

LISLE COMMUNITY UNIT SCHOOL DISTRICT 202
BOARD ROOM
5211 CENTER AVENUE
LISLE, ILLINOIS 60532
Finance Committee Meeting
April 24, 2023
6:00 PM

Members of the public are welcome to attend all Lisle Community Unit School District 202 Board of Education meetings, including those held via video conferencing. Anyone wishing to view the meeting or provide comments is encouraged to review the information below.

In-Person Meeting Viewing: Guests are welcome to attend the meeting in-person in the Board Room.

Remote Meeting Viewing: The proceedings of the meeting will be streamed live and can be viewed using the following link: <http://www.youtube.com/c/LisleDistrict202>. Guests will join the meeting in view-only mode and will not be seen or heard in the meeting. A recording of the meeting will also be available on the School District website.

Public Comment: Public comments can be made in person or via email at publiccomment@lisle202.org. Comments must be received by 5:00 p.m. on the day on which the meeting is held. Comments submitted by the deadline will not be read aloud during the meeting, but rather will be provided to the School Board before the start of the meeting and will become part of the meeting record.

Please see the "Meeting Dates, Agendas and Minutes" page for links to the Board of Education meeting agendas, minutes and video feeds.

AGENDA

1. Call to Order
2. Public Comment
3. Minutes from the March 20, 2023 Finance Committee Meeting 2
4. FY2023 Audit Engagement Letter
5. Chesterton Academy Building Lease School Year 2023/2024
6. Regular and Extra-Curricular/Co-Curricular Transportation Extension
7. Contract Renewal Agreement for Food Management Services - School Year 2023-2024 4
8. Quarterly Financial Update 7
9. Financial Projection 11
10. Agenda Topics for Future Finance Committee Meetings
11. Adjournment

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
BOARD OF EDUCATION
FINANCE COMMITTEE MINUTES
MARCH 20, 2023

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 20, 2023.

The meeting was called to order at 6:45 p.m. by Chairperson McConville.

Present: Eunice McConville, Finance Committee Chairperson
Pam Ahlmann
Dan Helderle
Steve Lesniak
Wendy Nadeau
Greg Nagler
Randee Sims

Absent: None

Also Present: Dr. Keith Filipiak, Superintendent
Dr. Linda Kotalik, Assistant Superintendent
David Wilkinson, Director of Finance
Jen Law, Director of Student Services
Jenna Engler, Communications Coordinator
Trent Schalk, IT Specialist

Public Comment

None

Minutes from the February 27, 2023 Finance Committee Meeting

The minutes from the February 27, 2023 Finance Committee meeting were reviewed. Those present came to a consensus that the minutes accurately reflect the meeting's discussion.

Special Education/Homeless/Other Transportation Services Extension

The Administration presented a recommendation to extend the contract with Sunrise Southwest for an additional year. The proposed rate increase is 6%. A provision was also added to reimburse the school district for any excess costs incurred if Sunrise can't provide bus service within 30 days of a new request. The additional cost to be included in the 2023-2024 budget is an approximately \$30,000-\$45,000. Board Members in attendance referred the Special Education/Homeless/Other Transportation Extension, as presented, for action at the next Regular School Board Meeting.

Student Fees and Facility Usage Rates for 2023-2024 School Year

Administration presented the recommended fee schedule for the 2023-2024 school year. The fee schedule includes a waiver of the books/supplies fee for another year. Usage fee increases for most items is tied to the 2022 CPI of 6.5%. Exceptions to CPI increases were detailed in the report and discussed during the meeting. Administration also presented the Facility Usage Rates for the 2023-2024 school year. Board Members in attendance referred the Student Fee Schedule and Facility Usage Rates as presented for action at the next Regular School Board Meeting.

Technology Requests 2023-2024

Dr. Kotalik and Mr. Schalk provided an overview of the technology hardware purchases for the upcoming school year. The cost for technology purchase requests and software for FY2024 are estimated at \$593,000. Also provided to the Committee were the items being purchased over \$25,000 in accordance with Board Policy 4:60. While technology expenditures do not require Board action, Administration wanted to notify the committee and obtain authorization to move forward with the Technology plan as presented. Dr. Kotalik commended Mr. Schalk for his evaluation of the District's technology needs, which has been an invaluable service provided to students and staff. The Committee authorized the Administration to proceed with the purchases as presented.

Agenda Topics for Future Finance Committee Meetings

- Review Board Policy 8:20 in relation to the Facility Usage guidelines

Adjournment

At 7:19 p.m. by Ms. Ahlmann and Mr. Helderle

FOR DISCUSSION

Lisle Community Unit School Dist. No. 202 Finance Committee Meeting April 24, 2023

SUBJECT: Contract Renewal Agreement for Food Management Services – School Year 2023-2024

BACKGROUND DATA: In May 2019, the Board of Education accepted a food service management bid proposal from Aramark for 2019-2020. Federal regulations allow for four additional annual extensions to the food service management agreement beyond the initial year. The current renewal is for the fourth and final year. The original contract terms outlined in the bid specifications stated that the basis for any increase from one year to the next would be the Consumer Price Index for Urban Consumers-Food Away From Home annual rate for December of the current school year, not to exceed 5%. The CPI-U-Food Away From Home (Dec) for 2022 was 8.3%.

Due to the current supply chain market and rise in industry costs, the Illinois State Board of Education (ISBE) Nutrition Department is providing flexibility for School Districts to exceed any maximum CPI increase language within their current contract terms for School Year 2023-2024. If the School District decides to allow an increase that exceeds the maximum, the increase still cannot exceed the CPI indicated in the contract. Thus Lisle 202 may agree to, but is not required to offer, a per meal price increase up to the CPI-U-Food Away from Home limit of 8.3%.

Aramark is requesting an 8.3% increase in the cost of reimbursable breakfast, reimbursable lunches, and a la carte equivalents for the 2023-2024 school year. Aramark has indicated to administration that the additional rate increase is critical for Aramark to renew the current Agreement with the School District given the increase in food, labor, and supply costs over the past year.

Also discussed with Aramark was how to attract and retain food service staff so that the serving lines and cashier lines will be fully staffed next year. The starting wage outlined in the original bid specs back in 2019 was \$10/hour. State-mandated minimum wage adjustments have increased the starting wage to \$13/hour for 2023 with the rate moving to \$14/hour in January 2024. At the minimum wage, Aramark has been having difficulty attracting new food service staff to work at Lisle 202. For comparison, the starting hourly rate for a paraprofessional at Lisle CUSD 202 is \$16.69/hour and \$18.07/hour for lunchroom supervisors.

In an effort to make the starting wage for a food service worker more competitive, Aramark has proposed an additional increase to the meal rate to allow for a starting hourly rate of \$15 or \$16 per hour. As shown in the attached cost analysis, the Lisle 202 food service program has been operating at a profit for the last two years. Based on anticipated meal reimbursement rates and student participation, allowing for an additional increase to the meal rate in an effort to increase wages would still enable Lisle 202 to operate at a surplus for the school year.

At Monday night's meeting, Administration will walk the Finance Committee through the cost analysis and what the process would look like to increase the starting hourly rate within the context of the current agreement. Administration is recommending an increase to \$16 per hour and would like authorization from the Committee to move forward with the renewal.

Lisle Community Unit School District #202

Food Service Income Statement

| | SY2021-2022 | SY2022-2023 | SY2023-2024 Renewal | | |
|--|-------------------|-------------------|---------------------|-------------------|-------------------|
| | | | 8.3% | 8.3% + \$15 | 8.3% + \$16 |
| | Actual | Projected | Projected | Projected | Projected |
| Type 'A' Meals (1611) | \$ - | \$ 160,000 | \$ 170,000 | \$ 170,000 | \$ 170,000 |
| Sales to Pupils - Breakfast (1612) | \$ - | \$ 1,500 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| A La Carte (1613) | \$ 18,216 | \$ 50,000 | \$ 65,000 | \$ 65,000 | \$ 65,000 |
| Total District Monthly Sales | \$ 18,216 | \$ 211,500 | \$ 236,500 | \$ 236,500 | \$ 236,500 |
| Illinois Free Reimbursement (3360) | \$ 9,859 | \$ 600 | \$ 700 | \$ 700 | \$ 700 |
| National School Lunch Reimbursement (4210) | \$ 646,614 | \$ 255,000 | \$ 215,000 | \$ 215,000 | \$ 215,000 |
| School Breakfast Program (4220) | \$ - | \$ 6,000 | \$ 7,500 | \$ 7,500 | \$ 7,500 |
| Summer Food Service Program (4225) | \$ 920 | \$ - | \$ - | \$ - | \$ - |
| Total State/Fed Reimbursements | \$ 657,393 | \$ 261,600 | \$ 223,200 | \$ 223,200 | \$ 223,200 |
| Total District Revenues | \$ 675,609 | \$ 473,100 | \$ 459,700 | \$ 459,700 | \$ 459,700 |
| Food Service Management Company (10-2560-315) | \$ 442,875 | \$ 290,000 | \$ 356,792 | \$ 391,491 | \$ 408,846 |
| Other Program Expenses - Software (10-2560-343) | \$ - | \$ 7,000 | \$ 7,000 | \$ 7,000 | \$ 7,000 |
| Other Program Expenses - Supplies (10-2560-410) | \$ 387 | \$ 2,000 | \$ 2,000 | \$ 2,000 | \$ 2,000 |
| Other Program Expenses - Equipment (10-2560-550) | \$ 828 | \$ 8,000 | \$ 10,000 | \$ 10,000 | \$ 10,000 |
| Other Program Expenses - Non-Cap Equipment (10-2560-700) | \$ - | \$ 1,600 | \$ 1,500 | \$ 1,500 | \$ 1,500 |
| Total District Expenses | \$ 444,090 | \$ 308,600 | \$ 377,292 | \$ 411,991 | \$ 429,346 |
| Lisle CUSD 202 Profit/(Loss) | \$ 231,519 | \$ 164,500 | \$ 82,408 | \$ 47,709 | \$ 30,354 |

Lisle School District 202

Quarterly Financial Update

For the Nine Months Ending March 31, 2023

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 100% of budgeted property taxes through the month of March. Collections from the 2022 levy in June 2023 will be deferred to FY2024 on the accrual basis of accounting.

The District has received 60% of the budgeted interest income for the year. The collection of interest is contingent on the maturity dates of the various investments and will not be consistent throughout the entire school year. With interest rates rising rapidly during 2022, investments maturing later in the current fiscal year are at a much higher interest rate than those that matured earlier in the year. For this reason, the administration anticipates collecting the balance of the budgeted interest over the final three months of the year.

The District has received 79% of the budgeted other local revenue through March. The remaining corporate personal property taxes, rental income, athletic/activity fees, etc. will be collected throughout the rest of the year.

State and Federal Sources - The District has received approximately \$2 million, or 68%, of the budgeted State revenues through March. The States obligations from the 2023 project year are approximately \$401,000 with 99% of the balance having been outstanding less than 30 days.

Federal revenues of approximately \$1.1 million, or 51% of budget, have been collected thru the end of March. An additional \$270,000 in ESSER funds was received at the beginning of April bringing the annual total of federal revenues to 64% of budget. National School Lunch program reimbursements have been lower than budget expectations with the free lunch program no longer being offered to all students.

Expenditures:

Salaries – On the accrual basis of accounting, July and August salary payments for 10-month staff are recorded in June of the prior fiscal year. As a result, salary expenses during the first quarter do not include teaching and instructional support staff. While year-to-date salaries compared to budget of 62% appears lower than expected, the difference will be accounted for during the 4th quarter of the fiscal year. For comparison, salary expenditures at this time last year were 63% of budget.

Employee Benefits – Similar to salaries, benefit payments for 10-month staff are recorded in June of the prior fiscal year. Therefore first quarter benefit expenses only include 12-month staff on the accrual basis of accounting. Spending 59% of the budget through March appears reasonable with the difference being expended during the 4th quarter.

Purchased Services - Purchased services expenditures are approximately \$3,801,000. Current year expenditures are trending approximately \$350,000 more than this period in the prior year. More than \$275,000 of this increase is attributable to transportation costs for regular and special education routes. Overall, spending 75% of the budget through March is reasonable and consistent with the 76% of budget spent at this time during the prior fiscal year.

Supplies and Materials - Spending 61% of the supplies and materials budget is reasonable at this point in the fiscal year. Supplies and materials expenditures of approximately \$1.1 million is similar to the \$1.1 million spent at this point in the prior fiscal year.

Capital Outlay – The majority of the capital outlay expenditures for the fiscal year relate to programming and schematic design work for the Lisle Junior High remodel. Costs for the summer 2022 roofing work at Lisle High School were also incurred during the 3rd quarter when the project was closed out. Additional capital outlay expenditures include fitness equipment purchases at Lisle Senior High School and irrigation work at Lisle Elementary School.

Other Objects (Includes Tuition and Debt Repayment) - Tuition payments of approximately \$1,816,000 for out-of-district special education, alternative learning, and career and technical education students have been paid year-to-date. The District has spent 74% of the tuition budget through March. For comparison, tuition expenditures at this time last year were approximately \$1,775,000, or 75% of budget. The tuition costs will continue to be monitored as the year progresses.

The \$1.5 million of expenditures in the Debt Services fund relates to the required bond payments for the outstanding Series 2019 bonds.

Non-capitalized Equipment - The majority of the non-capitalized expenditures for the year relate to staff laptops at Lisle Senior High School and a gym divider curtain at Lisle Junior High School.

