

Annual Budget

Fiscal Year 2022-23 (FY23)



Fremont School District 79

Lake County, Illinois

Dr. Trisha Kocanda, Superintendent of Schools

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Mundelein, IL 60060

www.fsd79.org

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Executive Summary





FREMONT SCHOOL DISTRICT 79

Office of the Assistant Superintendent of Finance and Operations

June 1, 2022

Dear Board Members:

The FY23 annual budget for Fremont School District 79 is submitted for your review.

Budget Presentation

The budget includes the operating, working cash, debt service, capital projects and life safety funds of the district. The district Assistant Superintendent for Finance and Operations assumes responsibility for the data, accuracy, and completeness of this budget. The budget presents the district's finance and operations plan, and all necessary disclosures, and reflects the financial support of the goals and objectives of the district.

This budget document is the primary vehicle to present the financial plan and the result of operations of Fremont School District 79.

This budget document is presented in four main sections:

Executive Summary - provides an executive summary of the sections that are to follow.

Organizational Section - includes a discussion of the major goals and objectives of the school district, an organizational chart, and a review of the budget process.

Financial Section - presents the annual budget of revenues and expenditures for all funds, including budget comparisons with the previous year.

Information Section - presents important information of high public interest, such as tax rates. A glossary is provided at the end of this section.

We are pleased to publish and disseminate this budget information to the Board of Education and to our community. We welcome the opportunity to present and discuss operational plans and related financial impact with all interested parties.

District History

Fremont School District 79 emerged from the consolidation of one-room school houses that were established in the area as individual districts in the late 1800s and early 1900s. These one-room schools were Ivanhoe, Swan, Maple Grove, Murray and Gould. Fremont Center School, located at the corner of North Fremont Center Road and Highway 60, now a private residence, also was a one-room school that was eventually consolidated into the emerging district.

In 1949, Fremont Center District 79 was annexed to Fremont Countryside Consolidated School District 80. In a general election in 1952, by a vote of 58 to 3, Fremont 79 detached itself from District 80, creating an independent district.

In 1955, the final consolidation of all of the one-room school districts into Fremont Center District 79 was finalized, and a seven-member board of education was elected. The annexation of one additional one-room school district, Gilmer School District 94, took place in 1960. Two other annexations of small parcels of land occurred in 1965 and 1971.

Before a central school building was constructed, the one-room school buildings were used to educate students in grades one through eight, with two grades housed in each of the schools.

In 1957, Fremont School was built on the site where Fremont Middle School stands today. The original building consisted of six classrooms, a small gym, general offices, a cafeteria and a kitchen. Only the classrooms on the upper floor were finished. Kindergarten met in the unfinished lower level in an area also considered as the cafeteria and kitchen. Enrollment at that time was 150 students, with a building capacity of 300. The graduating class of 1957 numbered nine students, although this class graduated before the central building was finished. The graduating class of 1958 had 10 graduates. The first Superintendent served as Principal and also taught eighth grade.

As the District continued to grow, additions to Fremont School were added in 1967, 1972, 1979, and 1994, eventually creating a building of nearly 100,000 square feet. By 1994, District enrollment grew to 1,000 students. In 1996, the District built a 4,200-square-foot administrative building directly to the south. In 1998, the District built a 96,000-square-foot elementary school directly across Fremont Center Road to the west. In 2007, the District built both its 118,000-square-foot intermediate school and 6,600-square-foot transportation center on the western side of its now consolidated 120-acre campus.

The current Fremont School District 79 is governed by a seven-member Board of Education. The District now serves approximately 2,200 children in grades pre-kindergarten through eight at one preschool, one elementary school (grades K-2), one intermediate school (grades 3-5), and one middle school (grades 6-8). Students reside in the unincorporated areas of the District and parts of the villages of Hawthorn Woods, Mundelein, Wauconda, Libertyville, Round Lake, Grayslake and Long Grove. Graduates of the District typically attend Mundelein, Stevenson, Grayslake Central or Carmel Catholic High Schools.

The District encompasses an approximate 34-square-mile area, and is centered 40 miles northwest of Chicago, in Lake County, Illinois. The District currently employs 299 persons; 179.5 are certified and 120 are non-certified, 238 of these positions are full-time and the other 61 are part-time. Day-to-day affairs of the District are conducted by a full-time staff and administration. Teachers are represented by the IEA/NEA. The current labor contract will expire at the end of FY22, and was negotiated under amicable terms. The District enjoys an excellent relationship with its employees.

Board of Education
Fremont School District 79
FY23



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Member



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Fremont School District 79

FY23

Dr. Trisha Kocanda

Superintendent of Schools

Ivy Fleming

Assistant Superintendent of Finance and Operations

Dr. Brian Bullis

Assistant Superintendent of Learning

Allison Stempien

Director of Human Resources and Administrative Services

Nick Brilowski

Director of Public Relations

Dr. Jane Pedersen

Director of Student Services

Carol Bennett

Director of Educational Programs and Preschool Principal

Stefan Ladenburger

Elementary and Intermediate School Principal

Cathy Park

Elementary and Intermediate School Associate Principal

Andrea Wiklund

Elementary School Assistant Principal

Nicholas Atchley

Intermediate School Assistant Principal

Krista Winkelman

Middle School Principal

Emily Loerakker

Middle School Assistant Principal

Kathrine Ison

Director of Transportation

Cheryl Burns

Assistant Director of Transportation

Daniel Wagner

Director of Buildings and Grounds

Jason Carlson

Supervisor of Buildings and Grounds

Ken Garcia (DyoPath)

Director of Technology

Barb Stout (Quest)

Director of Food Service

Legal Structure

The official name of the district is FREMONT SCHOOL DISTRICT 79. It is the responsibility of the district to provide quality education for children residing within its boundaries in grades kindergarten through grade eight and in pre-kindergarten programs.

The legal status for the operation of this district is derived from Article X entitled, "Education in the Constitution of the State of Illinois." The Constitution of Illinois holds the legislators responsible by stating:

"The State shall provide for an efficient system of high quality educational institutions and services. Education in public school through the secondary level shall be free. There may be such other free education as the General Assembly provides by law. The State has the primary responsibility for financing the system of public education."

The General Assembly has implemented this constitutional mandate through the creation of school districts of various types. Fremont School District 79, Mundelein, Illinois, Lake County, is governed by the laws set forth for elementary districts having a population of not fewer than 1,000 and not more than 500,000.

The Fremont School District 79 is a municipal corporation governed by a Board of Education comprising of seven Board Members, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The district has the statutory authority to adopt its own budget, levy taxes, and issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the District is considered a primary government and there are no other organizations or agencies whose budgets should be combined and presented with this budget.



Superintendent of Schools Dr. Trisha Kocanda chats with Fremont Intermediate School students.

Major Goals and Objectives

The District's last strategic plan sunset in June 2022. This year, the District is collecting information and engaging with stakeholders to inform a broader 4-to-5-year Strategic Plan, which will be completed by the start of next school year. In the interim, the School Board approved the 2022-2023 District goals for this school year. These goals were informed by input from many sources of data, including the recent superintendent search surveys and focus groups, student performance, financial analysis, and staffing experiences.

Mission and Vision

To provide a quality education that prepares today's child for tomorrow's world.

Values

Fremont School District 79 will serve its community by providing an exemplary education focused on whole child development, collaborative practice, and fiscal responsibility.

2022-2023 Goal Areas

- 1) **Community Engagement**: *Increase engagement and communication outreach with staff, families, and the wider Fremont D79 community.*
- 2) **High-Quality Staff**: *Increase the District's ability to attract and retain the highest quality talent.*
- 3) **Student Achievement**: *Increase growth and achievement for all students through targeted focus in the following areas:*
 - *Math Instruction*
 - *Standards Based Grading*
 - *Inclusive Practices*
- 4) **Financial Stewardship**: *Devise sustainable funding strategies to advance targeted initiatives related to: Tuition-Free Full-Day Kindergarten; Long-Term Facility Planning; and Collective Bargaining.*

(1) Community Engagement: Increase engagement and communication outreach with staff, families, and the wider Fremont D79 community.

Focus communication across the District on three common themes:

- Safety & Security
- Student Growth & Achievement
- Social, Emotional Health & Wellness

Conduct a communications audit with a school communications specialist firm.

Develop a 2022-23 FSD79 Communications Plan in conjunction with the Superintendent of Schools to identify effective strategies to inform internal and external constituents. Some of the new strategies include:

- District-wide newsletter mailing to all households within the District;
- Schedule Meet and Greet opportunities with the new Superintendent;
- Develop weekly internal newsletter for staff members; and
- Produce updated District and principals e-newsletters.

Further develop community connections throughout the municipalities that are a part of our district, including other local school districts and community organizations.

Implement FSD79 communication survey to be sent to District families and staff.

Further enhance our existing personalized learning practices (Profiles, Pathways, and Proficiencies) through an emphasis on Partnerships, including:

- Promote an open door philosophy at our schools, where internal and external partnerships will be encouraged;
- Maintain and grow the partnerships that currently exist within and outside of Fremont School District 79;
- Transcend the classroom by connecting students, teachers, families, and community; and;
- Provide opportunities for students to engage in real-world experiences through multiple mediums to develop: academic skills and knowledge, community and civic engagement, workplace experience, and global citizenship.

Support the Superintendent's Entry Plan and initiate the District's new Strategic Plan.

Update the Employment webpage in alignment with the Strategic Recruitment goal outcomes.

Measures <i>How will it be measured?</i>	
Product/Deliverable: Communications Audit Report (November 2022) Communications Plan/Calendar (September 2022) Community-Wide Newsletter (March 2023) Communication Survey Results (January/February 2023) Updated Employment website (February 2023) FSD79 Partnerships log	Data/Metrics: D79 Communication Satisfaction Survey (Baseline Year) <ul style="list-style-type: none"> • Staff: at least 80% satisfied/highly satisfied • Parents: at least 80% satisfied/highly satisfied Maintain our 90 existing, identified internal and external FSD79 Partnerships and increase this number by 20% to 108 by the end of the 2022-2023 academic year.

(2) High Quality Staff: *Increase the District's ability to attract and retain the highest quality talent.*

Design a recruitment plan with the support of a Strategic Recruitment Committee, composed of members of the Leadership Team, to attract and hire the highest quality talent for all positions. The committee will meet twice per month through January and achieve the following:

- Create organizational branding;
- Update job postings;
- Identify sourcing of high-quality talent for all positions;
- Define the “hard to fill” positions and identify barriers to recruitment and retention; and
- Revise the Interview and selection process.

Implement the Strategic Recruitment Plan in accordance with the committee’s recommendation.

Develop a compensation plan to ensure the salary structure for all positions is competitive in the market compared to the surrounding school districts.

Measures
How will it be measured?

Product/Deliverable:

Strategic Recruitment Plan (January 2023)

Data/Metrics:

Increase the number of applicants for the hard-to-fill positions by 20%.

(3) Student Achievement: Increase growth and achievement for all students through targeted focus in the following areas:

- **Math instruction**
- **Standards Based Grading**
- **Inclusive practices**

- **Math Instruction**

- Target efforts to respond to the pandemic, including: summer school session II, after school tutoring, interventionist support, SEL support, and expanding full-day Kindergarten enrollment;
- Continue our math pathways realignment which has reached 6th grade;
- Meet the usage recommendations on our personalized, adaptive, online instructional resources, including Dreambox (K-2) and MAP Accelerator (3-8);
- Regular, ongoing professional development, led by our math specialists, focused on mathematical mindsets and practices;
- Female-specific efforts include:
 - Female-specific instructional strategies embedded in the regular, ongoing professional development; and
 - Targeted, personal invites to our female students who would benefit from tutoring opportunities, and/or participation in math related extracurricular opportunities.

- **Standards Based Grading**

- Initial implementation for the subject areas of science, social studies, and related studies;
 - Transition of the gradebook and report card from traditional grading to SBG grading; and
 - Ongoing professional development;
- Ongoing professional development in the subject areas of math and ELA; and
- Continued communication with families regarding our grading and reporting practices.

- **Inclusive Practices**

- Study and make recommendations for special education staffing, including investigation of taking back the SEDOL LASSO-2 program currently held at Fremont Elementary School.
- Work with current self-contained teachers, staff, and building administration on programming, including student profiles, inclusion opportunities, and entrance/exit guidelines
- Provide professional learning for administrators, classroom teachers, and special education staff on inclusive practices

Measures
How will it be measured?

<p>Product/Deliverable:</p> <p>Math Instruction:</p> <ul style="list-style-type: none"> • ECRISS 2022-2023 Overall Growth Summary Report, typically released in late July or early August. <p>Standards Based Grading:</p> <ul style="list-style-type: none"> • All report cards will be fully aligned to standards-based grading, beginning with the first trimester report card November. <p>Inclusive Practices:</p> <ul style="list-style-type: none"> • Special Education Staffing Recommendation Report- February 2023. • Fremont Instructional Programming Overview/Brochure- Spring 2023. 	<p>Data/Metrics:</p> <p>Math Instruction: Annual ECRISS overall student growth score. Benchmark goals include:</p> <ul style="list-style-type: none"> • Increase our overall math score of -0.24 from 2021-2022. Ideally returning to, or exceeding, our highest pre-pandemic growth score of 0.19 in 2018-2019. • Increase our middle school overall growth score in math from lower than expected growth (“yellow”), at -0.35, to expected growth (“green”), with a growth score of -0.29 or higher. • Increase our female overall math growth score from lower than expected growth (“yellow”), at -0.33, to expected growth (“green”), with a growth score of -0.29 or higher. <p>Standards Based Grading: 100% of classes implement Standards-based grading in all subject areas.</p> <p>Inclusive Practices: Decrease the percentage of students receiving services in self-contained special education classrooms (at Fremont or in SEDOL/private placements) by 2% for the 23-24 school year.</p>
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(4) Financial Stewardship: *Devise sustainable funding strategies to advance targeted initiatives.*

Devise sustainable funding strategies to advance targeted initiatives related to:

- **Tuition-free full-day kindergarten (present to BOE January)**
 - Analyze offset opportunities to absorb the loss of tuition revenue.
 - Refine the staffing needs with key administrators.
 - Evaluate long-term educational and financial impact of advancing this initiative.
 - Provide the Board with a funding plan with a cost-benefit analysis.

- **Long-term facility planning**
 - Conduct a facility assessment with the District’s architect.
 - Evaluate the long-term costs of maintaining current facilities.
 - Ascertain upcoming residential development plans with local municipalities.
 - Devise an Educational Master Facility Plan development process for the 23-24 SY.

- **Collective bargaining agreement (FEA)**
 - Prepare for and engage in FEA negotiations, addressing salaries, benefits, and working condition topics. This includes a compensation market analysis to improve recruiting and retention efforts.

Measures
How will it be measured?

Product/Deliverable:

Tuition-free full-day kindergarten financing plan (January 2023)

District Facility assessment with costs and replacement timelines for all major systems and facility needs. (April 2023)

Negotiated FEA contract aligned with the District’s financial goals while upholding commitment to recruiting and retaining excellent talent. (Spring 2023)

Data/Metrics:

Tuition-free full-day kindergarten plan that stays within the Board’s budget parameters.

Facility assessment plan that includes a 5-10 year financial forecast that keeps fund balance above 50% and maintains funding for educational programming.

Financial Performance Report demonstrating accountability to negotiations financial threshold set by the School Board inclusive of a 5-year forecasting analysis and balanced budget.

Allocation of Resources to Achieve Goals and Objectives

The District allocates 81% or \$26.5 million of the \$32.7 million operating funds budget to the educational fund. This \$26.5 million is further allocated to instructional, support services and non-programmed charges. The district spends 64%, or \$16.9 million, of the \$26.5 million educational fund budget on instructional program expenditures (see Chart 1.09).

The goals of the District are for all learners to achieve excellence and build leadership capacity. The District provides bilingual, gifted, at-risk, special education and regular education programs to meet individual student needs. The District spends 30.5%, or \$8.1 million, of its \$26.5 million educational fund budget on support services. Support services provide professional assistance to students who need help from District social workers, guidance counselors, health, psychological or speech pathology providers.

The District spends the remaining 5.5%, or \$1.5 million, of its \$26.5 million educational fund budget in payments to other local education agencies (including a \$150,000 contingency for unforeseen placements) on programs and residential placements for students who have needs that cannot be served in the District.

This judicious allocation of financial resources, and demonstrated focus on delivering the optimal mix of instructional and support services, clearly illustrates the District's priority to inspire all students to reach their full potential and to achieve excellence.



Fremont Middle School students pose for a photo prior to their 2022 graduation ceremony.

Budget Process and Timeline

The District relies on a site-based budget administration process throughout the year. Budget holders are charged with the responsibility of achieving the strategic goals in their area, empowered to spend the funds under their control, expected to operate within the bounds of their budget, and held accountable for their actions. Autonomy, empowerment, and accountability are all highly valued.

Budget holders receive multiple layers of support in executing their budgets. Monthly transaction reports, including both monthly expenditures and encumbrances, are provided in paper format. Customized electronic reports are created with the District's financial software to provide web-based, real-time access to budget information. The Assistant Superintendent of Finance and Operations reviews all transactions, and provides detailed monthly expenditure reports to the board for final review. Discrepancies discovered during monthly reviews are corrected in a timely manner.

The Assistant Superintendent of Finance and Operations, the Superintendent, and the Board of Education all review financial results compared to budget on a monthly basis. The board is very cognizant of the budget's sensitivity to salaries, CPI, increased cost of supplies, and delayed and prorated state and federal revenues.

Budget Calendar

July

Fiscal year begins July 1.

Revenue numbers are updated based on figures received from the state board for grants.

The Transportation Claim is completed, providing preliminary revenues for state reimbursement.

The district receives medical, and liability insurance renewal information.

The board approves the tentative budget at the regular meeting.

August

Legal notice of a budget hearing and that the tentative budget is available for public inspection, is published in a local paper. The tentative budget must be available for public inspection at least 30 days before the budget hearing in September.

Special Education pupil, personnel, and private facility claims are prepared and due to the state board by August 15. These claims provide firm revenue figures for state reimbursements.

September

A budget hearing is conducted before the regular meeting where the public is given the opportunity to comment and ask questions about the budget.

The official budget is adopted by the board at the regular meeting. The school code requires that the budget be adopted by September 30.

October

The annual audit is completed, and the Annual Financial Report is due to the Regional Office of Education.

Preliminary levy figures are determined. The Finance Committee reviews the tentative levy.

The tentative tax levy is presented to the full board at the regular meeting.

December

If the aggregate levy (all operating funds combined) is increased more than 5% over the previous year's levy, then the board is required to hold a public hearing on its intent to levy. A legal notice must be published in a local paper no more than 14 days nor less than 7 days prior to the hearing. This hearing is conducted prior to the regular meeting.

The board adopts the tax levy at the regular meeting. The levy must be certified with the county clerk on or before the last Tuesday of December.

January

Annual five-year projections for all operating funds are updated and reviewed by the Administrative Team.

The Finance Committee reviews and discusses the five-year projections.

February

The Administrative Team reviews staffing needs for the next year and the impact on facilities. A report is prepared for the board reflecting the five-year projections, and staffing, capital outlay, and facilities recommendations for the next year.

March

The board approves staffing recommendations for the next year.

The Assistant Superintendent of Finance and Operations meets with principals and budget holding directors to determine supply, instructional material, and capital outlay budgets.

April

A tentative budget is prepared for the next fiscal year that includes approved staffing levels, supply requests, and capital outlay.

The district receives the levy rates by fund from the county clerk. These figures allow the business manager to more accurately determine revenues for the next year's budget.

May

State and Federal grant applications are submitted and preliminary grant revenues are determined for the next year's budget.

June

Fiscal year ends June 30.

Accounting Structure

Governmental Funds

- **Educational Fund:** accounts for the majority of the instructional and administrative aspects of operations.
- **Operations and Maintenance Fund:** accounts for the maintenance of property.
- **Transportation Fund:** accounts for activity relating to student transportation to and from schools and for extracurricular and co-curricular activities.
- **Municipal Retirement/Social Security Fund:** accounts for the district portion of personnel pension costs.
- **Working Cash Fund:** accounts for the financial resources held by the district to be used as temporary interfund loans and working capital requirements.
- **Capital Projects Fund:** accounts for capital improvements in accordance with the purposes set forth in the resolution calling for the referendum and on the referendum ballot.
- **Fire Prevention and Safety Fund:** accounts for identified structural and safety needs.
- **Debt Service Fund:** accounts for bond principal and interest payments.

Chart 1.01 Governmental Fund Structure

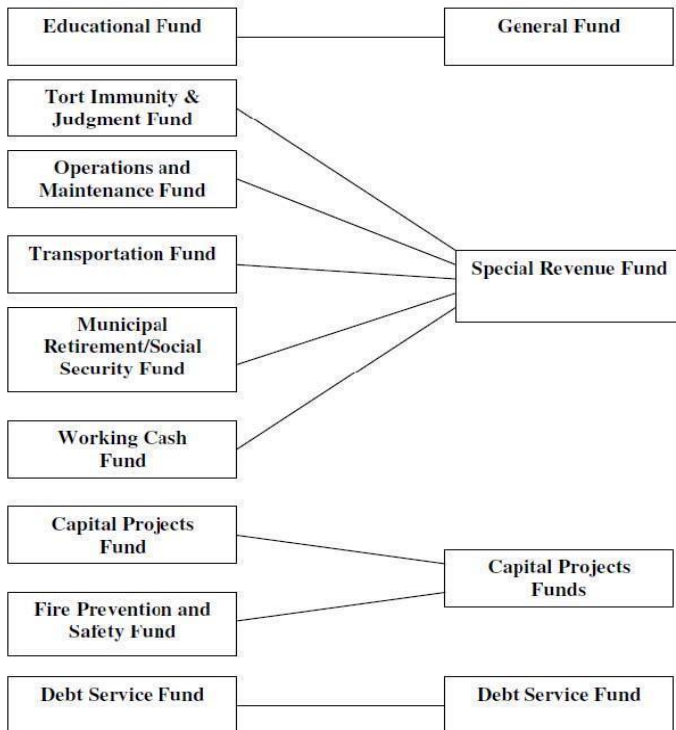
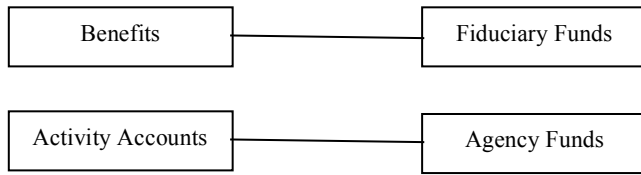


Chart 1.02 Fiduciary and Agency Funds



Benefits Account

The district maintains a separate account to manage cost related to employee benefits. This account is for expenses related to health, dental, vision, life, flex saving accounts, and health savings accounts. Funds that remain in the account at the end of the year due to unused flex saving account monies are transferred back to the District’s Educational Fund.

Activity Accounts

Recent revisions to GASB 84 requires activity funds to be accounted for within the Education Fund. Prior to this recent change, activity funds were budgeted and recorded in an off-the-books system. Activity accounts are funds students raise to pay activities such as drama plays, field trips, and classroom parties. These funds are restricted to expenses related to student activities.



Fremont Elementary School students enter the building on the first day of school.

Budget Summary

Governmental Funds

The Governmental Funds Summary is the highest level financial summary for the district, and presents revenues and expenditures for the aggregate of all financial funds for the FY23 budget. The combined managerial efforts of the Board of Education and Administration resulted in continued revenue enhancements and expense reductions for the year, allowing for a balanced budget. The District expects an overall positive operational balance.

Chart 1.03 FY23 Governmental Fund Summary and Balances

	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Educational	\$25,333,442	\$26,793,421	\$26,560,071	\$233,351	\$0	\$25,566,793
Operations and Maintenance	\$1,555,608	\$2,808,245	\$2,768,945	\$39,300	(\$200,000)	\$1,394,908
Debt Service	\$1,386,857	\$1,383,445	\$1,186,900	\$196,545	\$0	\$1,583,402
Transportation	\$2,980,519	\$2,374,404	\$2,612,382	(\$237,978)	\$0	\$2,742,541
Municipal Retirement	\$481,161	\$876,486	\$840,651	\$35,835	\$0	\$516,996
Capital Projects	\$476,813	\$202,273	\$345,250	(\$142,977)	\$200,000	\$533,836
Working Cash	\$82,411	\$400	\$0	\$400	\$0	\$82,811
Tort	\$0	\$0	\$0	\$0	\$0	\$0
Life Safety	\$18,470	\$100	\$0	\$100	\$0	\$18,570
	\$32,315,281	\$34,438,774	\$34,314,199	\$124,575	\$0	\$32,439,856

Operating Funds

The operating funds include all funds with the exception of the debt service, capital projects, and fire prevention and safety funds. The District considers the budget balanced when operating revenues exceed operating expenses. From a broad perspective the district projects a net positive balance of \$124,575 in its operating funds for FY23.

Chart 1.04 FY23 Operating Funds Summary and Balances

	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Educational	\$25,333,442	\$26,793,421	\$26,560,071	\$233,351	\$0	\$25,566,793
Operations and Maintenance	\$1,555,608	\$2,808,245	\$2,768,945	\$39,300	(\$200,000)	\$1,394,908
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$2,980,519	\$2,374,404	\$2,612,382	(\$237,978)	\$0	\$2,742,541
Municipal Retirement	\$481,161	\$876,486	\$840,651	\$35,835	\$0	\$516,996
Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
Working Cash	\$82,411	\$400	\$0	\$400	\$0	\$82,811
Tort	\$0	\$0	\$0	\$0	\$0	\$0
Life Safety	\$0	\$0	\$0	\$0	\$0	\$0
	\$30,433,141	\$32,852,956	\$32,782,049	\$70,907	(\$200,000)	\$30,304,048

Overview of Revenues and Expenditures for Governmental Funds

Chart 1.05 Governmental Funds - Revenues

	FY 2022 ACTUAL	FY 2023 BUDGET	% Δ
Educational	\$24,863,881	\$26,793,421	7.76%
Operations and Maintenance	\$2,990,090	\$2,808,245	-6.08%
Transportation	\$2,640,091	\$2,374,404	-10.06%
Municipal Retirement	\$820,173	\$876,486	6.87%
Capital Projects	\$355,257	\$202,273	-43.06%
Debt Service	\$1,966,926	\$1,383,445	-29.66%
Tort	\$0	\$0	
Life Safety	\$33	\$100	203.03%
Working Cash	\$149	\$400	168.46%
Total	\$33,636,600	\$34,438,774	2.38%

Significant revenue changes from the preceding year include a decrease of -43.06% in the capital projects fund. This is due to an unexpected increase of impact fees in FY22. The FY23 budget is less due to current economic conditions and the anticipated decline in home building.

Chart 1.06 Governmental Funds - Expenditures

	FY 2022 ACTUAL	FY 2023 BUDGET	% Δ
Educational	\$24,023,204	\$26,560,071	10.56%
Operations and Maintenance	\$2,964,096	\$2,768,945	-6.58%
Transportation	\$2,716,388	\$2,612,382	-3.83%
Municipal Retirement	\$753,192	\$840,651	11.61%
Capital Projects	\$0	\$345,250	
Debt Service	\$3,072,022	\$1,186,900	-61.36%
Tort	\$0	\$0	
Life Safety	\$0	\$0	
Working Cash	\$0	\$0	
Total	\$33,528,902	\$34,314,199	2.34%

Significant expenditure changes include a -61.36% decrease in the debt service fund. This decrease is due to the 2017 refunding bond retiring in 2022.

Chart 1.07 Governmental Funds – Revenues by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023
REVENUES					
Local Sources	\$28,090,134	\$29,908,267	\$31,793,250	\$30,032,754	\$30,676,717
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414
Flow-Through	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$30,826,653	\$32,590,734	\$35,367,340	\$33,636,600	\$34,438,774
EXPENDITURES					
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856
Purchased Services	\$3,432,585	\$2,852,872	\$3,162,734	\$3,535,730	\$3,882,926
Supplies and Materials	\$1,678,388	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872
Capital Outlay	\$4,478,166	\$3,294,276	\$2,866,302	\$1,417,922	\$1,666,881
Other Objects	\$4,599,102	\$4,622,807	\$4,709,315	\$5,179,169	\$3,019,250
Non-Capitalized Equipment	\$6,011	\$26,852	\$214,926	\$68,286	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199
SURPLUS/(DEFICIT)	(\$4,896,582)	(\$1,356,930)	\$1,173,893	\$107,698	\$124,575
OTHER FINANCING SOURCES/(USES)					
Other Financing Sources	\$2,477,408	\$1,250,000	\$2,007,872	\$242,223	\$200,000
Other Financing Uses	(\$2,000,000)	(\$1,250,000)	(\$1,700,000)	(\$34,656)	(\$200,000)
TOTAL OTHER FINANCING SOURCES/(USES)	\$477,408	\$0	\$307,872	\$207,567	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$4,419,174)	(\$1,356,930)	\$1,481,765	\$315,265	\$124,575
BEGINNING FUND BALANCE	\$36,294,355	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281
ENDING FUND BALANCE	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856
FUND BALANCE AS % OF EXPENDITURES	89.23%	89.90%	93.59%	96.38%	94.54%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	10.71	10.79	11.23	11.57	11.34

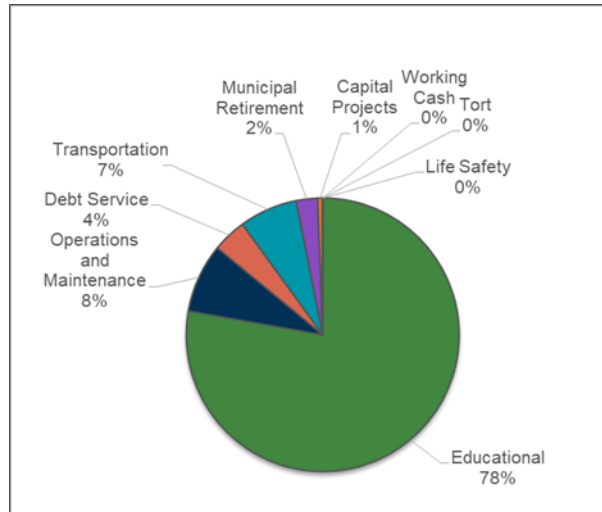


The Fremont Middle School girls soccer team poses for a team photo after earning a second-place finish at the conference tournament.

Revenue Summary

The Aggregate Governmental Funds Revenue Summary is the highest level of revenue summary for the district, and presents revenues for the aggregate of all financial funds for the FY23 budget. The district projects revenues in the governmental funds of \$34,438,774 for FY23. Revenues are classified by local, state, and federal sources.

Chart 1.08 Aggregate Governmental Funds Revenue Summary



	(10) Educational	(20) Operations	(30) Debt	(40) Transportation	(50) Municipal	(60) Capital	(70) Working	(80) Tor	(90) Fire Prevention
RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)									
Total Ad Valorem Taxes Levied by District	22,453,803	2,744,645	1,377,862	1,349,003	856,935	0	0	0	0
Total Payments in Lieu of Taxes	300,000	0	0	0	0	0	0	0	0
Total Tuition	388,333								
Total Transportation Fees				2,000					
Total Earnings on Investments	111,000	6,600	5,583	11,880	4,100	2,273	400	0	100
Total Food Service	200								
Total District/School Activity Income (without Student Activity Funds 1799)	24,000	0							
Total District/School Activity Income (with Student Activity Funds 1799)	107,000								
Total Textbooks	440,000								
Total Other Revenue from Local Sources	225,500	30,000	0	142,500	0	200,000	0	0	0
FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)									
Total Flow-Through Receipts/Revenues From One District to Another District	2000	0	0	0	0				
RECEIPTS/REVENUES FROM STATE SOURCES (3000)									
Total Unrestricted Grants-In-Aid	1,106,543	0	0	0	0	0		0	0
Total Special Education	148,600	0		0					
Total Career and Technical Education	0	0			0				
Total Bilingual Education	0				0				
Total Transportation	0	0		829,000	0				
Total Restricted Grants-In-Aid	150,100	0	0	829,000	0	0	0	0	0
Total Receipts/Revenues from State Sources	3000	1,256,643	0	829,000	0	0	0	0	0
RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)									
Total Unrestricted Grants-In-Aid Received Directly from Fed Govt	0	27,000	0	0	0	0	0	0	0
Total Restricted Grants-In-Aid Received Directly from Federal Govt.	0	0		0	0	0			0
Total Title V	0	0		0	0				
Total Food Service	15,000				0				
Total Title I	110,681	0		0	0				
Total Title IV	10,000	0		0	0				
Total Federal Special Education	458,496	0		0	0				
Total CTE - Perkins	0	0			0				
Total Stimulus Programs	0	0	0	0	0	0		0	0
Total Restricted Grants-In-Aid Received from Federal Govt. Thru the State	1,593,942	0	0	40,021	15,451	0		0	0
TOTAL DIRECT RECEIPTS/REVENUES (without Student Activity Funds 1799)	26,793,421	2,808,245	1,383,445	2,374,404	876,486	202,273	400	0	100
TOTAL DIRECT RECEIPTS/REVENUES (with Student Activity Funds 1799)	26,876,421								

Property Taxes

Property taxes revenues represent 83.42% of total revenue, or \$28,782,248 for FY23. The total property tax increase budgeted for FY23 is 2.89% after considering actual collections for the 2021 and 2022 extension and factoring the debt service levy which is exempt from the tax cap.

Other Local Revenue

Other local revenues represent 5.56% of total revenue, or \$1,946,752 for FY23. These funds are generated primarily from corporate taxes, student fees, investment earnings, builder impact fees, facility rentals, summer school and kindergarten tuition, and shared service transportation fees.

State Revenue

On August 31, 2017, Senate Bill 1947 was signed into law. This monumental reform effort represented the first rewrite of the state educational funding formula in over a generation. The new law directly addressed the vast inequalities inherent in the old funding system, and is based on a widely educator supported Evidence Based Model (EBM) to determine target funding levels for educational adequacy.

Under the EBM, FSD79 has a current per-pupil final adequacy target of \$12,810.01 and the capacity to generate 99% of this target from local resources. At this level of local capacity, FSD79 is classified in Tier 3, of a 4 Tier system, with Tier 1 being the neediest, and Tier 4 having the highest ability to meet its final adequacy target from local resources.

The EBF model also consolidates and replaces five grants received in FY17 into the EBF in FY23, including General State Aid, English Learner Education, Special Ed Personnel, Special Ed Funding for Children, and Special Ed Summer School. State contributions for transportation and early childhood programs remain unchanged from the distribution models employed in previous years.

In FY22, FSD79 received \$2,359,210 from the state. Considering that FSD79 is designated as a Tier 3, the District is likely to receive a slight increase in state funding under the EBF model. Because of this and the uncertainty of the state's fiscal health, state revenue is conservatively budgeted at \$2,085,642.

While the district qualifies for an estimated \$1,758,087 in unrestricted aid from the state, an unusual funding mechanism for a charter school within district boundaries severely limits the availability of these funds. Under the politically crafted edicts of this school's charter, FSD79 must pay the preceding year's full per capita tuition charge (PCTC) to the charter school from any potential state funds.

With the FY21 PCTC of \$12,876, and approximately 52 students who reside within FSD79 boundaries attending the charter school, \$669,552 of FSD79 earmarked EBF funding are diverted to the charter school, leaving 61.92% (\$1,088,535) for FSD79. These same 54 students can be absorbed into the current FSD79 infrastructure with little additional cost. FSD79 continues to actively work with the one other similarly affected districts in the state to seek legislative relief from this misguided and onerous funding mechanism.

