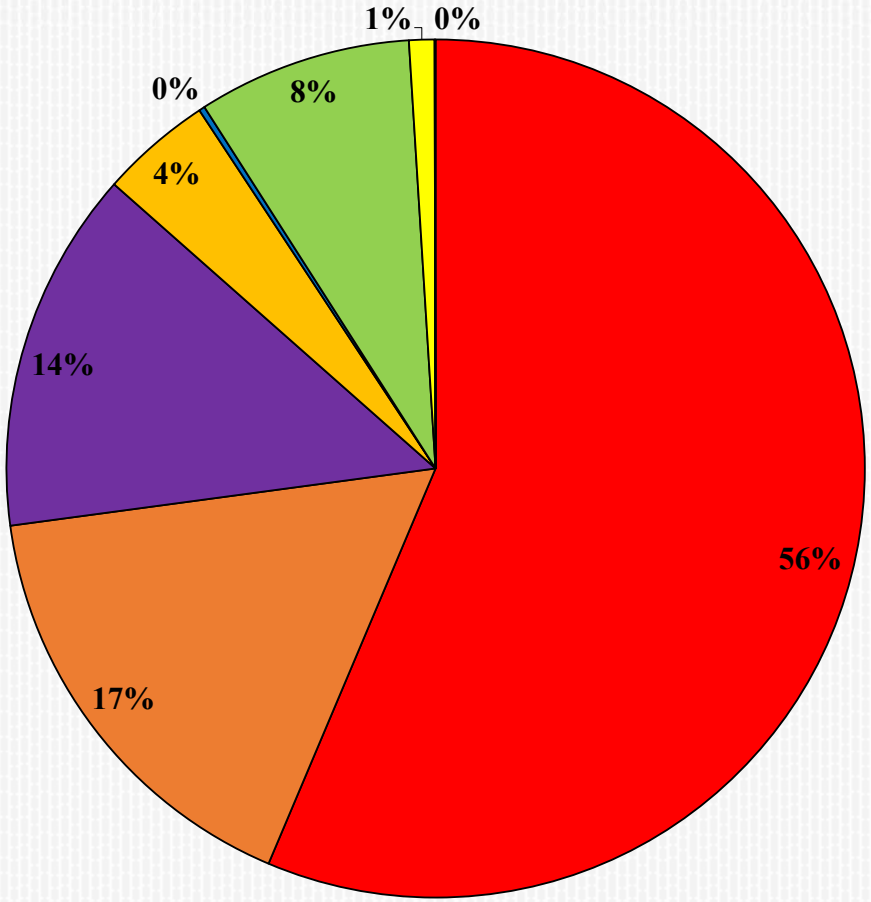
Supplies & Materials – 4%

Capital Outlay – <1%

Other Objects – 8%

Non-capitalized Equipment – 1%

Termination Benefits - <1%



# LOOKING AHEAD
# PROJECTION ASSUMPTIONS

# PROJECTION ASSUMPTIONS

## REVENUE

### PROPERTY TAXES - CPI

Capped by Consumer Price Index (CPI)

5 Year Average = 1.8%

10 Year Average = 1.8%

| Tax Levy Year Projection | |
|---|---|
| ✓ 2020 | 2.3% (2019 CPI) |
| ✓ 2021-2025 | 1.8% (5 Year Average) |

# PROJECTION ASSUMPTIONS

## REVENUE

### PROPERTY TAXES – NEW PROPERTY

| HISTORICAL NEW PROPERTY<br>EQUALIZED ASSESSED VALUE | |
|---|---|
| 2015 | $3,777,070 |
| 2016 | $1,855,700 |
| 2017 | $2,087,137 |
| 2018 | $3,094,890 |
| 2019 | $6,588,360 |

Historical New Property:

5 Yr Average = $3,500,000

10 Yr Average = $4,000,000

| Projection | | |
|---|---|---|
| Tax Year | New EAV | New Taxes |
| 2020 | $4,000,000 | $190,000 |
| 2021-2025 | $2,000,000 | $95,000/yr |

# PROJECTION ASSUMPTIONS

## REVENUE

### Earnings on Investments

- Ranges from .25% to 1.0%
- Interest rates have dropped precipitously

### State Sources

- Remain at FY2020 levels

### Federal Sources

- Remain at FY2020 levels

# PROJECTION ASSUMPTIONS

## EXPENSES

### Salaries

- Certified employment contract:
  - Expires at the end of FY2020
  - 10 Year Average Increases = 3.3%
- Classified employment contract:
  - Expires at the end of FY2020
  - 10 Year Average Increases = 3.8%
- 2020 Staffing Plan and retiree savings

**Note: 1% Difference is approximately $185k Compounded Annually**

# PROJECTION ASSUMPTIONS

## EXPENSES

### Employee Benefits

- FY2020 increase of 5.5% (PPO = 7.7%, HMO = 3.3%)
- Increase of 3% (10 Year Average)
- Retiree insurance reductions
  - $70,000 over the next 5 years

# PROJECTION ASSUMPTIONS

## EXPENSES

### Purchased Services

- Increased by 1.8% - CPI 5-yr average
- Transportation costs by 2.6%

### Supplies and Materials

- Increase by 1.8% - CPI 5-yr average

### Other Objects

- Increase by 1.8% - CPI 5 year average
- Debt Service based on actual payments of approx. $1.5 million

# PROJECTION ASSUMPTIONS

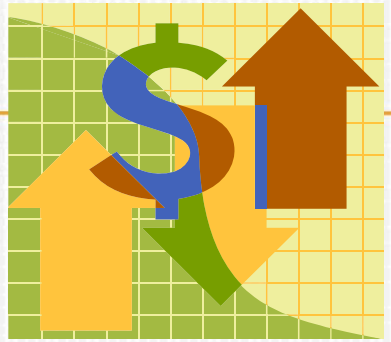
## EXPENSES

### Capital Outlay

| Fiscal Year | Base Expenditures | Construction Projects | Total |
|---|---|---|---|
| FY2021 | $82,000 | $280,000 | $362,000 |
| FY2022 | $82,000 | $1,277,000 | $1,359,000 |
| FY2023 | $82,000 | $2,281,000 | $2,363,000 |
| FY2024 | $82,000 | $1,698,000 | $1,780,000 |
| FY2025 | $82,000 | $390,000 | $472,000 |