Termination Benefits – Through March, there has been approximately \$1,600 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, 2023

| | <u>Educational</u> | <u>Operations & Maint.</u> | <u>Debt Services</u> | <u>Trans- portation</u> | <u>Municipal Ret/Soc Sec</u> | <u>Capital Projects</u> | <u>Working Cash</u> | <u>Tort</u> | <u>Total</u> | <u>Budget</u> | <u>Percent Realized</u> |
|--------------------------------------|----------------------|------------------------------------|--------------------------|-----------------------------|----------------------------------|-----------------------------|-------------------------|--------------|----------------------|-------------------|-----------------------------|
| Fund Balance - July 1, 2022 | \$ 11,758,050 | \$ 1,381,567 | \$ 183,724 | \$ 1,811,561 | \$ 443,667 | \$ 3,467,110 | \$ 813,848 | \$ - | \$ 19,859,527 | | |
| Revenue: | | | | | | | | | | | |
| Local Sources: | | | | | | | | | | | |
| Property Taxes | 27,051,442 | 2,896,224 | 1,510,493 | 699,204 | 899,357 | - | 5,337 | 5,337 | 33,067,394 | 33,063,100 | 100% |
| Interest | 190,146 | 20,098 | 3,070 | 14,001 | 6,313 | 22,090 | 5,597 | - | 261,315 | 433,200 | 60% |
| Other Local | 1,202,104 | 130,461 | - | 63,427 | - | - | - | - | 1,395,992 | 1,758,800 | 79% |
| State Sources | 1,315,192 | - | - | 601,342 | - | 50,000 | - | - | 1,966,534 | 2,889,025 | 68% |
| Federal Sources | 1,076,851 | - | - | 2,322 | - | - | - | - | 1,079,173 | 2,104,665 | 51% |
| Total Revenue | 30,835,735 | 3,046,783 | 1,513,563 | 1,380,296 | 905,670 | 72,090 | 10,934 | 5,337 | 37,770,408 | 40,248,790 | 94% |
| Expenditures: | | | | | | | | | | | |
| Salaries | 11,516,287 | 908,726 | | 28,236 | | - | | - | 12,453,249 | 19,989,700 | 62% |
| Employee Benefits | 3,558,931 | 197,152 | | - | 608,648 | - | | - | 4,364,731 | 7,397,960 | 59% |
| Purchased Services | 1,671,981 | 404,951 | - | 1,718,873 | | - | | 5,337 | 3,801,142 | 5,069,619 | 75% |
| Supplies and Materials | 614,799 | 451,394 | | 2,567 | | - | | - | 1,068,760 | 1,756,874 | 61% |
| Capital Outlay | 55,460 | 13,325 | | - | | 617,300 | | - | 686,085 | 1,353,705 | 51% |
| Other Objects | 1,865,791 | - | 1,496,250 | - | - | - | | - | 3,362,041 | 4,034,899 | 83% |
| Non-capitalized Equipment | 121,811 | 61,596 | | - | | - | | - | 183,407 | 260,040 | 71% |
| Termination Benefits | 1,620 | - | | - | | - | | | 1,620 | 500 | 324% |
| Total Expenditures | 19,406,680 | 2,037,144 | 1,496,250 | 1,749,676 | 608,648 | 617,300 | | 5,337 | 25,921,035 | 39,863,297 | 65% |
| Revenue Over (Under) | | | | | | | | | | | |
| Expenditures | 11,429,055 | 1,009,639 | 17,313 | (369,380) | 297,022 | (545,210) | 10,934 | - | 11,849,373 | 385,493 | |
| Other Sources/(Uses) | | | | | | | | | | | |
| Other Sources | - | - | - | - | - | - | - | - | - | 2,763,800 | 0% |
| Other (Uses) | - | - | - | - | - | - | - | - | - | (758,800) | 0% |
| Total Other Sources/(Uses) | - | - | - | - | - | - | - | - | - | 2,005,000 | |
| Fund Balance - March 31, 2023 | \$ 23,187,105 | \$ 2,391,206 | \$ 201,037 | \$ 1,442,181 | \$ 740,689 | \$ 2,921,900 | \$ 824,782 | \$ - | \$ 31,708,900 | | |

**Lisle Community Unit School District 202
State Funding Update
Vouchers Awaiting Processing by Comptroller
March 31, 2023**

| <u>Program Name</u> | <u>Project Yr</u> | <u>Voucher Date</u> | <u>Amount</u> |
|--|-------------------|--------------------------------|--------------------------|
| Special Education - Private Facility Tuition | 2023 | 3/22/2023 | \$ 38,680 |
| Special Education - Orphanage - Individual | 2023 | 3/22/2023 | \$ 94,981 |
| State Free Lunch & Breakfast | 2023 | 3/7/2023 | \$ 89 |
| Driver Education | 2023 | 12/21/2022 | \$ 3,359 |
| | 2023 | 3/22/2023 | \$ 3,359 |
| Transportation - Regular and Vocational | 2023 | 3/22/2023 | \$ 116,856 |
| Transportation - Special Education | 2023 | 3/22/2023 | \$ 144,117 |
| Grant Total | | | <u>\$ 401,441</u> |
| | | <u>Days Outstanding</u> | |
| | | 0-30 | \$ 398,082 |
| | | 31-60 | \$ - |
| | | 61-90 | \$ - |
| | | 91-120 | \$ 3,359 |
| | | | <u>\$ 401,441</u> |



Past Financial Performance and Future Financial Projections

April 24, 2023

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 OPERATING FUNDS revenue of slightly more than 2% annually since FY2018 with total OPERATING FUNDS revenue of \$36,396,849 for FY2022. During this time period, CPI has increased on average 2% per year. New property EAV has been healthy with average increases of approximately \$3.9 million annually. Investment earnings improved during this time period before falling precipitously during the last two fiscal years to less than \$50,000. State sources have remained mostly flat over the last five years. Federal sources increased during FY2021 and FY2022 as a result of the Elementary and Secondary School Emergency Relief Funds (ESSER) and American Rescue Plan Fund (ARP) in response to the COVID-19 pandemic.

Total expenditures have increased by about 2% annually since FY2018 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% 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 \$37,070,240 for FY2022 including a million dollars in capital expenditures for the roofing work at Lisle Senior High School and programming/design costs for the Lisle Junior High remodel.

REVIEW OF PROJECTIONS

The net change in fund balances for the OPERATING FUNDS (Educational, Operations and Maintenance, Transportation, and Working Cash Funds) over the course of the six year projection period is projected to be a deficit of approximately \$3,000,000 to make additional funds available for the Lisle Junior High renovation. Annual revenues and other sources in the OPERATING FUNDS is estimated to exceed annual expenditures and other uses by \$1,488,000 over the projection period before transfers out to the Capital Projects Fund. In FY2028 the OPERATING FUNDS are anticipated to have an overall deficit of \$87,000. The District anticipates a healthy increase in property tax revenues during FY2024 and FY2025 as the result of the 2021 and 2022 CPI reaching the 5% cap under the Property Tax Extension Limitation Law (PTELL). However, this increase will be offset by higher operating costs across all areas including salary and benefits. A potential decrease in interest earnings over the next few years will impact revenues as interest rates have risen significantly over the last 12 months resulting in historically high interest rates.

The District's revenues and fund balances appear adequate during the projection period to cover payroll and regular bills. A surge in Federal revenues from the ESSER and ARP relief funds provided an additional \$1 million to fund the school districts programs over the next two fiscal years. These dollars are a one-time funding supplement and cannot be relied upon to fund programs for the long-term. Uncertainty in the State and Federal economic climates could alter funding levels for education and significantly impact this picture. 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. Property 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, costs related to educational enhancements at the junior high, and other necessary facilities improvements will reduce some of the fund balances available to withstand these uncertainties.

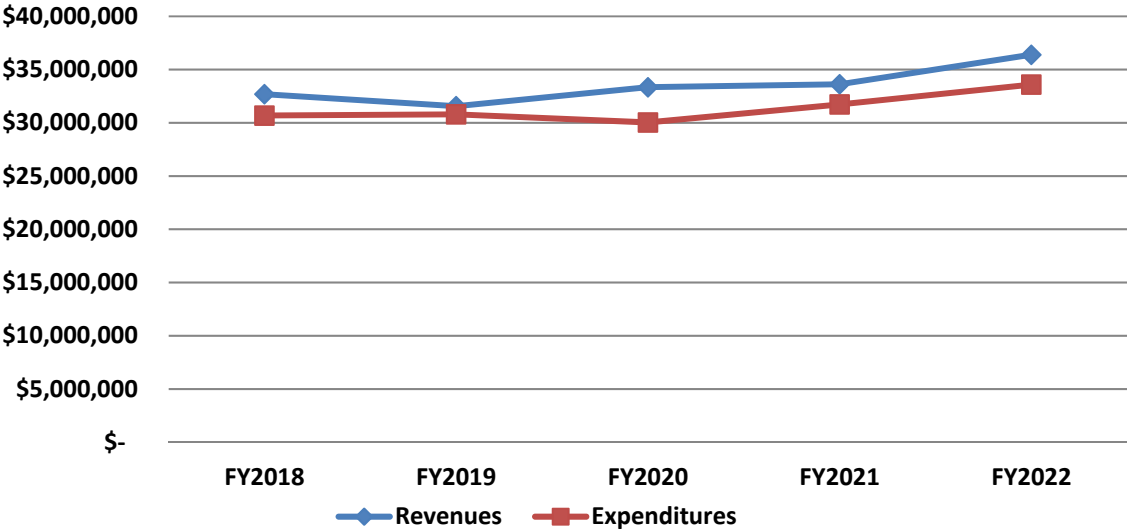
Reviewing the financial projections such as this on a regular basis will allow the District to determine the long-term effect of these issues and the financial decisions being made today. The greatest challenge for the Board of Education over the next few years will be to find an acceptable median between 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.

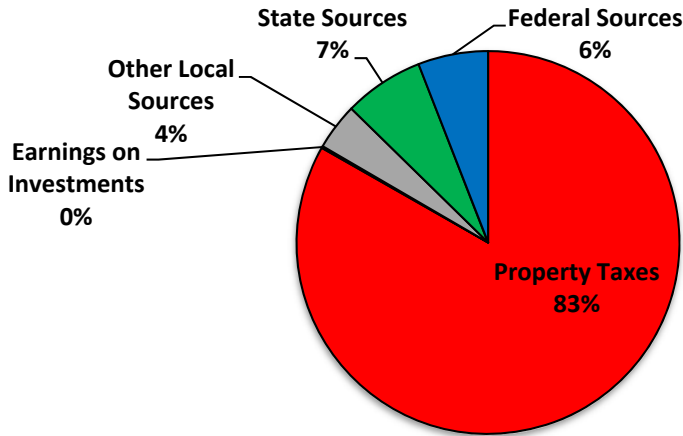


Note: A detailed breakdown of the revenues and expenditures is shown on the Historical Performance – Operating Funds statement at the back of this report

For the past five (5) years, revenues have exceeded expenditures in the OPERATING FUNDS annually by an average of approximately \$2.1 million. The net revenues is BEFORE transfers of \$750,000 annually to the Capital Projects fund for current and future capital improvements at the Districts facilities. 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.

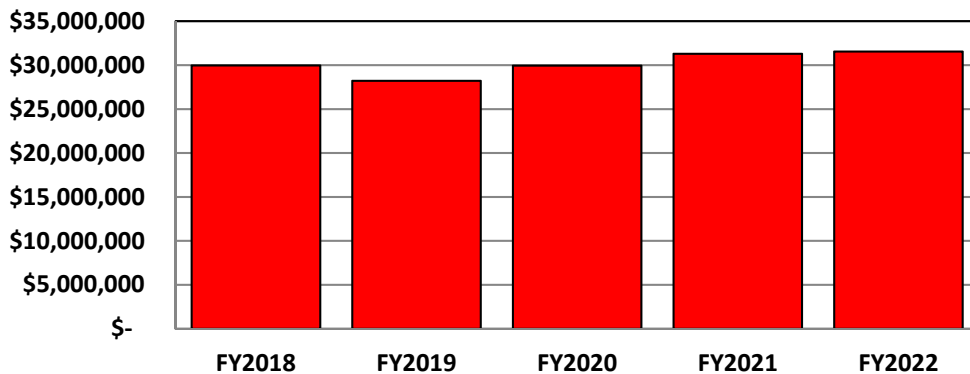
REVENUE

The following pie chart illustrates the composition of Lisle School District’s revenue across ALL FUNDS for the fiscal year ended June 30, 2022. 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.



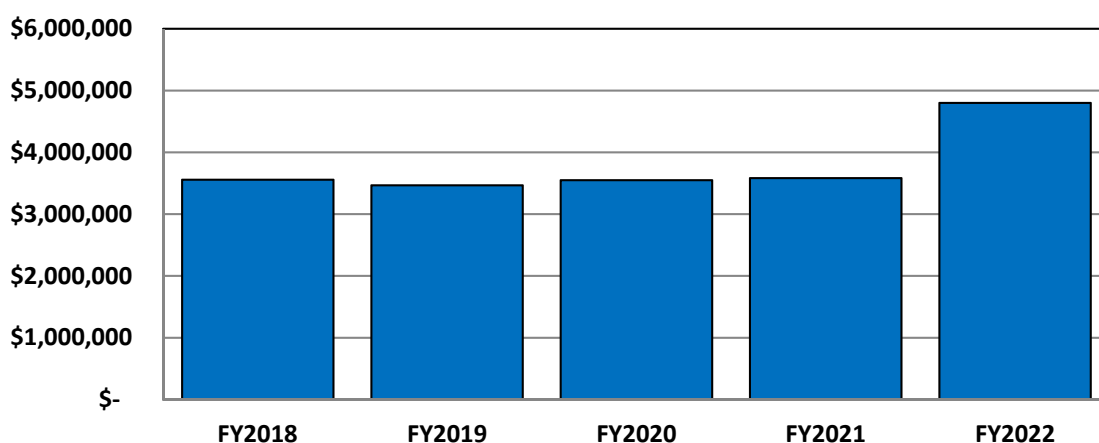
PROPERTY TAX REVENUE

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 1% annually since 2018. While CPI has averaged 2% during this time period, debt service abatements in FY2019 thru FY2021 contributed to a lower growth rate. 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 53% of the 2017 tax levy in June of 2018.