Federal Revenue

Federal revenues represent 4.87% of total revenue, or \$1,676,414 for FY23. Federal funds are used primarily for special education, low-income assistance, English language acquisition programs, and additional support programs due to the COVID-19 pandemic.

Significant Revenue Enhancement Efforts

The combined managerial efforts of the Board of Education and Administration resulted in continued revenue enhancements in FY23:

Full-Day Kindergarten – The State of Illinois requires that public schools provide a free half-day kindergarten program for students. For the second half of the kindergarten day, the District offers an optional tuition-based program, priced to compete favorably with other day care options. At an annual tuition of \$2,333 per child x 100 children (6 sections), this program is budgeted to generate \$233,300K in FY23. These proceeds will off-set a portion of the cost for 6 FTE positions needed to support the program, along with associated support services.

Tuition Based Pre-School – In FY15, the District designed and launched a half-day, tuition-based preschool program. This program was developed in response to requests from the community, and priced to compete favorably with commercial competitors. Offered at an annual tuition cost of \$3,500, this program is forecast to generate \$100K in FY23. These proceeds cover the cost of 1.0 FTE pre-school teacher and 1.0 FTE classroom aide. In the second half of the day, this same teaching staff will service a free English Language Learner (ELL) pre-school for approximately 20 children.

Special Education – With the assistance of a commission-based provider, the District began filing for Medicaid reimbursement in FY13 for services provided to low-income students, estimated conservatively to provide an additional \$75K in revenue in FY23.

Technology – Due to financially optimized timing of technology equipment replacement cycles, the district is budgeted to receive \$100K in technology equipment salvage proceeds in FY23. Also, a technology fee of \$50 per student adopted in FY15 is budgeted to generate \$90K in FY22. This fee was designed to provide a permanent funding stream for the district's 10 Gbps internet service, and to help fund the district-wide 1:1 technology launched in FY23.

Accounting Recognition of Unused Flexible Spending Proceeds – In the past, the District maintained an off-the-books, zero-balance account to manage its flexible spending account (FSA) program. This program, now maintained formally on the District's books, is budgeted to capture the estimated \$100K in unused FSA proceeds contractually forfeited by employees in FY21.

Transportation – The District has shared services agreements with a neighboring school district to provide special education transportation services. This transportation service will generate a conservatively estimated \$135K in gross revenue in FY23, with minimal additional cost.

Facility Rentals – Due to the pandemic, the District limited facility rentals. With the start of the 2022-2023 school year, outside organizations have the ability to rent space from the district. It is anticipated the district will receive approximately 40K in additional revenue.

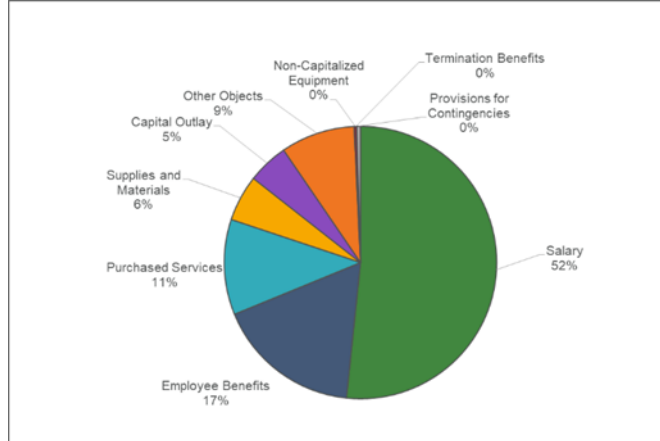


A kindergartener at Fremont Elementary School takes a break on a pumpkin during a field trip to Country Bumpkin Garden Center.

Expenditure Summary

The Aggregate Governmental Funds Expenditure Summary is the highest level of expenditure summary for the district, and presents expenditures for the aggregate of all financial funds for the FY23 budget. The district projects expenditures in the governmental funds of \$34,314,199 for FY23. Expenditures are classified by fund, function, and object.

Chart 1.09 Aggregate Governmental Funds Expenditure Summary



	Funct #	(100) Salaries	(200) Employee	(300) Purchased	(400) Supplies &	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized	(800) Termination	(900) Total
10 - EDUCATIONAL FUND (ED)										
Total Instruction ¹⁴ (Without Student Activity Funds 1999)	1000	11,912,376	3,372,506	917,785	421,272	38,000	3,350	14,000	0	16,679,289
Total Instruction ¹⁴ (With Student Activity Funds 1999)	1000	11,912,376	3,372,506	917,785	421,272	38,000	86,350	14,000	0	16,762,289
Total Support Services - Pupil	2100	1,391,693	474,554	68,800	45,700	0	0	0	0	1,980,747
Total Support Services - Instructional Staff	2200	888,826	215,939	506,115	537,200	509,631	1,000	20,000	0	2,678,711
Total Support Services - General Administration	2300	334,849	63,512	436,000	22,000	0	24,500	0	13,000	893,861
Total Support Services - School Administration	2400	925,901	305,627	10,000	36,200	4,000	7,500	0	0	1,289,228
Total Support Services - Business	2500	423,809	71,677	58,000	22,700	60,000	45,000	3,000	0	684,186
Total Support Services - Central	2600	306,879	75,370	262,000	13,800	0	1,000	0	0	659,049
Total Support Services	2000	4,271,957	1,206,679	1,340,915	677,600	573,631	79,000	23,000	13,000	8,185,782
Total Payments to Other Dist & Govt Units (In-State)	4100			0			1,000,000			1,000,000
Total Payments to Other Dist & Govt Units - Tuition (In State)	4700						545,000			545,000
Total Payments to Other Dist & Govt Units - Transfers (In State)	4300			0			0			0
Total Payments to Other Dist & Govt Units	4000			0			1,545,000			1,545,000
20 - OPERATIONS AND MAINTENANCE FUND (O&M)										
Total Support Services	2000	379,699	118,020	1,050,226	546,000	425,000	200,000	50,000	0	2,768,945
Total Debt Service	5000			0			1,186,900			1,186,900
40 - TRANSPORTATION FUND (TR)										
Total Support Services	2000	1,158,382	350,000	559,000	235,000	300,000	5,000	5,000	0	2,612,382
50 - MUNICIPAL RETIREMENT/SOC SEC FUND (MR/SS)										
Total Instruction	1000		269,417							269,417
Total Support Services - Pupil	2100		47,494							47,494
Total Support Services - Instructional Staff	2200		34,108							34,108
Total Support Services - General Administration	2300		24,891							24,891
Total Support Services - School Administration	2400		59,457							59,457
Total Support Services - Business	2500		300,218							300,218
Total Support Services - Central	2600		45,168							45,168
Total Support Services	2000		511,336							511,336
Total Payments to Other Dist & Govt Units	4000		50,000							50,000
60 - CAPITAL PROJECTS (CP)										
Total Support Services	2000	0	0	15,000	0	330,250	0	0		345,250
70 WORKING CASH FUND (WC)										
80 - TORT FUND (TF)										
90 - FIRE PREVENTION & SAFETY FUND (FP&S)										

Salaries

District salaries are budgeted at \$17,722,414 for FY23, or 51.65% of total expenditures dollars. This is an increase of 8.27% compared to the preceding fiscal year spend. It has been a challenge to recruit and retain employees due to below market salaries. The District invested in its employees in FY23 with the Board of Education approving market adjust for the non-licensed staff.

Benefits

District employee benefits total \$5,887,856 for FY23, or 17.16% of total expenditures, representing an increase of 11.61% compared to the preceding fiscal year spend. This large increase in benefits relates to the district's mandatory IMRF pension contribution of 10.5%. As we continue to adjust salaries to compete with the current market, our benefits are anticipated to increase. Certificated employees receive a contractual monthly defined contribution of \$1,562.02 to select from PPO, HMO, High Deductible PPO / Health Savings Account, and Flexible Spending Account offerings. Non-certificated employees receive the same level of benefit. Part-time employees receive a prorated benefit contribution based on their percentage of full-time employment. Health insurance contributions were increased by 2% by contract annually in FY18-23, limiting district exposure to exorbitant increases.

Purchased Services

Purchased services are budgeted at \$3,882,926 for FY23, or 11.32% of total expenditures, representing a 9.82% increase compared to the preceding fiscal year spending.

Supplies and Materials

Supplies and materials are budgeted at \$1,982,430 for FY23, or 5.48% of total expenditures, representing an increase of 12.03% compared to the preceding fiscal year spending. This increase reflects higher expenditure levels to support the continuing classroom remodeling projects in FY22 and increased spending in COVID-19 mitigation supplies.

Capital Outlay

Capital outlay is budgeted at \$1,666,881 for FY23, or 4.86% of total expenditures, representing a 17.56% increase compared to the preceding fiscal year spending. The Major renovation projects were completed at the end of FY21. The FY23 smaller projects will continue to center on personalized learning classroom renovations and is to be absorbed within the operating budget.

Other Objects

Other objects are budgeted at \$3,274,250 for FY23, or 9.54% of total expenditures, representing a -48% decrease compared to the preceding fiscal year. The FY23 budget includes a decrease in the debt service fund from the 2017 bond retiring and a 150K decrease in contingency funds compared to the prior year. Other objects include bond payments, contingencies, termination benefits, non-capitalized equipment, and retirement payments.

Significant Expense Reduction Efforts

Salaries and Benefits – A five-year labor contract was negotiated with the Fremont Education Association (FEA), and will run from FY18-22. This contract was extended for the 2022-2023 school year. This negotiation locked in the existing FY17 pay matrix for five years, allowing only for negotiated lane and step movement. Health care benefit allotments were also locked in for five years at a 2.00% annual increase. These two combined control factors resulted in an average aggregate total annual FEA labor cost increase of 1.85%. Considering that the preceding labor contract was on an approximate annual 4.50% cost increase trajectory, the negotiated contract will continue to save approximately \$200K in FY23. Non-teacher salary and benefit increases also were limited under 3.00%.

Buy vs. Finance – With significant fund balances, and currently high interest rates, the District is purchasing capital equipment rather than incurring the costs associated with leasing or financing it. The net effect of this philosophy shift applied to large capital purchases will continue to save approximately \$30K.

Lower Utility Consumption – Through the use of energy efficiency grants, the District retrofitted lighting, boilers, and HVAC controls with more efficient alternatives. This effort will continue to save approximately \$50K.

Utility Collective Purchasing – The District participates in two energy cooperatives that collectively purchase gas and electricity. Compared to retail market purchasing, this effort will approximately save \$50K.

Lincoln Early Childhood Center – The District participates in a shared services intergovernmental agreement with Mundelein School District 75, Hawthorn School District 73, and the Lake County Special Education Cooperative (SEDOL) to share classroom space and personnel in the 18-classroom Lincoln Early Learning Center. By more efficiently allocating facility, personnel, and supply costs over a higher student population, the District saves approximately \$100K annually in educating its youngest learners.

Contracted Transportation Services – The District was able to renegotiate pricing for contracted transportation services. These efforts resulted in the District saving approximately \$50K annually.



Fremont Elementary School students have some fun with parachutes during a physical education class.

Significant Trends, Events, and Initiatives

Budgets and financial projections are snapshots using the latest available information. School finance, however, is conducted in a dynamic environment rather than a vacuum. Financial planning and management are affected by internal and external events. Some of these factors are listed below:

- Future state budget deficit affecting state aid and other factors
- Interest rates
- Changing demographics and personnel required to accommodate the students
- Special education services needed for educationally or physically challenged students
- Consumer Price Index
- Medical insurance costs
- Property tax variables

State Budget Deficit

With a budget deficit of \$1.5B and an estimated \$140B unfunded pension liability, the state's financial condition creates great uncertainty. In FY23, under the State's Evidence Based Funding Model (EBM), the district anticipates a slight increase in the amount of \$51,942 in its state funding level. Fortunately, the district relies on state funding for only 5.73% of its revenue.

Interest Rates

With the pandemic coming to end and the Federal Reserve increasing interest rates to slow inflation, the District is expected to receive favorable returns on investments. It is anticipated the District will realize over 400K in investment income for FY23.

Enrollment and Demographics

Located in a potentially high-growth area with ample buildable land, the District is forecasting growth in its student population as a direct result of the improving housing market. Enrollment is forecast at an estimate of 2,200 students in FY23, with a slight increase in student count over the next several years as the housing market continues to stabilize. Poverty rates increased from 7.4% in FY21 to 8.5% in FY22. While 23% of students come from non-English speaking homes (50 languages - primarily Spanish, Mandarin, Polish, and Ukrainian), 15% of the student population receives services to help master the English language.

Consumer Price Index

The Consumer Price Index (CPI) is used in the property tax formula that determines 83.34% of district revenue. With the CPI for 2021 at 1.4%, local tax revenues will increase by approximately 2.14% for this year. Labor, benefit, supply and energy costs increases all significantly outpace the 2021 CPI.

Special Education Services

Special education services are mandated by State and Federal laws, with the level of services based on student need and qualification. The district employs a Student Services Director, three Assistant/Associate Principals providing Student Services Coordinator support, 14 special education teachers, 6 English Language Learner teachers, 14 Support Service personnel, 7 contractors in a variety of specialties, and 28 classroom instructional assistants. The district also is a member of a county special education cooperative that provides highly specialized services at a managed price. The demand for early childhood and English language learner services continues to rise, with the district maintaining 9 FTE to meet demand. Staffing levels in this domain fluctuate annually based on service needs identified in a student's Individual Education Plan (IEP).

Medical Insurance

The district uses the services of a commission-based broker to annually explore the market place and to re-bid the district's health insurance package. The district's insurance committee, composed of teachers, administrators, non-certified staff, and board members annually reviews broker coordinated market offers, making a final recommendation to the school board each spring. Bids from popular regional educational health care cooperatives also were secured and compared to broker offerings.

Over the past three years has not experienced a rate increase with Blue Cross/Blue Shield. The annual renewal with Blue Cross/Blue Shield FY23 is a 9% rate increase over the previous year without any plan design changes. In an effort to keep insurance experience factors low, the district funded a number of wellness initiatives to include flu shots, wellness screenings, Weight Watchers, and on-site Yoga, Jazzercise, and Zumba classes. These popular programs are funded with unused flexible spending funds contractually returned to the district.

Certificated employees receive a contractual defined contribution of \$1,562.01 to select from PPO, HMO, High Deductible PPO / Health Savings Account, and Flexible Spending Account offerings. Non-certificated employees receive the same level of benefit. Part-time employees receive a pro-rated benefit contribution based on their percentage of full-time employment. Health insurance contributions increased 2% by contract in FY18-23, limiting district exposure to exorbitant increases.

Property Taxes

Property taxes represent 83.42% of total revenue. State law and the School Code of Illinois govern the policies and procedures of school finance in relation to local property taxes. Over the last several years, increasing EAV forced decreases in the district levy tax rate to maintain stable funding. 2022 tax rate is projected to increase by .0271. The district monitors property tax legislation and assessment appeals, and works in consortium with professional associations, neighboring districts, and legislators to minimize tax revenue base impact.

Significant Revenue Enhancement Efforts

The Fremont School District 79 Board of Education works diligently to live within its financial means, and to provide a quality educational setting for the community at a responsible cost. In today's challenging fiscal environment, the district employed a number of cost mitigation techniques. The District strives to keep cost reductions away from the classroom and maintain favorable staff/student ratios.

Cost mitigation techniques for FY23 include:

- Evaluate needs and eliminate unjustified positions
- Partial contracts or purchased services vs. full-time employees
- Shared services – transportation, professional development, early childhood
- Fee support for extracurricular activities – band, choir, athletics
- Fee support for technology upgrades
- Revenue first for optional services, then hire – Early Childhood, Pre-K, Full-Time K
- Outsource when able – day custodial porters, night custodial work, unusual specialties
- Insource when smart – skilled trades, mechanics, grounds
- Reductions in utility expenditures with efficient boilers/ lighting, cooperative energy purchasing
- Employee wellness programs – reduce insurance experience factors
- Retire at the top, hire at the bottom

In addition to its immediate cost reduction efforts, the District is working to strategically position itself for success in light of a number of other macro level financial and societal trends:

- Expenditure increases outpacing revenue growth
- Increase in the number of families qualifying for financial support services
- Increase in the number of non-English speaking students
- Increase in technology demands
- Unfunded mandates in the areas of ELL, EC, and teacher evaluation
- Significant state funding reductions and delays
- State pension reform
- State funding shift
- Increasing taxpayer weariness and unwillingness to support referendums
- Labor expectations relative to continual increases in salary and benefits

In light of this challenging environment, the district annually examines the relevance and financial efficiency of its current educational offerings, methodically examines and prioritizes requests for additional resources, and continually works to find creative solutions to do more with less.



A Fremont Middle School eighth-grader helps out a sixth-grade student during technology boot camp prior to the start of the new school year.

Budget Forecast

The District considers hundreds of variables to comprehensively model its revenues and expenses to produce a financial forecast. A summary of this model is presented in Charts 1.10 and 1.11, below. Model projection assumptions are presented on page 155.

While forecast revenues seem to be relatively in balance with foreseen expenditures over the next several years, the District must aggressively seek alternative revenue sources and carefully review all additional expenditures. When a CPI increase of only 5% on 83.42% of the District's revenue is balanced against rapidly accelerating labor, benefit, material, and unfunded mandate costs, the District will quickly slide into deficit spending unless aggressive action is taken. Uncertain, reduced, and delayed payments from the state – particularly in the area of transportation funding – further degrade the financial picture.

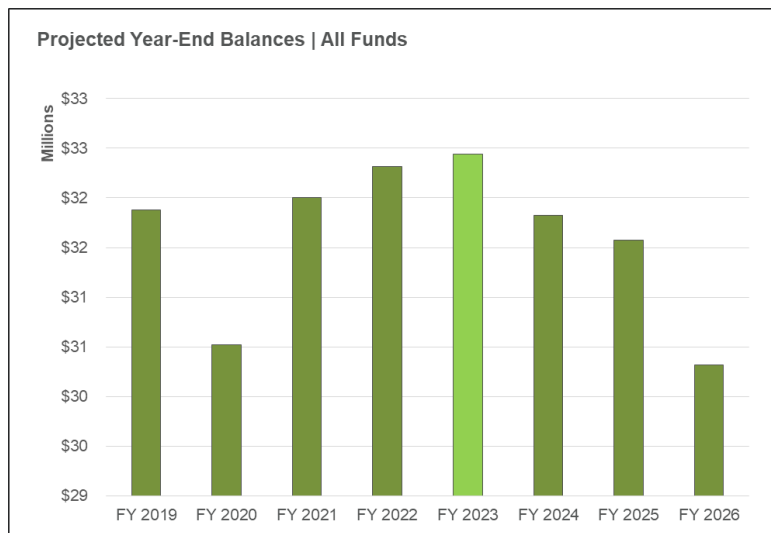
While the financial environment for education in the State of Illinois will likely remain rocky for the foreseeable future, the district is positioned well to weather the storm.

- The District recently made aggressive efforts to mitigate costs, and currently enjoys an operational cost per pupil in alignment with its peers in neighboring districts.
- Educational programs, and their inherent labor and benefit costs, are being individually examined for educational and financial efficiency.
- A five-year labor contract was negotiated for FY18-22 with an extension through school year 2022-2023. Projected aggregate certificated labor and benefit cost increases over the life of the contract average 2.97% annually.
- The Consumer Price Index for the 2022 calendar year seems to be headed near the 7% range, producing slightly rising tax revenues into the next budget year.
- Two residential developments project with favorable tax characteristics are planned within district boundaries.
- Aggregate District fund balances are \$33.5 million, totaling >98% of annual operating expenses.

Chart 1.10 Aggregate Revenues and Expenses – Historic, FY23, and Projected

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$28,090,134	\$29,908,267	\$31,793,250	\$30,032,754	\$30,676,717	\$32,384,323	\$33,721,008	\$33,889,868
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643	\$2,256,643	\$2,256,643	\$2,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$30,826,653	\$32,590,734	\$35,367,340	\$33,636,600	\$34,438,774	\$36,091,916	\$36,617,039	\$36,785,899
EXPENDITURES								
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414	\$20,162,752	\$20,355,368	\$20,853,354
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856	\$6,319,652	\$6,411,118	\$6,595,098
Purchased Services	\$3,432,585	\$2,852,872	\$3,162,734	\$3,535,730	\$3,882,926	\$3,090,945	\$3,030,935	\$3,076,174
Supplies and Materials	\$1,678,388	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872	\$1,908,070	\$1,925,152	\$1,954,029
Capital Outlay	\$4,478,166	\$3,294,276	\$2,866,302	\$1,417,922	\$1,666,881	\$1,711,631	\$1,711,631	\$1,711,631
Other Objects	\$4,599,102	\$4,622,807	\$4,709,315	\$5,179,169	\$3,019,250	\$3,406,450	\$3,330,250	\$3,744,850
Non-Capitalized Equipment	\$6,011	\$26,852	\$214,926	\$68,286	\$92,000	\$92,000	\$92,000	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199	\$36,704,501	\$36,869,455	\$38,040,137
SURPLUS/(DEFICIT)	(\$4,896,582)	(\$1,356,930)	\$1,173,893	\$107,698	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$2,477,408	\$1,250,000	\$2,007,872	\$242,223	\$200,000	\$300,000	\$300,000	\$300,000
Other Financing Uses	(\$2,000,000)	(\$1,250,000)	(\$1,700,000)	(\$34,656)	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
TOTAL OTHER FINANCING SOURCES/(USES)	\$477,408	\$0	\$307,872	\$207,567	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$4,419,174)	(\$1,356,930)	\$1,481,765	\$315,265	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
BEGINNING FUND BALANCE	\$36,294,355	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856
ENDING FUND BALANCE	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856	\$30,320,618
FUND BALANCE AS % OF EXPENDITURES	89.23%	89.90%	93.59%	96.38%	94.54%	86.71%	85.64%	79.71%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	10.71	10.79	11.23	11.57	11.34	10.41	10.28	9.56

Chart 1.11 Aggregate Fund Balances – Historic, FY23, and Projected



Student Enrollment Trends and Forecast

Fremont School District 79, in conjunction with five neighboring districts, commissioned a student population projection study through a national leader in demographic studies, DecisionInsite. This study, completed in October 2021, projects a steady enrollment over the next several years. Approximately 374 new residential units are projected to be occupied over the next ten years. DecisionInsite numbers below reflect potential population increases from this new construction.

The last study was conducted in October 2021. A new enrollment study has been initiated and an updated report will be available in the spring of 2023.

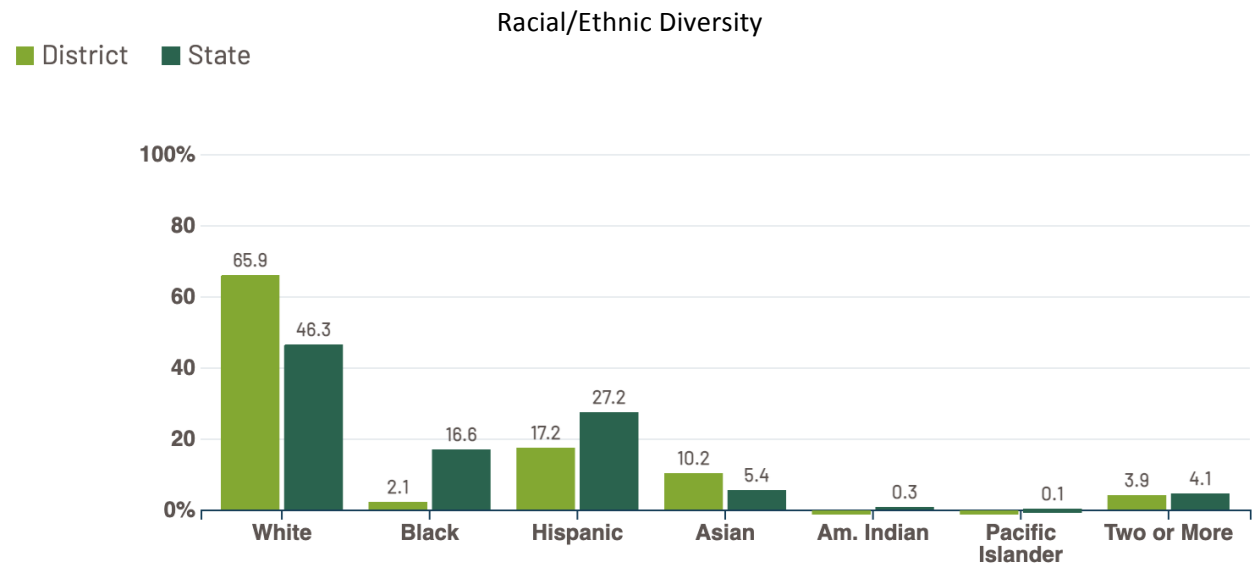
Chart 1.12 DecisionInsite Student Enrollment Projections

Projected Students from New Residential Development (Moderate DU Scenario)										
Grade	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
K	0	0	2	5	13	19	25	25	25	25
1	0	0	2	5	13	19	25	25	25	25
2	0	0	2	5	13	19	25	25	25	25
3	0	0	2	4	13	19	25	25	25	25
4	0	0	2	4	12	18	24	25	25	25
5	0	0	2	4	10	17	22	24	25	25
6	0	0	2	3	13	18	24	22	24	25
7	0	0	1	3	12	20	25	24	22	24
8	0	0	1	3	9	17	25	25	24	22
Elementary:	0	0	13	26	75	111	147	150	151	151
Middle:	0	0	4	9	35	55	73	71	71	71
Total:	0	0	17	35	110	166	220	221	221	223

While the District is located in a relatively affluent area, the number of students qualifying for financial support services grew during the pandemic from 7.4% in 2020-21 to 8.5% in 2021-22.

The District is also experiencing stabilization of the growth in its non-English native speaking population. While 23% of the student population comes from a non-English speaking home (primarily Spanish, Russian, Polish, and Ukrainian), 15% of the student population receives services to help master the English language. Over the past year, the student population requiring ELL services increased slightly 13.4% to 13.7%.

Chart 1.13 Student Demographic Statistics - 2021-22



		2022	
Demographics		District	State
White		65.9% / 1,379	46.3% / 865,315
Black		2.1% / 44	16.6% / 310,454
Hispanic		17.2% / 360	27.2% / 508,468
Asian		10.2% / 213	5.4% / 100,491
Am. Indian		Redacted	0.3% / 4,755
Pacific Islander		Redacted	0.1% / 1,850
Two or More		3.9% / 82	4.1% / 76,561

Additional Student Demographics

Characteristic	State %	District %				
	2021-22	2021-22	2020-21	2019-20	2018-19	2017-18
English Learners	13.7	13.4	12.1	13.6	12.0	12.3
IEPs	15.0	14.0	12.9	13.0	15.0	14.0
Low Income	46.5	8.5	7.4	8.1	9.0	8.0
Homeless	2.0	0.5	0.6	0.5	0.0	0.4
Mobility	7.6	3.2	3.0	3.0	3.0	4.0



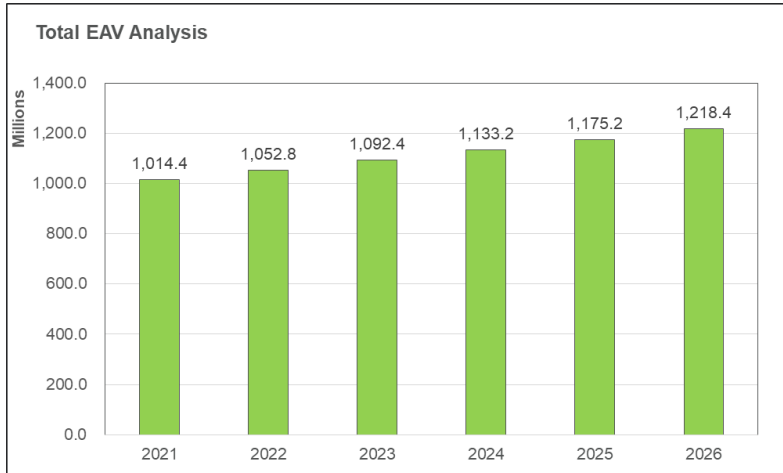
Fremont Elementary School students make creations out of Play-Doh during their Fall Fest activity day.

Tax Base and Rate Trends

Equalized Assessed Value (EAV)

During 2014 the District's EAV decreased to 736M due to the national housing crisis. The trend of declining EAV has reversed, with six years of continuous growth, to \$1092.4B in 2022.

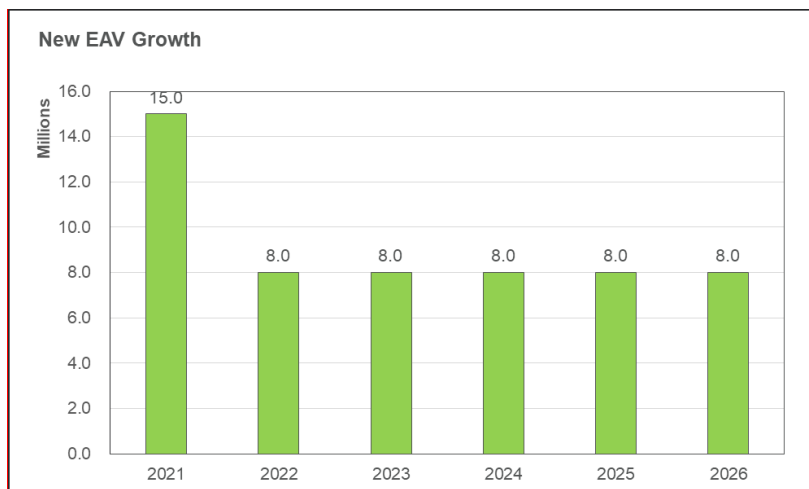
Chart 1.14 EAV Trends



New Growth

For many years, new growth, which can be added to the tax rolls above the mandates of PTELL, allowed area districts to receive revenue increases above the CPI. Although interest have increased in 2022, the District continues to experience new property growth. A new light industrial project was completed in 2021 creating a large spike in the District's new growth trends.

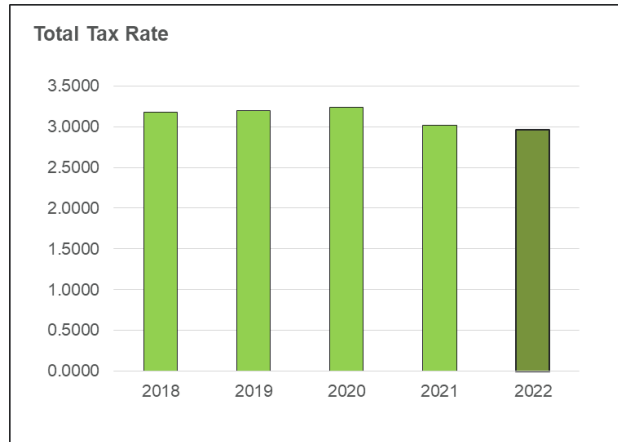
Chart 1.15 District New Growth Trends



Property Tax Rates

As both EAV and new growth decline, tax rates must increase to net the same tax extension as the preceding year + the PTELL allowable CPI increase. After bottoming out at 2.3800 in 2007, tax rates climbed consistently to 3.6065 in levy year 2014. The 2022 anticipated tax rates is 2.9621. The continued decreased is due to the EAV recovering and the 2017 School Refunding Bond expiring. The inverse relationship of EAV and tax rates (not tax bills) is a public relations issue that is carefully managed.

Chart 1.16 District Tax Rate Trends per \$100 of Assessed Valuation



Property Tax Yields

As new growth stabilizes, increases in property tax extensions (which are regulated by PTELL) are slowing. After benefiting from 2003 education fund and 2005 building bond referendums, and several years of rapid new growth, increases in tax extensions are leveling off to near CPI levels. The FY23 budget year contains tax revenues spanning two calendar years - the second half of the 2021 levy year collected in the fall of 2022, and the first half of the 2022 levy year collected in the spring of 2023.

Chart 1.17 District Tax Extensions

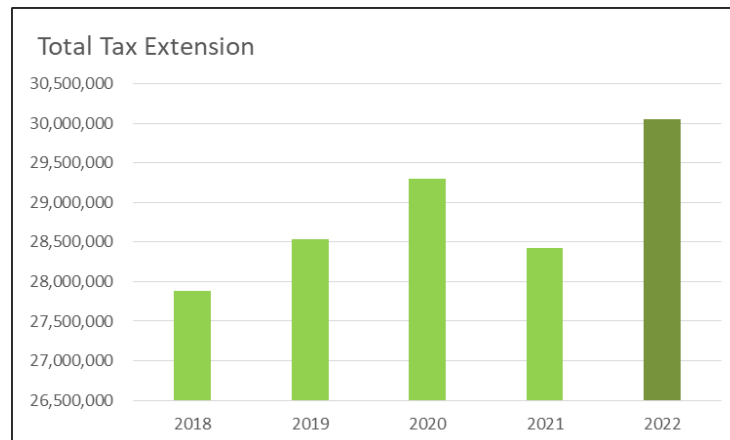


Chart 1.18 Summary of Assessed Valuations, Tax Rates, Extensions, and Collections

FREMONT SCHOOL DISTRICT NO. 79
SUMMARY OF ASSESSED VALUATIONS,
TAX RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2022

	LEVY YEAR	
	2021	2020
ASSESSED VALUATION	<u>\$ 941,477,791</u>	<u>\$ 904,975,492</u>
TAX RATES		
Educational	2.3632	2.3744
Recapture	0.0080	-
Operations and maintenance	0.2889	0.2902
Bond and interest	0.1268	0.3389
Transportation	0.1420	0.1427
IMRF/Social security	<u>0.0902</u>	<u>0.0909</u>
Total	<u>3.0191</u>	<u>3.2371</u>
TAX EXTENSION		
Educational	\$ 22,248,787	\$ 21,488,091
Recapture	75,704	-
Operations and maintenance	2,719,590	2,626,601
Bond and interest	1,193,728	3,067,188
Transportation	1,336,691	1,290,984
IMRF/Social security	<u>849,599</u>	<u>822,089</u>
Total	<u>\$ 28,424,099</u>	<u>\$ 29,294,953</u>
Amounts Collected as of June 30, 2022	<u>\$ 12,527,566</u>	<u>\$ 29,276,149</u>
Percentage Collected	<u>44.07%</u>	<u>99.94%</u>



A Fremont Elementary School student presents to a guest on a book that he read by author Kevin Henkes.

Personnel Resource Changes

The District increased staff over the last several years to address the growing student population and the increase of special education, early childhood, transportation and language transitional services. This trend slowed down in FY23 with the following changes to both certificated and non-certificated staff:

Chart 1.19 FY23 Summary of Personnel Changes

Losses	Gains
<u>Retirements</u>	<u>New Hires</u>
5.0 Licensed Employees	22.0 Teachers
7.0 Non-Licensed Employees	2.0 Social Workers
	2.0 Nurses
<u>Turnover and Changes</u>	1.0 Maintenance
10.0 Teachers	4.0 Clerical
2.0 Social Worker	9.0 Paraprofessionals
.5 Psychologist	3.0 Bus Drivers
3.0 Paraprofessionals	1.0 Database Administrator
2.0 Administrators	1.0 Administrator
2.0 Nurses	
2.0 Speech Language Path	
2.0 Clerical	
1.0 Bus Mechanic	
6.0 Bus Drivers	
1.0 Data Specialist	
1.0 Maintenance	

A number of additional revenue sources were secured to help defray additional staffing costs:

- **Prorated Full Day Kindergarten + Tuition Based Pre-School**
 - Annual tuition = **\$233,333K**
- **Special Education**
 - Better state and federal distribution visibility
 - Medicaid reimbursement = **\$75K**
- **Technology**
 - Technology Fee = 2,200 students x \$50 x .85 FRL = **~\$94K**
- **Accounting Recognition of Unused FSA Proceeds**
 - Promotes greater visibility and accounting control = **\$100K**
- **Transportation**
 - Shared service D75 transport = **\$130K**

Licensed Staff

Chart 1.20 Licensed Staff

Including 12 administrators, the District will employ 166 FTE of licensed personnel in FY23, a slight decrease of 2.2 FTE as the preceding year. As the nationwide teacher shortage impacts the District, hard to fill positions are filled with contract employees. In FY23, the District contracted 8 FTE for hard to fill positions.