# PROJECTED FINANCIAL RESULTS
# OPERATING FUNDS

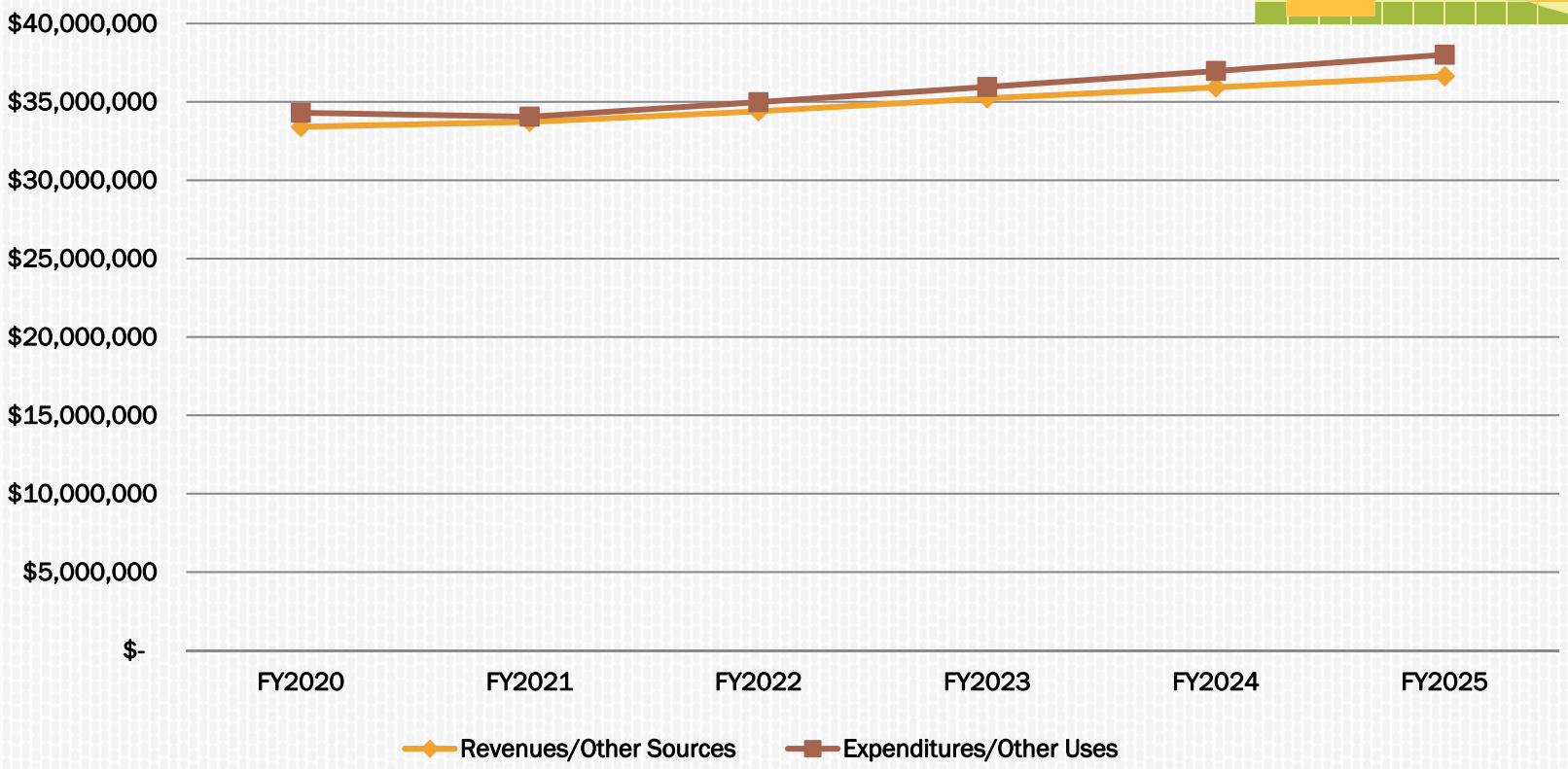
AMOUNTS IN MILLIONS



| | FY2020 | FY2021 | FY2022 | FY2023 | FY2024 | FY2025 |
|---|---|---|---|---|---|---|
| Revenues | $33.4 | $33.7 | $34.4 | $35.2 | $35.9 | $36.6 |
| Expenditures | $31.5 | $33.0 | $33.9 | $34.9 | $35.9 | $36.9 |
| Excess/(Deficiency) | $1.9 | $.7 | $.5 | $.3 | $- | ($0.3) |
| | | | | | | |
| Other Sources/(Uses) | ($2.8) | ($1.0) | ($1.0) | ($1.0) | ($1.0) | ($1.0) |
| | | | | | | |
| Net Change | ($.9) | ($.3) | ($.5) | ($.7) | ($1.0) | ($1.3) |