STATE AND FEDERAL SOURCE REVENUE

State and Federal sources currently account for approximately 13% 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 2018 through 2019's State and Federal sources were adjusted to reflect **net collections** of approximately (\$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. Fiscal Year 2020 thru 2022 are reported on the accrual basis of accounting so revenue adjustments were not necessary. The significant increase in FY2022 is a result of the federal ESSER and ARP Funds received by the District in response to the COVID-19 pandemic. This federal fund source will begin to taper off in FY2023 and be fully expended by FY2024. With the ESSER and ARP funds included, total State and Federal sources have been approximately \$3.8 million annually over the past five years.



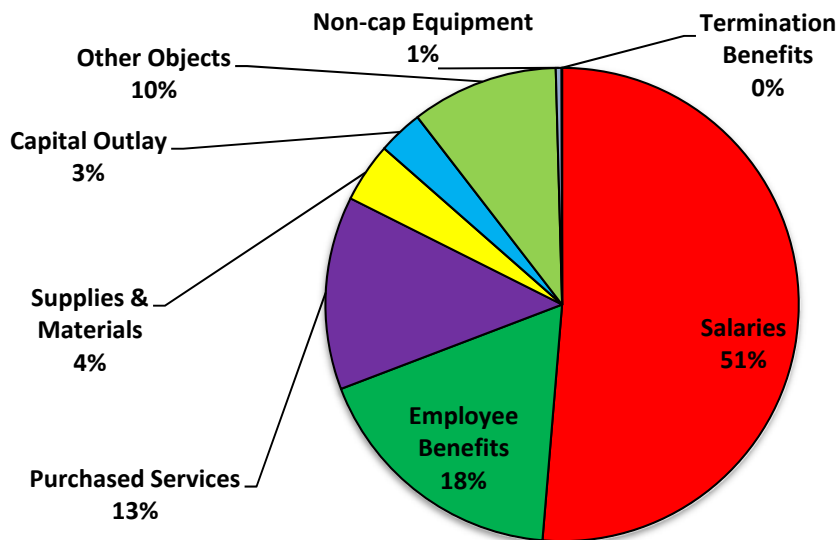
EXPENDITURES

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, 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.

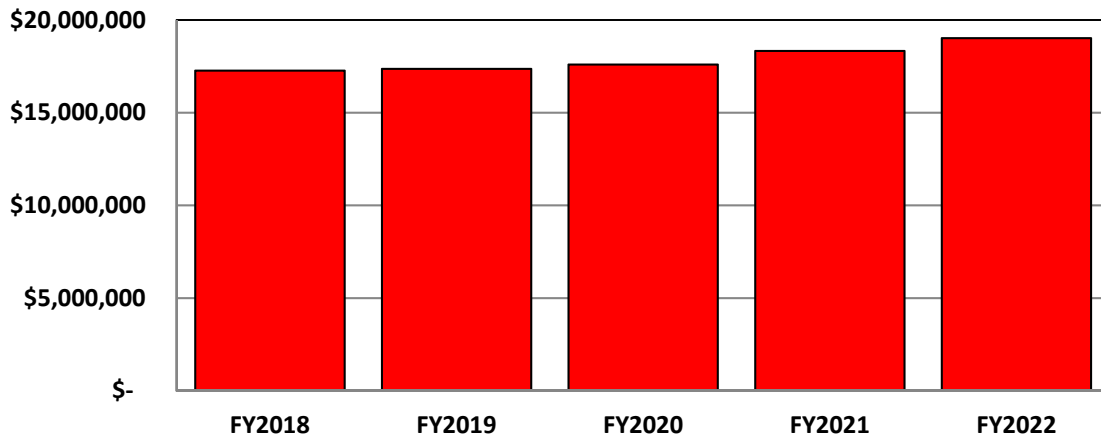
5. **Capital Outlay** - Expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and 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 across ALL FUNDS for the fiscal year ending June 30, 2022. Total expenditures for FY2022, including capital outlay costs of approximately \$1.1 million, were \$37,070,240. As evident in the below chart, salaries and employee benefits account for the majority of the cost of operating the school district.



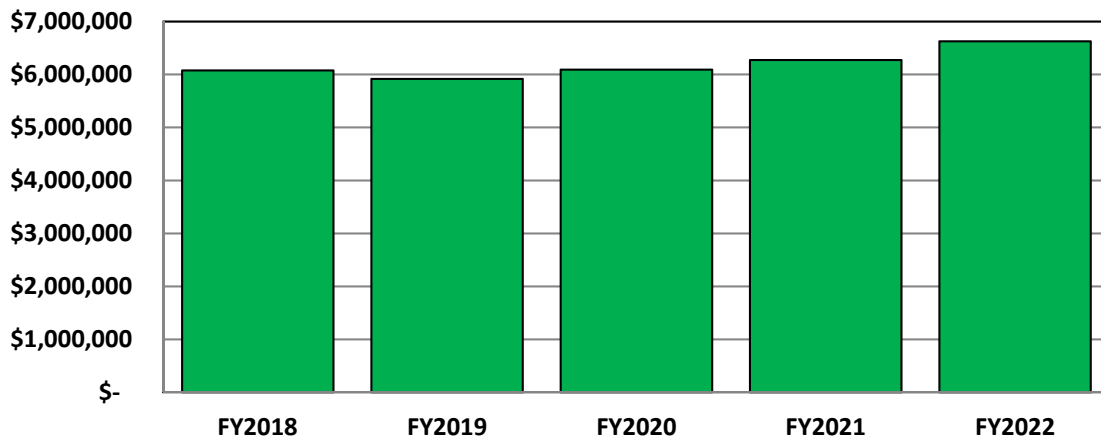
SALARY EXPENDITURES

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% from FY2018 through FY2022. These increases are from annual salary increases, the change in the number of employees, and cost savings through retirements. The following chart reflects the growth pattern of salary expenditures in the District.



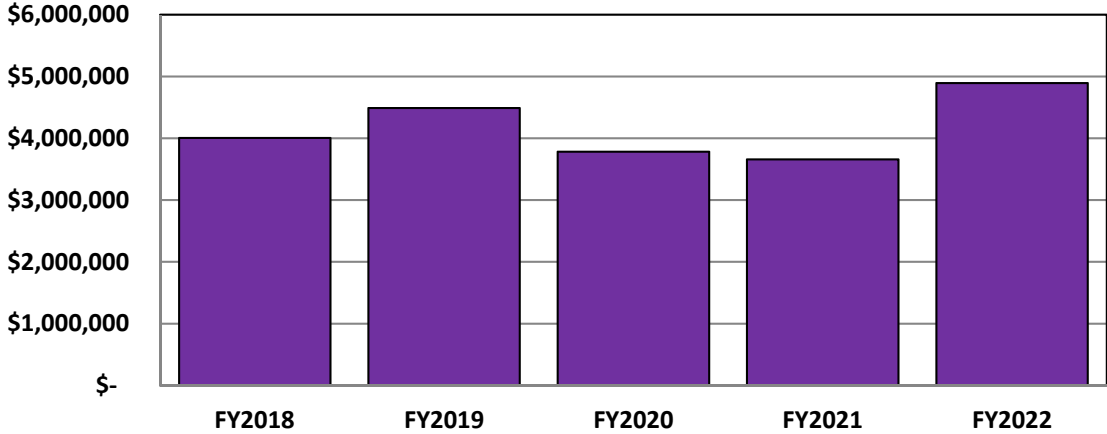
EMPLOYEE BENEFIT EXPENDITURES

The cost of employee benefits accounts for 18% of the total expenditures of the District. Benefits have increased at an average rate of approximately 2% from FY2018 through FY2022. 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. However, recent renewals seen higher claims resulting in larger premium increases than in the past. The following chart reflects the growth pattern of benefits expenditures in the District.



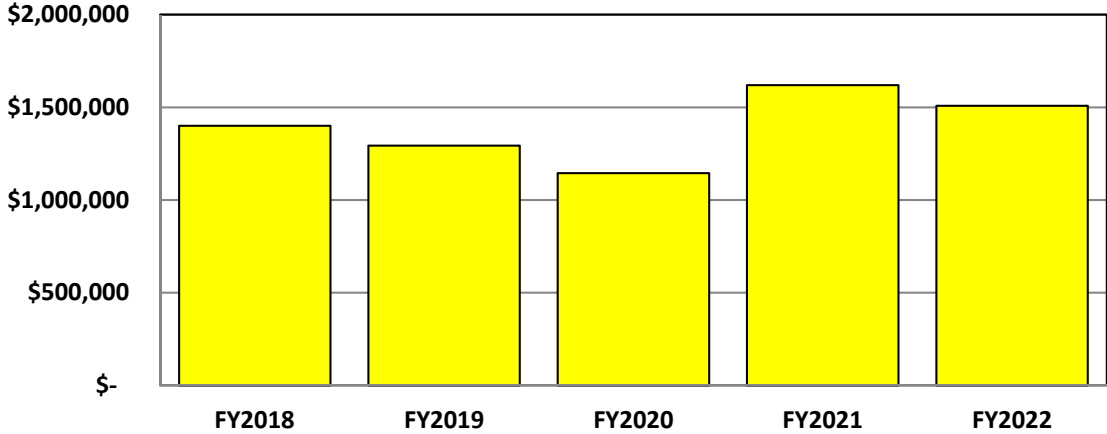
PURCHASED SERVICE EXPENDITURES

The cost of purchased services has increased approximately 4% annually since FY2018. There was a significant decrease in FY2020 and FY2021 as a result of lower transportation and food service costs during the COVID-19 shutdown and hybrid learning. Other purchased services include property/casualty, liability, and workers' compensation insurance which have been steadily increasing in a more difficult claims environment. 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.



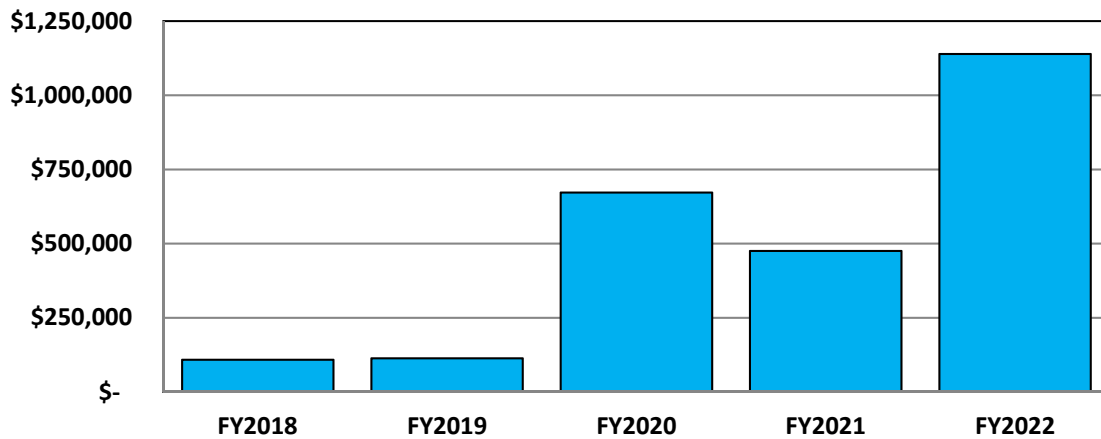
SUPPLIES & MATERIALS EXPENDITURES

The supplies and materials expenditures have increased in recent years as a result of inflation and the impact of the COVID shutdown. Fiscal Year 2021 saw a significant increase in costs for personal protective equipment and other pandemic related supplies required to implement social distancing and safety protocols at the schools. The following chart reflects the growth pattern of supplies and materials expenditures in the District.



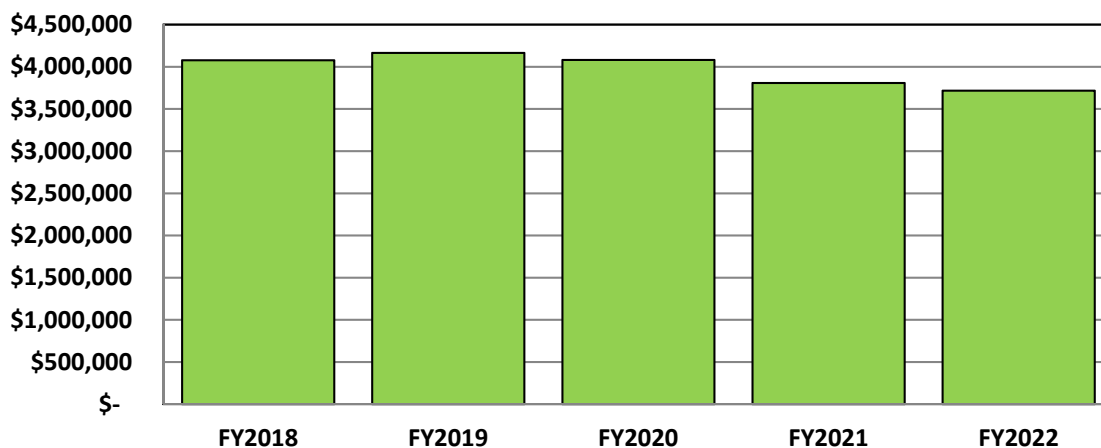
CAPITAL OUTLAY EXPENDITURES

Capital outlay expenditures fluctuate from one fiscal year to the next based on the timing of construction projects. Re-paving the parking lot at Lisle Senior High during the summer of 2019 contributed to the expenditures in FY2020. FY2021 reflects expenditures for new bleachers and HVAC units at Lisle Senior High. Roofing work at the High School and programming/design for the Junior High remodel account for the expenditures in FY2022. The following chart reflects the pattern of capital outlay expenditures in the District, excluding the costs to construct Lisle Elementary School in the Capital Projects Fund.