Position	Professional Support	Pre-K	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Total FTE
FTE	93.5	4	9	9	9	8.5	8.5	9	9	10.5	9.5	179.5

Chart 1.21 Historic Licensed Staff Characteristics

Year	Total FTE	Average Years Experience	Average Salary	% Bachelor Degree	% Master's Degree	Teacher Student Ratio	Emergency or Provisional
2022	173.5	14.4	72,650	30.1	69.9	16.1	0.0
2021	175.7	13.3	70,717	27.0	73.0	16.1	0.0
2020	171.2	14.2	72,399	25.4	74.6	16.4	0.0
2019	133	12.9	69,568	25.3	75.0	19.1	0.0
2018	126	11.7	67,407	23.7	76.3	19.1	0.0
2017	135	11.1	66,564	24.9	75.1	17.0	0.0
2016	134	11.4	67,689	24.0	76.4	18.0	0.0
2015	132	11.7	64,737	24.0	76.0	18.1	0.0
2014	132	11.8	65,449	37.3	62.0	18.1	0.0
2013	134	11.6	65,947	32.0	68.0	16.4	0.0
2012	132	11.8	63,152	31.0	69.0	18.0	0.8
2011	134	11.5	62,338	61.0	39.0	18.1	0.0
2010	128	11.4	62,114	61.0	39.0	17.8	0.8
2009	126	10.8	59,727	60.1	39.9	17.5	0.8
2008	121	10.1	56,554	60.6	39.4	17.2	0.8
2007	115	10.5	55,567	61.7	38.3	17.6	0.0
2006	103	10.5	54,294	56.5	43.5	19.5	1.9
2005	92	11.0	54,210	53.8	46.2	20.1	0.0
2004	91	11.9	54,189	52.1	47.9	19.8	0.0
2003	84	12.0	51,006	48.2	51.8	20.1	0.0
2002	84	11.6	49,103	45.3	54.7	20.4	0.0
2001	80	11.6	48,045	44.7	55.3	22.1	0.0
2000	92	11.6	46,410	45.2	54.8	17.6	0.0

Non-Licensed Staff

Chart 1.22 Historic Non-Licensed Staff Levels

Staff	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Full-Time	64	49	70	53	56	53	54	54	56	56	57	56	58	59
Part-Time	59	75	56	68	68	70	66	74	68	63	63	59	62	61
Total	123	124	126	121	124	123	120	128	124	119	120	115	120	120

Chart 1.23 Non-Licensed Staff

Position	Administrative Support	Classroom Aide	Facility Maintenance	Lunch Supervisor	Media Center	Nursing	Technology	Transportation	Total
Full-Time	15	28	6	0	2	3	1	4	59
Part-Time	1	0	0	23	0	0	0	37	61
Total	16	28	6	23	2	3	1	41	120

Changes in Debt of the School Entity

The district has 1 bond issues outstanding:

2015 School Refunding Bond+	\$ 5,660,000	(payments through December of 2025)
Total Outstanding Debt =	\$ 5,660,000	(as of June 30, 2022)

This budget services \$975,000 of principal reduction and \$206,900 of interest expense. The District cannot issue more debt than the statutory limitation of 6.9% of the district's EAV. The District's outstanding debt is well below the statutory limit as shown in the calculation below:

2021 EAV \$941,477,791 x state limit 6.9% = \$64,961,967 Statutory Debt Limit

Outstanding Long-term Debt = \$5,660,000

Debt Margin = \$59,301,967 (91.29% of capacity remaining)

Since EAV is used as a factor in calculating statutory debt limits, debt capacity declines as EAV declines. In the several years prior to FY23, district debt capacity decreased annually, as declining EAV caused a decrease in the statutory debt limit that outpaced principal retirement. In contrast, as EAV continues to recover in FY22, debt capacity will increase by approximately \$6M over FY21, while the District will retire \$2.7M in principal.

In FY16, the District refinanced \$7.8M of its 2006 General Obligation Bonds. With the average interest rate on these bonds nearing 5%, and current interest rates on 10 year tax-exempt municipal bonds generally below 2%, the rate spread created an attractive opportunity. This refinancing initiative saved the District approximately \$1.1M in present value interest cost. In FY17, a similar initiative refinancing the remaining \$12.5M of 2006 General Obligation Bonds, saved another approximately \$1.4M in present value interest cost. As of June 30, 2022 these bond have retired.



Fremont Elementary School students take a popsicle break on the final day of the school year.

Performance Results

The “School Report Card,” published annually by the State of Illinois, provides comparative data to assess academic effectiveness and resource management. The School Report Card documents Fremont School District 79’s excellent record in key areas of performance and accountability. District test scores continue to significantly exceed state averages, while operational costs per pupil are in direct alignment with both state and local peer averages. The complete school report card, that shows both student performance and budgetary considerations, can be viewed at:

<https://www.illinoisreportcard.com/District.aspx?districtId=34049079002>

Student performance measurement underwent major changes over the last several years. Prior to FY15, student progress was measured by the Illinois State Achievement Test (ISAT), then compared against Adequate Yearly Progress (AYP) standards mandated by the No Child Left Behind (NCLB) Act.

Starting in FY15, the traditional ISAT assessment was replaced by the more rigorous Partnership for Assessment of Readiness for College and Careers (PARCC) assessment regimen. Starting in FY19, PARCC was replaced by the Illinois Assessment of Readiness (IAR) that largely maintained the structure of the assessment, but put it under State control and oversight.

IAR assesses student Performance Levels. Each Performance Level is a broad, categorical level defined by a student’s overall scale score and used to report overall student performance by describing how well students met the expectations for their grade level/course. Each Performance Level is defined by a range of overall scale scores for the assessment. There are five Performance Levels for IAR assessments:

- Level 1: Did not yet meet expectations (Dark Orange)
- Level 2: Partially met expectations (Light Orange)
- Level 3: Approached expectations (Yellow)
- Level 4: Met expectations (Green)
- Level 5: Exceeded expectations (Dark Green)

Students performing at levels 4 and 5 met or exceeded expectations (M&E), have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers. Performance Level Descriptors (PLDs) describe the knowledge, skills, and practices that students should know and be able to demonstrate at each Performance Level in each content area (ELA/L and mathematics) and grade level/course.

Summary of FY22 Student IAR Performance

- 99.4% of all district students were tested in both ELA and Math
- District-wide, 45.3% of students met or exceeded (M&E) expectations in ELA and 37.0% met or exceeded expectations in math.
- Grade 3 M&E % - ELA 30, Math 44
- Grade 4 M&E % - ELA 62, Math 44
- Grade 5 M&E % - ELA 51, Math 43
- Grade 6 M&E % - ELA 58, Math 38
- Grade 7 M&E % - ELA 45, Math 36
- Grade 8 M&E % - ELA 40, Math 36

Chart 1.24 FY22 Fremont School District 79 IAR ELA and Math Results – All Grades

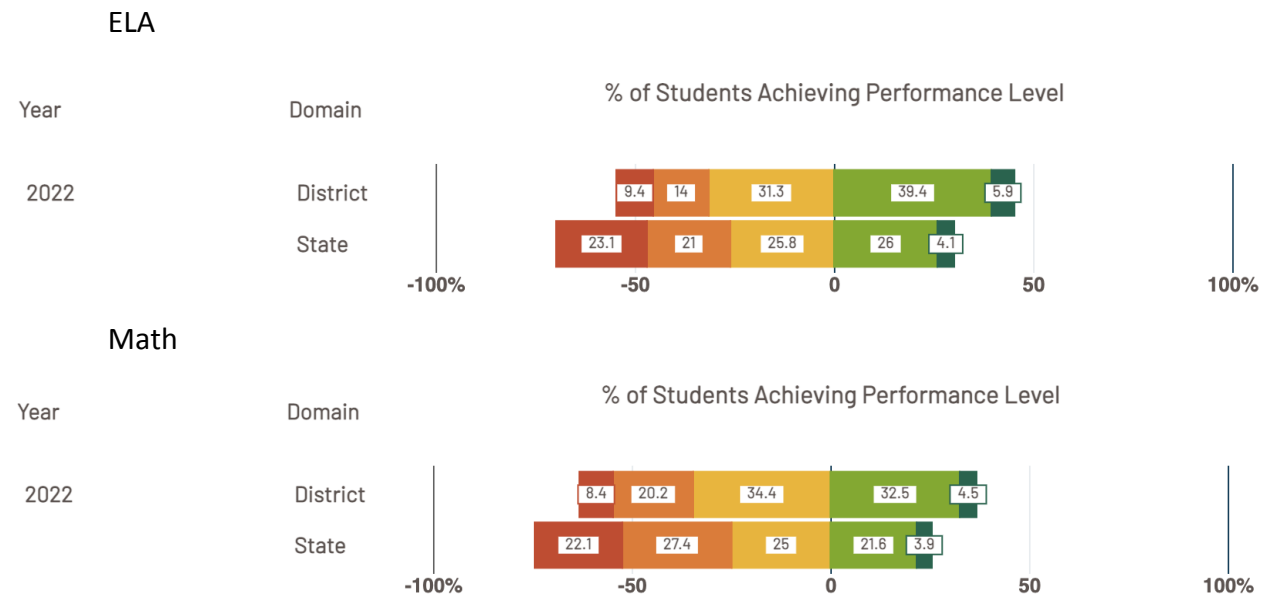
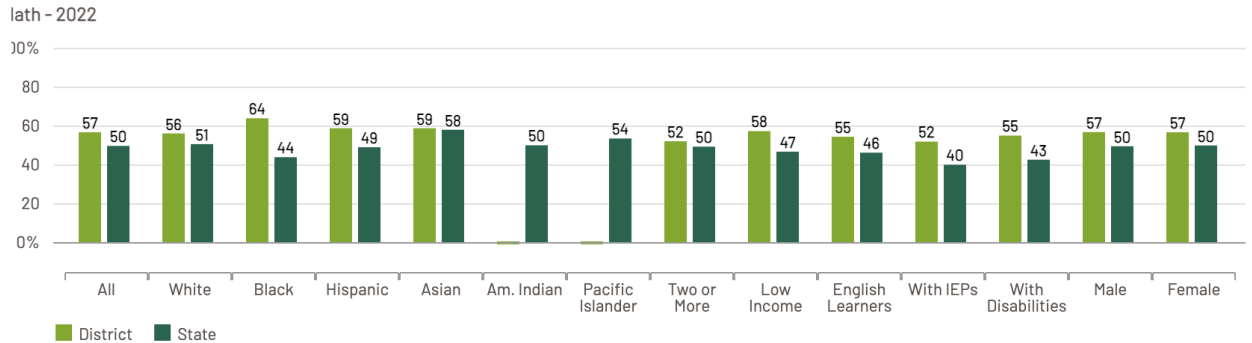
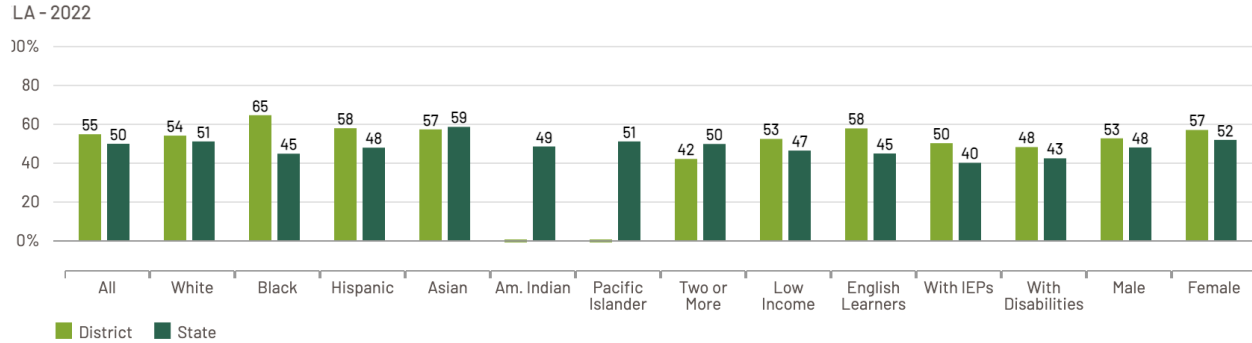


Chart 1.25 FY22 District-Wide (Grades 3-8) IAR Subgroup Performance

Growth Percentile – IAR

This display shows the growth of students relative to other students in the state with a similar scale score in the preceding school year(s). [Learn More](#) ▼

SELECT All Students By Demographics
 YEAR 2022





Fremont Middle School students participate in a rainbow fun run.

Capital Budget

The District developed a five-year facility plan to address the maintenance needs of the buildings. The facility plan is a proactive approach to facilitate the highest priority maintenance needs over a five-year period. The Finance and Facilities Committee reviews the District’s priority list every four years and develops an implementation plan that seeks to:

- Maintain buildings and equipment for the safety and security of the students/staff
- Maintain a healthy school environment
- Provide for energy conservation
- Protect the investment in the overall structure of district buildings
- Meet the requirements of the educational programs

Each year the charge of the committee is to complete its deliberations and prioritize the five-year plan no later than the end of the calendar year. The committee reports to the Board of Education on an ongoing basis.

Five-Year Capital Projects Plan

FY23 capital improvement projects are part of the five-year plan shown below. These projects will be funded from the Operations and Maintenance Fund. The district is in the process of conducting a facility assessment. This new report will available in the spring of 2023.

Chart 1.26 Five-Year Capital Projects Plan

5 YEAR CAPITAL PROJECTS PLAN	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Middle School					
Generator Repairs	15,000.00	10,000.00			
Replace Non-ADA Compliant Doors	39,000.00				
Replace Non-ADA Compliant Doors		47,000.00			
Replace Primus Key Core System		28,000.00			
Water Tank Replacement		12,000.00			
Replace Playground				125,000.00	
Renovate Classrooms, Specialty Rooms, and Lockers	50,000.00	300,250.00	300,250.00	300,250.00	300,250.00
Intermediate School					
New CO Detectors on Roof Tops	40,000.00				
Replace Playground				125,000.00	
Elementary School					
IDF Backup to Generators	10,000.00				
Front Walk Replacement	50,000.00				
New Carpet Entry #5		5,000.00			
Rubber Floor Replacement Interior Stairwells		13,000.00			
ES Locker Faces Repair			100,000.00		
ES Asphalt Repair			120,000.00		
Replace Playground		125,000.00			
District Wide					
Replace Security Cameras	40,000.00				
South Property Demo	250,000.00				
ES and IS Asphalt Replacement					250,000.00

Budget Closing

The FY23 annual budget was prepared to provide a more comprehensive financial presentation to the Board of Education, local citizens, and other interested parties. We extend our appreciation to the members of the Board of Education for their interest and support in planning and conducting the financial operations of Fremont School District 79 in a responsible manner.

Organizational Section



Board of Education
Fremont School District 79
FY23



Gabriela Whipple

President



Maria Simoncelli

Vice President



Shawn Killackey

Secretary



Michael Jandes

Member



Pamela Shaw

Member



Aga Macoch

Member



David Whitson

Member

Administration

Fremont School District 79

FY23

Dr. Trisha Kocanda

Superintendent of Schools

Ivy Fleming

Assistant Superintendent of Finance and Operations

Dr. Brian Bullis

Assistant Superintendent of Learning

Allison Stempien

Director of Human Resources and Administrative Services

Nick Brilowski

Director of Public Relations

Dr. Jane Pedersen

Director of Student Services

Carol Bennett

Director of Educational Programs and Preschool Principal

Stefan Ladenburger

Elementary and Intermediate School Principal

Cathy Park

Elementary and Intermediate School Associate Principal

Andrea Wiklund

Elementary School Assistant Principal

Nicholas Atchley

Intermediate School Assistant Principal

Krista Winkelman

Middle School Principal

Emily Loerakker

Middle School Assistant Principal

Katherine Ison

Director of Transportation

Cheryl Burns

Assistant Director of Transportation

Daniel Wagner

Director of Buildings and Grounds

Jason Carlson

Supervisor of Buildings and Grounds

Ken Garcia (Dyopath)

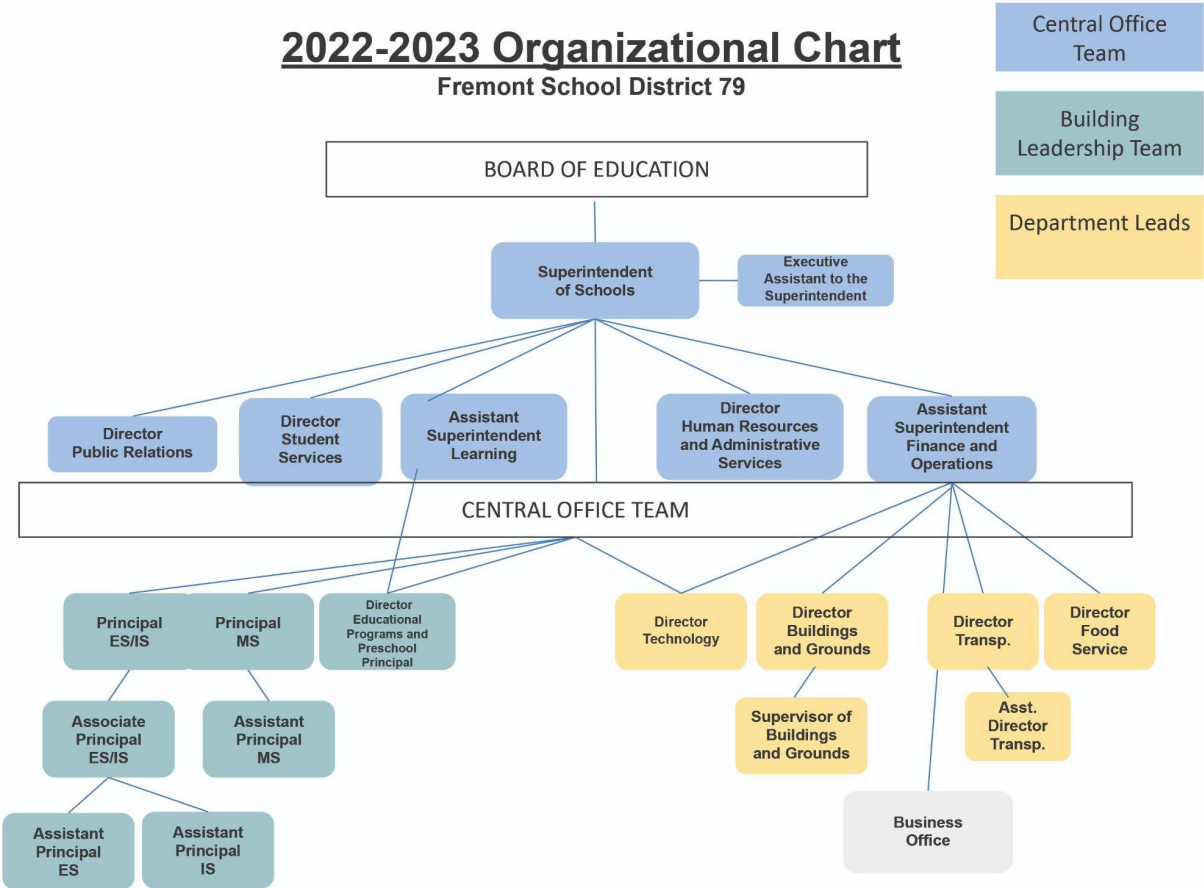
Director of Technology

Barb Stout (Quest)

Director of Food Service

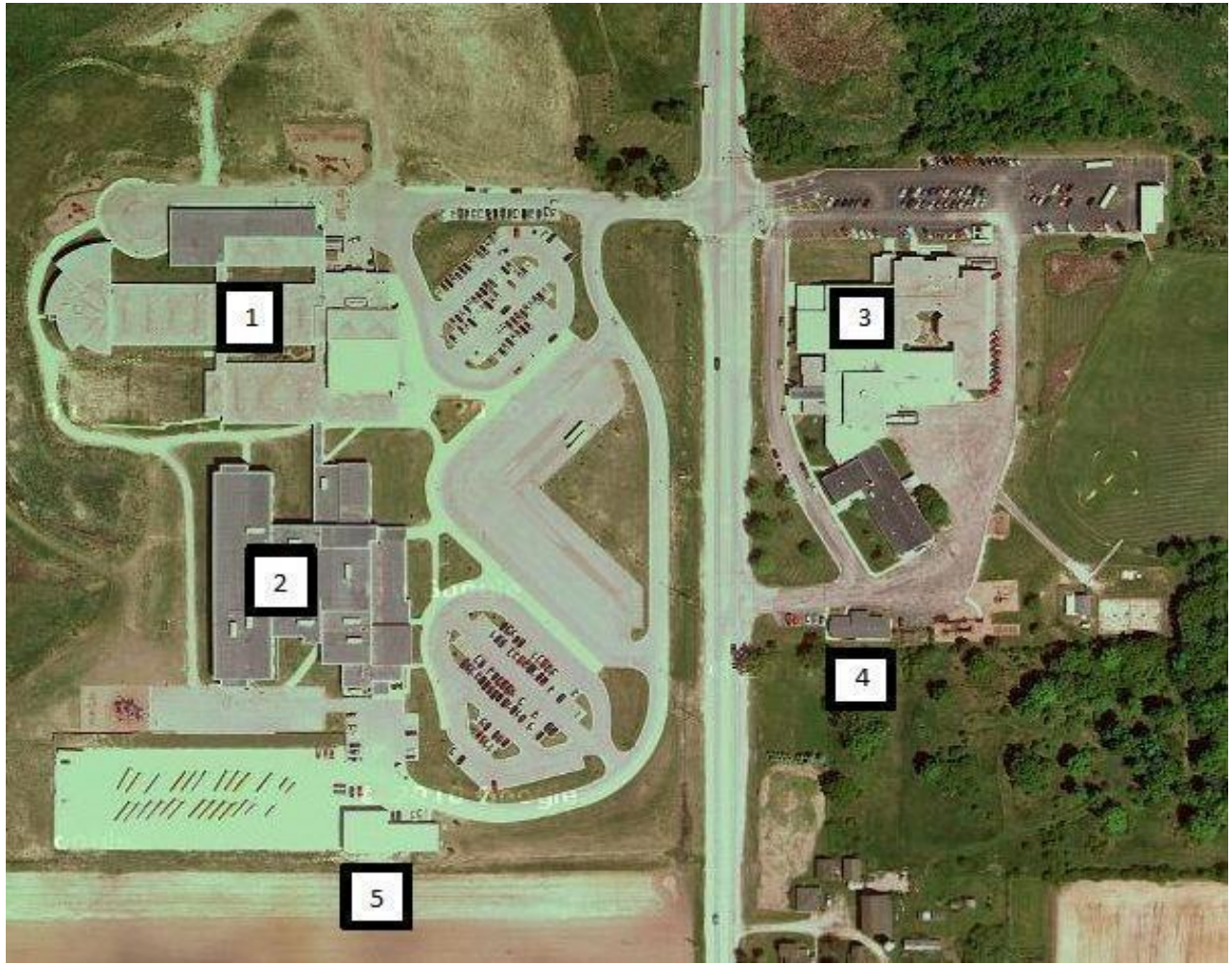
Organizational Chart
Fremont School District 79
 FY23

2022-2023 Organizational Chart
 Fremont School District 79



Buildings and Locations

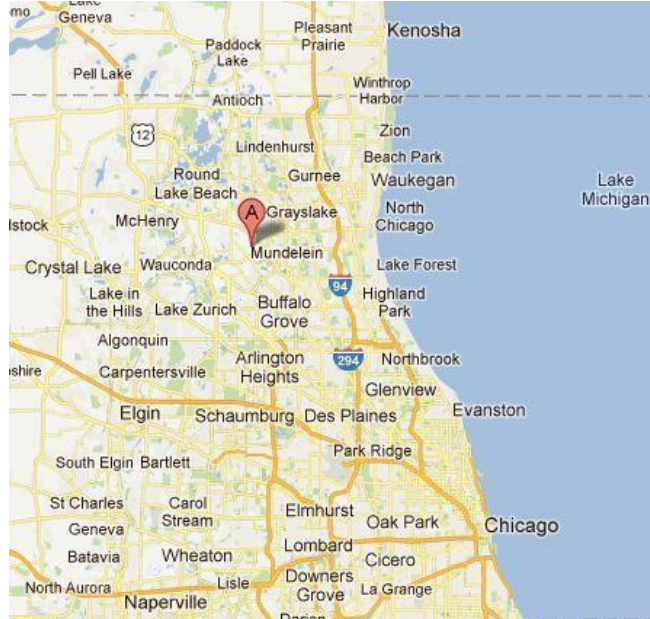
1. **Fremont Elementary School**, 28908 N. Fremont Center Road, Mundelein, IL 60060
Opened in 1998 - 42 classrooms, gymnasium, cafeteria, and media center, 96,011 square feet
2. **Fremont Intermediate School**, 28754 N. Fremont Center Road, Mundelein, IL 60060
Opened in 2007 - 51 classrooms, gymnasium, cafeteria, and media center, 118,458 square feet
3. **Fremont Middle School**, 28871 N. Fremont Center Road, Mundelein, IL 60060
Opened in 1957 - 12 classrooms totaling 18,200 square feet. After a 2007 remodeling project, the building now has 41 classrooms, two gymnasiums, media center, science labs, and cafeteria, 99,600 square feet
4. **Fremont District Office**, 28855 N. Fremont Center Road, Mundelein, IL 60060
Opened in 1996 - six offices, two small meeting rooms, 4,236 square feet
5. **Fremont Transportation Center**, 28750 N. Fremont Center Road, Mundelein, IL 60060
Opened in 2007 - offices, meeting lounge, and three bays for bus maintenance, 6,600 square feet
6. **Lincoln Early Learning Center**, 200 W. Maple Street , Mundelein, IL 60060
Opened in 2015 – 18 classrooms operated cooperatively with D75, D73, and SEDOL, 36,000 square feet



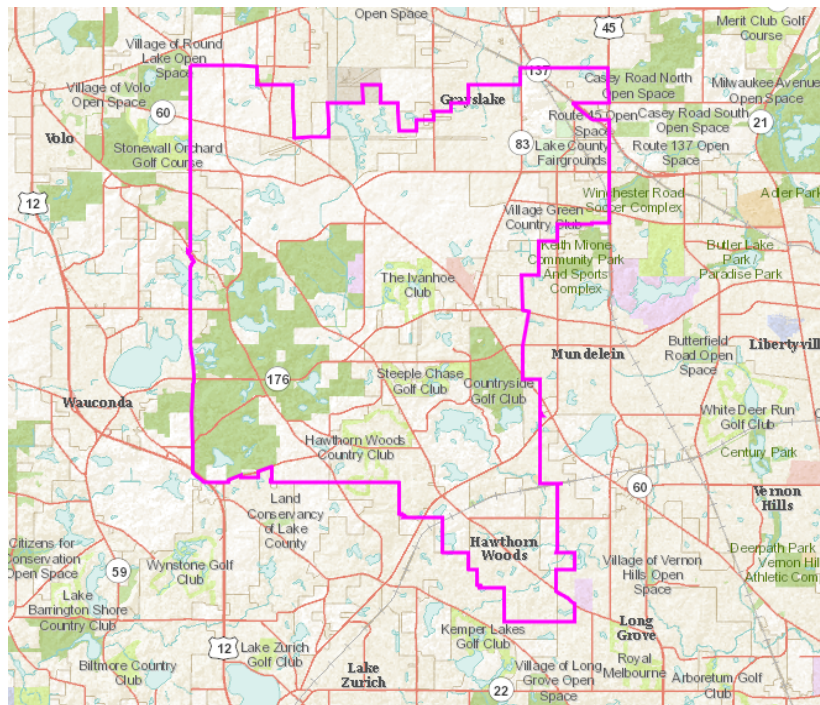
Regional Location

Lake County, Illinois

Northwest Chicago Suburb
Suburban / Rural Fringe



Fremont School District 79 Boundaries





Fremont Middle School sixth-graders participate in a ropes course during the annual class trip to Camp MacLean in Burlington, Wisconsin.

District History

Fremont School District 79 emerged from the consolidation of one-room schoolhouses that were established in the area as individual districts in the late 1800s and early 1900s. These one-room schools were Ivanhoe, Swan, Maple Grove, Murray and Gould. Fremont Center School, located at the corner of North Fremont Center Road and Highway 60, now a private residence, also was a one-room school that was eventually consolidated into the emerging district.

In 1949, Fremont Center District 79 was annexed to Fremont Countryside Consolidated School District 80. In a general election in 1952, by a vote of 58 to 3, Fremont 79 detached itself from District 80, creating an independent district.

In 1955, the final consolidation of all of the one-room school districts into Fremont Center District 79 was finalized, and a seven-member board of education was elected. The annexation of one additional one-room school district, Gilmer School District 94, took place in 1960. Two other annexations of small parcels of land occurred in 1965 and 1971.

Before a central school building was constructed, the one-room school buildings were used to educate students in grades one through eight, with two grades housed in each of the schools.

In 1957, Fremont School was built on the site where Fremont Middle School stands today. The original building consisted of six classrooms, a small gym, general offices, a cafeteria and a kitchen. Only the classrooms on the upper floor were finished. Kindergarten met in the unfinished lower level in an area also considered as the cafeteria and kitchen. Enrollment at that time was 150 students, with a building capacity of 300. The graduating class of 1957 numbered nine students, although this class graduated before the central building was finished. The graduating class of 1958 had 10 graduates. The first Superintendent served as Principal and also taught eighth grade.

As the District continued to grow, additions to Fremont School were added in 1967, 1972, 1979, and 1994, eventually creating a building of nearly 100,000 square feet. By 1994, District enrollment grew to 1,000 students. In 1996, the District built a 4,200-square-foot administrative building directly to the south. In 1998, the District built a 96,000-square-foot elementary school directly across Fremont Center Road to the west. In 2007, the District built both its 118,000-square-foot intermediate school and 6,600-square-foot transportation center on the western side of its now consolidated 120-acre campus.

The current Fremont School District 79 is governed by a seven-member Board of Education. The District now serves approximately 2,200 children in grades pre-kindergarten through eight at one preschool, one elementary school (grades K-2), one intermediate school (grades 3-5), and one middle school (grades 6-8). Students reside in the unincorporated areas of the District and parts of the villages of Hawthorn Woods, Mundelein, Wauconda, Libertyville, Round Lake, Grayslake and Long Grove. Graduates of the District typically attend Mundelein, Stevenson, Grayslake Central or Carmel Catholic High Schools.

The District encompasses an approximate 34-square-mile area, and is centered 40 miles northwest of Chicago, in Lake County, Illinois. The District currently employs 299 persons; 179.5 are licensed and 120 are non-licensed, 238 of these positions are full-time and the other 61 are part-time. Day-to-day affairs of the District are conducted by a full-time staff and administration. Teachers are represented by the IEA/NEA. The current labor contract will expire at the end of FY23, and was negotiated under amicable terms. The District enjoys an excellent relationship with its employees.



The original Fremont School building that stood at the corner of Fremont Center Road and Route 60.

Major Goals and Objectives

The District's last strategic plan sunset in June 2022. This year, the District is collecting information and engaging with stakeholders to inform a broader 4-to-5-year Strategic Plan, which will be completed by the start of next school year. In the interim, the School Board approved the 2022-2023 District goals for this school year. These goals were informed by input from many sources of data, including the recent superintendent search surveys and focus groups, student performance, financial analysis, and staffing experiences.

Mission and Vision

To provide a quality education that prepares today's child for tomorrow's world.

Values

Fremont School District 79 will serve its community by providing an exemplary education focused on whole child development, collaborative practice, and fiscal responsibility.

2022-2023 Goal Areas

- 1) [Community Engagement](#): *Increase engagement and communication outreach with staff, families, and the wider Fremont D79 community.*
- 2) [High-Quality Staff](#): *Increase the District's ability to attract and retain the highest quality talent.*
- 3) [Student Achievement](#): *Increase growth and achievement for all students through targeted focus in the following areas:*
 - *Math Instruction*
 - *Standards Based Grading*
 - *Inclusive Practices*
- 4) [Financial Stewardship](#): *Devise sustainable funding strategies to advance targeted initiatives related to: Tuition-Free Full-Day Kindergarten; Long-Term Facility Planning; and Collective Bargaining.*

(1) Community Engagement: Increase engagement and communication outreach with staff, families, and the wider Fremont D79 community.

Focus communication across the District on three common themes:

- Safety & Security
- Student Growth & Achievement
- Social, Emotional Health & Wellness

Conduct a communications audit with a school communications specialist firm.

Develop a 2022-23 FSD79 Communications Plan in conjunction with the Superintendent of Schools to identify effective strategies to inform internal and external constituents. Some of the new strategies include:

- District-wide newsletter mailing to all households within the District;
- Schedule Meet and Greet opportunities with the new Superintendent;
- Develop weekly internal newsletter for staff members; and
- Produce updated District and principals e-newsletters.

Further develop community connections throughout the municipalities that are a part of our district, including other local school districts and community organizations.

Implement FSD79 communication survey to be sent to District families and staff.

Further enhance our existing personalized learning practices (Profiles, Pathways, and Proficiencies) through an emphasis on Partnerships, including:

- Promote an open door philosophy at our schools, where internal and external partnerships will be encouraged;
- Maintain and grow the partnerships that currently exist within and outside of Fremont School District 79;
- Transcend the classroom by connecting students, teachers, families, and community; and;
- Provide opportunities for students to engage in real-world experiences through multiple mediums to develop: academic skills and knowledge, community and civic engagement, workplace experience, and global citizenship.

Support the Superintendent's Entry Plan and initiate the District's new Strategic Plan.

Update the Employment webpage in alignment with the Strategic Recruitment goal outcomes.

Measures
How will it be measured?

Product/Deliverable:	Data/Metrics:
Communications Audit Report (November 2022)	D79 Communication Satisfaction Survey (Baseline Year)
Communications Plan/Calendar (September 2022)	<ul style="list-style-type: none"> • Staff: at least 80% satisfied/highly satisfied • Parents: at least 80% satisfied/highly satisfied
Community-Wide Newsletter (March 2023)	Maintain our 90 existing, identified internal and external FSD79 Partnerships and increase this number by 20% to 108 by the end of the 2022-2023 academic year.
Communication Survey Results (January/February 2023)	
Updated Employment website (February 2023)	
FSD79 Partnerships log	

(2) High Quality Staff: *Increase the District's ability to attract and retain the highest quality talent.*

Design a recruitment plan with the support of a Strategic Recruitment Committee, composed of members of the Leadership Team, to attract and hire the highest quality talent for all positions. The committee will meet twice per month through January and achieve the following:

- Create organizational branding;
- Update job postings;
- Identify sourcing of high-quality talent for all positions;
- Define the “hard to fill” positions and identify barriers to recruitment and retention; and
- Revise the Interview and selection process.

Implement the Strategic Recruitment Plan in accordance with the committee's recommendation.

Develop a compensation plan to ensure the salary structure for all positions is competitive in the market compared to the surrounding school districts.

Measures
How will it be measured?

Product/Deliverable:

Strategic Recruitment Plan (January 2023)

Data/Metrics:

Increase the number of applicants for the hard-to-fill positions by 20%.