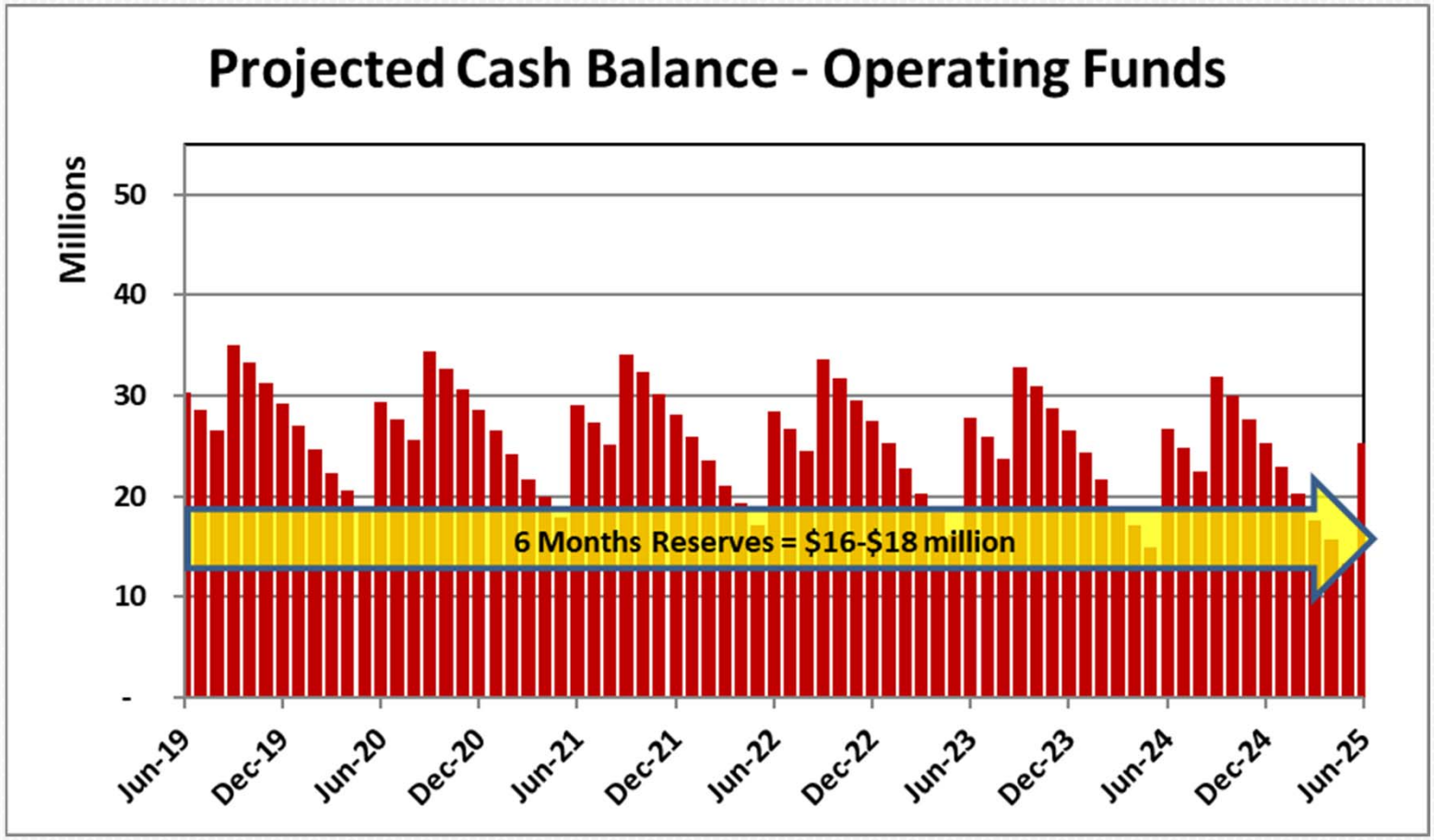
# PROJECTED FINANCIAL RESULTS

## OPERATING FUNDS



# PROJECTED CASH BALANCES

## Operating Funds



# LOOKING AHEAD

1. Schiesher Elementary School
2. Facility Needs Improvements
3. Shift of State Pension Obligation
4. Property Tax Freeze
5. CPI & New Property

# QUESTIONS?