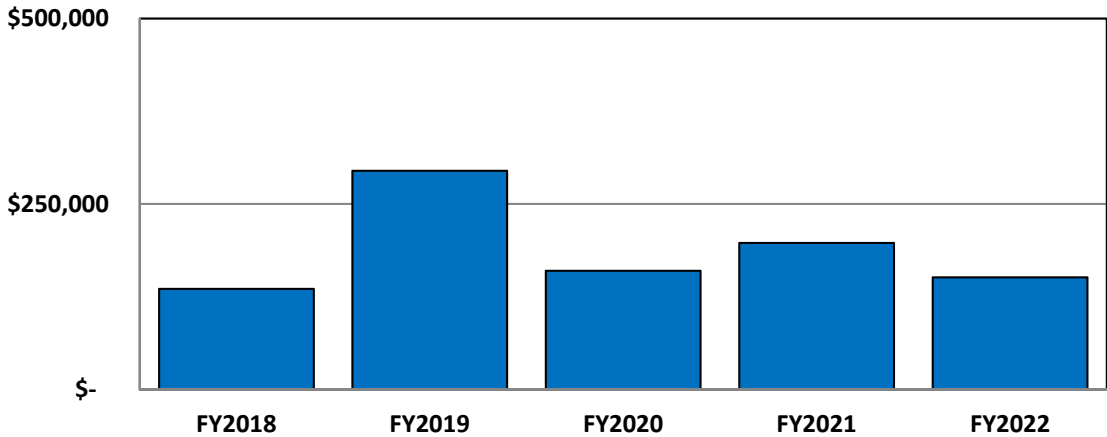
OTHER OBJECT EXPENDITURES

Tuition and other expenditures have been around \$4 million annually from FY2018 through FY2020 with a drop to \$3.8 million in FY2021 and FY2022. Other object expenditures also include bond and interest payments. 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 pattern of tuition and other expenditures in the District.



NON-CAPITALIZED EQUIPMENT EXPENDITURES

The School District typically spends on average approximately \$190,000 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 District's \$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 accrual basis fund balances, with early taxes deferred, as of June 30, 2022:

| | |
|---|--------------|
| Educational Fund | \$11,758,050 |
| Operations and Maintenance Fund | 1,381,567 |
| Debt Services Fund | 183,724 |
| Transportation Fund | 1,811,561 |
| Municipal Retirement & Social Security Fund | 443,667 |
| Capital Projects Fund | 3,467,110 |
| Working Cash Fund | 813,848 |
| Tort Fund | - |
| Fund Balance Available | \$19,859,527 |

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 (PTELL) caps property tax increases for current property owners at the lesser of the Consumer Price Index (CPI) or 5%. The following is the actual and projected CPI used to determine property taxes for the next six years.

| Tax Levy Year | CPI | CPI Used for PTELL | |
|---------------|------|--------------------|-----------|
| 2022 | 7.0% | 5.0% | Actual |
| 2023 | 6.5% | 5.0% | Actual |
| 2024 | 3.8% | 3.8% | Projected |
| 2025 | 3.8% | 3.8% | Projected |
| 2026 | 3.8% | 3.8% | Projected |
| 2027 | 3.8% | 3.8% | Projected |
| 2028 | 3.8% | 3.8% | Projected |

The projected CPI of 3.8% for tax levy years 2024-2028 is based on the five-year average CPI increase. A 1% percent difference in this estimate would have an impact of approximately \$330,000 on the District’s annual property tax revenue. No bond abatements were assumed for future tax levy years.

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 | |
|---------------|-------------|-----------|-----------|
| 2022 | \$1,151,450 | \$55,052 | Actual |
| 2023 | \$1,750,000 | \$83,669 | Projected |
| 2024 | \$1,750,000 | \$83,669 | Projected |
| 2025 | \$1,750,000 | \$83,669 | Projected |
| 2026 | \$1,750,000 | \$83,669 | Projected |
| 2027 | \$1,750,000 | \$83,669 | Projected |
| 2028 | \$1,750,000 | \$83,669 | Projected |

The projected new EAV for 2023-2028 is based on 50% of the five-year average of new property.

2. **Earnings on Investment and Other Local Sources** - Earnings on investments are projected to remain at current market rates for the next two fiscal years and then move lower for the last three years of the projection period. The higher interest rates will enhance investment yields in the short term. The current waiver of the books and supplies fee has been carried through the projection period. Corporate Personal Property Tax Receipts (CPPRT) were reduced by \$300,000 in FY2024 to conservatively offset the recent surge in receipts that is above the historical norm. Rental income from the Chesterton Lease is also maintained until the end of FY2025. The remaining local source revenues are expected to increase by projected CPI of 3.8% during the projection period.
3. **State Sources** - State Sources under the evidence based funding model are expected to remain mostly flat during the projection period. Pupil transportation reimbursements are expected to increase at a similar pace as costs within the transportation fund. 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 expected to decrease significantly during FY2024 and FY2025 as a result of ESSER and ARP funds tapering off. ESSER and ARP funds are anticipated to be approximately \$800,000 in FY2023 and \$200,000 in FY2024. All other federal source revenues are projected to remain constant during the projection period.

EXPENDITURES

- 1. **Salaries** - The negotiated agreements between the Board of Education and the Certified and Classified staff will expire August 2024 and June 2024. The Certified and Classified contracts include average salary increases of 5.3% and 5% respectively for FY2024. Additional staffing positions of approximately \$20,000 will be offset by anticipated savings of \$150,000 from the salary differential for retiring staff members. Savings from retirements will also decrease staffing costs by approximately \$140,000 in FY2025.

Certified salary increases are projected at the five year average of 3.5% for FY2025 thru FY2028. Classified salary increase are projected at the CEAL agreement five year average of 4.4%. The financial projection will be impacted by approximately \$200,000 (compounded annually) for every 1% the future negotiated contracts increase/decrease from the projected amounts.

- 2. **Employee Benefits** - Employee benefits for FY2023 were forecasted using the current budgeted expenditures for the fiscal year. Benefit costs are expected to go up in FY2024 with a 9.5% increase in the health insurance premiums based on the District’s upcoming renewal in July 2023. Historical increases in health insurance rates have been approximately 3% over the last ten years by participating in the District’s insurance co-op.

Employee benefit costs are projected to increase approximately 5% annually for FY2025 thru FY2028 based on the five-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 4% annually, which is consistent with the five year historical trends of the Consumer Price Index. Transportation expenditures are estimated to increase by 160,000, or 7%, in FY2024 based on the contract renewals with Westway Coach and Sunrise. Future increases of 6% are projected thereafter based on the 5-year average for these costs.

- 4. **Supplies & Materials** - Supplies and materials are projected to increase 3.8% annually across all funds, which is consistent with five-year historical trends in the Consumer Price Index.

- 5. **Capital Outlay** - Capital outlay expenditures are projected to be around \$110,000 annually if you exclude the cost of construction and renovation projects. An additional equipment cost of approximately \$150,000 will occur in FY2024 to purchase new multifunction copiers and replace the districts aging fleet of machines.

The additional costs that follow are based on the capital improvements outlined in the October 2022 Facility Needs Plan presentation, a summary of which is included in the back of this report. Also included below is \$20 million dollars in renovations for Lisle Junior High over four fiscal years

| Fiscal Year | Amount |
|-------------|-------------|
| 2024 | \$500,000 |
| 2025 | \$6,000,000 |
| 2026 | \$8,400,000 |
| 2027 | \$6,000,000 |
| 2028 | \$1,315,000 |

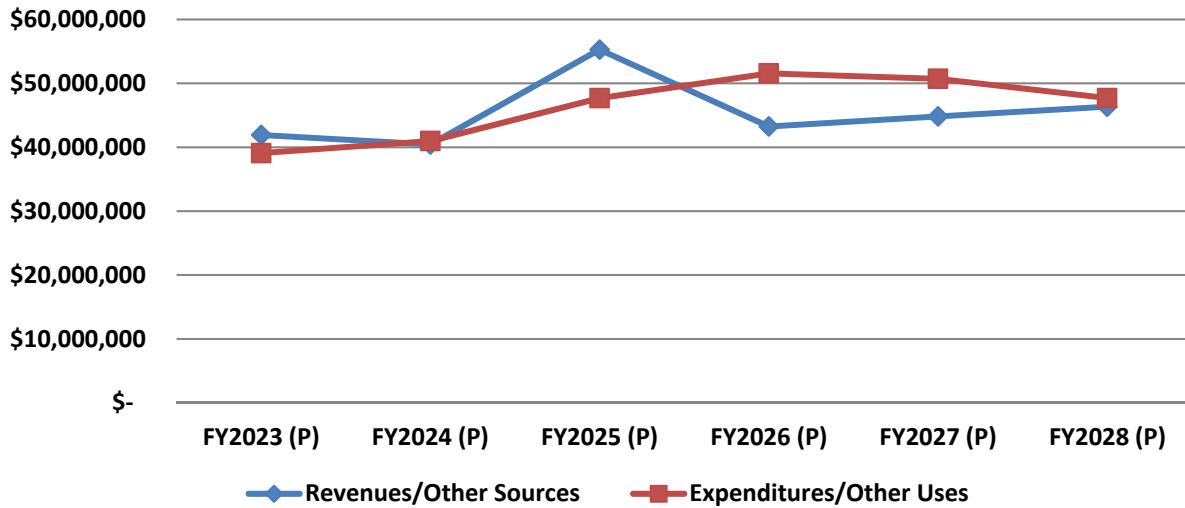
- 6. Other Objects** – Other object expenditures are based on the budgeted figures for FY2023. Approximately 60% of the expenditures in other objects are tuition costs impacted by the number of students requiring special education services from outside facilities. The cost of tuition can significantly change from year-to-year based on the specific needs of the students enrolled. Tuition costs are projected to increase by estimated CPI of 3.8%.

The remaining expenditures in other objects relate to the repayment of outstanding debt service obligations. Debt service payments of approximately \$1.5 million are anticipated to remain constant over the course of the projection until the Series 2019 bonds are paid off in FY2030.

- 7. Non-Capitalized Equipment** – Non-capitalized equipment has historically been approximately \$190,000 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 \$8,000 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 across all funds. Other sources in FY2023 includes proceeds of \$2 million from the sale of Tate Woods and \$13 million from the issuance of bonds in FY2025. Expenditures in FY2024 thru FY2027 include capital outlay of \$20 million for renovation of Lisle Junior High School.



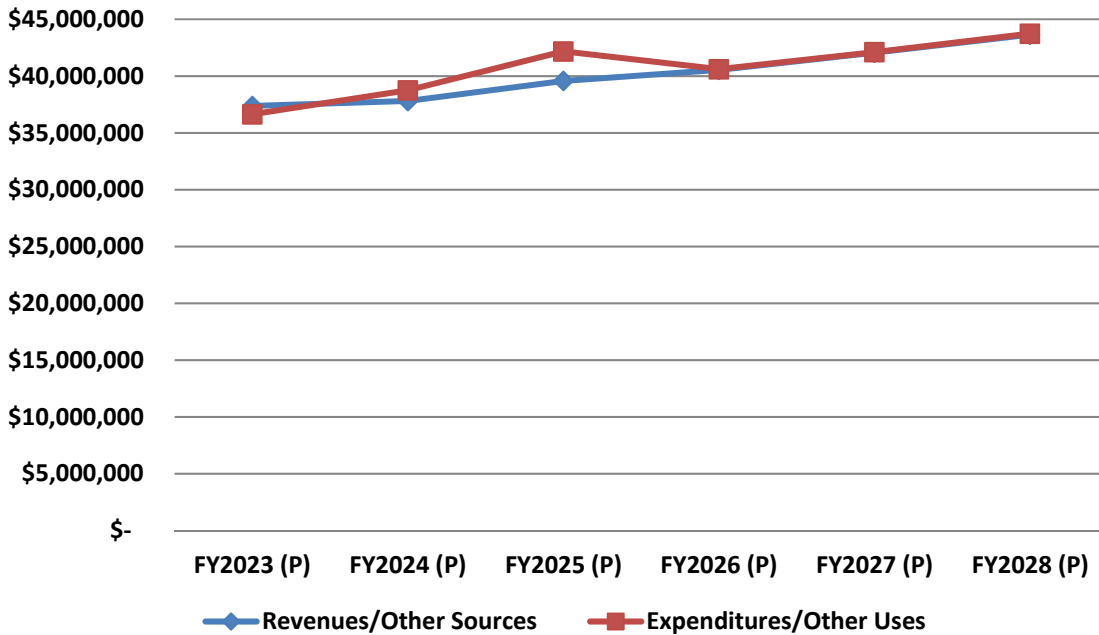
Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures – All Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The “Projected Revenues Over / (Under) Expenses” 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 and the issuance of bonds for Lisle Junior High renovations. The “Projected Change in Fund Balances” column indicates the total of these annual revenues/expenditures 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 all funds, will be \$5,627,000 more than the projected revenues and other sources over this time period. The reduction is the result of spending down fund balance for renovations at Lisle Junior High School and capital improvements outlined in the Facility Needs Plan.

| Fiscal Year Ending | Projected Revenues Over / (Under) Expenses | Projected Other Sources / (Uses) | Projected Change in Fund Balances |
|--------------------|--|--|---|
| June 30, 2023 | \$840,000 | \$2,005,000 | \$2,845,000 |
| June 30, 2024 | (537,000) | - | (537,000) |
| June 30, 2025 | (5,393,000) | 13,000,000 | 7,607,000 |
| June 30, 2026 | (8,306,000) | - | (8,306,000) |
| June 30, 2027 | (5,888,000) | - | (5,888,000) |
| June 30, 2028 | (1,348,000) | - | (1,348,000) |
| Total All Years | (\$20,632,000) | \$15,005,000 | (\$5,627,000) |

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.