(3) Student Achievement: *Increase growth and achievement for all students through targeted focus in the following areas:*

- ***Math instruction***
- ***Standards Based Grading***
- ***Inclusive practices***

- **Math Instruction**

- Target efforts to respond to the pandemic, including: summer school session II, after school tutoring, interventionist support, SEL support, and expanding full-day Kindergarten enrollment;
- Continue our math pathways realignment which has reached 6th grade;
- Meet the usage recommendations on our personalized, adaptive, online instructional resources, including Dreambox (K-2) and MAP Accelerator (3-8);
- Regular, ongoing professional development, led by our math specialists, focused on mathematical mindsets and practices;
- Female-specific efforts include:
 - Female-specific instructional strategies embedded in the regular, ongoing professional development; and
 - Targeted, personal invites to our female students who would benefit from tutoring opportunities, and/or participation in math related extracurricular opportunities.

- **Standards Based Grading**

- Initial implementation for the subject areas of science, social studies, and related studies;
 - Transition of the gradebook and report card from traditional grading to SBG grading; and
 - Ongoing professional development;
- Ongoing professional development in the subject areas of math and ELA; and
- Continued communication with families regarding our grading and reporting practices.

- **Inclusive Practices**

- Study and make recommendations for special education staffing, including investigation of taking back the SEDOL LASSO-2 program currently held at Fremont Elementary School.
- Work with current self-contained teachers, staff, and building administration on programming, including student profiles, inclusion opportunities, and entrance/exit guidelines
- Provide professional learning for administrators, classroom teachers, and special education staff on inclusive practices

Measures
How will it be measured?

<p>Product/Deliverable:</p> <p>Math Instruction:</p> <ul style="list-style-type: none"> • ECRISS 2022-2023 Overall Growth Summary Report, typically released in late July or early August. <p>Standards Based Grading:</p> <ul style="list-style-type: none"> • All report cards will be fully aligned to standards-based grading, beginning with the first trimester report card November. <p>Inclusive Practices:</p> <ul style="list-style-type: none"> • Special Education Staffing Recommendation Report- February 2023. • Fremont Instructional Programming Overview/Brochure- Spring 2023. 	<p>Data/Metrics:</p> <p>Math Instruction: Annual ECRISS overall student growth score. Benchmark goals include:</p> <ul style="list-style-type: none"> • Increase our overall math score of -0.24 from 2021-2022. Ideally returning to, or exceeding, our highest pre-pandemic growth score of 0.19 in 2018-2019. • Increase our middle school overall growth score in math from lower than expected growth (“yellow”), at -0.35, to expected growth (“green”), with a growth score of -0.29 or higher. • Increase our female overall math growth score from lower than expected growth (“yellow”), at -0.33, to expected growth (“green”), with a growth score of -0.29 or higher. <p>Standards Based Grading: 100% of classes implement Standards-based grading in all subject areas.</p> <p>Inclusive Practices: Decrease the percentage of students receiving services in self-contained special education classrooms (at Fremont or in SEDOL/private placements) by 2% for the 23-24 school year.</p>
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(4) Financial Stewardship: *Devise sustainable funding strategies to advance targeted initiatives.*

Devise sustainable funding strategies to advance targeted initiatives related to:

- **Tuition-free full-day kindergarten (present to BOE January)**
 - Analyze offset opportunities to absorb the loss of tuition revenue.
 - Refine the staffing needs with key administrators.
 - Evaluate long-term educational and financial impact of advancing this initiative.
 - Provide the Board with a funding plan with a cost-benefit analysis.

- **Long-term facility planning**
 - Conduct a facility assessment with the District’s architect.
 - Evaluate the long-term costs of maintaining current facilities.
 - Ascertain upcoming residential development plans with local municipalities.
 - Devise an Educational Master Facility Plan development process for the 23-24 SY.

- **Collective bargaining agreement (FEA)**
 - Prepare for and engage in FEA negotiations, addressing salaries, benefits, and working condition topics. This includes a compensation market analysis to improve recruiting and retention efforts.

Measures
How will it be measured?

Product/Deliverable:	Data/Metrics:
Tuition-free full-day kindergarten financing plan (January 2023)	Tuition-free full-day kindergarten plan that stays within the Board’s budget parameters.
District Facility assessment with costs and replacement timelines for all major systems and facility needs. (April 2023)	Facility assessment plan that includes a 5-10 year financial forecast that keeps fund balance above 50% and maintains funding for educational programming.
Negotiated FEA contract aligned with the District’s financial goals while upholding commitment to recruiting and retaining excellent talent. (Spring 2023)	Financial Performance Report demonstrating accountability to negotiations financial threshold set by the School Board inclusive of a 5-year forecasting analysis and balanced budget.

Allocation of Resources to Achieve Goals and Objectives

The District allocates 81% or \$26.5 million of the \$32.7 million operating funds budget to the educational fund. This \$26.5 million is further allocated to instructional, support services and non-programmed charges. The district spends 64%, or \$16.9 million, of the \$26.5 million educational fund budget on instructional program expenditures (see Chart 1.09).

The goals of the District are for all learners to achieve excellence and build leadership capacity. The District provides bilingual, gifted, at-risk, special education and regular education programs to meet individual student needs. The District spends 30.5%, or \$8.1 million, of its \$26.5 million educational fund budget on support services. Support services provide professional assistance to students who need help from District social workers, guidance counselors, health, psychological or speech pathology providers.

The District spends the remaining 5.5%, or \$1.5 million, of its \$26.5 million educational fund budget in payments to other local education agencies (including a \$150,000 contingency for unforeseen placements) on programs and residential placements for students who have needs that cannot be served in the District.

This judicious allocation of financial resources, and demonstrated focus on delivering the optimal mix of instructional and support services, clearly illustrates the District's priority to inspire all students to reach their full potential and to achieve excellence.



A member of the Fremont Middle School track and field team competes in the hurdles at a meet.

Key Factors Affecting Current and Future Budgets

Budgets and financial projections are snapshots using the latest available information. School finance, however, is conducted in a dynamic environment rather than a vacuum. Financial planning and management are affected by internal and external events. Some of these factors are listed below:

- Future state budget deficit affecting state aid and other factors
- Interest rates
- Changing demographics and personnel required to accommodate the students
- Special education services needed for educationally or physically challenged students
- Consumer Price Index
- Medical insurance costs
- Property tax variables

State Budget Deficit

With a budget deficit of \$1.5B and an estimated \$140B unfunded pension liability, the state's financial condition creates great uncertainty. In FY23, under the State's Evidence Based Funding Model (EBM), the district anticipates a slight increase in the amount of \$44,109 in its state funding level. Fortunately, the district relies on state funding for only 5.65% of its revenue.

Interest Rates

With the pandemic coming to end and the Federal Reserve increasing interest rates to slow inflation, the District is expected to receive favorable returns on investments. It is anticipated the District will realize over 400K in investment income for FY23.

Enrollment and Demographics

Located in a potentially high-growth area with ample buildable land, the District is forecasting growth in its student population as a direct result of the improving housing market. Enrollment is forecast at an estimate of 2,200 students in FY23, with a slight increase in student count over the next several years as the housing market continues to be stabilize. Poverty rates declined from 7.4% in FY21 to 8.5% in FY22. While 23% of students come from non-English speaking homes (50 languages - primarily Spanish, Polish, and Ukrainian), 15% of the student population receives services to help master the English language.

Consumer Price Index

The Consumer Price Index (CPI) is used in the property tax formula that determines 83.34% of district revenue. With the CPI for 2021 at 1.4%, local tax revenues will increase by approximately 2.14% for this year. Labor, benefit, supply and energy costs increases all significantly outpace the 2021 CPI.

Special Education Services

Special education services are mandated by State and Federal laws, with the level of services based on student need and qualification. The district employs a Student Services Director, three Assistant/Associate Principals providing Student Services Coordinator support, 13 special education teachers, 7 English Language Learner teachers, 16 Support Service personnel, 4 contractors in a variety of specialties, and 28 classroom instructional assistants. The district also is a member of a county special education cooperative that provides highly specialized services at a managed price. The demand for early childhood and English language learner services continues to rise, with the district maintaining 8.7 FTE to meet demand. Staffing levels in this domain fluctuate annually based on service needs identified in a student's Individual Education Plan (IEP).

Medical Insurance

The district uses the services of a commission-based broker to annually explore the market place and to re-bid the district's health insurance package. The district's insurance committee, composed of teachers, administrators, non-certified staff, and board members annually reviews broker coordinated market offers, making a final recommendation to the school board each spring. Bids from popular regional educational health care cooperatives also were secured and compared to broker offerings.

Over the past three years has not experienced a rate increase with Blue Cross/Blue Shield. The annual renewal with Blue Cross/Blue Shield FY23 is a 9% rate increase over the previous year without any plan design changes. In an effort to keep insurance experience factors low, the district funded a number of wellness initiatives to include flu shots, wellness screenings, Weight Watchers, and on-site Yoga, Jazzercise, and Zumba classes. These popular programs are funded with unused flexible spending funds contractually returned to the district.

Certificated employees receive a contractual defined contribution of \$1,562.01 to select from PPO, HMO, High Deductible PPO / Health Savings Account, and Flexible Spending Account offerings. Non-certificated employees receive the same level of benefit. Part-time employees receive a pro-rated benefit contribution based on their percentage of full-time employment. Health insurance contributions increased 2% by contract in FY18-23, limiting district exposure to exorbitant increases.

Property Taxes

Property taxes represent 83.42% of total revenue. State law and the School Code of Illinois govern the policies and procedures of school finance in relation to local property taxes. Over the last several years, increasing EAV forced decreases in the district levy tax rate to maintain stable funding. 2022 tax rate is projected to decline by .0271. The district monitors property tax legislation and assessment appeals, and works in consortium with professional associations, neighboring districts, and legislators to minimize tax revenue base impact.

Significant Revenue Enhancement Efforts

The Fremont School District 79 Board of Education works diligently to live within its financial means, and to provide a quality educational setting for the community at a responsible cost. In today's challenging fiscal environment, the district employed a number of cost mitigation techniques. The District strives to keep cost reductions away from the classroom and maintain favorable staff/student ratios.

Cost mitigation techniques for FY23 include:

- Evaluate needs and eliminate unjustified positions
- Partial contracts or purchased services vs. full-time employees
- Shared services – transportation, professional development, early childhood
- Fee support for extracurricular activities – band, choir, athletics
- Fee support for technology upgrades
- Revenue first for optional services, then hire – Early Childhood, Pre-K, Full-Time K
- Outsource when able – day custodial porters, night custodial work, unusual specialties
- Insource when smart – skilled trades, mechanics, grounds
- Reductions in utility expenditures with efficient boilers/ lighting, cooperative energy purchasing
- Employee wellness programs – reduce insurance experience factors
- Retire at the top, hire at the bottom

In addition to its immediate cost reduction efforts, the District is working to strategically position itself for success in light of a number of other macro level financial and societal trends:

- Expenditure increases outpacing revenue growth
- Increase in the number of families qualifying for financial support services
- Increase in the number of non-English speaking students
- Increase in technology demands
- Unfunded mandates in the areas of ELL, EC, and teacher evaluation
- Significant state funding reductions and delays
- State pension reform
- State funding shift
- Increasing taxpayer weariness and unwillingness to support referendums
- Labor expectations relative to continual increases in salary and benefits

In light of this challenging environment, the district annually examines the relevance and financial efficiency of its current educational offerings, methodically examines and prioritizes requests for additional resources, and continually works to find creative solutions to do more with less.

Significant Expense Reduction Efforts

The combined managerial efforts of the Board of Education and Administration continue to result in continued expenditure reductions.

Salaries and Benefits – – A five-year labor contract was negotiated with the Fremont Education Association (FEA), and will run from FY18-22. This contract was extended for the 2022-2023 school year. This negotiation locked in the existing FY17 pay matrix for five years, allowing only for negotiated lane and step movement. Health care benefit allotments were also locked in for five years at a 2.00% annual increase. These two combined control factors resulted in an average aggregate total annual FEA labor cost increase of 1.85%. Considering that the preceding labor contract was on an approximate annual 4.50% cost increase trajectory, the negotiated contract will continue to save approximately \$200K in FY23. Non-teacher salary and benefit increases also were limited under 3.00%.

Buy vs. Finance – With significant fund balances the District is purchasing capital equipment rather than incurring the costs associated with leasing or financing it. The net effect of this philosophy shift applied to large capital purchases will continue to save approximately \$30K.

Lower Utility Consumption – Through the use of energy efficiency grants, the District retrofitted lighting, boilers, and HVAC controls with more efficient alternatives. This effort will continue to save approximately \$50K.

Utility Collective Purchasing – The District participates in two energy cooperatives that collectively purchase gas and electricity. Compared to retail market purchasing, this effort will approximately save \$50K.

Lincoln Early Childhood Center – The District participates in a shared services intergovernmental agreement with Mundelein School District 75, Hawthorn School District 73, and the Lake County Special Education Cooperative (SEDOL) to share classroom space and personnel in the 18-classroom Lincoln Early Learning Center. By more efficiently allocating facility, personnel, and supply costs over a higher student population, the District saves approximately \$100K annually in educating its youngest learners.

Contracted Transportation Services – The District was able to renegotiate pricing for out-sourced transportation services. These efforts resulted in the District saving approximately \$50K annually.

Legal and Accounting Structure

Legal Structure

The official name of the district shall be FREMONT SCHOOL DISTRICT 79. It shall be the responsibility of the district to provide quality education for children residing within its boundaries in grades kindergarten through grade eight and in pre-kindergarten programs.

The legal status for the operation of this district is derived from Article X entitled, "Education in the Constitution of the State of Illinois". The Constitution of Illinois holds the legislators responsible by stating:

"The State shall provide for an efficient system of high quality educational institutions and services. Education in public School through the secondary level shall be free. There may be such other free education as the General Assembly provides by law. The State has the primary responsibility for financing the system of public education."

The General Assembly has implemented this constitutional mandate through the creation of school districts of various types. Fremont School District 79, Mundelein, Illinois, Lake County, is governed by the laws set forth for elementary districts having a population of not fewer than 1,000 and not more than 500,000.

Fremont School District 79 is a municipal corporation governed by a Board of Education comprising of 7 members, which is elected by the public and has the exclusive responsibility and accountability for the decisions it makes. The district has the statutory authority to adopt its own budget, levy taxes, and issue bonded debt without the approval of another government. It has the right to sue and be sued, and has the right to buy, sell, lease, or mortgage property in its own name. Based on these criteria, the district is considered a primary government and there are no other organizations or agencies whose budgets should be combined and presented with this budget.

Financial Fund Structure

The accounts of the district are organized and operated on the basis of funds. A fund is an independent fiscal and accounting entity with a self-balancing set of accounts that comprise its assets, liabilities, reserves, fund balance, revenues and expenditures. The district maintains individual funds required by the Illinois State Board of Education (ISBE). Funds are organized into three major categories: governmental, proprietary, and fiduciary. There are no proprietary funds within the district.

An emphasis is placed on major funds within the governmental and proprietary categories. A fund is considered major if it is the primary operating fund of the district, is considered by the district as major, or meets the following criteria:

a. Total assets, liabilities, revenues, or expenditures of that individual governmental or enterprise fund are at least ten percent of the corresponding total for all funds of that category or type; and

b. Total assets, liabilities, revenues, or expenditures of the individual governmental or enterprise fund are at least five percent of the corresponding total for all governmental and enterprise funds combined.

Governmental funds include the following funds, all of which are considered major by the District:

General Fund – The Education fund is the primary operating fund of the District and is always classified as a major fund. It is used for most of the instructional and administrative aspects of the District’s operations. The revenue consists primarily of state aid and local property taxes.

Special Revenue Funds – Special revenue funds are used to account for the proceeds of specific revenue sources (other than those accounted for in the debt service fund, capital projects funds or fiduciary funds) that are legally restricted to expenditures for specified purposes.

Each of the District’s special revenue funds has been established as a separate fund in accordance with the fund structure required by the State of Illinois for local educational agencies. These funds account for local property taxes restricted to specific purposes. A brief description of District special revenue funds follows:

Operations and Maintenance Fund – accounts for expenditures made for repair and maintenance of district property. Revenue consists primarily of local property taxes.

Transportation Fund - accounts for all expenditures made for student transportation. Revenue is derived primarily from local property taxes and state reimbursement grants.

Municipal Retirement Fund - accounts for the District’s portion of pension contributions to the Illinois Municipal Retirement Fund, payments to Medicare for certified employees and payments to the Social Security System for non-certified employees. Revenue to finance the contributions is derived primarily from local property taxes and personal property replacement taxes.

Working Cash Fund – accounts for financial resources held by the District to be used as temporary interfund loans for working capital requirements.

Capital Projects Funds – accounts for the financial resources to be used for the acquisition or construction of, and/or additions to, major capital facilities. This fund is also used to account for construction projects and renovations financed through serial bond issues.

Fire Prevention and Life Safety Fund – accounts for State-approved life safety projects financed through serial bond issues.

Debt Service Fund – accounts for the accumulation of resources for, and the payment of, general long-term debt principal, interest, and related costs.

Fiduciary Funds – Fiduciary Funds are used to account for assets held by the District in a trustee capacity or as an agent for individuals, private organizations, other governments or other funds.

Agency Funds – The agency funds include student activity funds, convenience accounts and other agency funds. These funds are custodial in nature and do not involve the measurement of results of operations. Although the Board of Education has the ultimate responsibility for activity funds, they are not local education agency funds.

Student activity funds account for assets held by the District which are owned, operated and managed generally by the student body, under the guidance and direction of adults or a staff member, for educational, recreational or cultural purposes. Convenience accounts account for assets that are normally maintained by a local education agency as a convenience for its faculty, staff, etc.

Separate financial statements are provided for all governmental funds and fiduciary funds, even though the fiduciary funds are excluded from the government-wide financial statements.

Chart 2.01 Governmental Fund Structure

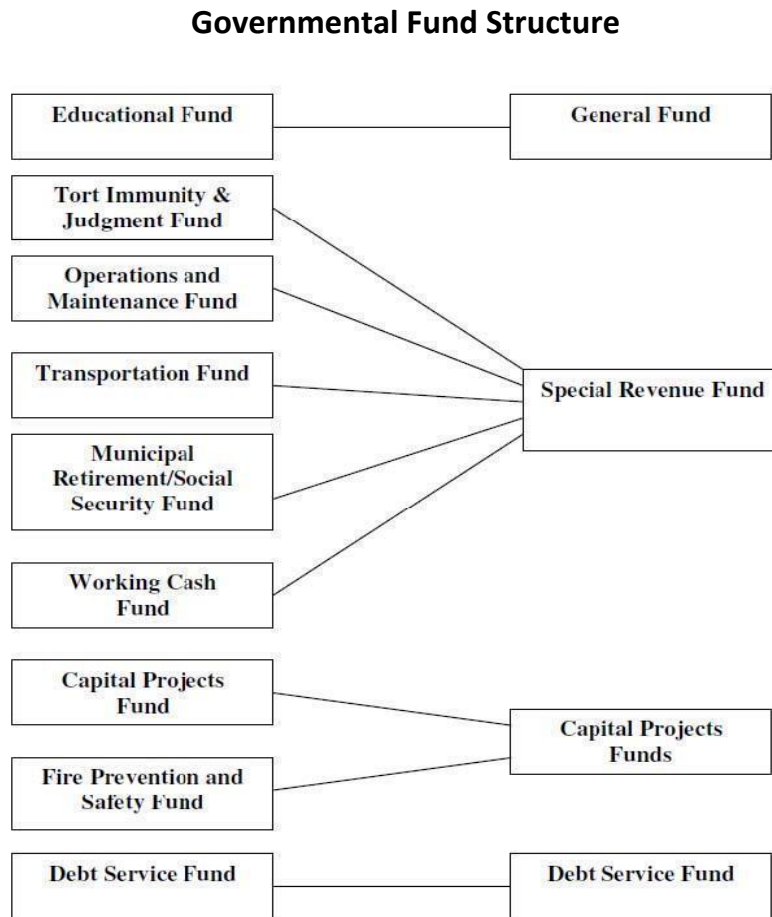
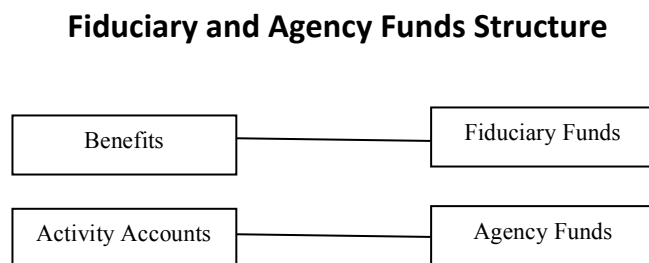


Chart 2.02 Fiduciary and Agency Funds



Financial Account Structure

Revenues of the District are classified by fund and source. The three primary sources of revenue are Local, State, and Federal:

Local – property taxes, corporate personal property replacement taxes (CPPRT), student fees, interest

State – general state aid, special education aid and transportation reimbursement

Federal – Title I low income, IDEA special education

Expenditures of the District are classified by fund, function, object, and location.

Fund - describes the financial fund from which the expenditure is drawn

Function - describes the program area *where* the money is spent

Object - describes *what* the money is spent on

Location – describes the *location* of where the money is spent

All account codes are developed in compliance with the Illinois Program Account Manual (IPAM).

Chart 2.03 Revenue and Expenditure Account Structure

Revenue and Expenditure Classification by Account Code

Revenue	Format	Area	Account #	Code	Description
	XX-XXXX	Fund	XX-XXXX	10 20 30 40 50 60 70 90	Education Ops & Maint Debt Service Transportation IMRF / Soc Sec Capital Projects Working Cash Life Safety
		Source	XX-XXXX	1XXX 3XXX 4XXX	Local State Federal
Expenditure	Format	Area	Account #	Code	Description
	XX-XXXX-XXX-X	Fund	XX-XXXX-XXX-X	10 20 30 40 50 60 70 90	Education Ops & Maint Debt Service Transportation IMRF / Soc Sec Capital Projects Working Cash Life Safety
(Where?)		Function	XX-XXXX-XXX-X	XXXX	IPAM Compliant
(What?)		Object	XX-XXXX-XXX-X	1XX 2XX 3XX 4XX 5XX 6XX 7XX	Salaries Benefits Purchased Services Supplies Capital Outlay Other Objects Equipment
(Location?)		Location	XX-XXXX-XXX-X	1 2 3 4 5	Elementary School Middle School Intermediate School District Wide Early Learning Center

Basis of Accounting

District activities are presented using the accrual basis of accounting. Under the accrual basis of accounting, revenues are recognized when earned and expenses are recorded when the liability is incurred or economic asset used. Revenues, expenses, gains, losses assets, and liabilities resulting from exchange and exchange-like transactions are recognized when the exchange takes place.

In the fund financial statements, governmental funds and agency funds are presented on the modified accrual basis of accounting, which is in conformity with the Illinois Program Accounting Manual for Local Education Agencies. Under the modified accrual basis of accounting, revenues are recognized when susceptible to accrual; i.e., when they are both “measurable and available”. Measurable means that the amount of the transaction can be determined and available means collectible within the current period or soon enough thereafter to be used to pay liabilities of the current period. Expenditures, other than principal and interest on long-term debt, are generally recognized under the modified accrual basis of accounting when the related fund liability is incurred. Principal and interest on long-term debt are recorded as fund liabilities when due or when amounts have been accumulated in the debt service fund for payment to be made in the following year.

In applying the susceptible to accrual concept to intergovernmental revenues, the legal and contractual requirements of the numerous individual programs are used as guidance. There are however, essentially two types of these revenues. In one, monies must be expended on the specific purpose or project before any amounts will be paid to the district; therefore, revenues are recognized based upon the expenditures recorded. In the other, monies are virtually unrestricted as to purpose of expenditure and are usually revocable only for failure to comply with prescribed compliance requirements. These resources are reflected as revenues at the time of receipt or earlier if the susceptible to accrual criteria are met.

Those revenues susceptible to accrual are property taxes, replacement taxes, certain state and federal aid, and interest on investments. Grant funds are considered earned to the extent of expenditures made under grant provisions. Charges for services and miscellaneous revenues (except investment earnings) are recorded as revenues when received in cash because they are generally not measurable until actually received.

Deposits and Investments

State statutes authorize the district to invest in obligations of the U.S. Treasury, certain highly-rated commercial paper, corporate bonds, repurchase agreements, and the State Treasurer’s Investment Pool. Investments are stated at fair value. Changes in fair value of investments are recorded as investment income.

Receivables

In government-wide statements, receivables consist of all revenues earned at year-end and not yet received. Allowances for uncollectible accounts receivable are based upon historical trends. In fund financial statements, material receivables in governmental funds include revenue accruals that are both measurable and available. Non-exchange transactions collectible but not available are deferred in the fund financial statements in accordance with modified accrual, but not deferred in the fund financial statements in accordance with the accrual basis.

Property Tax Revenues

The District must file its tax levy ordinance by the last Tuesday in December of each year. The District's 2022 levy ordinance was approved during the December 19, 2022 board meeting. The District's property tax is levied each year on all taxable real property located in the district and it becomes a lien on the property on January 1 of that year. The owner of real property on January 1 in any year is liable for taxes of that year. The District has a statutory tax rate limit in various operating funds subject to change only by approval of the voters of the District. Also, the District is subject to the Property Tax Extension Limitation Act, which, in general, limits the increase in the amount of taxes to be extended to the lesser of 5% or the percentage increase in the consumer price index for the year, preceding the levy. Certain bond issue levies and referendum increases are exempt from this limitation.

Property taxes are collected by the Lake County Treasurer, who remits to the District its share of collections. Taxes levied in one year become due and payable in two equal installments: the first due on June 1 and the second due on September 1. Property taxes are normally collected by the District within 60 days of the respective installment dates.

The 2022 property tax levy is recorded as a receivable, net of estimated uncollectible amounts approximately 1%. In fund financial statements, the property tax levy receivable collected within the current year or expected to be collected within 60 days of year end to be used to pay liabilities of the current period less the taxes collected within 60 days after the year end of the previous fiscal year is recognized as revenue. The tax receivable less the amount expected to be collected within the 60 days of year-end to be used to pay liabilities of the current period is reflected as deferred revenue. In the government-wide statements revenue is recognized based on the period that the levy is intended to finance.

Corporate Personal Property Replacement Taxes

Corporate personal property replacement taxes are first allocated to funds where taxes were automatically abated by the county clerk and to the Municipal Retirement/Social Security Fund, with the balance allocated to the remaining funds at the discretion of the District.

Budget Process and Policies

State Budget Requirements

[Section 105 Illinois Compiled Statutes 5/17-1]

Annual Budget. The board of education of each school district under 500,000 inhabitants shall, within or before the first quarter of each fiscal year, adopt an annual budget which it deems necessary to defray all necessary expenses and liabilities of the district, and in such annual budget shall specify the objects and purposes of each item and amount needed for each object and purpose.

The budget shall be entered upon a School District Budget form prepared and provided by the State Board of Education and therein shall contain a statement of the cash on hand at the beginning of the fiscal year, an estimate of the cash expected to be received during such fiscal year from all sources, an estimate of the expenditures contemplated for such fiscal year, and a statement of the estimated cash expected to be on hand at the end of such fiscal year. The estimate of taxes to be received may be based upon the amount of actual cash receipts that may reasonably be expected by the district during such fiscal year, estimated from the experience of the district in prior years and with due regard for other circumstances that may substantially affect such receipts. Nothing in this section shall be construed as requiring any district to change or preventing any district from changing from a cash basis of financing to a surplus or deficit basis of financing; or as requiring any district to change or preventing any district from changing its system of accounting.

The board of education of each district shall fix a fiscal year. If the beginning of the fiscal year of a district is subsequent to the time that the tax levy for such fiscal year shall be made, then such annual budget shall be adopted prior to the time such tax levy shall be made.

Such budget shall be prepared in tentative form by some person or persons designated by the board, and in such tentative form shall be made conveniently available to public inspection for at least 30 days before final action thereon. At least one public hearing shall be held as to such budget prior to final action thereon. Notice of availability for public inspection and of such public hearing shall be given by publication in a newspaper published in such district, at least 30 days prior to the time of such hearing. If there is no newspaper published in such district, notice of such public hearing shall be given by posting notices thereof in five of the most public places in such district. It shall be the duty of the secretary of such board to make such tentative budget available to public inspection, and to arrange for such public hearing. The board may from time to time make transfers between the various items in any fund not exceeding in the aggregate 10% of the total of such fund as set forth in the budget. The board may from time to time amend such budget by the same procedure as is herein provided for its original adoption.

The District begins its site-based budgeting process in January, with functional area Directors and Principals acting as budget administrators. The budget reflects the financial support of the goals and objectives of the District. Budget administrators provide information and budget requests in order to continue programs and, in some cases, expand programs. Budget administrators are also responsible for providing information about various grants that the District receives.

As the budget is prepared, approximately 69% of total expenses are allocated to salaries and benefits due to contractual agreements. Budget administrators submit their requests to the Assistant Superintendent for Finance and Operations who then compiles the budget. During this time, the Assistant Superintendent for Finance and Operations discusses the general financial condition with the Superintendent and the Board of Education. The Board of Education directs the district to maintain operating and working cash fund balances sufficient to execute the educational mission of the District.

Capital Budget Development

The annual capital budget development process begins with the identification of capital expenditure needs by District directors in the areas of educational services, buildings and grounds, technology, and transportation. Through the use of architectural estimates, vendor requests for proposal, informal industry survey and potential vendor quotes, these needs are translated into capital requests by each area director. With the assistance of the business director, these needs are then prioritized to maximize educational impact and financial efficiency, and presented to the board for funding consideration.

The District maintains a comprehensive, five-year model that captures the many financial factors impacting the District. The board consults this model each spring to determine its annual level of capital expenditure and to forecast the long-term financial impact. Following comprehensive deliberation, the board sets its annual capital expenditure level, which is then included in the District's annual budget. Capital requests are funded in priority order until the capital budget is exhausted, with District directors executing their funded requests in the next fiscal year. Capital improvements are then captured by the District's annual appraisal process.

The District maintains a five-year long-term financial projection model. The District uses the Frontline model, which provides the ability to address "what if" scenarios. The board, Superintendent, and Assistant Superintendent of Finance and Operations continually review budget preparation to ensure that the newly developed budget is in alignment with planned and modeled objectives.

Budget Adoption and Publication

The District will prepare and present a tentative budget to the Board of Education in July. The board approves the tentative budget to be placed on display for a period of 30 days. The board sets the date and time for the required public hearing on the official budget. After the public hearing, the official budget is approved at the September board meeting. The Board of Education approves the official budget no later than the end of the first quarter of the fiscal year, as mandated by Illinois School Code.

Budget Administration and Management

The District relies on a site-based budget administration process throughout the year. Budget holders are charged with the responsibility of achieving the strategic goals in their area, empowered to spend the funds under their control, expected to operate within the bounds of their budget, and held accountable for their actions. Autonomy, empowerment, and accountability are all highly valued.

Budget holders receive multiple layers of support in executing their budgets. Monthly transaction reports, including both monthly expenditures and encumbrances, are provided in a paper format. Customized electronic reports are created with the district's financial software to provide web-based real-time access to budget information. The Assistant Superintendent for Finance and Operations reviews all transactions, and provides detailed monthly expenditure reports to the board for final review. Discrepancies discovered during monthly review are corrected in a timely manner.

The Assistant Superintendent for Finance and Operations, the Superintendent, and the Board of Education all review financial results compared to budget on a monthly basis. The board is very cognizant of the budget's sensitivity to salaries, CPI, increased cost of supplies, and delayed and prorated state and federal revenues.

Budget Calendar

July

Fiscal year begins July 1.

Revenue numbers are updated based on figures received from the state board for grants.

The Transportation Claim is completed, providing preliminary revenues for state reimbursement.

The district receives medical, and liability insurance renewal information.

The board approves the tentative budget at the regular meeting.

August

Legal notice of a budget hearing and that the tentative budget is available for public inspection, is published in a local paper. The tentative budget must be available for public inspection at least 30 days before the budget hearing in September.

Special Education pupil, personnel, and private facility claims are prepared and due to the state board by August 15. These claims provide firm revenue figures for state reimbursements.

September

A budget hearing is conducted before the regular meeting where the public is given the opportunity to comment and ask questions about the budget.

The official budget is adopted by the board at the regular meeting. The school code requires that the budget be adopted by September 30.

October

The annual audit is completed, and the Annual Financial Report is due to the Regional Office of Education.

Preliminary levy figures are determined. The Finance Committee reviews the tentative levy.

The tentative tax levy is presented to the full board at the regular meeting.

December

If the aggregate levy (all operating funds combined) is increased more than 5% over the previous year's levy, then the board is required to hold a public hearing on its intent to levy. A legal notice must be published in a local paper no more than 14 days nor less than 7 days prior to the hearing. This hearing is conducted prior to the regular meeting.

The board adopts the tax levy at the regular meeting. The levy must be certified with the county clerk on or before the last Tuesday of December.

January

Annual five-year projections for all operating funds are updated and reviewed by the Administrative Team.

The Finance Committee reviews and discusses the five-year projections.

February

The Administrative Team reviews staffing needs for the next year and the impact on facilities. A report is prepared for the board reflecting the five-year projections, and staffing, capital outlay, and facilities recommendations for the next year.

March

The board approves staffing recommendations for the next year.

The Assistant Superintendent of Finance and Operations meets with principals and budget holding directors to determine supply, instructional material, and capital outlay budgets.

April

A tentative budget is prepared for the next fiscal year that includes approved staffing levels, supply requests, and capital outlay.

The district receives the levy rates by fund from the county clerk. These figures allow the business manager to more accurately determine revenues for the next year's budget.

May

State and Federal grant applications are submitted and preliminary grant revenues are determined for the next year's budget.

June

Fiscal year ends June 30.

Financial Policies

The district has four significant finance-related policies, which include the following:

Investment Policy

The District maintains a set of procedures for the investment of school district funds that includes the following elements:

Section 1: A listing of authorized investments.

Section 2: The standard of care to be maintained by the persons investing the public funds.

Section 3: Investment and diversification guidelines that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the investment portfolio.

Section 4: Guidelines regarding collateral requirements, if any, for the deposit of public funds in a financial institution made pursuant to the Act, and, if applicable, guidelines for contractual arrangements for the custody and safekeeping of that collateral.

Section 5: A system of internal controls and written operational procedures designed to prevent losses of funds that might arise from fraud, employee error, misrepresentation by third parties, or imprudent actions by employees of the district.

Section 6: Performance measures that are appropriate to the nature of the funds, the purpose for the funds, and the amount of the public funds within the School District's investment portfolio.

Section 7: Appropriate periodic review of the investment portfolio, its effectiveness in meeting the School District's need for safety, liquidity, rate of return, and diversification, and its general performance.

Section 8: Monthly written reports of investment activities by the Treasurer for submission to the Board of Education and the Superintendent, including information regarding securities in the portfolio by class or type, book value, income earned, and market value as of the report date.

Section 9: A procedure for the selection of investment advisors, money managers, and financial institutions.

Section 10: A policy regarding ethics and conflicts of interest.

Debt Policy

The District recognizes that the foundation of any well-managed debt program is a comprehensive debt policy. While the issuance of debt can be an appropriate method of financing for capital projects, careful and consistent monitoring of such debt issuance is required to preserve the District's credit strength, budget, and financial flexibility. This policy will serve the District in determining the appropriate uses for debt financing and debt structures as well as establishing prudent debt management goals.