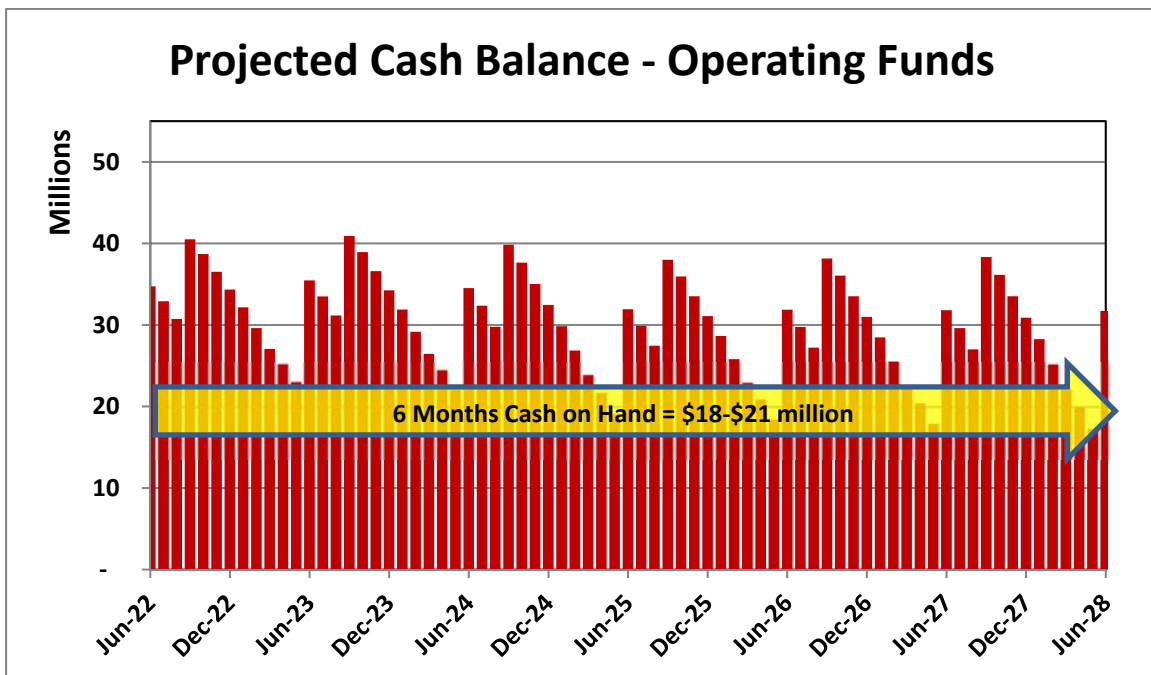
Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures - Operating Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The “Projected Revenues Over / (Under) Expenses” 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 Change in Fund Balances” column indicates the total of these annual revenues/expenditures 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 \$3,007,000 more than the projected revenues and other sources over this time period. Operating fund balances of \$3 million will be utilized for the Lisle Junior High renovations resulting in the fund balance decrease over the next few years.

| Fiscal Year Ending | Projected Revenues Over / (Under) Expenses | Projected Other Sources / (Uses) | Projected Change in Fund Balances |
|------------------------|--|----------------------------------|-----------------------------------|
| June 30, 2023 | \$1,481,000 | (\$745,000) | \$736,000 |
| June 30, 2024 | (194,000) | (750,000) | (944,000) |
| June 30, 2025 | 400,000 | (3,000,000) | (2,600,000) |
| June 30, 2026 | (60,000) | - | (60,000) |
| June 30, 2027 | (52,000) | - | (52,000) |
| June 30, 2028 | (87,000) | - | (87,000) |
| Total All Years | \$1,488,000 | (\$4,495,000) | (\$3,007,000) |

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 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, 2023 | \$736,000 | \$23,051,000 | \$35,457,000 |
| June 30, 2024 | (\$944,000) | \$22,130,000 | \$34,513,000 |
| June 30, 2025 | (\$2,600,000) | \$19,114,000 | \$31,913,000 |
| June 30, 2026 | (\$60,000) | \$18,479,000 | \$31,853,000 |
| June 30, 2027 | (\$52,000) | \$17,927,000 | \$31,801,000 |
| June 30, 2028 | (\$87,000) | \$17,320,000 | \$31,714,000 |

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 2028 cash balance (low point) in the operating funds being approximately 40% 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 eighteen 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 during high and low environments for the Consumer Price Index, periods when the State of Illinois was many months delinquent in their remittance of funds to the District, and the added operational costs of a pandemic.

Looking ahead, maintaining adequate reserves improves the District’s ability to handle future economic downturns, unfunded mandates, and regulatory changes. As the District reviews the facility plan for the future, the fund balances will be utilized for improvements at Lisle Junior High and other capital needs at various school buildings. The COVID-19 pandemic has produced a significant investment of federal dollars that has been used to address learning gaps and offset any additional costs in the short-term. As these dollars are used up in the next two fiscal years, the Board and Administration will need to carefully monitor ongoing expenses to ensure that the School District is able to maintain a balanced budget without the availability of these one-time funds. While the COVID-19 federal assistance packages have also improved the fiscal condition of the State of Illinois in the short term, pension debt and structural budget deficits may continue to impact funding for education in the long-term.

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 - Accrual Basis
ALL FUNDS

| | Estimated FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
|------------------------------------|-----------------------------|----------------------|-----------------------|-----------------------|-----------------------|-----------------------|
| Beginning Fund Balances | \$ 19,860,000 | \$ 22,705,000 | \$ 22,168,000 | \$ 29,775,000 | \$ 21,469,000 | \$ 15,581,000 |
| Revenues: | | | | | | |
| Property Taxes | \$ 33,063,000 | \$ 34,404,000 | \$ 36,097,000 | \$ 37,505,000 | \$ 38,964,000 | \$ 40,475,000 |
| Earnings on Investments | 433,000 | 745,000 | 785,000 | 387,000 | 382,000 | 276,000 |
| Other Local Sources | 1,765,000 | 1,524,000 | 1,580,000 | 1,482,000 | 1,536,000 | 1,592,000 |
| State Sources | 2,889,000 | 2,594,000 | 2,656,000 | 2,713,000 | 2,773,000 | 2,837,000 |
| Federal Sources | 1,773,000 | 1,171,000 | 1,169,000 | 1,169,000 | 1,169,000 | 1,169,000 |
| Total | <u>\$ 39,923,000</u> | <u>\$ 40,438,000</u> | <u>\$ 42,287,000</u> | <u>\$ 43,256,000</u> | <u>\$ 44,824,000</u> | <u>\$ 46,349,000</u> |
| Expenditures: | | | | | | |
| Salaries | \$ 19,990,000 | \$ 20,944,000 | \$ 21,543,000 | \$ 22,232,000 | \$ 22,983,000 | \$ 23,791,000 |
| Employee Benefits | 7,398,000 | 7,911,000 | 8,251,000 | 8,600,000 | 8,938,000 | 9,321,000 |
| Purchased Services | 5,000,000 | 5,319,000 | 5,574,000 | 5,842,000 | 6,123,000 | 6,419,000 |
| Supplies & Materials | 1,581,000 | 1,642,000 | 1,704,000 | 1,769,000 | 1,837,000 | 1,907,000 |
| Capital Outlay | 843,000 | 761,000 | 6,111,000 | 8,511,000 | 6,111,000 | 1,426,000 |
| Other Objects | 4,035,000 | 4,203,000 | 4,302,000 | 4,413,000 | 4,525,000 | 4,638,000 |
| Non-Cap Equipment | 234,000 | 187,000 | 187,000 | 187,000 | 187,000 | 187,000 |
| Termination Benefits | 2,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Total | <u>\$ 39,083,000</u> | <u>\$ 40,975,000</u> | <u>\$ 47,680,000</u> | <u>\$ 51,562,000</u> | <u>\$ 50,712,000</u> | <u>\$ 47,697,000</u> |
| Revenues Over/(Under) Expenditures | <u>\$ 840,000</u> | <u>\$ (537,000)</u> | <u>\$ (5,393,000)</u> | <u>\$ (8,306,000)</u> | <u>\$ (5,888,000)</u> | <u>\$ (1,348,000)</u> |
| Other Sources/(Uses) | \$ 2,005,000 | \$ - [1] | \$ 13,000,000 | \$ - [2] | \$ - | \$ - |
| Net Change in Fund Balances | <u>\$ 2,845,000</u> | <u>\$ (537,000)</u> | <u>\$ 7,607,000</u> | <u>\$ (8,306,000)</u> | <u>\$ (5,888,000)</u> | <u>\$ (1,348,000)</u> |
| Ending Fund Balances | <u>\$ 22,705,000</u> | <u>\$ 22,168,000</u> | <u>\$ 29,775,000</u> | <u>\$ 21,469,000</u> | <u>\$ 15,581,000</u> | <u>\$ 14,233,000</u> |

[1] Proceeds of \$2 million for the Sale of Tate Woods Elementary School

[2] Issuance of bonds for Lisle Junior High renovations

Lisle Community Unit School District 202
Projected Statements of Revenues & Expenditures - Accrual Basis
OPERATING FUNDS

| | Estimated FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
|------------------------------------|-----------------------------|-------------------------|---------------------------|----------------------|----------------------|----------------------|
| Beginning Fund Balances | \$ 15,765,000 | \$ 16,501,000 | \$ 15,557,000 | \$ 12,957,000 | \$ 12,897,000 | \$ 12,845,000 |
| Revenues: | | | | | | |
| Property Taxes | \$ 30,647,000 | \$ 31,983,000 | \$ 33,633,000 | \$ 34,998,000 | \$ 36,416,000 | \$ 37,887,000 |
| Earnings on Investments | 373,000 | 565,000 | 561,000 | 213,000 | 193,000 | 192,000 |
| Other Local Sources | 1,739,000 | 1,497,000 | 1,552,000 | 1,453,000 | 1,505,000 | 1,560,000 |
| State Sources | 2,839,000 | 2,594,000 | 2,656,000 | 2,713,000 | 2,773,000 | 2,837,000 |
| Federal Sources | 1,773,000 | 1,171,000 | 1,169,000 | 1,169,000 | 1,169,000 | 1,169,000 |
| Total | <u>\$ 37,371,000</u> | <u>\$ 37,810,000</u> | <u>\$ 39,571,000</u> | <u>\$ 40,546,000</u> | <u>\$ 42,056,000</u> | <u>\$ 43,645,000</u> |
| Expenditures: | | | | | | |
| Salaries | \$ 19,990,000 | \$ 20,944,000 | \$ 21,543,000 | \$ 22,232,000 | \$ 22,983,000 | \$ 23,791,000 |
| Employee Benefits | 6,475,000 | 6,946,000 | 7,244,000 | 7,550,000 | 7,841,000 | 8,176,000 |
| Purchased Services | 4,994,000 | 5,313,000 | 5,568,000 | 5,835,000 | 6,116,000 | 6,412,000 |
| Supplies & Materials | 1,581,000 | 1,642,000 | 1,704,000 | 1,769,000 | 1,837,000 | 1,907,000 |
| Capital Outlay | 76,000 | 261,000 | 111,000 | 111,000 | 111,000 | 111,000 |
| Other Objects | 2,538,000 | 2,703,000 | 2,806,000 | 2,914,000 | 3,025,000 | 3,140,000 |
| Non-Cap Equipment | 234,000 | 187,000 | 187,000 | 187,000 | 187,000 | 187,000 |
| Termination Benefits | 2,000 | 8,000 | 8,000 | 8,000 | 8,000 | 8,000 |
| Total | <u>\$ 35,890,000</u> | <u>\$ 38,004,000</u> | <u>\$ 39,171,000</u> | <u>\$ 40,606,000</u> | <u>\$ 42,108,000</u> | <u>\$ 43,732,000</u> |
| Revenues Over/(Under) Expenditures | <u>\$ 1,481,000</u> | <u>\$ (194,000)</u> | <u>\$ 400,000</u> | <u>\$ (60,000)</u> | <u>\$ (52,000)</u> | <u>\$ (87,000)</u> |
| Other Sources/(Uses) | <u>\$ (745,000)</u> [1] | <u>\$ (750,000)</u> [1] | <u>\$ (3,000,000)</u> [1] | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net Change in Fund Balances | <u>\$ 736,000</u> | <u>\$ (944,000)</u> | <u>\$ (2,600,000)</u> | <u>\$ (60,000)</u> | <u>\$ (52,000)</u> | <u>\$ (87,000)</u> |
| Ending Fund Balances | <u>\$ 16,501,000</u> | <u>\$ 15,557,000</u> | <u>\$ 12,957,000</u> | <u>\$ 12,897,000</u> | <u>\$ 12,845,000</u> | <u>\$ 12,758,000</u> |

[1] Transfers from the Education Fund to the Capital Projects Fund for the Junior High remodel and capital improvement plan.

Note: The Illinois State Board of Education 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
Projected Statements of Revenues & Expenditures - Accrual Basis
CAPITAL PROJECTS FUND

| | Estimated FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
|------------------------------------|-----------------------------|-----------------------|--------------------------|-----------------------|-----------------------|-----------------------|
| Beginning Fund Balances | \$ 3,467,000 | \$ 5,541,000 | \$ 5,949,000 | \$ 16,150,000 | \$ 7,915,000 | \$ 2,094,000 |
| Revenues: | | | | | | |
| Property Taxes | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Earnings on Investments | 41,000 | 158,000 | 201,000 | 165,000 | 179,000 | 75,000 |
| Other Local Sources | - | - | - | - | - | - |
| State Sources | 50,000 | - | - | - | - | - |
| Federal Sources | - | - | - | - | - | - |
| Total | <u>\$ 91,000</u> | <u>\$ 158,000</u> | <u>\$ 201,000</u> | <u>\$ 165,000</u> | <u>\$ 179,000</u> | <u>\$ 75,000</u> |
| Expenditures: | | | | | | |
| Salaries | \$ - | \$ - | \$ - | \$ - | \$ - | \$ - |
| Employee Benefits | - | - | - | - | - | - |
| Purchased Services | - | - | - | - | - | - |
| Supplies & Materials | - | - | - | - | - | - |
| Capital Outlay | 767,000 | 500,000 | 6,000,000 | 8,400,000 | 6,000,000 | 1,315,000 |
| Other Objects | - | - | - | - | - | - |
| Non-Cap Equipment | - | - | - | - | - | - |
| Termination Benefits | - | - | - | - | - | - |
| Total | <u>\$ 767,000</u> | <u>\$ 500,000</u> | <u>\$ 6,000,000</u> | <u>\$ 8,400,000</u> | <u>\$ 6,000,000</u> | <u>\$ 1,315,000</u> |
| Revenues Over/(Under) Expenditures | <u>\$ (676,000)</u> | <u>\$ (342,000)</u> | <u>\$ (5,799,000)</u> | <u>\$ (8,235,000)</u> | <u>\$ (5,821,000)</u> | <u>\$ (1,240,000)</u> |
| Other Sources/(Uses) | <u>\$ 2,750,000</u> [1] | <u>\$ 750,000</u> [2] | <u>\$ 16,000,000</u> [3] | <u>\$ -</u> | <u>\$ -</u> | <u>\$ -</u> |
| Net Change in Fund Balances | <u>\$ 2,074,000</u> | <u>\$ 408,000</u> | <u>\$ 10,201,000</u> | <u>\$ (8,235,000)</u> | <u>\$ (5,821,000)</u> | <u>\$ (1,240,000)</u> |
| Ending Fund Balances | <u>\$ 5,541,000</u> | <u>\$ 5,949,000</u> | <u>\$ 16,150,000</u> | <u>\$ 7,915,000</u> | <u>\$ 2,094,000</u> | <u>\$ 854,000</u> |

[1] Proceeds of \$2 million from the sale of Tate Woods Elementary and transfer of \$750,000 from the Education Fund to the Capital Projects Fund for the capital improvement plan

[2] Transfer of \$750,000 from the Education Fund to the Capital Projects Fund for the capital improvement plan

[3] Transfer of \$3 million from the Education Fund to the Capital Projects Fund for the capital improvement plan & \$13 million bond issuance for Junior High renovation

**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)) | 16,501,775.65 | 0.442 | Weight | 0.35 | 15,557,192.89 | 0.411 | Weight | 0.35 | 12,956,385.40 | 0.327 | Weight | 0.35 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 37,371,390.25 | | Value | 1.40 | 37,809,310.88 | | Value | 1.40 | 39,570,470.54 | | Value | 1.40 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | 0.00 | | | | 0.00 | | | | 0.00 | | | |
| 2. Expenditures to Revenue Ratio: | Total | Ratio | Score | 4 | Total | Ratio | Score | 3 | Total | Ratio | Score | 4 |
| Total Sum of Direct Expenditures (Funds 10, 20 & 40) | 35,889,640.60 | 0.960 | Adjustment | 0 | 38,003,893.64 | 1.005 | Adjustment | 0 | 39,171,278.03 | 0.990 | Adjustment | 0 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 37,371,390.25 | | Weight | 0.35 | 37,809,310.88 | | Weight | 0.35 | 39,570,470.54 | | Weight | 0.35 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | 0.00 | | | | 0.00 | | | | 0.00 | | | |
| Possible Adjustment: | | 0 | Value | 1.40 | | | Value | 1.05 | | 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)* | 16,501,775.65 | 165.52 | Weight | 0.10 | 15,557,192.89 | 147.36 | Weight | 0.10 | 12,956,385.40 | 119.07 | Weight | 0.10 |
| Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360) | 99,693.45 | | Value | 0.30 | 105,566.37 | | Value | 0.30 | 108,809.11 | | 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) | 26,044,680.00 | | Value | 0.40 | 27,179,960.68 | | Value | 0.40 | 28,582,334.21 | | 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) | 11,540,000.00 | 87.95 | Weight | 0.10 | 10,560,000.00 | 89.24 | Weight | 0.10 | 9,535,000.00 | 90.51 | Weight | 0.10 |
| Total Long-Term Debt Allowed (EAV x 13.8%) | 95,846,030.24 | | Value | 0.40 | 98,182,846.75 | | Value | 0.40 | 100,576,637.05 | | Value | 0.40 |
| | Total Profile Score: 3.90 | | | | Total Profile Score: 3.55 | | | | 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**

| | FY2026 | | | | FY2027 | | | | FY2028 | | | |
|--|----------------------------------|----------------|-------------------|----------|----------------------------------|----------------|-------------------|----------|----------------------------------|----------------|-------------------|----------|
| 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)) | 12,894,697.88 | 0.318 | Weight | 0.35 | 12,841,547.49 | 0.305 | Weight | 0.35 | 12,753,846.08 | 0.292 | Weight | 0.35 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 40,544,832.06 | | Value | 1.40 | 42,055,311.73 | | Value | 1.40 | 43,644,558.50 | | Value | 1.40 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | 0.00 | | | | 0.00 | | | | 0.00 | | | |
| 2. Expenditures to Revenue Ratio: | Total | Ratio | Score | 3 | Total | Ratio | Score | 3 | Total | Ratio | Score | 3 |
| Total Sum of Direct Expenditures (Funds 10, 20 & 40) | 40,606,519.58 | 1.002 | Adjustment | 0 | 42,108,462.12 | 1.001 | Adjustment | 0 | 43,732,259.90 | 1.002 | Adjustment | 0 |
| Total Sum of Direct Revenues (Funds 10, 20, 40, & 70) | 40,544,832.06 | | Weight | 0.35 | 42,055,311.73 | | Weight | 0.35 | 43,644,558.50 | | Weight | 0.35 |
| Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20) | 0.00 | | | | 0.00 | | | | 0.00 | | | |
| Possible Adjustment: | | | Value | 1.05 | | | 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)* | 12,894,697.88 | 114.31 | Weight | 0.10 | 12,841,547.49 | 109.78 | Weight | 0.10 | 12,753,846.08 | 104.98 | Weight | 0.10 |
| Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360) | 112,795.89 | | Value | 0.30 | 116,967.95 | | Value | 0.30 | 121,478.50 | | 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) | 29,742,603.16 | | Value | 0.40 | 30,947,194.96 | | Value | 0.40 | 32,197,802.20 | | 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) | 8,455,000.00 | 91.79 | Weight | 0.10 | 7,325,000.00 | 93.05 | Weight | 0.10 | 6,135,000.00 | 94.32 | Weight | 0.10 |
| Total Long-Term Debt Allowed (EAV x 13.8%) | 103,028,790.22 | | Value | 0.40 | 105,540,729.19 | | Value | 0.40 | 108,113,911.60 | | Value | 0.40 |
| | Total Profile Score: 3.55 | | | | Total Profile Score: 3.55 | | | | Total Profile Score: 3.55 | | | |
| Estimated Financial Profile Designation: | <u>RECOGNITION</u> | | | | <u>RECOGNITION</u> | | | | <u>RECOGNITION</u> | | | |

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

Lisle Community Unit School District 202

Historical Performance

ALL FUNDS

| | <u>FY2018</u> | <u>FY2019</u> | <u>FY2020[^]</u> | <u>FY2021[^]</u> | <u>FY2022[^]</u> |
|-----------------------------------|-----------------------|------------------------|---------------------------|---------------------------|---------------------------|
| Revenues: | | | | | |
| Property Taxes | \$ 29,965,229 | \$ 28,211,184 | \$ 29,938,693 | \$ 31,291,850 | \$ 31,539,241 |
| Earnings on Investments | 391,769 | 986,610 | 827,575 | 97,165 | 56,867 |
| Other Local Sources | 1,229,552 | 1,168,475 | 1,072,987 | 832,231 | 1,496,703 |
| State Sources [1] | 2,468,335 | 2,445,137 | 2,545,319 | 2,172,662 | 2,558,019 |
| Federal Sources [2] | 1,088,093 | 1,021,658 | 1,003,192 | 1,410,206 | 2,241,675 |
| Total | <u>\$ 35,142,978</u> | <u>\$ 33,833,064</u> | <u>\$ 35,387,766</u> | <u>\$ 35,804,114</u> | <u>\$ 37,892,505</u> |
| Expenditures: | | | | | |
| Salaries | \$ 17,266,513 | \$ 17,361,820 | \$ 17,598,333 | \$ 18,336,045 | \$ 19,025,493 |
| Employee Benefits | 6,077,173 | 5,916,934 | 6,092,469 | 6,272,910 | 6,626,954 |
| Purchased Services | 4,004,832 | 4,490,382 | 3,783,577 | 3,658,954 | 4,893,418 |
| Supplies & Materials | 1,400,437 | 1,293,349 | 1,144,686 | 1,619,300 | 1,507,805 |
| Capital Outlay | 3,798,519 | 25,297,030 | 6,157,474 | 475,082 | 1,139,127 |
| Other Objects | 4,077,822 | 4,164,364 | 4,081,237 | 3,808,839 | 3,717,533 |
| Non-Cap Equipment | 135,411 | 294,807 | 159,876 | 197,392 | 150,948 |
| Termination Benefits | 4,289 | 12,023 | 16,496 | - | 8,962 |
| Total | <u>\$ 36,764,996</u> | <u>\$ 58,830,709</u> | <u>\$ 39,034,148</u> | <u>\$ 34,368,522</u> | <u>\$ 37,070,240</u> |
| Revenus Over/(Under) Expenditures | <u>\$ (1,622,018)</u> | <u>\$ (24,997,645)</u> | <u>\$ (3,646,382)</u> | <u>\$ 1,435,592</u> | <u>\$ 822,265</u> |
| Other Sources/(Uses) | \$ 2,000 | \$ 14,198,202 [3] | \$ - | \$ 8,925 | \$ 11,630 |
| Net Change in Fund Balances | <u>\$ (1,620,018)</u> | <u>\$ (10,799,443)</u> | <u>\$ (3,646,382)</u> | <u>\$ 1,444,517</u> | <u>\$ 833,895</u> |

[^] Accrual basis of accounting

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of (\$274,619) and (\$10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year for FY2018 thru FY2019, respectively.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of \$46,469 and (\$39,649) remitted in the subsequent fiscal year for FY2018 thru FY2019, respectively.

[3] Issuance of Series 2019 Bonds

Lisle Community Unit School District 202

Historical Performance

OPERATING FUNDS

| | <u>FY2018</u> | <u>FY2019</u> | <u>FY2020[^]</u> | <u>FY2021[^]</u> | <u>FY2022[^]</u> |
|------------------------------------|----------------------|-----------------------|---------------------------|---------------------------|---------------------------|
| Revenues: | | | | | |
| Property Taxes | \$ 27,667,354 | \$ 26,192,526 | \$ 28,037,101 | \$ 29,151,806 | \$ 30,131,250 |
| Earnings on Investments | 260,418 | 757,451 | 707,191 | 84,760 | 47,644 |
| Other Local Sources | 1,204,859 | 1,143,177 | 1,047,831 | 802,810 | 1,468,261 |
| State Sources [1] | 2,468,335 | 2,445,137 | 2,545,319 | 2,172,662 | 2,508,019 |
| Federal Sources [2] | 1,088,093 | 1,021,658 | 1,003,192 | 1,410,206 | 2,241,675 |
| Total | <u>\$ 32,689,059</u> | <u>\$ 31,559,949</u> | <u>\$ 33,340,634</u> | <u>\$ 33,622,244</u> | <u>\$ 36,396,849</u> |
| Expenditures: | | | | | |
| Salaries | \$ 17,266,513 | \$ 17,361,820 | \$ 17,598,333 | \$ 18,336,045 | \$ 19,025,493 |
| Employee Benefits | 5,241,824 | 5,082,781 | 5,231,417 | 5,363,630 | 5,700,474 |
| Purchased Services | 3,998,584 | 4,204,949 | 3,711,077 | 3,651,325 | 4,863,871 |
| Supplies & Materials | 1,400,437 | 1,293,349 | 1,144,686 | 1,619,300 | 1,507,805 |
| Capital Outlay | 79,113 | 68,062 | 149,763 | 252,693 | 118,600 |
| Other Objects | 2,556,150 | 2,483,159 | 2,021,635 | 2,311,139 | 2,216,833 |
| Non-Cap Equipment | 135,411 | 294,807 | 159,876 | 197,392 | 150,948 |
| Termination Benefits | 4,289 | 12,023 | 16,496 | - | 8,962 |
| Total | <u>\$ 30,682,321</u> | <u>\$ 30,800,950</u> | <u>\$ 30,033,283</u> | <u>\$ 31,731,524</u> | <u>\$ 33,592,986</u> |
| Revenues Over/(Under) Expenditures | <u>\$ 2,006,738</u> | <u>\$ 758,999</u> | <u>\$ 3,307,351</u> | <u>\$ 1,890,720</u> | <u>\$ 2,803,863</u> |
| Other Sources/(Uses) | \$ (35,000) | \$ (7,794,000) [3] | \$ (2,819,000) [3] | \$ (1,741,000) [4] | \$ (1,238,000) [5] |
| Net Change in Fund Balances | <u>\$ 1,971,738</u> | <u>\$ (7,035,001)</u> | <u>\$ 488,351</u> | <u>\$ 149,720</u> | <u>\$ 1,565,863</u> |

[^] Accrual basis of accounting

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of (\$274,619) and (\$10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year for FY2018 thru FY2019, respectively.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of \$46,469 and (\$39,649) remitted in the subsequent fiscal year for FY2018 thru FY2019, respectively.