The purpose of the policy is to provide a functional tool for debt management and to enhance the District's ability to manage its debt in a conservative and prudent manner. The policy will establish standards regarding the timing and purposes for which debt may be issued, types and amounts of permissible debt and structural features that may be incorporated. These standards constitute realistic goals that the district can expect to meet, and will guide, but not bind, debt management decisions. In following this policy, the District shall adhere to the following goals.

The purpose for which debt can be issued shall be in accordance with applicable State of Illinois and federal statutes. The District shall not issue debt in excess of the statutory limit and shall avoid issuing Debt Service Extension Based Bonds with a greater than a five year maturity.

The Board of Education will avoid issuing debt for payment of operating expenses unless needed to meet short-term cash flow needs.

The District shall endeavor to attain the highest possible credit rating for each debt issue in order to reduce interest costs, within the context of preserving financial flexibility and meeting capital funding requirements. The District shall structure new bonds so that the aggregate bonded debt is consistent with a level debt service payment structure.

The District shall consider all practical precautions and proactive measures to avoid any financial decision that will negatively impact current credit ratings on existing or future debt issues.

The District shall remain mindful of debt limits in relation to assessed value growth within the school district and the tax burden needed to meet long-term capital requirements.

Fund Balance Policy

The Board targets a fund balance that is sufficient to execute the educational mission of the District, ensure the District's ability to maintain levels of services, and pay its obligations in a prompt manner.

Energy Policy

The District is responsible for the efficient use of its natural resources and shall provide leadership in developing a realistic energy use ethic, increasing awareness of energy needs and their associated costs in the design, renovation, and operation of its facilities to conserve energy while maintaining a safe and comfortable environment.

Financial Section



Financial Section Roadmap

The financial section presents detailed revenue and expenditure information for the FY23 budget. Information is presented in a pyramid approach, with overall budget summaries presented first, followed by a detailed breakdown of the revenue and expenditure of each fund.

Fund information is presented with a four-year history, the FY23 budget, and a three-year projection. A complete listing of projection assumptions is presented on page 155.

When data is available or meaningful for presentation, fund information is presented in terms of revenue by source, expenditures by function, and expenditure by object.

Each section is organized under the following roadmap:

Aggregate Governmental Funds

Aggregate Governmental Funds Summary

Aggregate Governmental Funds Revenue Summary
Aggregate Governmental Funds Revenue by Source
Revenue Narrative

Aggregate Governmental Funds Expenditure Summary
Aggregate Governmental Funds Expenditure by Function
Aggregate Governmental Funds Expenditure by Object
Expenditure Narrative

Operating Funds

Operating Funds Summary

Operating Funds Revenue by Source and Expenditure by Object
Operating Funds Expenditure by Function

Individual Funds

Summary Fund Narrative

Revenue by Source and Expenditure by Object
Expenditure by Function



FSD79 grades 1-2 and 3-4 multi-age classroom students make an annual trip to the nearby Target to buy items for local families in need during the holiday season.

Aggregate Governmental Funds Summary

Governmental Funds

The Governmental Funds Summary is the highest level financial summary for the district, and presents revenues and expenditures for the aggregate of all financial funds for the FY23 budget. The combined managerial efforts of the Board of Education and Administration resulted in continued revenue enhancements and expense reductions for the year, allowing for a balanced budget. The District expects an overall positive operational balance.

Chart 3.01 FY23 Governmental Fund Summary and Balances

	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Educational	\$25,333,442	\$26,793,421	\$26,560,071	\$233,351	\$0	\$25,566,793
Operations and Maintenance	\$1,555,608	\$2,808,245	\$2,768,945	\$39,300	(\$200,000)	\$1,394,908
Debt Service	\$1,386,857	\$1,383,445	\$1,186,900	\$196,545	\$0	\$1,583,402
Transportation	\$2,980,519	\$2,374,404	\$2,612,382	(\$237,978)	\$0	\$2,742,541
Municipal Retirement	\$481,161	\$876,486	\$840,651	\$35,835	\$0	\$516,996
Capital Projects	\$476,813	\$202,273	\$345,250	(\$142,977)	\$200,000	\$533,836
Working Cash	\$82,411	\$400	\$0	\$400	\$0	\$82,811
Tort	\$0	\$0	\$0	\$0	\$0	\$0
Life Safety	\$18,470	\$100	\$0	\$100	\$0	\$18,570
	\$32,315,281	\$34,438,774	\$34,314,199	\$124,575	\$0	\$32,439,856

Overview of Revenues and Expenditures for Aggregate Governmental Funds

Chart 3.02 Governmental Funds - Revenues

	FY 2022 ACTUAL	FY 2023 BUDGET	% Δ
Educational	\$24,863,881	\$26,793,421	7.76%
Operations and Maintenance	\$2,990,090	\$2,808,245	-6.08%
Transportation	\$2,640,091	\$2,374,404	-10.06%
Municipal Retirement	\$820,173	\$876,486	6.87%
Capital Projects	\$355,257	\$202,273	-43.06%
Debt Service	\$1,966,926	\$1,383,445	-29.66%
Tort	\$0	\$0	
Life Safety	\$33	\$100	203.03%
Working Cash	\$149	\$400	168.46%
Total	\$33,636,600	\$34,438,774	2.38%

Significant revenue changes from the preceding year include a decrease of -43.06% in the capital projects fund. This is due to an unexpected increase of impact fees in FY22. The FY23 budget is less due to current economic conditions and the anticipated decline in home building.

Chart 3.03 Governmental Funds - Expenditures

	FY 2022 ACTUAL	FY 2023 BUDGET	% Δ
Educational	\$24,023,204	\$26,560,071	10.56%
Operations and Maintenance	\$2,964,096	\$2,768,945	-6.58%
Transportation	\$2,716,388	\$2,612,382	-3.83%
Municipal Retirement	\$753,192	\$840,651	11.61%
Capital Projects	\$0	\$345,250	
Debt Service	\$3,072,022	\$1,186,900	-61.36%
Tort	\$0	\$0	
Life Safety	\$0	\$0	
Working Cash	\$0	\$0	
Total	\$33,528,902	\$34,314,199	2.34%

Significant expenditure changes include a -61.36 decrease in the debt service fund. This decrease is due the 2017 Refunding Bonds debt retiring. The District will retire the other remaining bond in 2026.

Chart 3.04 Aggregate Governmental Funds – Revenues by Source and Expenditures by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$28,090,134	\$29,908,267	\$31,793,250	\$30,032,754	\$30,676,717	\$32,384,323	\$33,721,008	\$33,889,868
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643	\$2,256,643	\$2,256,643	\$2,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$30,826,653	\$32,590,734	\$35,367,340	\$33,636,600	\$34,438,774	\$36,091,916	\$36,617,039	\$36,785,899
EXPENDITURES								
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414	\$20,162,752	\$20,355,368	\$20,853,354
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856	\$6,319,652	\$6,411,118	\$6,595,098
Purchased Services	\$3,432,585	\$2,852,872	\$3,162,734	\$3,535,730	\$3,882,926	\$3,090,945	\$3,030,935	\$3,076,174
Supplies and Materials	\$1,678,388	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872	\$1,908,070	\$1,925,152	\$1,954,029
Capital Outlay	\$4,478,166	\$3,294,276	\$2,866,302	\$1,417,922	\$1,666,881	\$1,711,631	\$1,711,631	\$1,711,631
Other Objects	\$4,599,102	\$4,622,807	\$4,709,315	\$5,179,169	\$3,019,250	\$3,406,450	\$3,330,250	\$3,744,850
Non-Capitalized Equipment	\$6,011	\$26,852	\$214,926	\$68,286	\$92,000	\$92,000	\$92,000	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199	\$36,704,501	\$36,869,455	\$38,040,137
SURPLUS/(DEFICIT)	(\$4,896,582)	(\$1,356,930)	\$1,173,893	\$107,698	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$2,477,408	\$1,250,000	\$2,007,872	\$242,223	\$200,000	\$300,000	\$300,000	\$300,000
Other Financing Uses	(\$2,000,000)	(\$1,250,000)	(\$1,700,000)	(\$34,656)	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
TOTAL OTHER FINANCING SOURCES/(USES)	\$477,408	\$0	\$307,872	\$207,567	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$4,419,174)	(\$1,356,930)	\$1,481,765	\$315,265	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
BEGINNING FUND BALANCE	\$36,294,355	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856
ENDING FUND BALANCE	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856	\$30,320,618
FUND BALANCE AS % OF EXPENDITURES	89.23%	89.90%	93.59%	96.38%	94.54%	86.71%	85.64%	79.71%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	10.71	10.79	11.23	11.57	11.34	10.41	10.28	9.56

Chart 3.05 Aggregate Governmental Funds – Projected Year-End Balances – All Funds

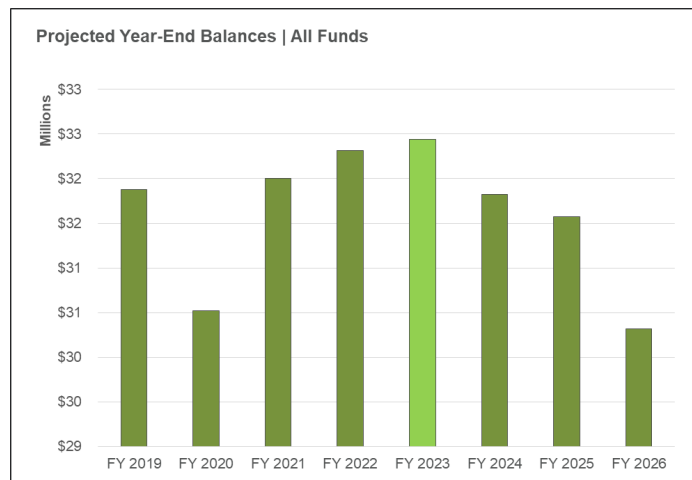
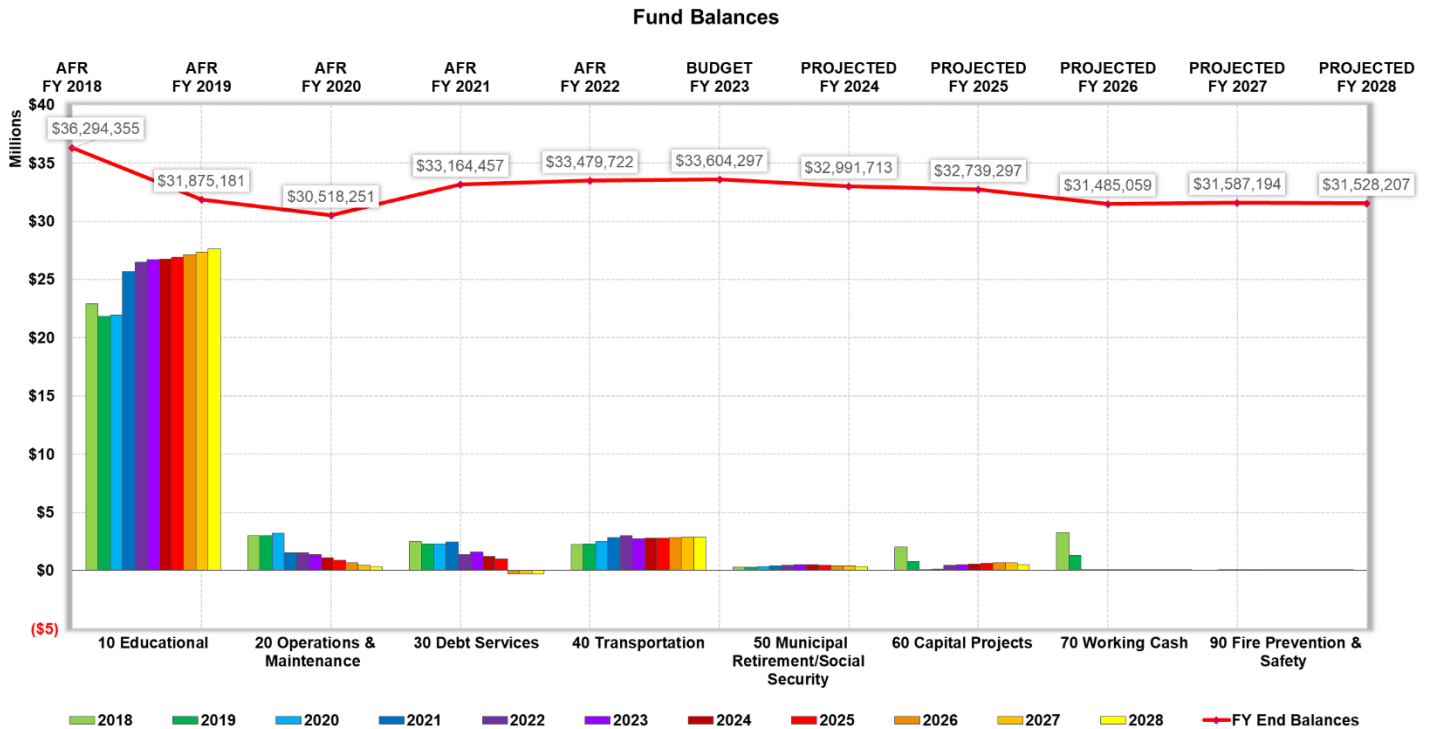


Chart 3.06 Aggregate Fund Balances – Historic, FY23, Projected



The chart represents a slight decline in fund balance in future years. The decreased in fund balance is a planned spend down as the District continues with facility renovation projects and repairs required by the 10-year life safety report. These improvements are one-time planned expenditures.

In FY14, the district received \$10.6M in a state Capital Development Board (CDB) grant, designed to partially compensate the district for its \$30M construction of the Intermediate School in 2007. These funds are available for any use throughout the district, and were temporarily placed into the working cash fund for maximum distribution flexibility.

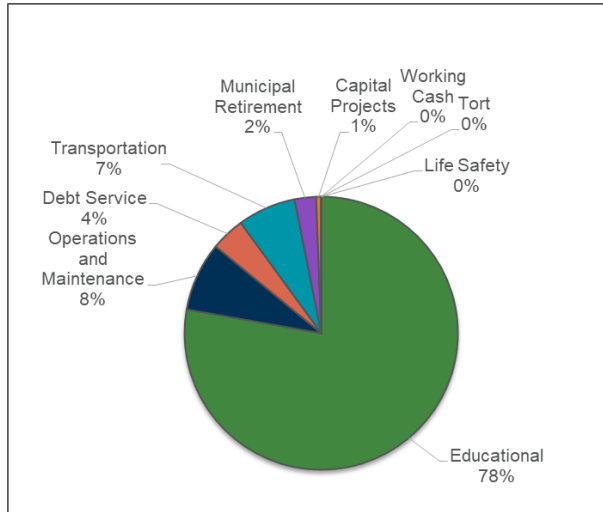
The board of education earmarked these funds, along with approximately \$2M already accumulated in the working cash fund, for physical infrastructure improvements throughout the district. Over the past several years, funds were transferred from the working cash fund to the capital projects fund as needed to pay for infrastructure projects prioritized by the school board. Since 2021, the District continue to complete small capital projects that is budgeted within the maintenance operating budget.

The general downward slope of the fund balance line reflects the methodically planned spend-down of these funds. The district spent \$2M in FY18 at the middle school and \$3.75M in FY19 at the elementary school in support of the 1:1 personalized digital learning environment. In FY20, the District spent 2.1M to complete the classroom renovation at the elementary school and start the classroom renovations projects at the Intermediate school. In FY21, the District spent 1.6M to complete the renovation projects at the Intermediate School. In the summer of 2022, the district renovated the band room and technology room at the middle school. As the district continues to complete small renovations projects in the future, the fund balance remains steady with a slight planned decrease.

Aggregate Governmental Funds Revenue Summary

The Aggregate Governmental Funds Revenue Summary is the highest level of revenue summary for the district, and presents revenues for the aggregate of all financial funds for the FY23 budget. The district projects revenues in the governmental funds of \$34,438,774 for FY23. Revenues are classified by local, state, and federal sources.

Chart 3.07 Aggregate Governmental Funds Revenue Summary



	(10) Educational	(20) Operations	(30) Debt	(40) Transportatio	(50) Municipal	(60) Capital	(70) Working	(80) Tor	(90) Fire Prevention
RECEIPTS/REVENUES FROM LOCAL SOURCES (1000)									
Total Ad Valorem Taxes Levied by District	22,453,803	2,744,645	1,377,862	1,349,003	856,935	0	0	0	0
Total Payments in Lieu of Taxes	300,000	0	0	0	0	0	0	0	0
Total Tuition	388,333								
Total Transportation Fees				2,000					
Total Earnings on Investments	111,000	6,600	5,583	11,880	4,100	2,273	400	0	100
Total Food Service	200								
Total District/School Activity Income (without Student Activity Funds 1799)	24,000	0							
Total District/School Activity Income (with Student Activity Funds 1799)	107,000								
Total Textbooks	440,000								
Total Other Revenue from Local Sources	225,500	30,000	0	142,500	0	200,000	0	0	0
FLOW-THROUGH RECEIPTS/REVENUES FROM ONE DISTRICT TO ANOTHER DISTRICT (2000)									
Total Flow-Through Receipts/Revenues From One District to Another District	2000	0	0	0	0				
RECEIPTS/REVENUES FROM STATE SOURCES (3000)									
Total Unrestricted Grants-In-Aid	1,106,543	0	0	0	0	0		0	0
Total Special Education	148,600	0		0					
Total Career and Technical Education	0	0			0				
Total Bilingual Education	0				0				
Total Transportation	0	0		829,000	0				
Total Restricted Grants-In-Aid	150,100	0	0	829,000	0	0	0	0	0
Total Receipts/Revenues from State Sources	3000	1,256,643	0	829,000	0	0	0	0	0
RECEIPTS/REVENUES FROM FEDERAL SOURCES (4000)									
Total Unrestricted Grants-In-Aid Received Directly from Fed Govt	0	27,000	0	0	0	0	0	0	0
Total Restricted Grants-In-Aid Received Directly from Federal Govt.	0	0		0	0	0			0
Total Title V	0	0		0	0				
Total Food Service	15,000								
Total Title I	110,681	0		0	0				
Total Title IV	10,000	0		0	0				
Total Federal Special Education	458,496	0		0	0				
Total CTE - Perkins	0	0			0				
Total Stimulus Programs	0	0	0	0	0	0		0	0
Total Restricted Grants-In-Aid Received from Federal Govt. Thru the State	1,593,942	0	0	40,021	15,451	0		0	0
TOTAL DIRECT RECEIPTS/REVENUES (without Student Activity Funds 1799)	26,793,421	2,808,245	1,383,445	2,374,404	876,486	202,273	400	0	100
TOTAL DIRECT RECEIPTS/REVENUES (with Student Activity Funds 1799)	26,876,421								

Aggregate FY23 Revenue

Property Taxes

The primary source of revenue for Fremont School District 79 is local property taxes, representing 83.42% of total revenue, or \$28,729,965 for FY23. Illinois real property values and related taxes are established on a calendar-year basis. Two tax years will provide revenues for the district, since Illinois public schools have a fiscal year ending June 30. Levy years 2022 and 2023 provide property tax receipts for FY23.

Equalized Assessed Valuation (EAV) is designed to assure equal valuation treatment across Illinois. EAV represents the taxable property base for schools as certified by the Illinois Department of Revenue. Each board of education develops an annual levy in terms of requested dollar amounts and certifies this levy to the county clerk. The county clerk is responsible for making extensions of taxes levied within the constraints of school district limitations. By law, EAV is equalized at 1/3 of market value.

Tax levies for school districts are related to specific purposes. School districts in Lake County are subject to the Property Tax Limitation Law (PTELL). The law limits the increase in property tax extensions to the lesser of 5% or the percent increase in the National Consumer Price Index for All Urban Consumers (CPI-U) for all items for the preceding levy year.

PTELL was first enacted for the 1991 levy year for taxes payable in 1992 for counties that border Cook County and was enacted in 1994 for Cook County. PTELL is better known as the "Tax Cap." A tax rate in Illinois reflects the dollars levied per \$100 of EAV of real property. Dividing the dollar amount of the tax levy by total EAV of the taxing district and multiplying the product by 100 calculates the tax rate.*1

Under the tax cap, a total rate for capped levies may not exceed the limiting rate. The capped levies for the District are the education, operations and maintenance, transportation, and IMRF/social security funds. The limiting rate is calculated by multiplying last year's property extension by 1 plus the CPI-U then dividing that product by the New EAV less new property EAV.

There are some unknown variables at the time of levying taxes, which are primarily the percentage increase of new taxable property and the collection rate on property taxes. The District has had a very high and consistent collection rate exceeding 99% of the aggregate property taxes extended.

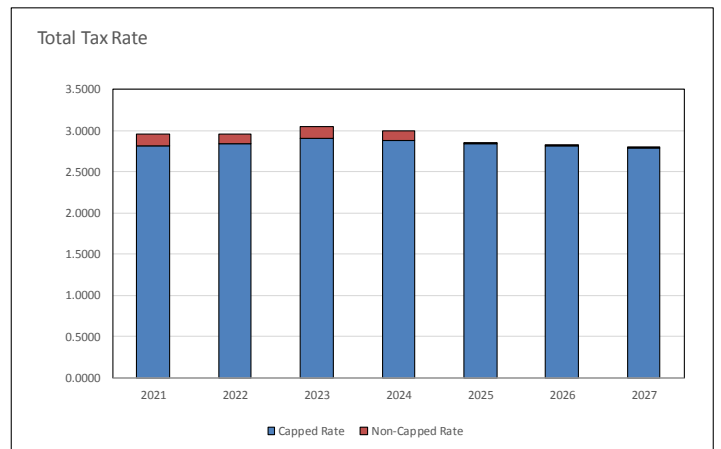
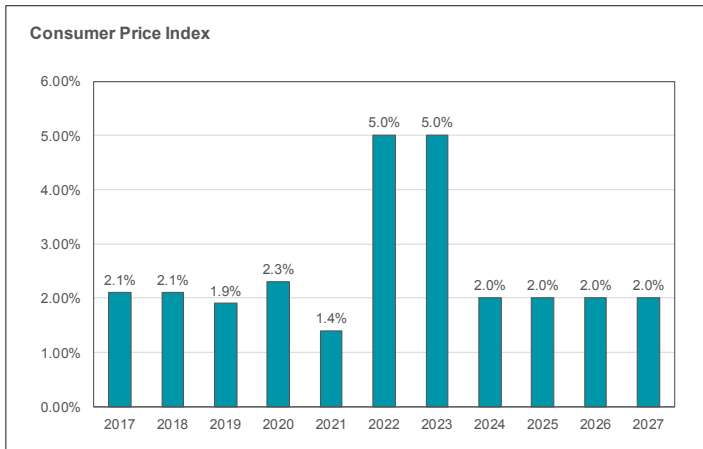
The new taxable properties for the 2022 tax levy represents a 19.89% decrease plus the CPI percentage increase of 5%, totals 6.94% increase from the prior year's tax levy which is collected approximately 50% in fiscal FY22 and 50% in FY23. The large spike in new properties is from a light industrial projected that was completed and two new housing developments.

The total property tax budget increase for FY23 is 5.41% after considering actual collections for the 2021 and 2022 tax extension and factoring the debt service levy.

*1 Source: Illinois School Law Survey; Sixth Edition

Chart 3.08 Tax Extensions and Rates by Fund – CY22 and Projected

	2021		2022		2023		2024		2025		2026		2027	
	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate
Educational Fund	22,248,787	2.3153	24,136,863	2.3795	25,602,761	2.4319	26,307,476	2.4082	26,899,415	2.3738	27,625,467	2.3508	28,364,213	2.3280
(Ed) Leasing, Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(Ed) Special Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*(Ed) Prior Year Adjustments	75,704	0.0079	75,000	0.0074	75,000	0.0071	75,000	0.0069	75,000	0.0066	75,000	0.0064	75,000	0.0062
Operations & Maintenance Fund	2,719,590	0.2830	2,543,430	0.2507	2,691,050	0.2556	2,765,121	0.2531	2,840,477	0.2507	2,917,146	0.2482	2,995,154	0.2458
(O&M) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	1,193,728	0.1242	1,034,100	0.1019	1,357,900	0.1290	1,200,560	0.1099	-	-	-	-	-	-
Transportation Fund	1,336,691	0.1391	1,354,592	0.1335	1,368,212	0.1300	1,405,872	0.1287	1,569,185	0.1385	1,611,540	0.1371	1,654,635	0.1358
(Trans) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IMRF Fund	206,315	0.0215	219,883	0.0217	232,645	0.0221	239,048	0.0219	245,563	0.0217	252,191	0.0215	258,935	0.0213
(Lake County Only) SEDOL IMRF	52,290	0.0054	53,000	0.0052	53,000	0.0221	53,000	0.0049	53,000	0.0047	53,000	0.0045	53,000	0.0043
Social Security/Medicare Fund	590,994	0.0615	629,858	0.0621	666,414	0.0633	684,757	0.0627	703,419	0.0621	722,405	0.0615	741,723	0.0609
(SS/Med) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Working Cash Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tort Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Prevention and Safety Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$28,424,100	2.9580	\$30,046,726	2.9621	\$32,046,983	3.0610	\$32,730,835	2.9963	\$32,386,059	2.8580	\$33,256,748	2.8300	\$34,142,660	2.8022
Tax-Capped Totals	\$27,102,378	2.8204	\$28,884,626	2.8475	\$30,561,083	2.9028	\$31,402,275	2.8746	\$32,258,059	2.8467	\$33,128,748	2.8191	\$34,014,660	2.7917



Other Local Revenue

Other local revenues represent 5.65% of total revenue, or \$1,946,752 for FY23. These funds are generated primarily from corporate taxes, student fees, investment earnings, builder impact fees, facility rentals, summer school and pre-kindergarten tuition, and shared service transportation fees.

State Funding

In the recent past, Illinois employed the least equitable education funding system in the country, coming in dead last among all states in the amount of funding contributed to its public schools. With this system relying primarily on local property taxes, it also sported the nation's largest educational funding gap between wealthy and poor districts. When resources for education are based on zip code, students can't compete on an even playing field.

After nearly a decade of vigorous educator and legislative effort, Senate Bill 1947 (SB1947) was painstakingly crafted to address these inequities. Following a tortuous political pathway, SB1947 was finally signed into law on August 31, 2017.

This monumental reform effort represented the first rewrite of the state educational funding formula in over a generation. The new law directly addressed the vast inequities inherent in the old funding system, and is based on a widely educator supported Evidence Based Funding model (EBF) to determine target funding levels for educational adequacy.

The EBF for student success is a research based framework with 27 elements that identify the necessary investment per student in order to provide a quality educational opportunity where every student has the chance to prepare for success in a career or college. The EBF establishes an adequacy target for each district, based upon its unique student population and geographic location.

The EBF is designed to invest state resources so that all schools can reach their unique adequacy target, giving all students an equal opportunity to a quality education. Any additionally available state funds will be distributed through funding tiers, so that all districts have the resources needed to succeed. Once funds are allocated, a layer of local control and autonomy allows districts to decide what is best for their unique student body.

Any new state contributions go first to districts that are furthest from their adequacy targets. Under a Base Funding Minimum (BFM), SB1947 promises that no district will see a decrease in funding. The EBF ranks districts on a four-tier scale and uses current funding amounts as a baseline starting point before adding new state dollars to those levels going forward.

Under the EBF, Fremont has a current per-pupil final adequacy target of \$12,810 and the capacity to generate 99% of this target from local resources. At this level of local capacity, Fremont is classified in Tier 3, of a 4 Tier system, with Tier 1 being the neediest, and Tier 4 having the highest ability to meet its final adequacy target from local resources.

Under the EBF model, additional state money added to education each year will be distributed as follows:

50% Tier 1 / 49% Tier 2 / .9% Tier 3 / .1% Tier 4

As a Tier 3 district, Fremont’s state educational funds will realistically be held flat for the foreseeable future as very little money will flow to Tier 3 districts under EBF distribution rules.

The EBM also consolidates and replaces five grants received in FY17 into the BFM in FY23, including General State Aid, English Learner Education, Special Ed Personnel, Special Ed Funding for Children, and Special Ed Summer School. State contributions for transportation and early childhood programs remain unchanged from the distribution models employed in previous years.

In FY22, FSD79 received \$2,322,771 from the state. Considering that FSD79 is designated as a Tier 3, the District is likely to receive a slight increase in state funding under the EBF model. Because of this and the uncertainty of the state’s fiscal health, state revenue is conservatively budgeted at \$2,085,643.

While the district qualifies for an estimated \$1,758,087 in unrestricted aid from the state, an unusual funding mechanism for a charter school within district boundaries severely limits the availability of these funds. Under the politically crafted edicts of this school’s charter, FSD79 must pay the preceding year’s full per capita tuition charge (PCTC) to the charter school from any potential state funds.

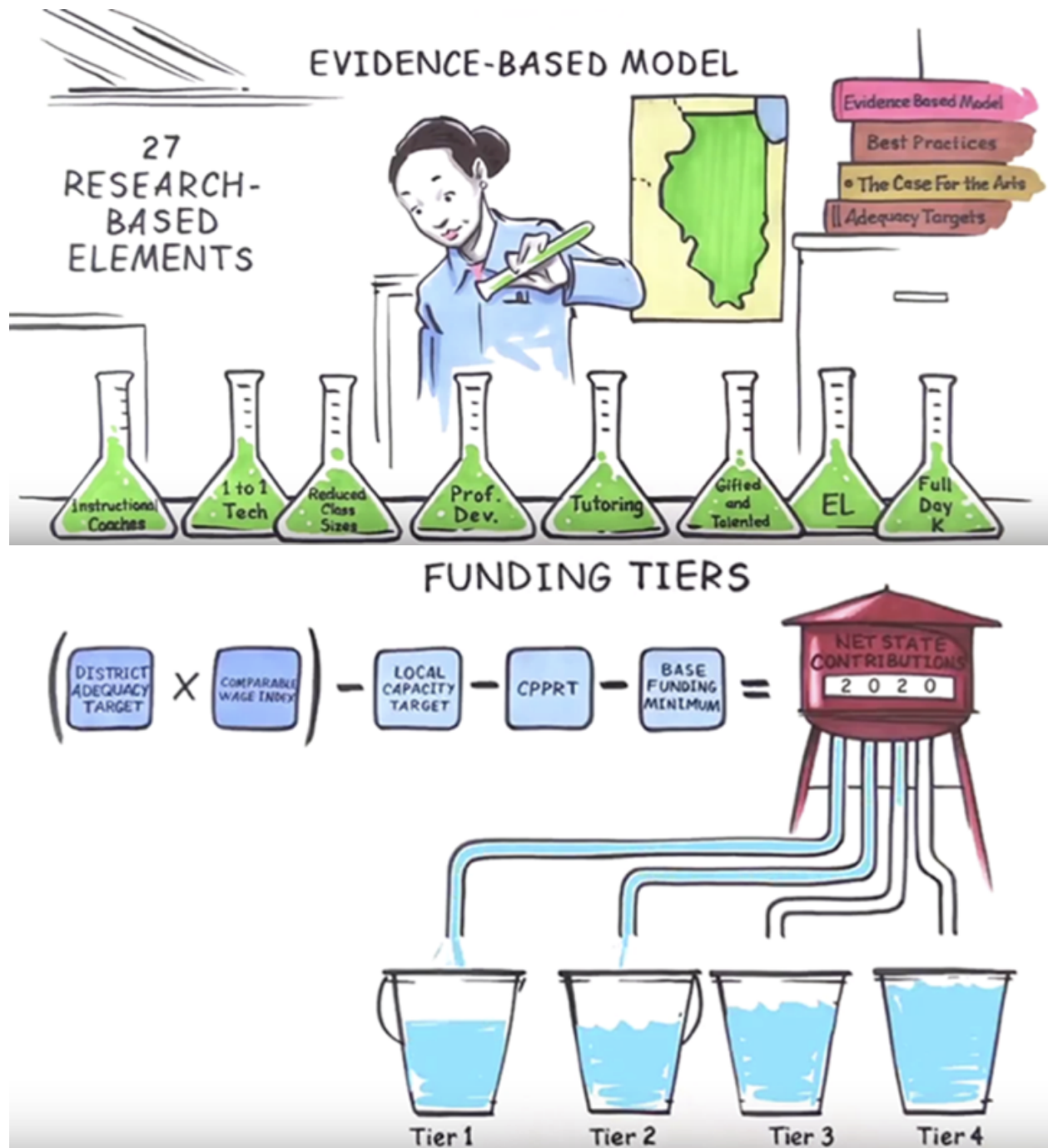
With the FY22 PCTC of \$12,876, and approximately 52 students who reside within FSD79 boundaries attending the charter school, \$669,552 of FSD79 earmarked EBF funding are diverted to the charter school, leaving 61.92% (\$1,088,535) for FSD79. These same 52 students can be absorbed into the current FSD79 infrastructure with little additional cost. FSD79 continues to actively work with the one other similarly affected districts in the state to seek legislative relief from this misguided and onerous funding mechanism.

Chart 3.09 State Revenue

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$28,090,134	\$29,908,267	\$31,793,250	\$30,032,754	\$30,676,717	\$32,384,323	\$33,721,008	\$33,889,868
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643	\$2,256,643	\$2,256,643	\$2,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$30,826,653	\$32,590,734	\$35,367,340	\$33,636,600	\$34,438,774	\$36,091,916	\$36,617,039	\$36,785,899

Federal Revenue

Federal revenues represent 4.87% of total revenue, or \$1,676,414 for FY23. Federal funds are used primarily for special education, low-income assistance, English language acquisition programs, and support programs to respond to learning loss due to the COVID-19 pandemic. The District was awarded \$365,856 in ESSER II Funds and \$821,264 in ESSER III Funds. These funds are required to be expended by the end of Fiscal year 2024.



Significant Revenue Enhancement Efforts

The combined managerial efforts of the Board of Education and Administration resulted in continued revenue enhancements in FY23:

Full-Day Kindergarten – The State of Illinois requires that public schools provide a free half-day kindergarten program for students. For the second half of the kindergarten day, the District offers an optional tuition-based program, priced to compete favorably with other day care options. At an annual tuition of \$3,500 per child x 100 children (6 sections), this program is budgeted to generate \$233K in FY23. These proceeds will offset some of the cost of the five FTE positions needed to support the program, along with associated support services.

Tuition Based Pre-School – In FY15, the District designed and launched a half-day, tuition-based preschool program. This program was developed in response to requests from the community, and priced to compete favorably with commercial competitors. Offered at an annual tuition cost of \$3,500, this program is forecast to generate \$150K in FY23. These proceeds cover the cost of 1.0 FTE pre-school teacher and 1.0 FTE classroom aide. In the second half of the day, this same teaching staff will service a free English Language Learner (ELL) pre-school for approximately 20 children.

Special Education – With the assistance of a commission-based provider, the District began filing for Medicaid reimbursement in FY13 for services provided to low-income students, estimated conservatively to provide an additional \$50K in revenue in FY23.

Technology – Due to financially optimized timing of technology equipment replacement cycles, the district is budgeted to receive \$100K in technology equipment salvage proceeds in FY23. Also, a technology fee of \$50 per student adopted in FY15 is budgeted to generate \$90K in FY23. This fee was designed to provide a permanent funding stream for the district's 10 Gbps internet service, and to help fund the district-wide continued 1:1 technology initiative in FY23.

Accounting Recognition of Unused Flexible Spending Proceeds – In the past, the District maintained an off-the-books, zero-balance account to manage its flexible spending account (FSA) program. This program, now maintained formally on the District's books, is budgeted to capture the estimated \$100K in unused FSA proceeds contractually forfeited by employees in FY22.

Transportation – The District has shared services agreements with a neighboring school district to provide special education transportation services. This transportation service will generate a conservatively estimated \$130K in gross revenue in FY23, with minimal additional cost.