[3] Transfers to the Capital Projects Fund for the construction of Lisle Elementary School

[4] Includes transfers of \$1 million for debt service abatement and \$750,000 for future capital improvements

[5] Includes transfers of \$1.25 million to the Capital Projects Fund for future capital improvements

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

Operating Fund Balance Review

| FY2023 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2023 | Adjustments | Adjusted Fund Balance 6/30/2023 | Total Expenditures FY2023 |
| Educational Fund | \$ 12,661,184 | \$ - | \$ 12,661,184 | \$ 30,709,956 |
| Operations & Maintenance Fund | \$ 1,569,092 | \$ - | \$ 1,569,092 | \$ 2,896,175 |
| Transportation Fund | \$ 1,451,651 | \$ - | \$ 1,451,651 | \$ 2,283,510 |
| Working Cash Fund | \$ 819,848 | \$ - | \$ 819,848 | \$ - |
| Totals | \$ 16,501,776 | \$ - | \$ 16,501,776 | \$ 35,889,641 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 46% | 165 |

| FY2024 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2024 | Adjustments | Adjusted Fund Balance 6/30/2024 | Total Expenditures FY2024 |
| Educational Fund | \$ 11,922,922 | \$ - | \$ 11,922,922 | \$ 32,519,525 |
| Operations & Maintenance Fund | \$ 1,412,021 | \$ - | \$ 1,412,021 | \$ 3,042,324 |
| Transportation Fund | \$ 1,396,214 | \$ - | \$ 1,396,214 | \$ 2,442,045 |
| Working Cash Fund | \$ 826,036 | \$ - | \$ 826,036 | \$ - |
| Totals | \$ 15,557,193 | \$ - | \$ 15,557,193 | \$ 38,003,894 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 41% | 147 |

| FY2025 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2025 | Adjustments | Adjusted Fund Balance 6/30/2025 | Total Expenditures FY2025 |
| Educational Fund | \$ 9,525,423 | \$ - | \$ 9,525,423 | \$ 33,421,350 |
| Operations & Maintenance Fund | \$ 1,279,281 | \$ - | \$ 1,279,281 | \$ 3,162,517 |
| Transportation Fund | \$ 1,319,138 | \$ - | \$ 1,319,138 | \$ 2,587,411 |
| Working Cash Fund | \$ 832,544 | \$ - | \$ 832,544 | \$ - |
| Totals | \$ 12,956,385 | \$ - | \$ 12,956,385 | \$ 39,171,278 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 33% | 119 |

| FY2026 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2026 | Adjustments | Adjusted Fund Balance 6/30/2026 | Total Expenditures FY2026 |
| Educational Fund | \$ 9,927,801 | \$ - | \$ 9,927,801 | \$ 34,577,331 |
| Operations & Maintenance Fund | \$ 953,128 | \$ - | \$ 953,128 | \$ 3,287,739 |
| Transportation Fund | \$ 1,174,452 | \$ - | \$ 1,174,452 | \$ 2,741,450 |
| Working Cash Fund | \$ 839,316 | \$ - | \$ 839,316 | \$ - |
| Totals | \$ 12,894,698 | \$ - | \$ 12,894,698 | \$ 40,606,520 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 32% | 114 |

| FY2027 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2027 | Adjustments | Adjusted Fund Balance 6/30/2027 | Total Expenditures FY2027 |
| Educational Fund | \$ 10,397,245 | \$ - | \$ 10,397,245 | \$ 35,785,581 |
| Operations & Maintenance Fund | \$ 611,359 | \$ - | \$ 611,359 | \$ 3,418,203 |
| Transportation Fund | \$ 986,582 | \$ - | \$ 986,582 | \$ 2,904,678 |
| Working Cash Fund | \$ 846,362 | \$ - | \$ 846,362 | \$ - |
| Totals | \$ 12,841,547 | \$ - | \$ 12,841,547 | \$ 42,108,462 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 30% | 109 |

| FY2028 | | | | |
|---|--|--------------------|--|--------------------------------------|
| | Fund Balance (Early Taxes Deferred) 6/30/2028 | Adjustments | Adjusted Fund Balance 6/30/2028 | Total Expenditures FY2028 |
| Educational Fund | \$ 10,897,758 | \$ - | \$ 10,897,758 | \$ 37,100,485 |
| Operations & Maintenance Fund | \$ 251,469 | \$ - | \$ 251,469 | \$ 3,554,129 |
| Transportation Fund | \$ 750,926 | \$ - | \$ 750,926 | \$ 3,077,646 |
| Working Cash Fund | \$ 853,693 | \$ - | \$ 853,693 | \$ - |
| Totals | \$ 12,753,846 | \$ - | \$ 12,753,846 | \$ 43,732,260 |
| Fund Balance % or Days of Annual Operating Expenditures | | | 29% | 104 |

FACILITIES PLAN SUMMARY

DISTRICT 202

| 10-Year Plan Summary By Building | | | | | | | |
|----------------------------------|------------------|------------------|--------------------|------------------|--------------------|--------------------|--------------------|
| Description | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY28-32 | Total |
| Lisle Sr High | \$280,000 | - | - | - | \$1,315,000 | \$1,218,000 | \$2,813,000 |
| Lisle Jr High | 50,000 | \$958,000 | \$627,000 | \$670,000 | - | - | 2,305,000 |
| Wilde Field | - | - | - | - | - | 1,686,000 | 1,686,000 |
| Lisle Elem | - | - | - | - | - | - | - |
| Schiesher | - | - | 400,000 | - | - | - | 400,000 |
| Tate Woods | - | - | - | - | - | - | - |
| Total | \$330,000 | \$958,000 | \$1,027,000 | \$670,000 | \$1,315,000 | \$2,904,000 | \$7,204,000 |

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 24, 2023

LISLE 202
COMMUNITY UNIT SCHOOL DISTRICT



Agenda



- Executive Summary
- Past Performance Highlights
- Key Projection Assumptions
- Financial Projection Highlights
- Factors Impacting the Financial Future



Executive Summary



- Financial position has remained strong
- Operating fund revenues exceed expenditures **before** transfers for capital projects
- Operating fund balances used for capital improvements
- Operating fund balances align with policy
- Continuing impact of inflation



Projection Process



- Today's financial projection is a **WORKING DOCUMENT**
- 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

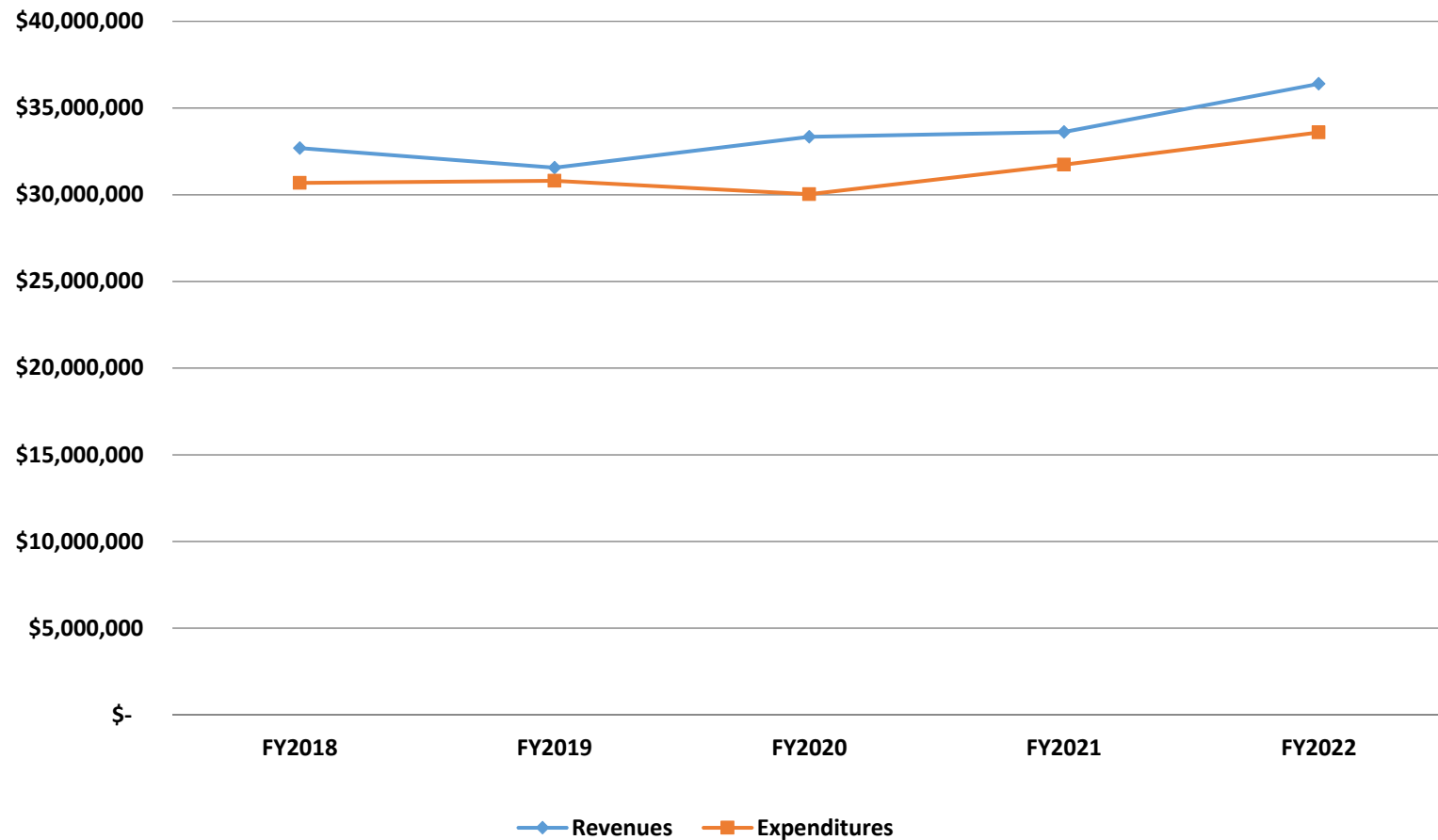
| | FY2018 | FY2019 | FY2020 | FY2021 | FY2022 |
|----------------------------|---------------|----------------|---------------|---------------|---------------|
| Revenues | \$32.7 | \$31.6 | \$33.3 | \$33.6 | \$36.4 |
| Expenditures | 30.7 | 30.8 | 30.0 | 31.7 | 33.6 |
| Excess/(Deficiency) | \$2.0 | \$.8 | \$3.3 | \$1.9 | \$2.8 |
| Other Sources/(Uses) | - | (7.8) | (2.8) | (1.7) | (1.2) |
| Net Change | \$1.9 | (\$7.0) | \$.5 | \$.2 | \$1.6 |



Note – FY2018 thru FY2020 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

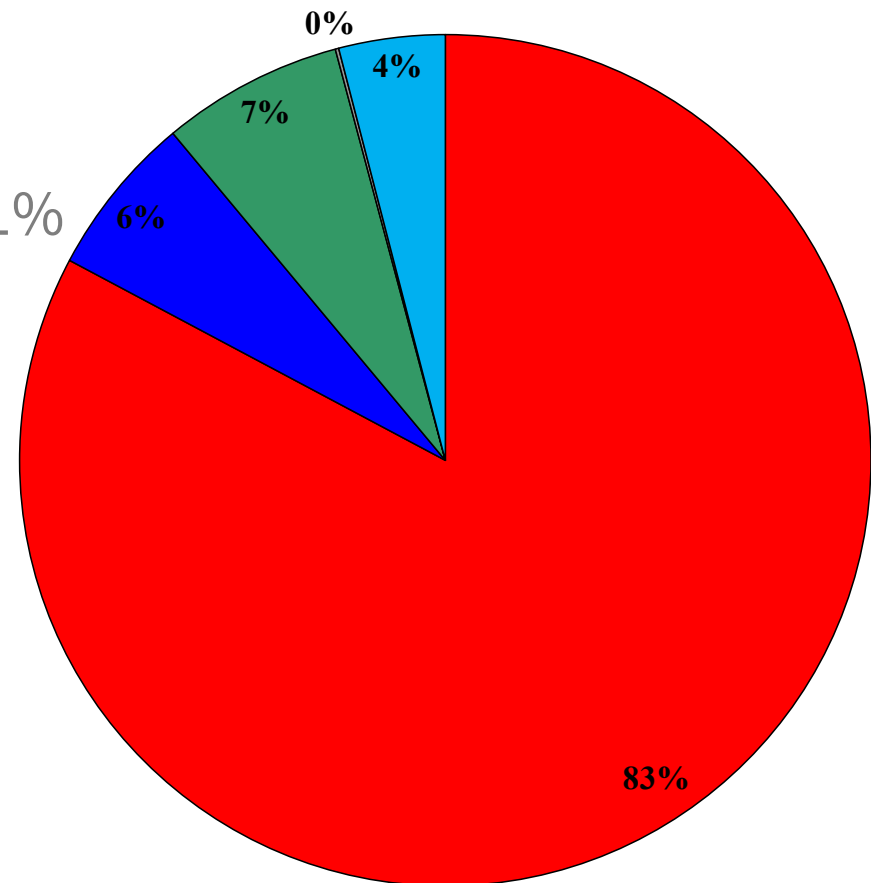


Note – Excludes Other Sources/(Uses) consisting of \$13.6 million dollars of transfers to non-operating funds.

Historical Financial Results

REVENUE - FY2022 - OPERATING FUNDS

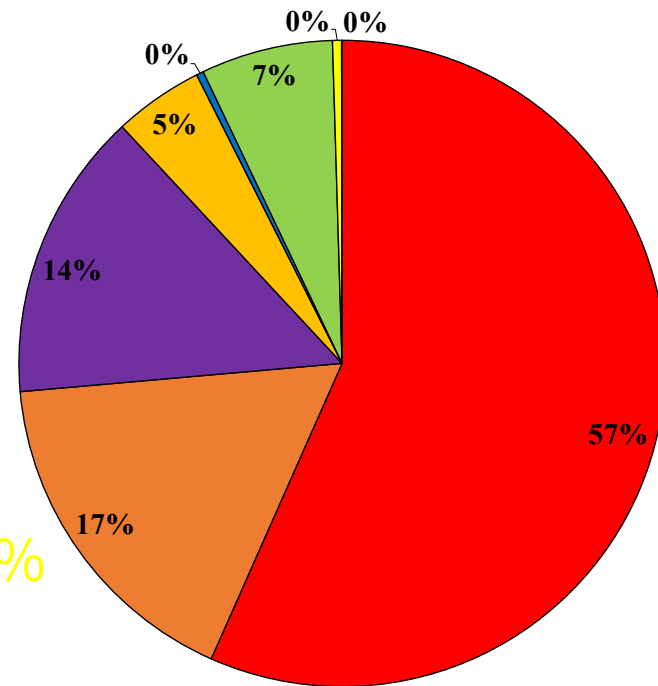
- Property Taxes – 83%
- Earnings on Investment – <1%
- Other Local Sources – 4%
- State Sources – 7%
- Federal Sources – 6%



Historical Financial Results

EXPENDITURES – FY2022 – OPERATING FUNDS

- Salaries – 57%
- Employee Benefits – 17%
- Purchased Services – 14%
- Supplies & Materials – 5%
- Capital Outlay – <1%
- Other Objects – 7%
- Non-capitalized Equipment – <1%
- Termination Benefits - <1%



Projection Assumptions

Revenue - Property Taxes - CPI

- Capped by Consumer Price Index (CPI)
- 5 Year Average = 3.8%
- 10 Year Average = 2.6%

Tax Levy Year Projection

- ✓ 2023 5% (2022 CPI - PTELL Cap)
- ✓ 2024-2028 3.8% (5 Year Average)



Projection Assumptions

Revenue - Property Taxes - New Property

| HISTORICAL NEW PROPERTY EQUALIZED ASSESSED VALUE | |
|---|-------------|
| 2018 | \$3,094,890 |
| 2019 | \$6,588,360 |
| 2020 | \$5,840,740 |
| 2021 | \$975,050 |
| 2022 | \$1,151,450 |

Historical New Property:

- 5 Yr Average = \$3,530,098
- 10 Yr Average = \$4,318,552

| Projection | | |
|------------|-------------|-------------|
| Tax Year | New EAV | New Taxes |
| 2023-2028 | \$1,750,000 | \$84,000/yr |

Projection Assumptions

Revenue

Earnings on Investments

- Ranges from 3.5% to 1.5%
- Interest rates have increased significantly over the last 12 months.

State Sources

- Remain mostly flat

Federal Sources

- Elementary and Secondary School Emergency Relief (ESSER) and American Rescue Plan Act (ARP) funds taper off = Loss of \$1 million



Projection Assumptions

Expenses

Salaries

- Certified employment contract:
 - 5.3% increase for FY2024
 - Expires at the end of SY2024
 - 5 Year average increases = 3.5%
- Classified employment contract:
 - 5% increase for FY2024
 - Expires at the end of FY2024
 - 5 Year average increases = 4.4%
- 2023 Staffing Plan and retiree savings



Note: 1% Difference is approximately \$200k Compounded Annually

Projection Assumptions

Expenses

Employee Benefits

- FY2024 increase of 9.5% (PPO = 11.4%, HMO = 7.5%)
- Increase of 4.8% (5 Year Average)

Purchased Services & Supplies

- Inflation impact?
- Transportation costs

Other Objects

- Ups and downs of private placement tuition



Projection Assumptions

Expenses

Capital Outlay

| Fiscal Year | Base Expenditures | Junior High Renovations | Other Projects | Total |
|-------------|-------------------|-------------------------|----------------|-------------|
| FY2024 | \$362,000 | \$500,000 | \$- | \$862,000 |
| FY2025 | \$111,000 | \$6,000,000 | \$- | \$6,111,000 |
| FY2026 | \$111,000 | \$8,000,000 | \$400,000 | \$8,511,000 |
| FY2027 | \$111,000 | \$6,000,000 | \$- | \$6,111,000 |
| FY2028 | \$111,000 | \$- | \$1,315,000 | \$1,426,000 |

Projected Financial Results

OPERATING FUNDS

Amounts in Millions

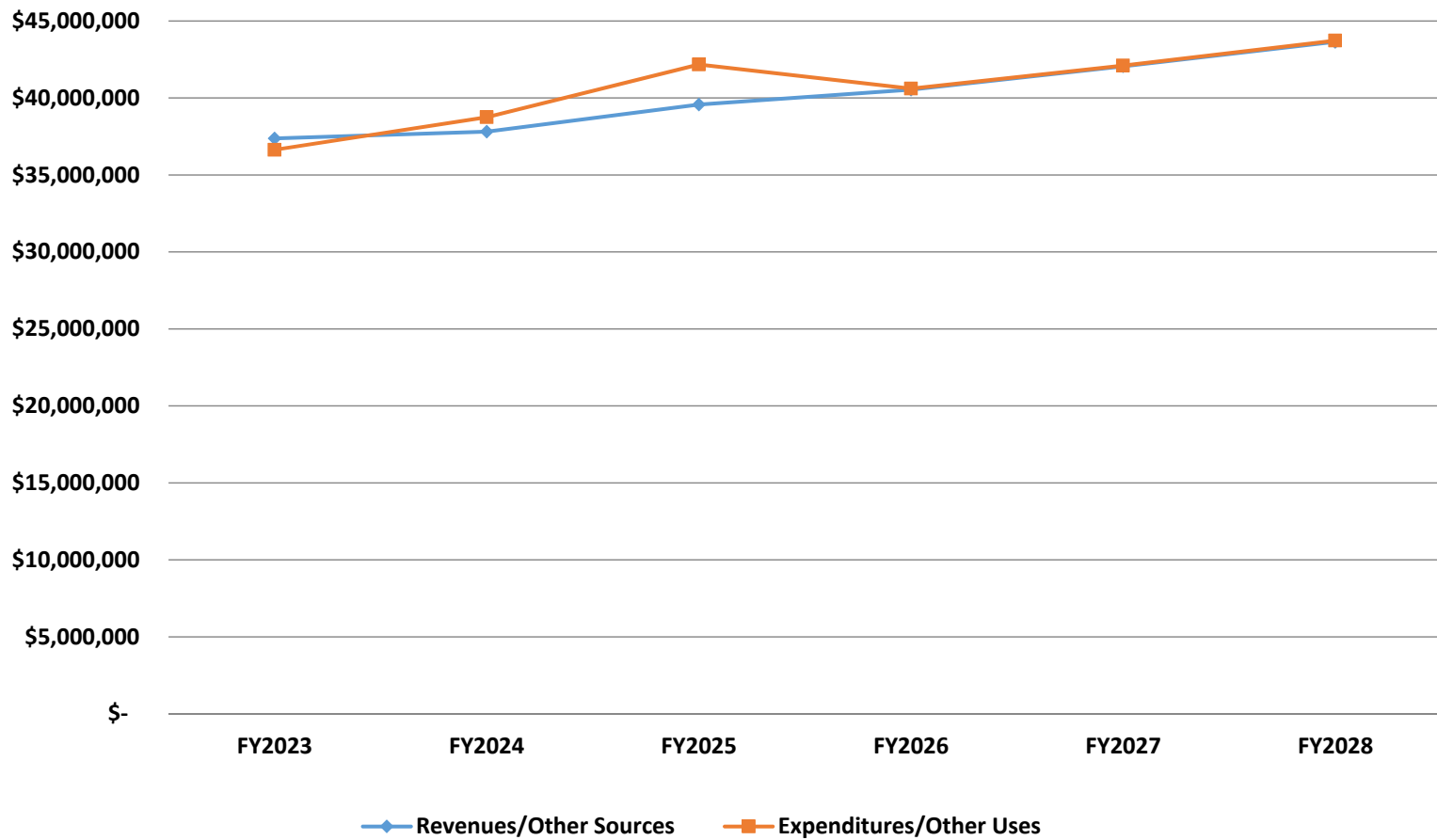


| | FY2023 | FY2024 | FY2025 | FY2026 | FY2027 | FY2028 |
|----------------------------|--------------|---------------|----------------|---------------|---------------|---------------|
| Revenues | \$37.3 | \$37.8 | \$39.6 | \$40.5 | \$42.0 | \$43.6 |
| Expenditures | \$35.9 | \$38.0 | \$39.2 | \$40.6 | \$42.1 | \$43.7 |
| Excess/(Deficiency) | \$1.4 | (\$.2) | \$.4 | (\$.1) | (\$.1) | (\$.1) |
| Other Sources/(Uses) | (\$.7) | (\$.7) | (\$3) | - | - | - |
| Net Change | \$.7 | (\$.9) | (\$2.6) | (\$.1) | (\$.1) | (\$.1) |

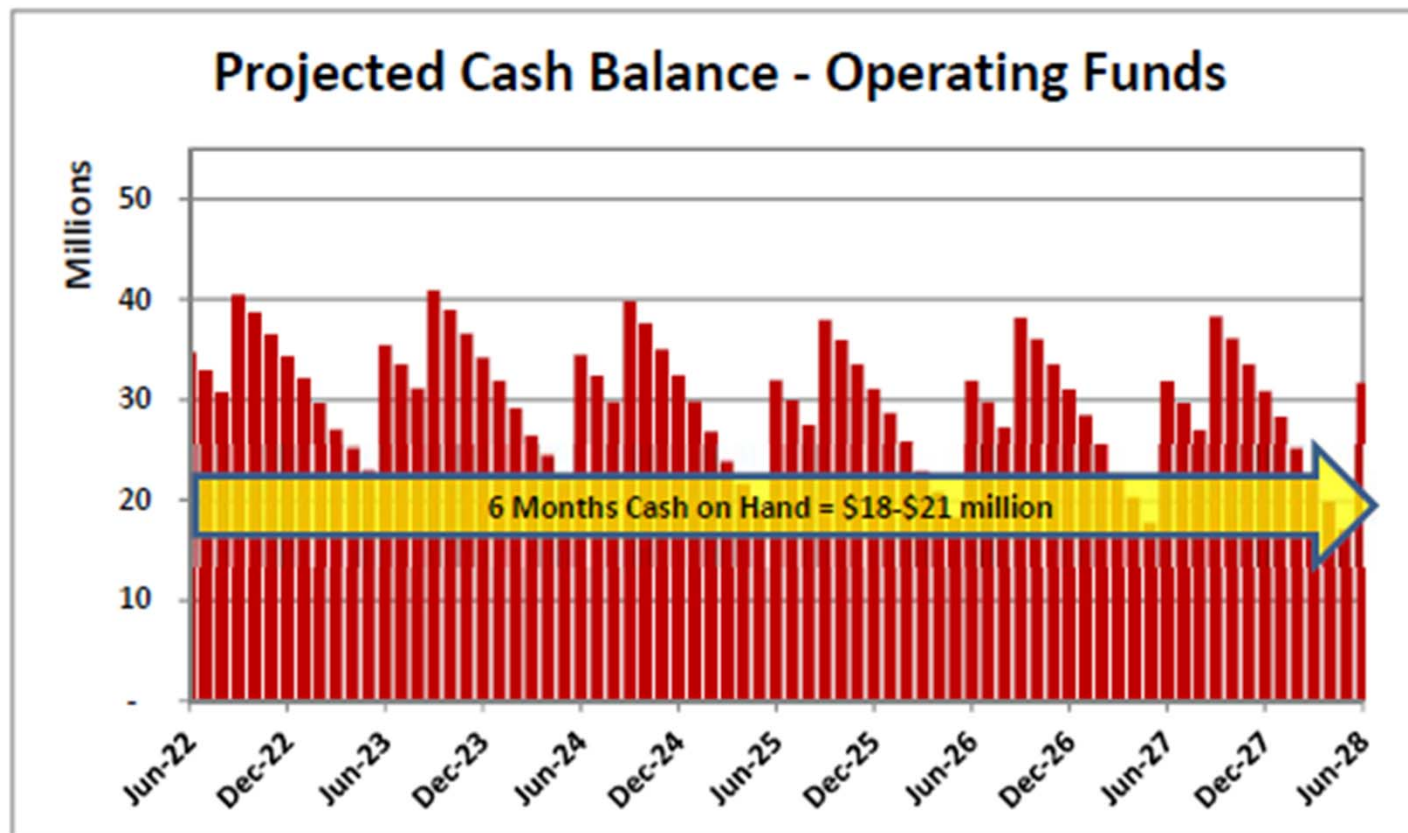


Cumulative Net Change = -\$3 million

Projected Financial Results OPERATING FUNDS



Projected Cash Balances OPERATING FUNDS



Looking Ahead

- Sale of Tate Woods Elementary
- Lisle Junior High Enhancements
- Schiesher Elementary School
- Saving for future facility needs
- New Property Growth
- Inflation



Questions?