Facility Rentals – Due to the pandemic our facilities were closed to facility rentals. With the start of FY23 outside organizations can rental space upon request. The facility rentals are estimated to generate an additional 40K in revenue for the District.

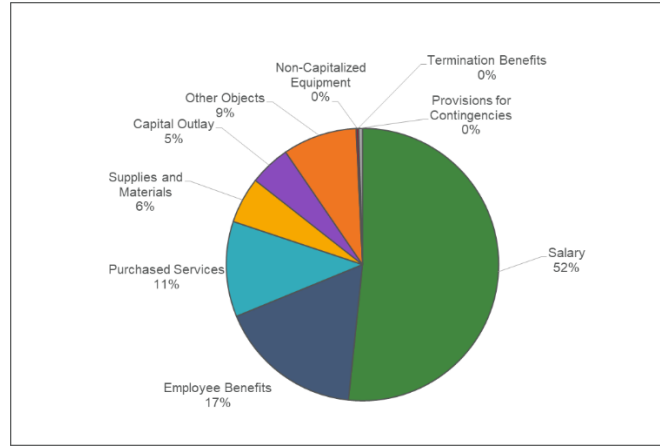


Fremont Middle School students perform during a production of the school's musical.

Aggregate Governmental Funds Expenditure Summary

The Aggregate Governmental Funds Expenditure Summary is the highest level of expenditure summary for the district, and presents expenditures for the aggregate of all financial funds for the FY23 budget. The district projects expenditures in the governmental funds of \$34,314.199 for FY23. Expenditures are classified by fund, function, and object.

Chart 3.10 – Aggregate Governmental Funds Expenditure Summary



	Funct #	(100) Salaries	(200) Employee	(300) Purchased	(400) Supplies &	(500) Capital Outlay	(600) Other Objects	(700) Non-Capitalized	(800) Termination	(900) Total
10 - EDUCATIONAL FUND (ED)										
Total Instruction ¹⁴ (Without Student Activity Funds 1999)	1000	11,912,376	3,372,506	917,785	421,272	38,000	3,350	14,000	0	16,679,289
Total Instruction ¹⁴ (With Student Activity Funds 1999)	1000	11,912,376	3,372,506	917,785	421,272	38,000	86,350	14,000	0	16,762,289
Total Support Services - Pupil	2100	1,391,693	474,554	68,800	45,700	0	0	0	0	1,980,747
Total Support Services - Instructional Staff	2200	888,826	215,939	506,115	537,200	509,631	1,000	20,000	0	2,678,711
Total Support Services - General Administration	2300	334,849	63,512	436,000	22,000	0	24,500	0	13,000	893,861
Total Support Services - School Administration	2400	925,901	305,627	10,000	36,200	4,000	7,500	0	0	1,289,228
Total Support Services - Business	2500	423,809	71,677	58,000	22,700	60,000	45,000	3,000	0	684,186
Total Support Services - Central	2600	306,879	75,370	262,000	13,800	0	1,000	0	0	659,049
Total Support Services	2000	4,271,957	1,206,679	1,340,915	677,600	573,631	79,000	23,000	13,000	8,185,782
Total Payments to Other Dist & Govt Units (In-State)	4100			0			1,000,000			1,000,000
Total Payments to Other Dist & Govt Units - Tuition (In State)	4200						545,000			545,000
Total Payments to Other Dist & Govt Units-Transfers (In State)	4300			0			0			0
Total Payments to Other Dist & Govt Units	4000			0			1,545,000			1,545,000
20 - OPERATIONS AND MAINTENANCE FUND (O&M)										
Total Support Services	2000	379,699	118,020	1,050,226	546,000	425,000	200,000	50,000	0	2,768,945
Total Debt Service	5000			0			1,186,900			1,186,900
40 - TRANSPORTATION FUND (TR)										
Total Support Services	2000	1,158,382	350,000	559,000	235,000	300,000	5,000	5,000	0	2,612,382
50 - MUNICIPAL RETIREMENT/SOC SEC FUND (MR/SS)										
Total Instruction	1000		269,417							269,417
Total Support Services - Pupil	2100		47,494							47,494
Total Support Services - Instructional Staff	2200		34,108							34,108
Total Support Services - General Administration	2300		24,891							24,891
Total Support Services - School Administration	2400		59,457							59,457
Total Support Services - Business	2500		300,218							300,218
Total Support Services - Central	2600		45,168							45,168
Total Support Services	2000		511,336							511,336
Total Payments to Other Dist & Govt Units	4000		50,000							50,000
60 - CAPITAL PROJECTS (CP)										
Total Support Services	2000	0	0	15,000	0	330,250	0	0		345,250
70 WORKING CASH FUND (WC)										
80 - TORT FUND (TF)										
90 - FIRE PREVENTION & SAFETY FUND (FP&S)										

Chart 3.11 Aggregate Governmental Funds Expenditure by Function

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
INSTRUCTION								
Regular Programs	\$10,573,670	\$11,136,878	\$10,252,752	\$10,961,447	\$11,787,877	\$13,216,282	\$12,986,824	\$13,296,900
Special Education Programs	\$3,521,227	\$3,323,269	\$3,565,423	\$3,516,450	\$4,208,032	\$4,365,900	\$4,406,855	\$4,509,659
Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vocational Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Co-Curricular Programs	\$195,453	\$217,840	\$183,232	\$241,073	\$228,300	\$257,964	\$267,672	\$273,639
Summer School and Gifted Programs	\$228,426	\$124,336	\$116,558	\$134,998	\$141,670	\$158,172	\$164,113	\$167,905
Drivers Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bilingual Programs	\$601,134	\$666,096	\$515,900	\$387,703	\$581,797	\$648,864	\$673,722	\$689,667
Truant/Optional Programs/Other	\$0	\$0	\$0	\$0	\$1,030	\$1,175	\$1,222	\$1,251
TOTAL INSTRUCTION	\$15,119,910	\$15,468,419	\$14,633,865	\$15,241,671	\$16,948,706	\$18,648,356	\$18,500,406	\$18,939,020
SUPPORT SERVICES								
Pupils	\$1,361,089	\$1,591,565	\$1,780,285	\$1,724,585	\$2,028,241	\$2,261,057	\$2,348,072	\$2,404,557
Instructional Staff	\$2,643,890	\$2,697,734	\$2,612,641	\$2,586,186	\$2,712,819	\$2,623,055	\$2,655,712	\$2,699,450
General Administration	\$976,088	\$925,611	\$931,879	\$870,678	\$918,751	\$982,108	\$1,008,187	\$1,027,063
School Administration	\$1,324,916	\$1,239,926	\$1,308,165	\$1,411,144	\$1,348,685	\$1,511,333	\$1,570,169	\$1,607,525
Business Operations	\$9,503,403	\$7,182,560	\$7,976,442	\$6,077,892	\$6,710,981	\$6,728,976	\$6,887,335	\$7,030,246
Central Administration	\$296,806	\$332,433	\$333,181	\$556,096	\$704,218	\$762,203	\$785,652	\$802,033
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPORT SERVICES	\$16,106,192	\$13,969,829	\$14,942,593	\$13,226,581	\$14,423,695	\$14,868,733	\$15,255,127	\$15,570,874
COMMUNITY SERVICES	\$2,621	\$0	\$189	\$0	\$9,898	\$11,289	\$11,737	\$12,021
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$1,221,139	\$1,238,309	\$1,319,895	\$1,482,164	\$1,595,000	\$1,602,023	\$1,604,285	\$1,605,721
DEBT SERVICES	\$3,273,373	\$3,271,107	\$3,296,905	\$3,578,486	\$1,186,900	\$1,574,100	\$1,497,900	\$1,912,500
PROVISIONS FOR CONTINGENCIES	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199	\$36,704,501	\$36,869,455	\$38,040,137

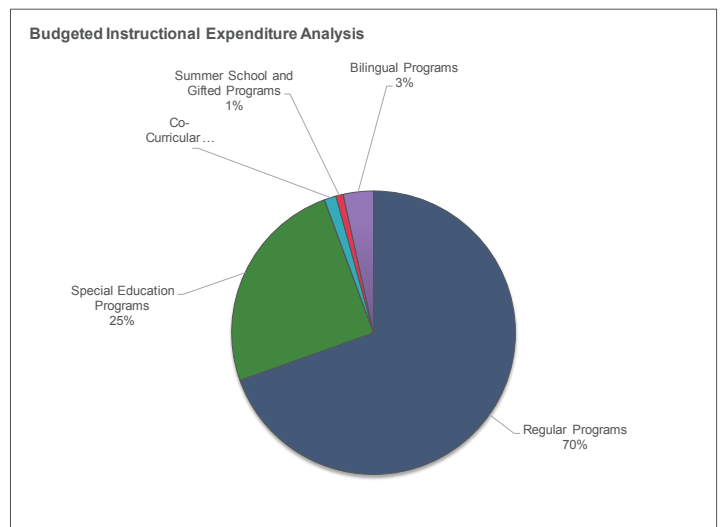
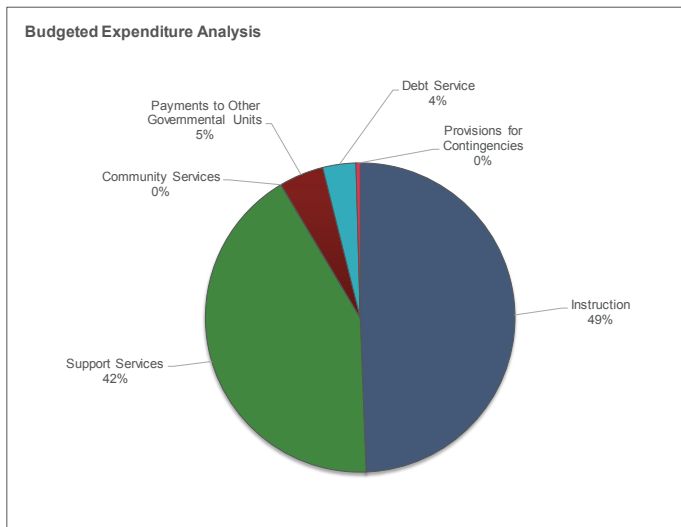
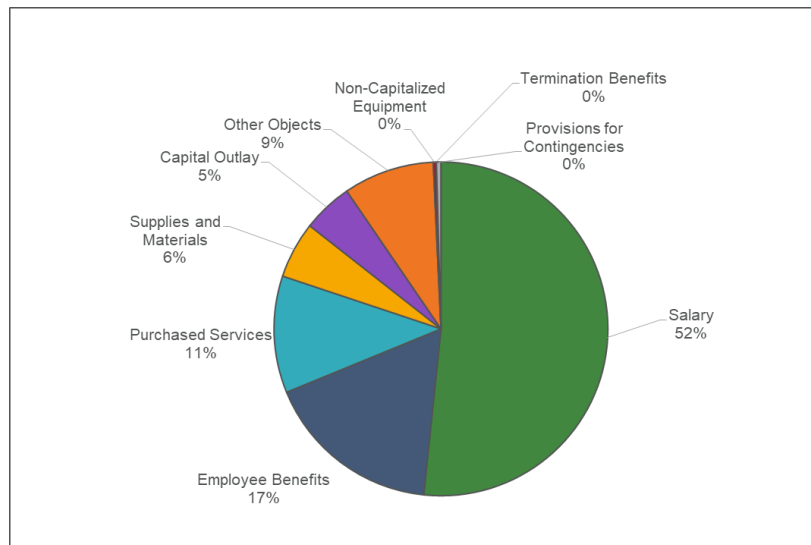


Chart 3.12 Aggregate Governmental Funds Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
EXPENDITURES								
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414	\$20,162,752	\$20,355,368	\$20,853,354
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856	\$6,319,652	\$6,411,118	\$6,595,098
Purchased Services	\$3,432,585	\$2,852,872	\$3,162,734	\$3,535,730	\$3,882,926	\$3,090,945	\$3,030,935	\$3,076,174
Supplies and Materials	\$1,678,388	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872	\$1,908,070	\$1,925,152	\$1,954,029
Capital Outlay	\$4,478,166	\$3,294,276	\$2,866,302	\$1,417,922	\$1,666,881	\$1,711,631	\$1,711,631	\$1,711,631
Other Objects	\$4,599,102	\$4,622,807	\$4,709,315	\$5,179,169	\$3,019,250	\$3,406,450	\$3,330,250	\$3,744,850
Non-Capitalized Equipment	\$6,011	\$26,852	\$214,926	\$68,286	\$92,000	\$92,000	\$92,000	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199	\$36,704,501	\$36,869,455	\$38,040,137
SURPLUS/(DEFICIT)	(\$4,896,582)	(\$1,356,930)	\$1,173,893	\$107,698	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)





A view of Fremont Middle School during the spring season.

Aggregate FY23 Expenditure

Salaries

District salaries are budgeted at \$17,722,414 for FY23, or 51.65% of total expenditures dollars. This is an increase of 8.27% compared to the preceding fiscal year spend. The increase is due to non-licensed market adjustments for our staff in FY23. Also, District's salary budget increase due to the support programs established to address the unexpected decrease in student learning growth from the COVID-19 pandemic.

Benefits

District employee health care benefits total \$5,887,856 for FY23, or 17.16% of total expenditures, representing an increase of 11.61% compared to the preceding fiscal year spend. Certificated employees receive a contractual monthly defined contribution of \$1,562.02 to select from PPO, HMO, High Deductible PPO / Health Savings Account, and Flexible Spending Account offerings. Non-certificated employees receive the same level of benefit. Part-time employees receive a prorated benefit contribution based on their percentage of full-time employment. Health insurance contributions were increased by 2% by contract in FY23, limiting district exposure to exorbitant increases.

While the overwhelming majority of all benefit expenses are articulated in the annual budget, Other Post Employment Benefits (OPEB) are listed as an obligation on the district annual balance sheet. The district FY22 Annual Financial Report estimated the total OPEB obligation at \$14,323. This financial exposure is funded with a planned \$13K annual expenditure from the education fund. Over the course of the last two negotiated teacher labor agreements the administration worked diligently to reduce district OPEB exposure, eliminating all OPEB obligation for teachers retiring after FY17.

As salaries increase, the District's IMRF contribution will increase. Another contributing factor in the large increase in benefits is due to the FY23 market adjustments of the non-licensed staff.

Purchased Services

Purchased services are budgeted at \$3,882,926 for FY23, or 11.32% of total expenditures, representing a 9.82% increase compared to the preceding fiscal year spending. The District is experiencing an increase for purchase services in FY23 and beyond due to the labor shortage. Many of the hard to fill licensed positions are currently filled by a third party agency. As we continue to recruit and retain, the District anticipates this expenditure will decrease drastically in future years.

Supplies and Materials

Supplies and materials are budgeted at \$1,879,872 for FY23, or 5.48% of total expenditures, representing an increase of 12.30% compared to the preceding fiscal year spending. This increase reflects higher expenditure levels to support the continuing classroom remodeling projects in FY23 and increased spending in COVID-19 mitigation supplies.

Capital Outlay

Capital outlay is budgeted at \$1,666,881 for FY23, or 4.86% of total expenditures, representing a 17.56% increase compared to the preceding fiscal year spending. The District recently conducted the required 10-year health life safety audit. The results indicated the District has to complete approximately 200K of repairs within the next fiscal year. The FY23 budget increase represents this expenditure.

Other Objects

Other objects are budgeted at \$3,274,250 for FY23, or 9.54% of total expenditures, representing a 48% increase compared to the preceding fiscal year. This decrease is primarily due to the variations in the bond payment schedule. Other objects include bond payments, contingencies, termination benefits, non-capitalized equipment, and retirement payments.

Significant Expense Reduction Efforts

Salaries and Benefits – A five-year labor contract was negotiated with the Fremont Education Association (FEA), and will run from FY18-22. This negotiation locked in the existing FY17 pay matrix for five years, allowing only for negotiated lane and step movement. Health care benefit allotments were also locked in for five years at a 2.00% annual increase. These two combined control factors resulted in an average aggregate total annual FEA labor cost increase of 1.85%. Due to the pandemic, the Board of Education and union leaders entered into a MOU to extend the current contract by one year set to expire in August 2023. In addition to market adjustments, non-teacher merit increases were limited to 3.00%.

Buy vs. Finance – With significant fund balances, and currently high interest rates, the District is purchasing capital equipment rather than incurring the costs associated with leasing or financing it. The net effect of this philosophy shift applied to large capital purchases will continue to save approximately \$30K.

Lower Utility Consumption – Through the use of energy efficiency grants, the District retrofitted lighting, boilers, and HVAC controls with more efficient alternatives. This effort will continue to save approximately \$50K.

Utility Collective Purchasing – The District participates in two energy cooperatives that collectively purchase gas and electricity. Compared to retail market purchasing, this effort will approximately save \$50K.

Lincoln Early Childhood Center – The District participates in a shared services intergovernmental agreement with Mundelein School District 75, Hawthorn School District 73, and the Lake County Special Education Cooperative (SEDOL) to share classroom space and personnel in the 18-classroom Lincoln Early Learning Center. By more efficiently allocating facility, personnel, and supply costs over a higher student population, the District saves approximately \$100K annually in educating its youngest learners.

Transportation Contracted Services – The District was able to renegotiate pricing for out-sourced transportation services. These efforts resulted in the District saving approximately \$50K annually.

Bus Lease/Purchase – After reviewing the District's current bus fleet, it was determined the District did not need to lease or purchase any buses for FY23. This will save the District approximately 300K over the next five years.

Operating Funds

The operating funds include all funds with the exception of the debt service, capital projects, and fire prevention and safety funds. The District considers the budget balanced when operating revenues exceed operating expenses. From a broad perspective the District projects a net positive balance of \$70,907 in its operating funds for FY23.

Chart 3.13 FY23 Operating Funds Summary and Balances

	Beginning Balance	Revenue	Expenditure	Excess (Deficit)	Other Financing Sources (Uses)	Ending Balance
Educational	\$25,333,442	\$26,793,421	\$26,560,071	\$233,351	\$0	\$25,566,793
Operations and Maintenance	\$1,555,608	\$2,808,245	\$2,768,945	\$39,300	(\$200,000)	\$1,394,908
Debt Service	\$0	\$0	\$0	\$0	\$0	\$0
Transportation	\$2,980,519	\$2,374,404	\$2,612,382	(\$237,978)	\$0	\$2,742,541
Municipal Retirement	\$481,161	\$876,486	\$840,651	\$35,835	\$0	\$516,996
Capital Projects	\$0	\$0	\$0	\$0	\$0	\$0
Working Cash	\$82,411	\$400	\$0	\$400	\$0	\$82,811
Tort	\$0	\$0	\$0	\$0	\$0	\$0
Life Safety	\$0	\$0	\$0	\$0	\$0	\$0
	\$30,433,141	\$32,852,956	\$32,782,049	\$70,907	(\$200,000)	\$30,304,048

Chart 3.14 Operating Funds Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$24,926,481	\$26,696,111	\$28,389,740	\$27,710,538	\$29,090,899	\$30,935,151	\$32,188,939	\$33,034,033
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643	\$2,256,643	\$2,256,643	\$2,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$27,663,000	\$29,378,578	\$31,963,830	\$31,314,384	\$32,852,956	\$34,642,744	\$35,084,970	\$35,930,064
EXPENDITURES								
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414	\$20,162,752	\$20,355,368	\$20,853,354
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856	\$6,319,652	\$6,411,118	\$6,595,098
Purchased Services	\$3,410,761	\$2,664,622	\$3,135,926	\$3,535,730	\$3,867,926	\$3,075,945	\$3,015,935	\$3,061,174
Supplies and Materials	\$1,677,943	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872	\$1,908,070	\$1,925,152	\$1,954,029
Capital Outlay	\$952,774	\$1,371,749	\$1,311,786	\$1,417,922	\$1,336,631	\$1,211,631	\$1,211,631	\$1,211,631
Other Objects	\$1,554,552	\$1,580,095	\$1,667,141	\$2,107,147	\$1,832,350	\$1,832,350	\$1,832,350	\$1,832,350
Non-Capitalized Equipment	\$3,918	\$26,852	\$170,263	\$68,286	\$92,000	\$92,000	\$92,000	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$29,128,931	\$28,794,175	\$29,525,286	\$30,456,880	\$32,782,049	\$34,615,401	\$34,856,555	\$35,612,637
SURPLUS/(DEFICIT)	(\$1,465,931)	\$584,403	\$2,438,544	\$857,504	\$70,907	\$27,343	\$228,416	\$317,427
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$477,408	\$0	\$557,872	\$207,567	\$0	\$0	\$0	\$0
Other Financing Uses	(\$2,000,000)	(\$1,250,000)	(\$1,700,000)	(\$34,656)	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
TOTAL OTHER FINANCING SOURCES/(USES)	(\$1,522,592)	(\$1,250,000)	(\$1,142,128)	\$172,911	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$2,988,523)	(\$665,597)	\$1,296,416	\$1,030,415	(\$129,093)	(\$272,657)	(\$71,585)	\$17,427
BEGINNING FUND BALANCE	\$31,760,430	\$28,771,907	\$28,106,310	\$29,402,726	\$30,433,141	\$30,304,048	\$30,031,391	\$29,959,807
ENDING FUND BALANCE	\$28,771,907	\$28,106,310	\$29,402,726	\$30,433,141	\$30,304,048	\$30,031,391	\$29,959,807	\$29,977,234
FUND BALANCE AS % OF EXPENDITURES	98.77%	97.61%	99.58%	99.92%	92.44%	86.76%	85.95%	84.18%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	11.85	11.71	11.95	11.99	11.09	10.41	10.31	10.10

Chart 3.15 Operating Funds Revenue vs. Expenditure

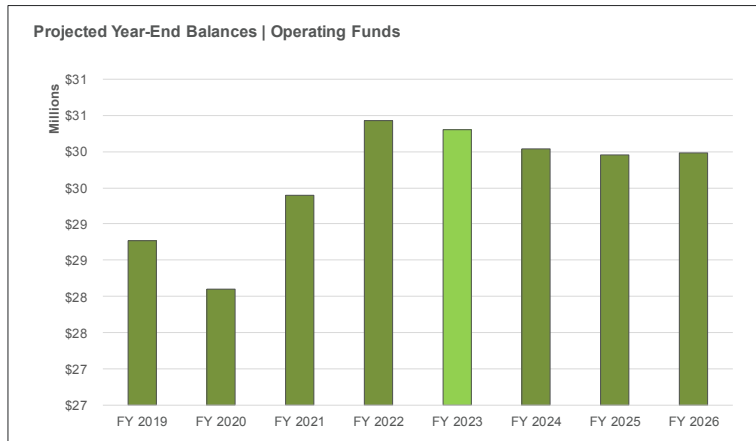
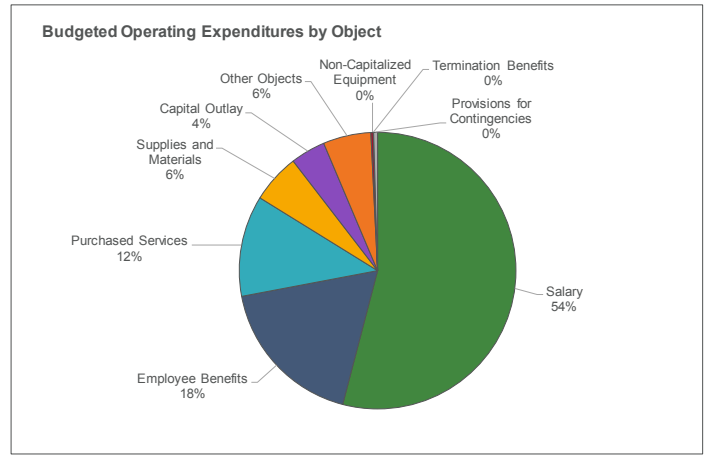
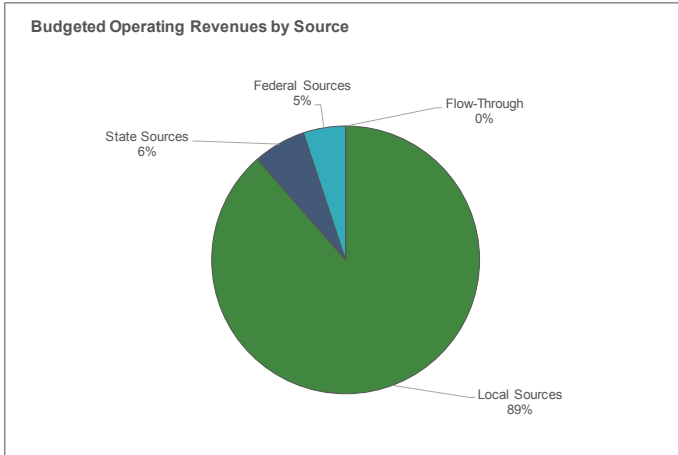
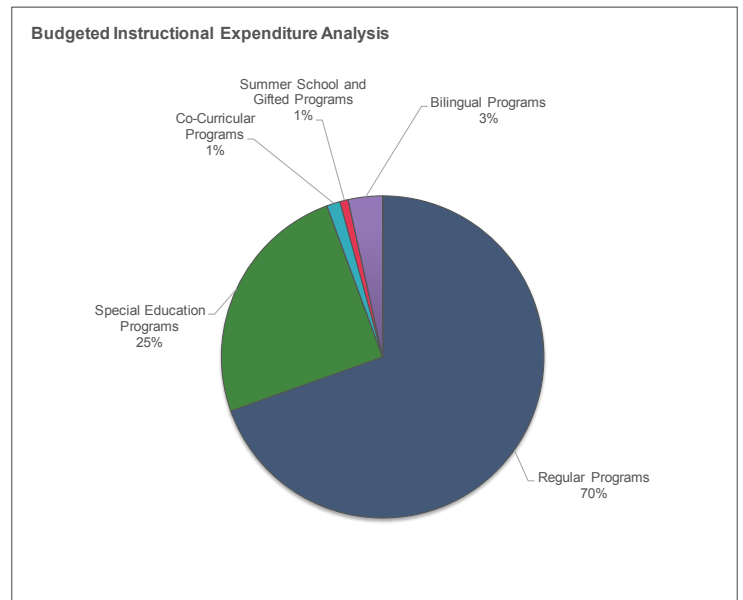
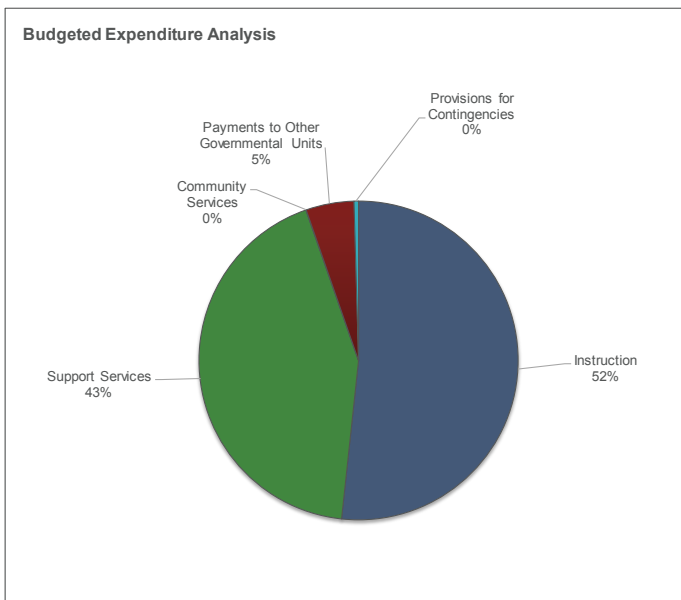


Chart 3.16 Operating Funds Expenditure by Function

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
INSTRUCTION								
Regular Programs	\$10,573,670	\$11,136,878	\$10,252,752	\$10,961,447	\$11,787,877	\$13,216,282	\$12,986,824	\$13,296,900
Special Education Programs	\$3,521,227	\$3,323,269	\$3,565,423	\$3,516,450	\$4,208,032	\$4,365,900	\$4,406,855	\$4,509,659
Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vocational Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Co-Curricular Programs	\$195,453	\$217,840	\$183,232	\$241,073	\$228,300	\$257,964	\$267,672	\$273,639
Summer School and Gifted Programs	\$228,426	\$124,336	\$116,558	\$134,998	\$141,670	\$158,172	\$164,113	\$167,905
Drivers Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bilingual Programs	\$601,134	\$666,096	\$515,900	\$387,703	\$581,797	\$648,864	\$673,722	\$689,667
Truant/Optional Programs/Other	\$0	\$0	\$0	\$0	\$1,030	\$1,175	\$1,222	\$1,251
TOTAL INSTRUCTION	\$15,119,910	\$15,468,419	\$14,633,865	\$15,241,671	\$16,948,706	\$18,648,356	\$18,500,406	\$18,939,020
SUPPORT SERVICES								
Pupils	\$1,361,089	\$1,591,565	\$1,780,285	\$1,724,585	\$2,028,241	\$2,261,057	\$2,348,072	\$2,404,557
Instructional Staff	\$2,643,890	\$2,697,734	\$2,612,641	\$2,586,186	\$2,712,819	\$2,623,055	\$2,655,712	\$2,699,450
General Administration	\$976,088	\$925,611	\$931,879	\$870,678	\$918,751	\$982,108	\$1,008,187	\$1,027,063
School Administration	\$1,324,916	\$1,239,926	\$1,308,165	\$1,411,144	\$1,348,685	\$1,511,333	\$1,570,169	\$1,607,525
Business Operations	\$5,953,649	\$5,071,783	\$6,350,455	\$6,077,892	\$6,365,731	\$6,213,976	\$6,372,335	\$6,515,246
Central Administration	\$296,806	\$332,433	\$333,181	\$556,096	\$704,218	\$762,203	\$785,652	\$802,033
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPORT SERVICES	\$12,556,438	\$11,859,052	\$13,316,606	\$13,226,581	\$14,078,445	\$14,353,733	\$14,740,127	\$15,055,874
COMMUNITY SERVICES								
	\$2,621	\$0	\$189	\$0	\$9,898	\$11,289	\$11,737	\$12,021
PAYMENTS TO OTHER GOVERNMENTAL UNITS								
	\$1,221,139	\$1,238,309	\$1,319,895	\$1,482,164	\$1,595,000	\$1,602,023	\$1,604,285	\$1,605,721
PROVISIONS FOR CONTINGENCIES								
	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$28,900,108	\$28,565,780	\$29,270,555	\$29,950,416	\$32,782,049	\$34,615,401	\$34,856,555	\$35,612,637

Chart 3.17 Operating Funds Expenditure by Function





Fremont Intermediate School students pose for a photo.

Educational Fund

The Educational Fund is the District’s largest financial fund, accounting for \$26,560,071 or 77.40% of budgeted FY23 expenditures. All expenses for educational instruction and support services are paid from this fund, including \$16,184,333 in salaries and \$4,579,185 in benefits to support licensed staff and non-licensed staff. Expenses for professional purchased services (\$2,258,700), supplies (\$1,098,872), and capital outlay (\$611,631) directly supporting the educational mission are also paid from this fund.

Overall fund revenues increased by 7.76% compared to the previous year. Revenues are higher than the previous year due to the high 5% CPI, which is a driver in the District’s property tax revenue. Overall fund expenditures increased 10.56% compared to the previous year due to additional learning support programs, staffing additions, certificated labor compensation, non-certified market adjustments, and technology enhancements. The Educational Fund is expected to be in balance for the foreseeable future.

Chart 3.18 Educational Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$20,301,452	\$21,860,038	\$23,261,542	\$22,661,386	\$23,942,836	\$25,834,733	\$26,915,698	\$27,561,432
State Sources	\$1,206,484	\$1,177,232	\$1,256,391	\$1,216,093	\$1,256,643	\$1,256,643	\$1,256,643	\$1,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$986,402	\$1,593,942	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$22,053,455	\$23,551,828	\$25,822,743	\$24,863,881	\$26,793,421	\$28,542,326	\$28,811,729	\$29,457,463
EXPENDITURES								
Salary	\$14,785,368	\$14,701,269	\$14,661,824	\$14,970,506	\$16,184,333	\$18,471,849	\$18,595,029	\$19,020,801
Employee Benefits	\$4,024,093	\$4,321,151	\$4,301,230	\$4,128,367	\$4,579,185	\$4,866,834	\$4,899,646	\$5,044,077
Purchased Services	\$2,017,517	\$1,480,281	\$1,785,543	\$2,003,006	\$2,258,700	\$1,792,580	\$1,713,320	\$1,739,020
Supplies and Materials	\$892,613	\$813,533	\$889,354	\$868,391	\$1,098,872	\$1,115,355	\$1,120,546	\$1,137,355
Capital Outlay	\$143,728	\$907,546	\$409,281	\$544,173	\$611,631	\$611,631	\$611,631	\$611,631
Other Objects	\$1,190,944	\$1,213,932	\$1,295,574	\$1,475,349	\$1,627,350	\$1,627,350	\$1,627,350	\$1,627,350
Non-Capitalized Equipment	\$3,918	\$26,852	\$117,624	\$23,196	\$37,000	\$37,000	\$37,000	\$37,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$23,096,042	\$23,489,212	\$23,471,461	\$24,023,204	\$26,560,071	\$28,535,599	\$28,617,523	\$29,230,233
SURPLUS/(DEFICIT)	(\$1,042,587)	\$62,616	\$2,351,282	\$840,677	\$233,351	\$6,727	\$194,206	\$227,230
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$250,000	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	(\$34,656)	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	\$250,000	(\$34,656)	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$1,042,587)	\$62,616	\$2,601,282	\$806,021	\$233,351	\$6,727	\$194,206	\$227,230
BEGINNING FUND BALANCE	\$22,906,110	\$21,863,523	\$21,926,139	\$24,527,421	\$25,333,442	\$25,566,793	\$25,573,519	\$25,767,726
ENDING FUND BALANCE	\$21,863,523	\$21,926,139	\$24,527,421	\$25,333,442	\$25,566,793	\$25,573,519	\$25,767,726	\$25,994,956
FUND BALANCE AS % OF EXPENDITURES	94.66%	93.35%	104.50%	105.45%	96.26%	89.62%	90.04%	88.93%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	11.36	11.20	12.54	12.65	11.55	10.75	10.81	10.67

Chart 3.19 Educational Fund Revenue vs. Expenditure

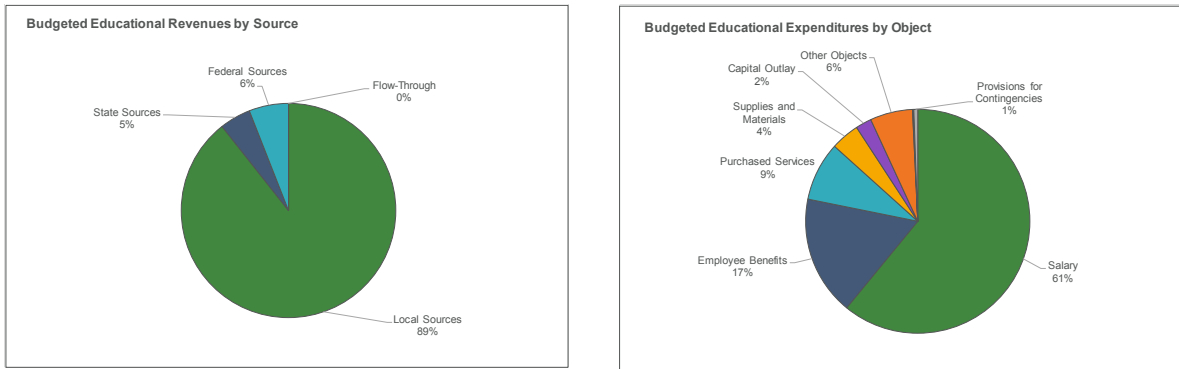


Chart 3.20 Educational Fund Year End Fund Balance

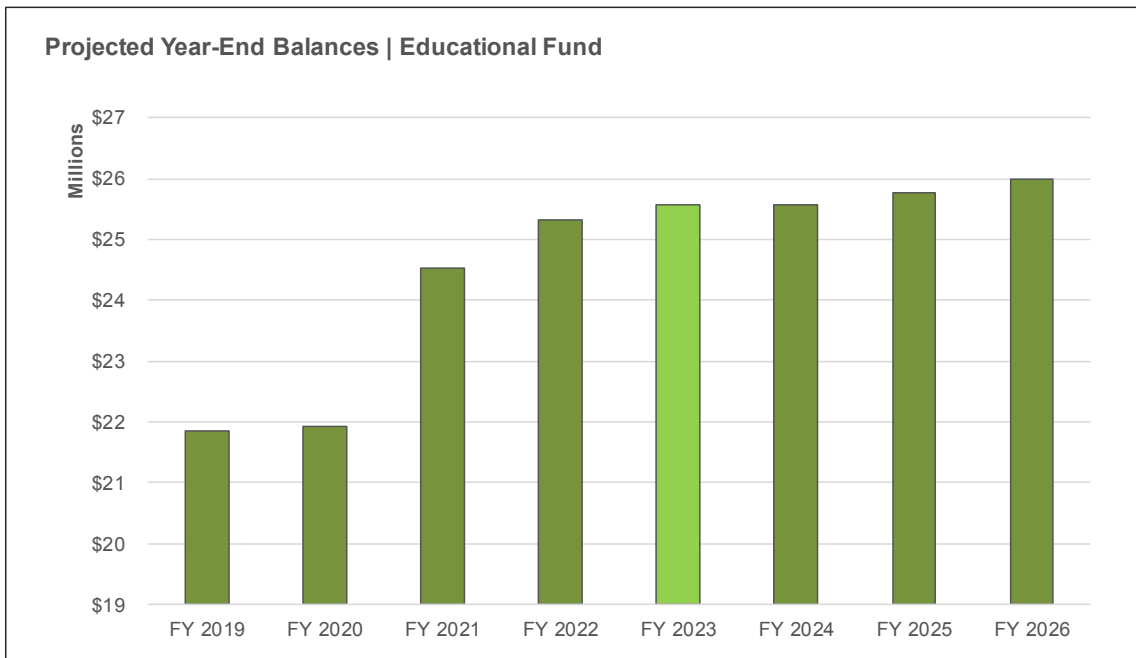
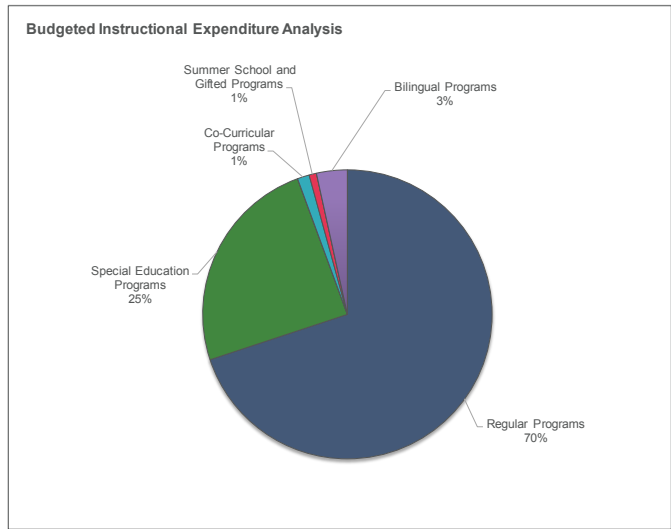
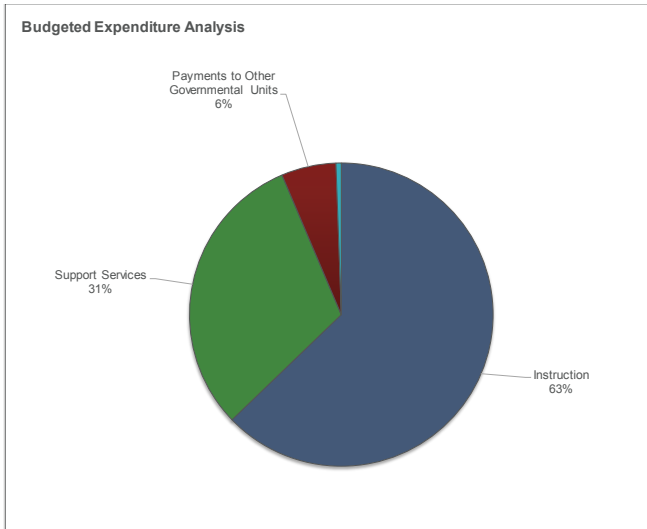


Chart 3.21 Educational Fund Expenditure by Function

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
INSTRUCTION								
Regular Programs	\$10,456,823	\$11,019,478	\$10,135,831	\$10,839,167	\$11,661,655	\$13,072,330	\$12,837,161	\$13,143,612
Special Education Programs	\$3,389,921	\$3,207,068	\$3,445,074	\$3,394,329	\$4,083,421	\$4,223,786	\$4,259,102	\$4,358,328
Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vocational Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Co-Curricular Programs	\$190,855	\$212,757	\$177,335	\$235,296	\$223,000	\$251,919	\$261,387	\$267,202
Summer School and Gifted Programs	\$225,542	\$122,844	\$114,992	\$133,118	\$137,206	\$153,081	\$158,820	\$162,484
Drivers Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bilingual Programs	\$592,995	\$657,318	\$508,516	\$381,531	\$574,007	\$639,980	\$664,486	\$680,207
Truant/Optional Programs/Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INSTRUCTION	\$14,856,136	\$15,219,465	\$14,381,748	\$14,983,441	\$16,679,289	\$18,341,097	\$18,180,956	\$18,611,833
SUPPORT SERVICES								
Pupils	\$1,322,234	\$1,547,925	\$1,735,398	\$1,680,164	\$1,980,747	\$2,206,893	\$2,291,758	\$2,346,880
Instructional Staff	\$2,625,510	\$2,676,452	\$2,591,639	\$2,566,984	\$2,678,711	\$2,584,156	\$2,615,270	\$2,658,029
General Administration	\$953,793	\$904,921	\$909,290	\$850,468	\$893,861	\$953,721	\$978,674	\$996,835
School Administration	\$1,266,996	\$1,182,029	\$1,244,673	\$1,353,334	\$1,289,228	\$1,443,525	\$1,499,670	\$1,535,318
Business Operations	\$673,751	\$503,731	\$1,087,510	\$687,843	\$684,186	\$750,518	\$774,099	\$789,160
Central Administration	\$282,859	\$317,533	\$298,496	\$518,057	\$659,049	\$710,690	\$732,095	\$747,179
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPORT SERVICES	\$7,125,143	\$7,132,591	\$7,867,006	\$7,656,850	\$8,185,782	\$8,649,503	\$8,891,567	\$9,073,401
COMMUNITY SERVICES	\$2,282	\$0	\$189	\$0	\$0	\$0	\$0	\$0
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$1,112,481	\$1,137,156	\$1,222,518	\$1,382,913	\$1,545,000	\$1,545,000	\$1,545,000	\$1,545,000
PROVISIONS FOR CONTINGENCIES	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$23,096,042	\$23,489,212	\$23,471,461	\$24,023,204	\$26,560,071	\$28,535,599	\$28,617,523	\$29,230,233





A young student at Lincoln Early Learning Center works on a project with her teacher.

Operations and Maintenance Fund

The Operations and Maintenance Department manages six full-time employees, and an outsourced day porter/night-time custodial contract valued at \$660,000 for FY23. The contract increase by 80K from the prior year due to salary and benefit increases. Snow removal, mail delivery, landscaping, HVAC maintenance, light electrical, masonry, concrete, and carpentry work are managed by the full-time employees. This combination of insourced skilled labor and outsourced unskilled labor is financially optimized for current economic conditions, allowing the district to nicely meet the needs of 325K square feet of facilities and 2,200 students on its \$2.7M FY23 budget. Expenditures decreased by -6.58% compared to the previous year actual expenditures. This is primarily due to an decrease in supplies and materials during FY21 due to COVID-19.

Fremont School District 79 is surrounded by 1,200 acres of Lake County Forest Preserve land. This pastoral setting was instrumental in creating an environmental emphasis throughout the curriculum. This ethos resounds within the operations and maintenance department also, where energy savings are aggressively sought, LEED campus status is being pursued, the use of environmentally friendly cleaning solutions is mandated, and the water supply and sewage processing functions are internally managed. Both electricity and gas purchases are cooperatively forward purchased for further savings.

Chart 3.22 Operations and Maintenance Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$2,460,738	\$2,643,814	\$2,805,889	\$2,681,856	\$2,781,245	\$2,656,771	\$2,767,173	\$2,841,588
State Sources	\$0	\$81,800	\$120,008	\$50,000	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$258,234	\$27,000	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$2,460,738	\$2,725,614	\$2,925,897	\$2,990,090	\$2,808,245	\$2,656,771	\$2,767,173	\$2,841,588
EXPENDITURES								
Salary	\$338,876	\$340,914	\$350,899	\$370,122	\$379,699	\$457,630	\$475,936	\$494,973
Employee Benefits	\$108,207	\$121,335	\$94,916	\$110,385	\$118,020	\$124,914	\$130,117	\$133,987
Purchased Services	\$945,900	\$934,743	\$1,003,089	\$1,073,664	\$1,050,226	\$1,065,979	\$1,081,969	\$1,098,199
Supplies and Materials	\$593,382	\$502,972	\$725,895	\$580,652	\$546,000	\$554,190	\$562,503	\$570,940
Capital Outlay	\$327,443	\$464,203	\$594,633	\$666,182	\$425,000	\$200,000	\$200,000	\$200,000
Other Objects	\$134,385	\$137,286	\$116,836	\$125,334	\$200,000	\$200,000	\$200,000	\$200,000
Non-Capitalized Equipment	\$0	\$0	\$52,093	\$37,757	\$50,000	\$50,000	\$50,000	\$50,000
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$2,448,193	\$2,501,453	\$2,938,361	\$2,964,096	\$2,768,945	\$2,652,714	\$2,700,525	\$2,748,098
SURPLUS/(DEFICIT)	\$12,545	\$224,161	(\$12,464)	\$25,994	\$39,300	\$4,057	\$66,648	\$93,490
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	(\$1,700,000)	\$0	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	(\$1,700,000)	\$0	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	\$12,545	\$224,161	(\$1,712,464)	\$25,994	(\$160,700)	(\$295,943)	(\$233,352)	(\$206,510)
BEGINNING FUND BALANCE	\$3,005,372	\$3,017,917	\$3,242,078	\$1,529,614	\$1,555,608	\$1,394,908	\$1,098,965	\$865,613
ENDING FUND BALANCE	\$3,017,917	\$3,242,078	\$1,529,614	\$1,555,608	\$1,394,908	\$1,098,965	\$865,613	\$659,103
FUND BALANCE AS % OF EXPENDITURES	123.27%	129.61%	52.06%	52.48%	50.38%	41.43%	32.05%	23.98%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	14.79	15.55	6.25	6.30	6.05	4.97	3.85	2.88

Chart 3.23 Operations and Maintenance Fund Revenue vs. Expenditure

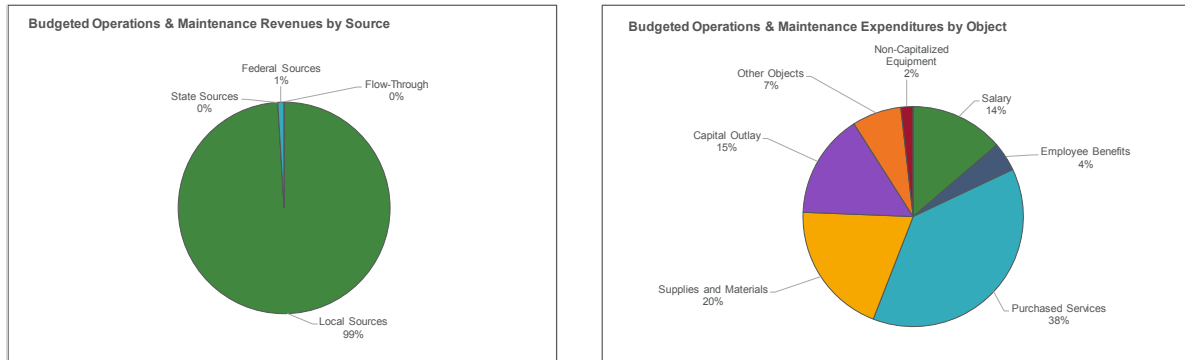


Chart 3.24 Operations and Maintenance Fund Year End Fund Balance

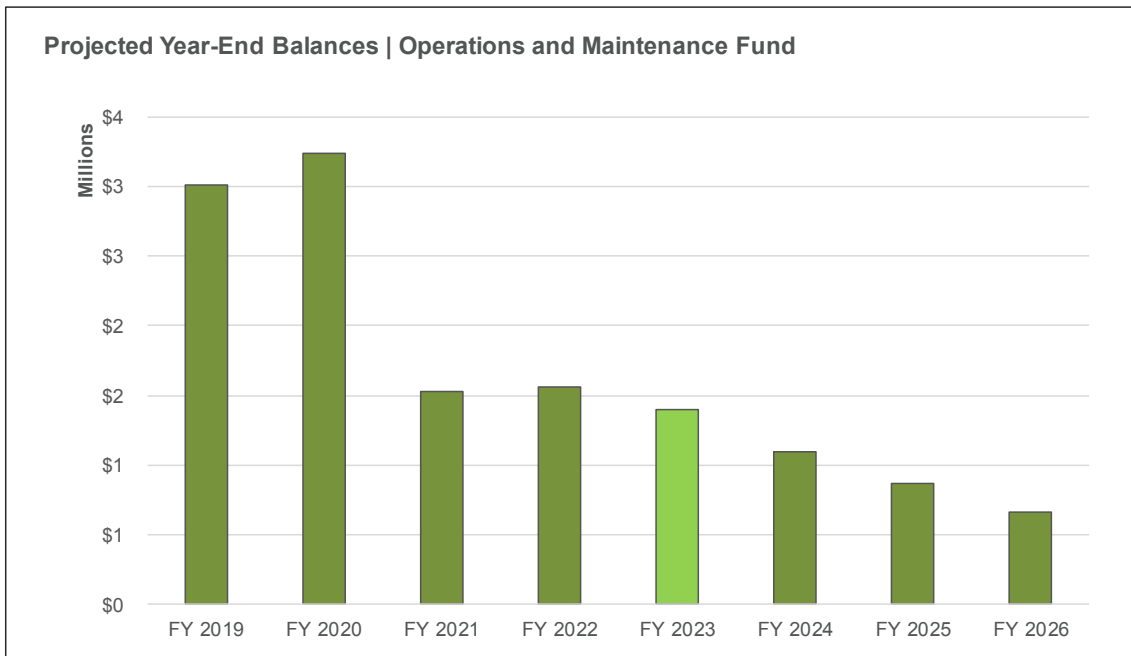


Chart 3.25 Operations and Maintenance Fund Expenditure by Function

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
INSTRUCTION								
Regular Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Special Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vocational Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Co-Curricular Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Summer School and Gifted Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Drivers Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bilingual Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Truant/Optional Programs/Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL INSTRUCTION	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SUPPORT SERVICES								
Pupils	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Instructional Staff	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
General Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
School Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Business Operations	\$2,400,600	\$2,453,658	\$2,890,443	\$2,916,882	\$2,768,945	\$2,652,714	\$2,700,525	\$2,748,098
Central Administration	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPORT SERVICES	\$2,400,600	\$2,453,658	\$2,890,443	\$2,916,882	\$2,768,945	\$2,652,714	\$2,700,525	\$2,748,098
COMMUNITY SERVICES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$47,593	\$47,795	\$47,918	\$47,214	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$2,448,193	\$2,501,453	\$2,938,361	\$2,964,096	\$2,768,945	\$2,652,714	\$2,700,525	\$2,748,098



Fremont Middle School students enter the building at the start of a school day.

Transportation Fund

Fremont School District 79 manages its own student transportation network, consisting of 38 large and small buses, one van, 30 regular drivers, 2 substitute drivers, five full-time support employees, and a 6,600 square-foot maintenance and dispatch facility. The operational budget is planned at \$2.6 million for FY23.

Transportation is viewed as an essential function in District 79, and a core competency that must be mastered to properly support the educational mission. With students residing throughout a 36 square-mile township, and considering the rural physical location of the school campus, virtually all students ride the bus daily. Many drivers are district parents with a long history of employment in the transportation department, providing a valuable personal touch for families.

District 79 is an industry leader in extending the expectations of the classroom into the school bus. Faculty, students, parents, and drivers are all trained in both behavioral expectations and appropriate intervention responses. Older students are engaged in a safety patrol, designed to assist the driver in managing bus behavior. In addition to safety, drivers are trained and evaluated on their effectiveness in managing student bus behavior.

While the district examined the outsourcing of transportation services, the benefits of maintaining this essential function in-house far outweigh modest potential cost savings. District transportation costs per mile are managed to be amongst the lowest in Lake County, already outcompeting outsourced services in most cases. As transportation funding from the state is continually reduced and delayed, however, this program is likely to be reexamined for cost-effectiveness in the future.

The District also uses the transportation function as a revenue source, providing contracted transportation services for special education students in a neighboring school district. Revenue from these services is conservatively estimated at \$130K in FY23, with only modest cost increases.

Chart 3.26 Transportation Cost Per Mile and Reimbursement Compared to Lake County Schools

Transportation Expenditures and Reimbursement - All County

Transportation Type: Regular

Source: Transportation Claim Form

Note: "Year" is the year of the State reimbursement, not the year of the expenses

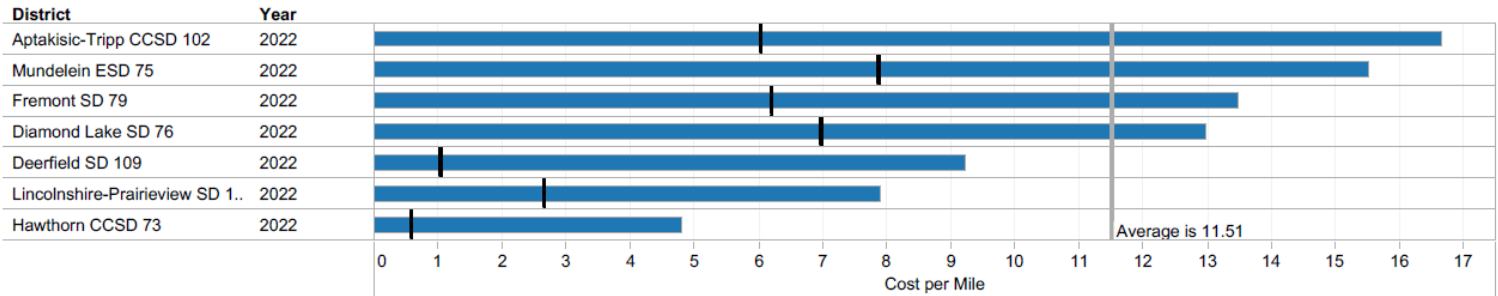


Chart 3.27 Transportation Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$1,389,595	\$1,388,315	\$1,468,923	\$1,546,974	\$1,505,383	\$1,515,457	\$1,540,994	\$1,641,078
State Sources	\$984,516	\$908,877	\$892,881	\$1,093,117	\$829,000	\$1,000,000	\$1,000,000	\$1,000,000
Federal Sources	\$0	\$0	\$0	\$0	\$40,021	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$2,374,111	\$2,297,192	\$2,361,804	\$2,640,091	\$2,374,404	\$2,515,457	\$2,540,994	\$2,641,078
EXPENDITURES								
Salary	\$1,130,466	\$1,106,260	\$1,051,473	\$1,027,650	\$1,158,382	\$1,233,273	\$1,284,404	\$1,337,580
Employee Benefits	\$337,153	\$352,360	\$301,595	\$283,405	\$350,000	\$369,175	\$384,587	\$396,125
Purchased Services	\$447,344	\$249,598	\$347,294	\$459,060	\$559,000	\$217,385	\$220,646	\$223,955
Supplies and Materials	\$191,948	\$136,129	\$83,318	\$224,909	\$235,000	\$238,525	\$242,103	\$245,734
Capital Outlay	\$481,603	\$0	\$307,872	\$207,567	\$300,000	\$400,000	\$400,000	\$400,000
Other Objects	\$229,223	\$228,877	\$254,731	\$506,464	\$5,000	\$5,000	\$5,000	\$5,000
Non-Capitalized Equipment	\$0	\$0	\$546	\$7,333	\$5,000	\$5,000	\$5,000	\$5,000
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$2,817,737	\$2,073,224	\$2,346,829	\$2,716,388	\$2,612,382	\$2,468,358	\$2,541,740	\$2,613,395
SURPLUS/(DEFICIT)	(\$443,626)	\$223,968	\$14,975	(\$76,297)	(\$237,978)	\$47,099	(\$746)	\$27,683
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$477,408	\$0	\$307,872	\$207,567	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$477,408	\$0	\$307,872	\$207,567	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	\$33,782	\$223,968	\$322,847	\$131,270	(\$237,978)	\$47,099	(\$746)	\$27,683
BEGINNING FUND BALANCE	\$2,268,652	\$2,302,434	\$2,526,402	\$2,849,249	\$2,980,519	\$2,742,541	\$2,789,640	\$2,788,894
ENDING FUND BALANCE	\$2,302,434	\$2,526,402	\$2,849,249	\$2,980,519	\$2,742,541	\$2,789,640	\$2,788,894	\$2,816,577
FUND BALANCE AS % OF EXPENDITURES	81.71%	121.86%	121.41%	109.72%	104.98%	113.02%	109.72%	107.77%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	9.81	14.62	14.57	13.17	12.60	13.56	13.17	12.93

Chart 3.28 Transportation Fund Revenue vs. Expenditure

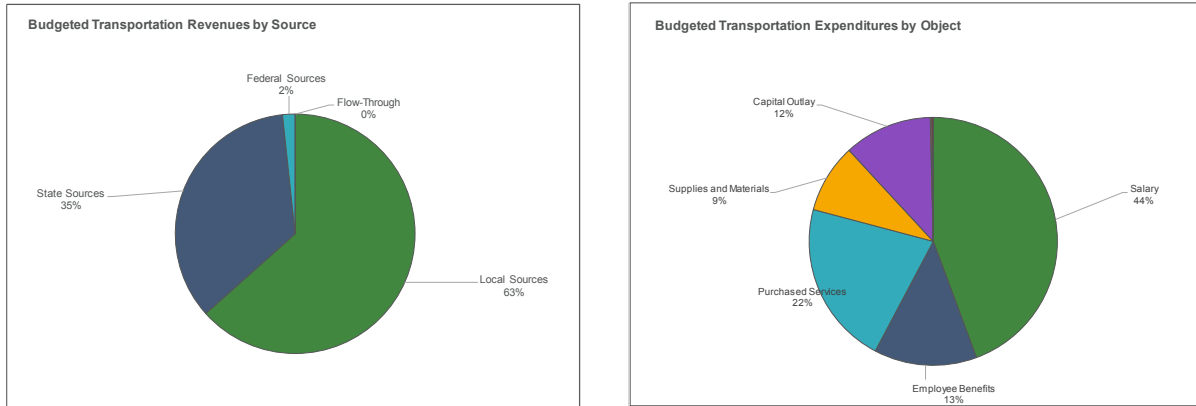
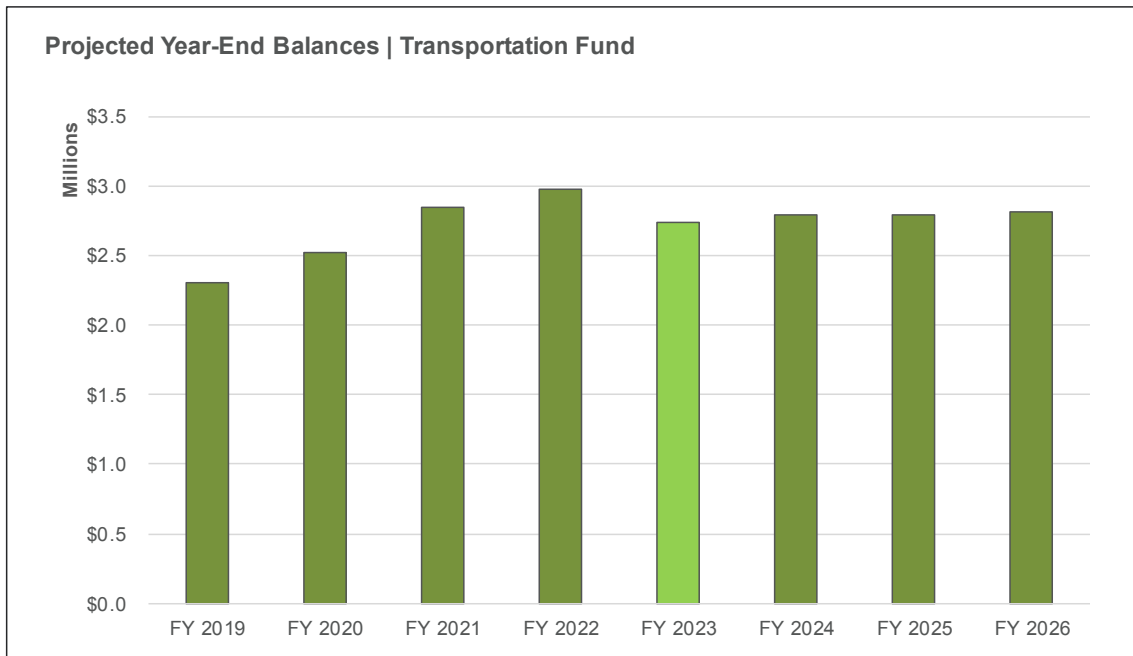


Chart 3.29 Transportation Fund Year End Fund Balance





A Fremont Elementary School student sets up his locker prior to the start of the school year.

Municipal Retirement and Social Security (MRSS) Fund

The Municipal Retirement and Social Security Fund captures the District’s financial obligations associated with TRS, THIS, Medicare, and FICA, along with the tax revenues required to meet these obligations.

Licensed teachers do not pay into the Social Security System (SSS), but do pay 9.0% of their salary into the Illinois Teacher Retirement System (TRS), 1.30% into the Teacher Health Insurance System (THIS), and .0145% into Medicare. For each certificated teacher, the district contributes .58% of salary to TRS, .97% to THIS, and .0145% to Medicare.

Non-Licensed employees do pay into the Social Security System (SSS), and participate in the Illinois Municipal Retirement Fund (IMRF). Non-licensed employees pay 4.5% of their salary into IMRF and 7.65% into the Federal Insurance Contribution Act (FICA). For each non-licensed employee, the District contributes 8.54% of salary into IMRF and 7.65% into FICA.

Chart 3.30 MRSS Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$735,873	\$792,695	\$852,987	\$820,173	\$861,035	\$927,790	\$964,674	\$989,535
State Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$0	\$15,451	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$735,873	\$792,695	\$852,987	\$820,173	\$876,486	\$927,790	\$964,674	\$989,535
EXPENDITURES								
Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$766,959	\$730,286	\$768,635	\$753,192	\$840,651	\$958,730	\$996,767	\$1,020,910
Purchased Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Capitalized Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$766,959	\$730,286	\$768,635	\$753,192	\$840,651	\$958,730	\$996,767	\$1,020,910
SURPLUS/(DEFICIT)	(\$31,086)	\$62,409	\$84,352	\$66,981	\$35,835	(\$30,940)	(\$32,093)	(\$31,375)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$31,086)	\$62,409	\$84,352	\$66,981	\$35,835	(\$30,940)	(\$32,093)	(\$31,375)
BEGINNING FUND BALANCE	\$298,505	\$267,419	\$329,828	\$414,180	\$481,161	\$516,996	\$486,056	\$453,963
ENDING FUND BALANCE	\$267,419	\$329,828	\$414,180	\$481,161	\$516,996	\$486,056	\$453,963	\$422,588
FUND BALANCE AS % OF EXPENDITURES	34.87%	45.16%	53.89%	63.88%	61.50%	50.70%	45.54%	41.39%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	4.18	5.42	6.47	7.67	7.38	6.08	5.47	4.97

Chart 3.31 MRSS Fund Revenue vs. Expenditure

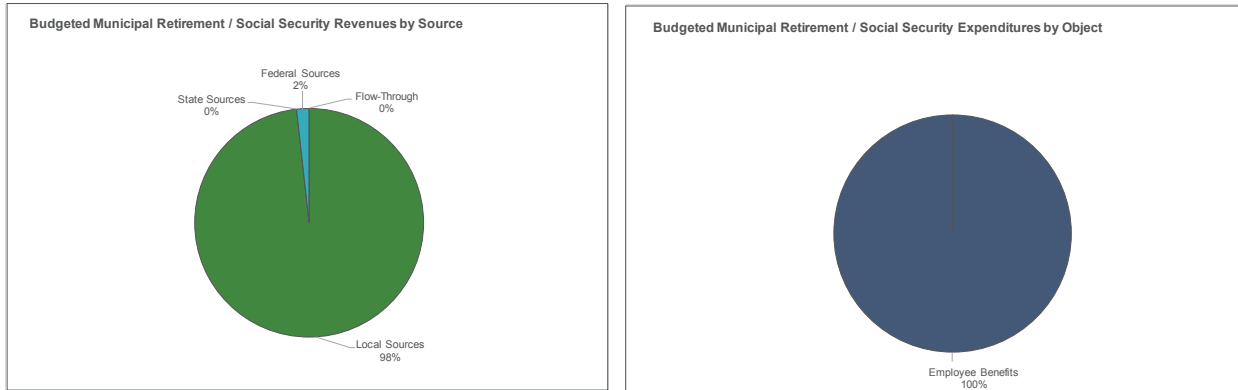


Chart 3.32 MRSS Fund Year End Fund Balance

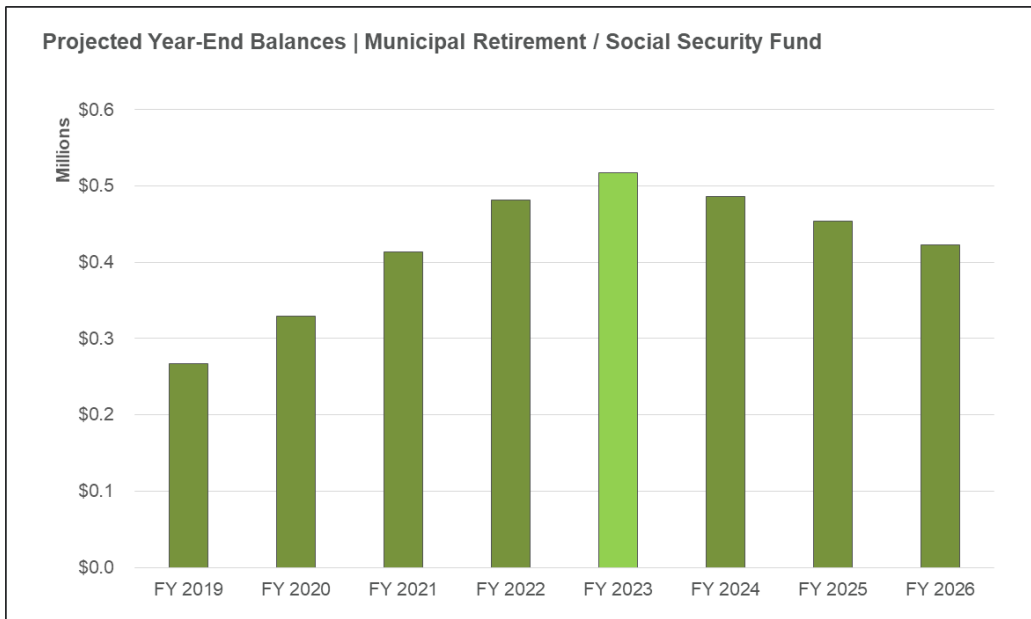
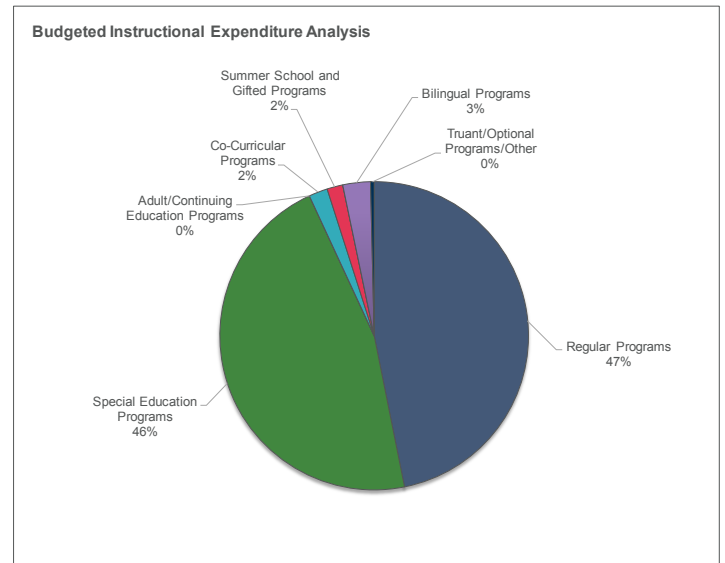
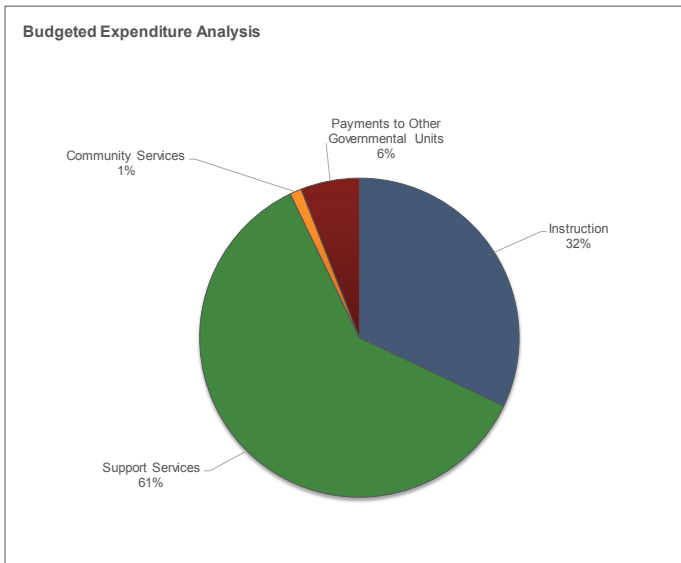


Chart 3.33 MRSS Fund Expenditure by Function

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
INSTRUCTION								
Regular Programs	\$116,847	\$117,400	\$116,921	\$122,280	\$126,222	\$143,952	\$149,663	\$153,288
Special Education Programs	\$131,306	\$116,201	\$120,349	\$122,121	\$124,611	\$142,114	\$147,753	\$151,331
Adult/Continuing Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Vocational Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Co-Curricular Programs	\$4,598	\$5,083	\$5,897	\$5,777	\$5,300	\$6,044	\$6,284	\$6,436
Summer School and Gifted Programs	\$2,884	\$1,492	\$1,566	\$1,880	\$4,464	\$5,091	\$5,293	\$5,421
Drivers Education Programs	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Bilingual Programs	\$8,139	\$8,778	\$7,384	\$6,172	\$7,790	\$8,884	\$9,236	\$9,460
Truant/Optional Programs/Other	\$0	\$0	\$0	\$0	\$1,030	\$1,175	\$1,222	\$1,251
TOTAL INSTRUCTION	\$263,774	\$248,954	\$252,117	\$258,230	\$269,417	\$307,260	\$319,450	\$327,188
SUPPORT SERVICES								
Pupils	\$38,855	\$43,640	\$44,887	\$44,421	\$47,494	\$54,165	\$56,314	\$57,678
Instructional Staff	\$18,380	\$21,282	\$21,002	\$19,202	\$34,108	\$38,899	\$40,442	\$41,422
General Administration	\$22,295	\$20,690	\$22,589	\$20,210	\$24,891	\$28,387	\$29,513	\$30,228
School Administration	\$57,920	\$57,897	\$63,492	\$57,810	\$59,457	\$67,809	\$70,499	\$72,206
Business Operations	\$290,384	\$269,565	\$280,404	\$263,243	\$300,218	\$342,387	\$355,971	\$364,593
Central Administration	\$13,947	\$14,900	\$34,685	\$38,039	\$45,168	\$51,513	\$53,557	\$54,854
Other	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL SUPPORT SERVICES	\$441,781	\$427,974	\$467,059	\$442,925	\$511,336	\$583,158	\$606,295	\$620,980
COMMUNITY SERVICES	\$339	\$0	\$0	\$0	\$9,898	\$11,289	\$11,737	\$12,021
PAYMENTS TO OTHER GOVERNMENTAL UNITS	\$61,065	\$53,358	\$49,459	\$52,037	\$50,000	\$57,023	\$59,285	\$60,721
TOTAL EXPENDITURES	\$766,959	\$730,286	\$768,635	\$753,192	\$840,651	\$958,730	\$996,767	\$1,020,910





The Fremont Middle School eighth-grade band and color guard march during the Mundelein High School homecoming parade.

Capital Project Fund

The Capital Project Fund is maintained to pool financial resources for major capital projects. In FY23, no taxes will be levied to contribute to the capital project fund balance, and the only additional sources of revenue come from investment earnings and builder contributions.

Impact fees are the major sources of revenue for the capital projects fund. These fees are assessed on new construction, and paid by builders, to help address the financial timing gap between student educational need and tax revenues associated with new growth, along with the brick-and-mortar needs of new school construction in areas of rapid student population growth. Impact fees are negotiated between the builder and the Board of Education.

After several years of stalled growth, new construction is showing signs of recovery. Total builder fee revenue for FY23, however, is budgeted at \$200K, allowing for fee collection which will most likely drive fund receipt into the next fiscal year.

In FY14, the District received \$10.6M in State of Illinois Capital Development Board (CDB) funds, from a 2003 application, to compensate the district at a 35% level for construction of the intermediate school, which was completed in 2007. These CDB funds were deposited into the working cash fund in FY14, and are being distributed into the capital project fund as capital projects emerge from the MFP process. The FY21 Capital Project Funds has a budget of 1.8M to complete classroom renovations at the intermediate school to support 1:1 learning. At the end of FY21, these funds have been depleted. The small capital project planned over the course of the next five years will be absorbed within the Operations and Maintenance Fund.

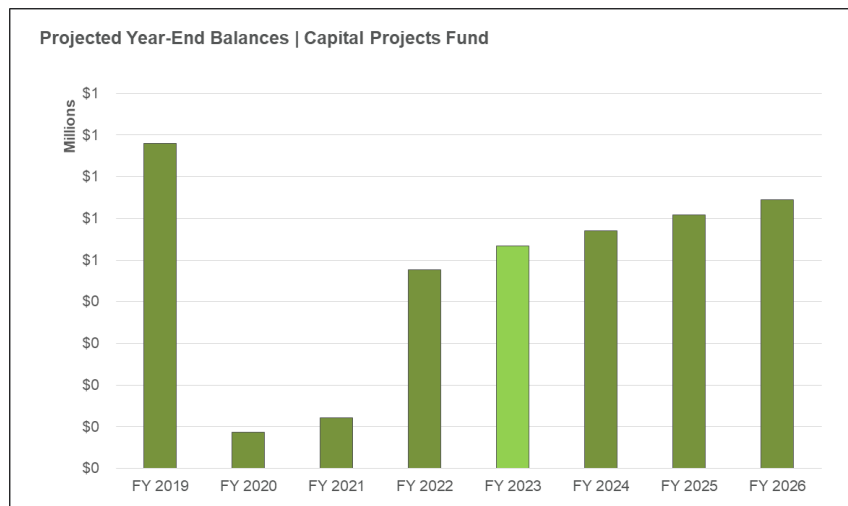
A few new residential subdivision within the District will add approximately 282 single-family homes and attached homes to the district over the next five years. In addition to generating impact fees and new growth for tax levy purposes, construction resulting from this activity will likely provide an influx of approximately 84 new students to the District. The attrition of student population count generation from existing homes, however, balances this influx, and results in level student population projections over the next several years.

The Capital Projects Fund is a non-operating fund.

Chart 3.34 Capital Projects Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	ESTIMATE FY 2024	ESTIMATE FY 2025	ESTIMATE FY 2026
REVENUES								
Local Sources	\$306,054	\$167,998	\$210,390	\$355,257	\$202,273	\$252,273	\$252,273	\$252,273
State Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$306,054	\$167,998	\$210,390	\$355,257	\$202,273	\$252,273	\$252,273	\$252,273
EXPENDITURES								
Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$21,824	\$188,250	\$26,808	\$0	\$15,000	\$15,000	\$15,000	\$15,000
Supplies and Materials	\$445	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$3,525,392	\$1,922,527	\$1,554,516	\$0	\$330,250	\$500,000	\$500,000	\$500,000
Other Objects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Capitalized Equipment	\$2,093	\$0	\$44,663	\$0	\$0	\$0	\$0	\$0
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$3,549,754	\$2,110,777	\$1,625,987	\$0	\$345,250	\$515,000	\$515,000	\$515,000
SURPLUS/(DEFICIT)	(\$3,243,700)	(\$1,942,779)	(\$1,415,597)	\$355,257	(\$142,977)	(\$262,727)	(\$262,727)	(\$262,727)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$2,000,000	\$1,250,000	\$1,450,000	\$0	\$200,000	\$300,000	\$300,000	\$300,000
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$2,000,000	\$1,250,000	\$1,450,000	\$0	\$200,000	\$300,000	\$300,000	\$300,000
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$1,243,700)	(\$692,779)	\$34,403	\$355,257	\$57,023	\$37,273	\$37,273	\$37,273
BEGINNING FUND BALANCE	\$2,023,632	\$779,932	\$87,153	\$121,556	\$476,813	\$533,836	\$571,109	\$608,382
ENDING FUND BALANCE	\$779,932	\$87,153	\$121,556	\$476,813	\$533,836	\$571,109	\$608,382	\$645,655
FUND BALANCE AS % OF EXPENDITURES	21.97%	4.13%	7.48%	0.00%	154.62%	110.89%	118.13%	125.37%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	2.64	0.50	0.90	0.00	18.55	13.31	14.18	15.04

Chart 3.35 Capital Project Fund Year End Fund Balance





A member of the Fremont Middle School soccer team moves the ball up the field.

Debt Service Fund

The district has 1 bond issues outstanding:

2016 School Refunding Bonds = \$ 5,660,000 (payments through December of 2025)

Total Outstanding Debt = \$ 5,660,000 (as of June 30, 2022)

This budget services \$1,415,000 of principal reduction and \$206,900 of interest expense. The District cannot issue more debt than the statutory limitation of 6.9% of the district's EAV. The District's outstanding debt is well below the statutory limit as shown in the calculation below:

2021 EAV \$941,477,791 x state limit 6.9% = \$64,961,967 Statutory Debt Limit

Outstanding Long-term Debt = \$5,660,000

Debt Margin = \$59,301,967 (91.29% of capacity remaining)

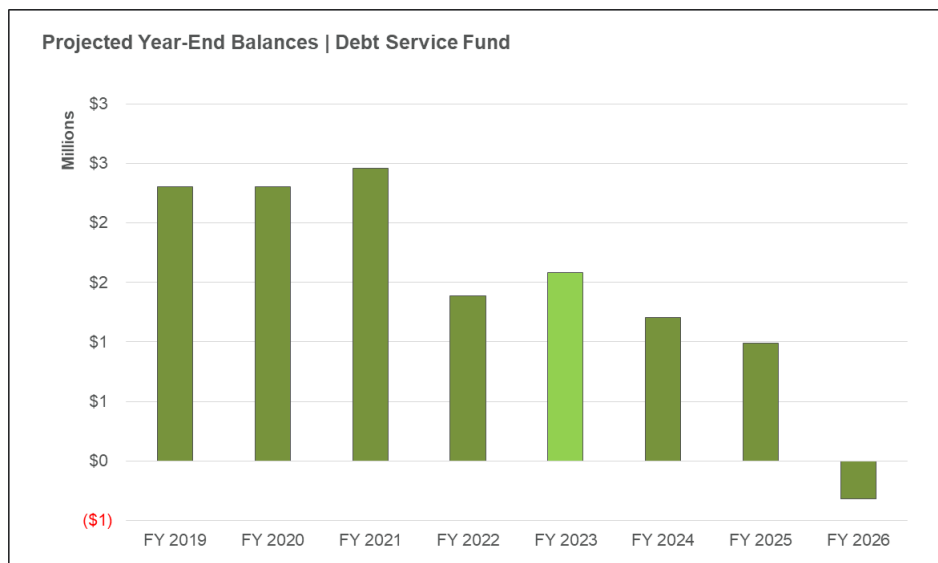
Since EAV is used as a factor in calculating statutory debt limits, debt capacity declines as EAV declines and increase as EAV increased. Since 2016, the District has experienced an increase annually in EAV. During 2021 the EAV increase \$36,502,299 thus increases our debt limits in the amount of \$2,797,271.

In FY16, the District refinanced \$7.8M of its 2006 General Obligation Bonds. With the average interest rate on these bonds nearing 5%, and current interest rates on 10 year tax-exempt municipal bonds generally below 2%, the rate spread created an attractive opportunity. This refinancing initiative saved the District approximately \$1.1M in present value interest cost. In FY17, a similar initiative refinancing the remaining \$12.5M of 2006 General Obligation Bonds, saved another approximately \$1.4M in present value interest cost. As of June 30, 2022 these bond have retired.

Chart 3.36 Debt Service Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$2,857,205	\$3,043,827	\$3,193,027	\$1,966,926	\$1,383,445	\$1,196,799	\$1,279,696	\$603,462
State Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$2,857,205	\$3,043,827	\$3,193,027	\$1,966,926	\$1,383,445	\$1,196,799	\$1,279,696	\$603,462
EXPENDITURES								
Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$3,044,550	\$3,042,712	\$3,042,174	\$3,072,022	\$1,186,900	\$1,574,100	\$1,497,900	\$1,912,500
Non-Capitalized Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$3,044,550	\$3,042,712	\$3,042,174	\$3,072,022	\$1,186,900	\$1,574,100	\$1,497,900	\$1,912,500
SURPLUS/(DEFICIT)	(\$187,345)	\$1,115	\$150,853	(\$1,105,096)	\$196,545	(\$377,301)	(\$218,204)	(\$1,309,038)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$0	\$34,656	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	\$0	\$34,656	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$187,345)	\$1,115	\$150,853	(\$1,070,440)	\$196,545	(\$377,301)	(\$218,204)	(\$1,309,038)
BEGINNING FUND BALANCE	\$2,492,674	\$2,305,329	\$2,306,444	\$2,457,297	\$1,386,857	\$1,583,402	\$1,206,101	\$987,897
ENDING FUND BALANCE	\$2,305,329	\$2,306,444	\$2,457,297	\$1,386,857	\$1,583,402	\$1,206,101	\$987,897	(\$321,141)
FUND BALANCE AS % OF EXPENDITURES	75.72%	75.80%	80.77%	45.14%	133.41%	76.62%	65.95%	-16.79%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	9.09	9.10	9.69	5.42	16.01	9.19	7.91	(2.02)

Chart 3.37 Debt Service Fund Year End Fund Balance





Fremont Intermediate School third-graders participate in a student focus group with Superintendent of Schools Dr. Trisha Kocanda.

Tort Fund

The District does not maintain a Tort Fund. The District secures robust liability insurance coverage in an attempt to manage liability risk. For the last several years, annual legal fees have been approximately \$75K to 100K. In FY23, \$75K was budgeted for legal fees. The district maintains a proactive approach regarding liability through board policy and legal consultation.

Fire Prevention and Life Safety Fund

The Fire Prevention and Life Safety Fund is maintained to accumulate revenues to address physical safety issues within district facilities. These issues may include asbestos removal, internal air or water quality improvement, exit way and signage compliance, Americans with Disabilities Act (ADA) access, fire detection and suppression systems, structural issues, etc. While the District has the authority to levy taxes to provide resources for this fund, no levy is planned in FY23.

District facilities are inspected annually by the Lake County Regional Office of Education (ROE) for safety regulation compliance. Every 10 years, Illinois State Board of Education (ISBE) sponsored architects and engineers formally inspect District facilities, identifying and prioritizing improvements, with remedial action mandated by law. During the FY22, the 10-year life safety inspection was conducted. It was determined that the District needs approximately 1M of improvements over the next five years. Although the District maintains levy authority within the fire prevention and life safety fund, funding for these projects will be paid using fund balance.

By the end of FY22, the district accumulated \$18,470 in the fire prevention and life safety fund. No new revenues or expenditures are budgeted for FY23.

The Fire Prevention and Life Safety Fund is a non-operating fund.

Chart 3.38 Fire Prevention and Life Safety Fund Revenue by Source and Expenditure Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
State Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
EXPENDITURES								
Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Capitalized Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT)	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
BEGINNING FUND BALANCE	\$17,619	\$18,013	\$18,344	\$18,437	\$18,470	\$18,570	\$18,670	\$18,770
ENDING FUND BALANCE	\$18,013	\$18,344	\$18,437	\$18,470	\$18,570	\$18,670	\$18,770	\$18,870

Working Cash Fund

The Working Cash Fund accumulates tax and interest revenues to address financial needs arising in any of the other financial funds. The working cash fund also serves as a temporary holding fund for dollars to be distributed to other funds. Working cash funds are reserved to meet unanticipated needs, or to provide liquidity into other funds during periods of limited resources.

At the end of FY13, working cash fund balances, accumulated from a 1998 working cash bond issue of \$1.53M and interest earnings, totaled \$1.65M. In FY14, the District received a Capital Development Board (CDB) grant for \$10.6M. These CDB proceeds were temporarily placed into the working cash fund, driving the FY14 total to \$12.2M

In FY15, \$4M in proceeds from the CDB grant was transferred to the capital projects fund, to pay for a number of district capital improvements. In FY16, \$2M was transferred. In FY17, \$1M was transferred. In FY18 and FY19 \$2M was transferred. In FY20 \$1.25M was transferred from the working cash fund to the capital projects fund to pay for anticipated district capital improvements. With the transfer of \$1.25M in FY20, the fund is now depleted for any future transfer for capital improvement projects. While the District has the authority to levy taxes to provide resources for this funds, no levy is planned in FY23.

Chart 3.39 Working Cash Fund Revenue by Source and Expenditure by Object

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
State Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Federal Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
EXPENDITURES								
Salary	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Employee Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Purchased Services	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Supplies and Materials	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Capital Outlay	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Objects	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Non-Capitalized Equipment	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Termination Benefits	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL EXPENDITURES	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT)	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
Other Financing Uses	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL OTHER FINANCING SOURCES/(USES)	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	\$394	\$331	\$93	\$33	\$100	\$100	\$100	\$100
BEGINNING FUND BALANCE	\$17,619	\$18,013	\$18,344	\$18,437	\$18,470	\$18,570	\$18,670	\$18,770
ENDING FUND BALANCE	\$18,013	\$18,344	\$18,437	\$18,470	\$18,570	\$18,670	\$18,770	\$18,870

Capital Outlay

The District developed a five-year capital projects plan and capital outlay plan to address the capital needs of the buildings. The combination of these two plans is a proactive approach to facilitate the highest priority capital needs over a five-year period. The Finance and Facilities Committee reviews the district's priority list every four years and develops an implementation plan that seeks to:

- Maintain buildings and equipment for the safety and security of the students/staff
- Maintain a healthy school environment
- Provide for energy conservation
- Protect the investment in the overall structure of district buildings
- Meet the requirements of the educational programs
- Maintain an up to date bus fleet

Five Year Capital Projects Plan

FY23 capital projects are part of the five-year plan shown below. These projects will be funded from the Operations and Maintenance Fund. The District is engaged with the architect to complete a master facility plan. These results will be used as a guide for the next five year facility plan and incorporated in the below chart.

Chart 3.40 Five Year Capital Projects Plan

5 YEAR CAPITAL PROJECTS PLAN	FY20-21	FY21-22	FY22-23	FY23-24	FY24-25
Middle School					
Generator Repairs	15,000.00	10,000.00			
Replace Non-ADA Compliant Doors	39,000.00				
Replace Non-ADA Compliant Doors		47,000.00			
Replace Primus Key Core System		28,000.00			
Water Tank Replacement		12,000.00			
Replace Playground				125,000.00	
Renovate Classrooms, Specialty Rooms, and Lockers	50,000.00	300,250.00	300,250.00	300,250.00	300,250.00
Intermediate School					
New CO Detectors on Roof Tops	40,000.00				
Replace Playground				125,000.00	
Elementary School					
IDF Backup to Generators	10,000.00				
Front Walk Replacement	50,000.00				
New Carpet Entry #5		5,000.00			
Rubber Floor Replacement Interior Stairwells		13,000.00			
ES Locker Faces Repair			100,000.00		
ES Asphalt Repair			120,000.00		
Replace Playground		125,000.00			
District Wide					
Replace Security Cameras	40,000.00				
South Property Demo	250,000.00				
ES and IS Asphalt Replacement					250,000.00

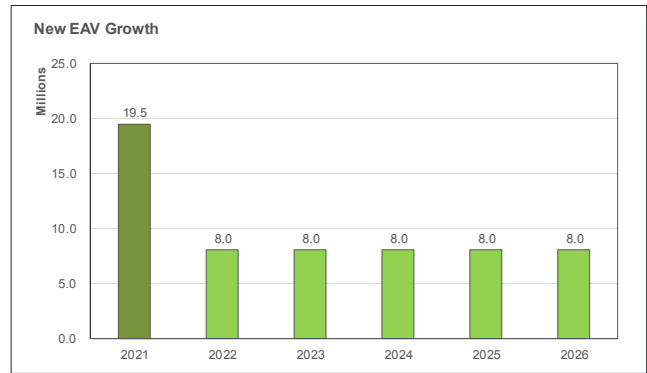
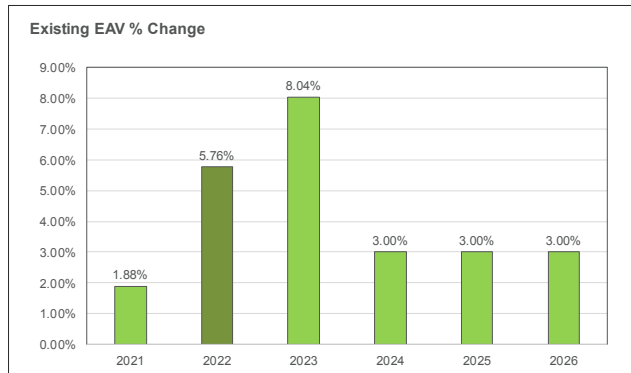
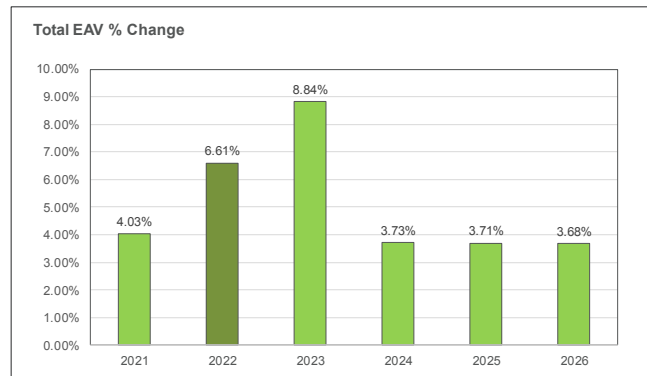
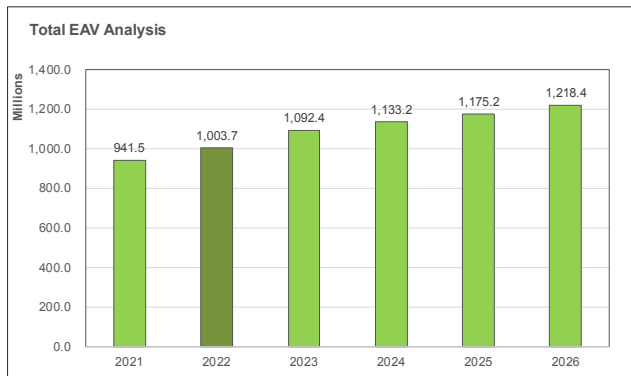
Informational Section



Assessed and Market Value of Taxable Property

Chart 4.01 Historic and Projected Equalized Assessed Valuation and New Growth

LEVY YEAR	ACTUAL 2020	ACTUAL 2021	PROJECTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026
Consumer Price Index	2.30%	1.40%	5.00%	5.00%	2.00%	2.00%	2.00%
Equalized Assessed Valuation (EAV)	904,975,492	941,477,791	1,003,691,835	1,092,390,813	1,133,162,537	1,175,157,413	1,218,412,136
% Change in EAV		4.03%	6.61%	8.84%	3.73%	3.71%	3.68%
New Growth	7,348,597	19,460,049	8,000,000	8,000,000	8,000,000	8,000,000	8,000,000
% of Total EAV	0.81%	2.07%	0.80%	0.73%	0.71%	0.68%	0.66%
Existing EAV		17,042,250	54,214,044	80,698,978	32,771,724	33,994,876	35,254,722
% of Total EAV		1.88%	5.76%	8.04%	3.00%	3.00%	3.00%



The Illinois Constitution provides for assessments to be 1/3 of Fair Market Value (FMV). The Illinois Department of Revenue reviews assessments for uniformity, and may apply a multiplier to ensure assessments are equal to 1/3 FMV. To determine the aggregate market value of taxable property in the district, the reader can multiply the Equalized Assessed Valuation (EAV) number in the second row x 3. The 2022 levy year reflects 2021 calendar year EAV, and is the most current data available.

As would be expected with the housing downturn, actual EAV drops of 6.76%, 4.83%, and .54% were experienced in levy years 2011-2013 respectively. In recent years, the EAV has steadily increased. In levy year 2022, EAV is estimated to increase by 6.61%. Projections estimate a modest EAV increase in the future years of CY23-FY26.

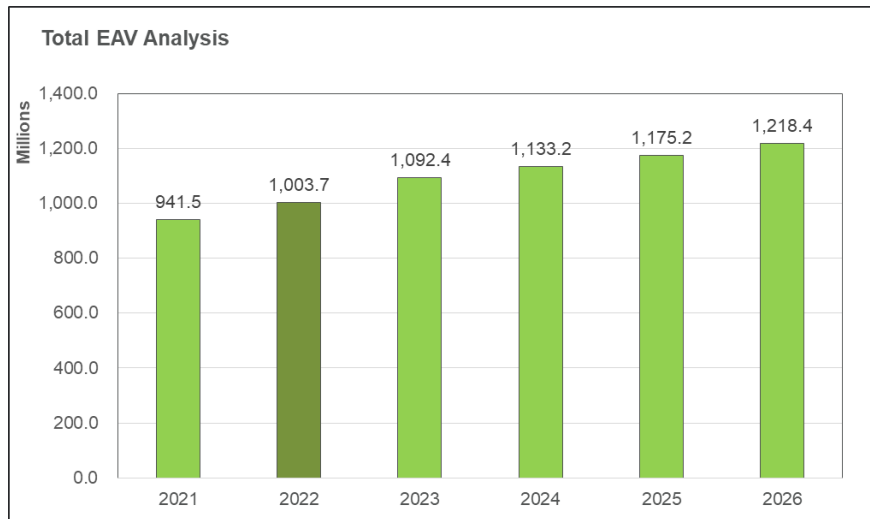
Chart 4.02 Historic Equalized Assessed Valuation

<u>YEAR</u>	<u>REAL ESTATE</u>	<u>RAILROAD</u>	<u>TOTAL</u>
2011	833,382,323	659,870	834,042,193
2012	777,213,613	451,206	777,664,819
2013	739,505,921	596,317	740,102,238
2014	735,425,067	698,282	736,123,349
2015	759,846,310	842,114	760,688,424
2016	814,364,932	930,288	815,295,220
2017	851,290,526	768,387	852,058,913
2018	876,953,730	809,010	877,762,740
2019	891,646,847	815,293	892,462,140
2020	904,170,057	805,435	904,975,492
2021	940,672,356	805,435	941,477,791

Equalized Assessed Valuation (EAV)

After peaking at \$925M in 2009, district Equalized Assessed Valuation (EAV) decreased to \$736M through 2014 due to the dramatic national-level housing correction. The trend of declining EAV is has continued to reverses, with six years or returning growth, to \$1,003.7M in 2022.

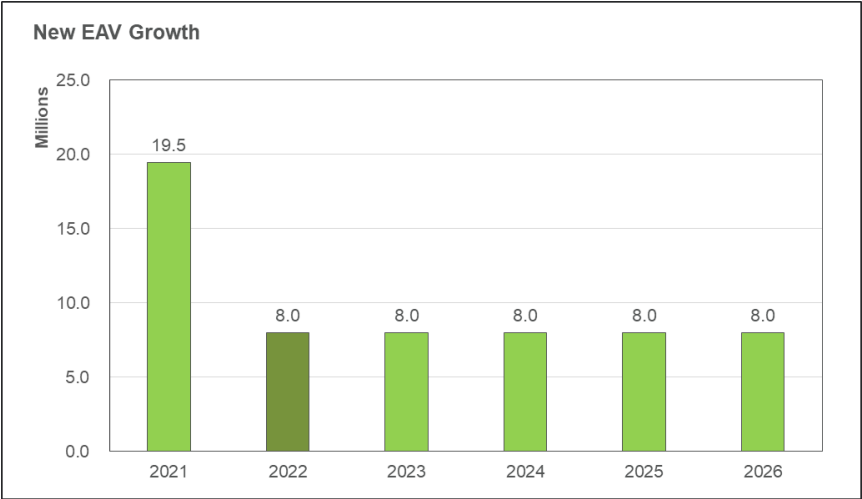
Chart 4.03. EAV Trends



New Growth

For many years, new growth, which can be added to the tax rolls above the mandates of PTELL, allowed area districts to receive revenue increases above the CPI. New growth has increased in the last few years, increasing revenue for 83.42% of the district’s revenue budget for the levy year 2022 calculated with a CPI of 5%. The District experienced a spike in 2021 new growth due to a light industrial project that was completed in 2021.

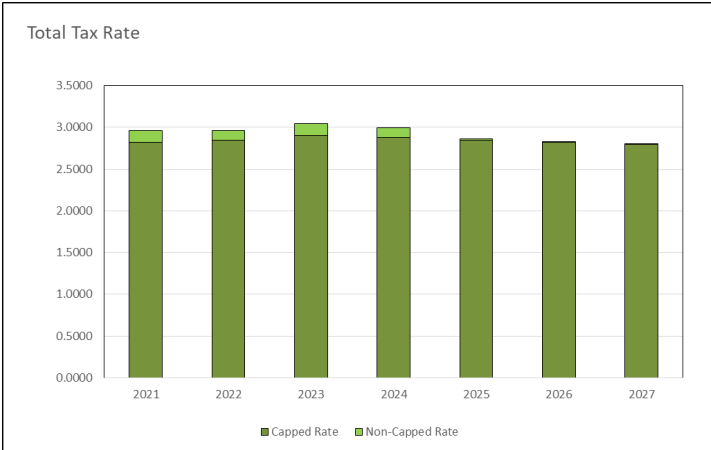
Chart 4.04 New Growth Trends



Property Tax Rates

As both EAV and new growth decline, tax rates must increase to net the same tax extension as the preceding year + the PTELL allowable CPI increase. After bottoming out at 2.3800 in 2007, tax rates climbed consistently to 3.6065 in levy year 2014. The 2022 anticipated tax rates is 2.9621. The continued decreased is due to the EAV recovering and the 2017 School Refunding Bond expiring. The inverse relationship of EAV and tax rates (not tax bills) is a public relations issue that is carefully managed.

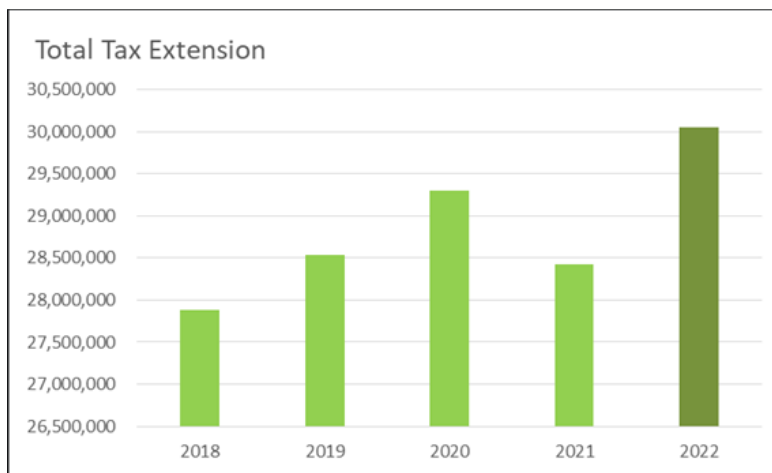
Chart 4.05 Tax Rate Trends per \$100 of Assessed Valuation



Property Tax Yields

As new growth stabilizes, increases in property tax extensions (which are regulated by PTELL) are slowing. After benefiting from 2003 education fund and 2005 building bond referendums, and several years of rapid new growth, increases in tax extensions are leveling off to near CPI levels. Tax year 2021 experienced a decrease in the extension due to the 2016 bond expiring. The FY23 budget year contains tax revenues spanning two calendar years - the second half of the 2021 levy year collected in the fall of 2022, and the first half of the 2022 levy year collected in the spring of 2023. The District property tax collection rate in past five years has been over 99.5%.

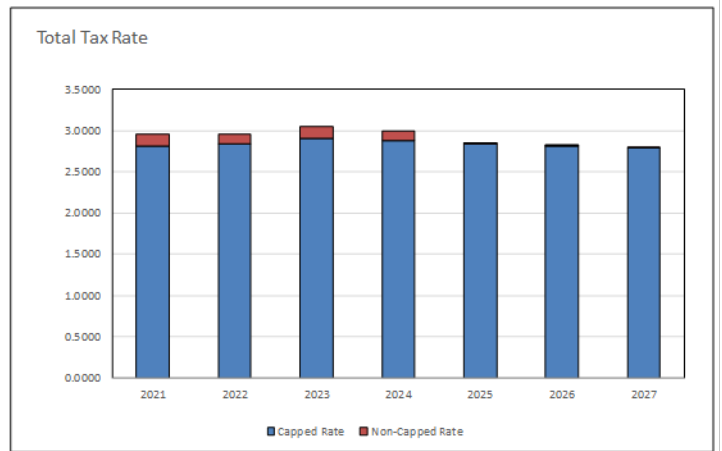
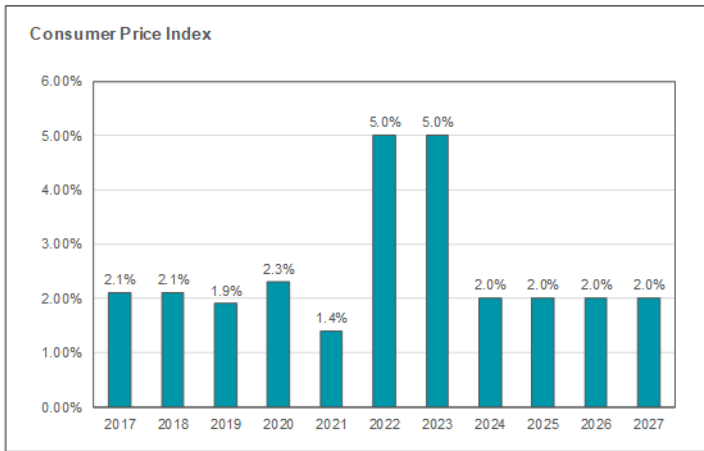
Chart 4.06 District Property Tax Extension Trends



Property Tax Rates and Collections

Chart 4.07 Current and Projected Property Tax Rates and Extensions

	2021		2022		2023		2024		2025		2026		2027	
	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate	Extension	Rate
Educational Fund	22,248,787	2.3153	24,136,863	2.3795	25,602,761	2.4319	26,307,476	2.4082	26,899,415	2.3738	27,625,467	2.3508	28,364,213	2.3280
(E d) Leasing, Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
(E d) Special Education	-	-	-	-	-	-	-	-	-	-	-	-	-	-
*(E d) Prior Year Adjustments	75,704	0.0079	75,000	0.0074	75,000	0.0071	75,000	0.0069	75,000	0.0066	75,000	0.0064	75,000	0.0062
Operations & Maintenance Fund	2,719,590	0.2830	2,543,430	0.2507	2,691,050	0.2556	2,765,121	0.2531	2,840,477	0.2507	2,917,146	0.2482	2,995,154	0.2458
(O&M) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Debt Service Fund	1,193,728	0.1242	1,034,100	0.1019	1,357,900	0.1290	1,200,560	0.1099	-	-	-	-	-	-
Transportation Fund	1,336,691	0.1391	1,354,592	0.1335	1,368,212	0.1300	1,405,872	0.1287	1,569,185	0.1385	1,611,540	0.1371	1,654,635	0.1358
(Trans) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
IMRF Fund	206,315	0.0215	219,883	0.0217	232,645	0.0221	239,048	0.0219	245,563	0.0217	252,191	0.0215	258,935	0.0213
(Lake County Only) SEDOL IMRF	52,290	0.0054	53,000	0.0052	53,000	0.0221	53,000	0.0049	53,000	0.0047	53,000	0.0045	53,000	0.0043
Social Security/Medicare Fund	590,994	0.0615	629,858	0.0621	666,414	0.0633	684,757	0.0627	703,419	0.0621	722,405	0.0615	741,723	0.0609
(S/S/Med) Other	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Capital Projects Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Working Cash Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Tort Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Fire Prevention and Safety Fund	-	-	-	-	-	-	-	-	-	-	-	-	-	-
Totals	\$28,424,100	2.9580	\$30,046,726	2.9621	\$32,046,983	3.0610	\$32,730,835	2.9963	\$32,386,059	2.8580	\$33,256,748	2.8300	\$34,142,660	2.8022
Tax-Capped Totals	\$27,102,378	2.8204	\$28,884,626	2.8475	\$30,561,083	2.9028	\$31,402,275	2.8746	\$32,258,059	2.8467	\$33,128,748	2.8191	\$34,014,660	2.7917



The FY23 budget year contains tax revenues spanning two levy years - the second half of the 2021 levy year collected in the fall of 2022, and the first half of the 2022 levy year collected in the spring of 2023. Accordingly, FY23 tax revenue estimates assume receipt of 50% of both the 2022 and projected 2023 levy year revenues. The long-term historic average tax collection rate of 99.95% of taxes levied is used in projections. Tax rates in the table above are listed in tax rate per \$100 of equalized assessed value.

Chart 4.08 Historical Summary of Assessed Valuations, Tax Rates, Extensions, and Collections

FREMONT SCHOOL DISTRICT NO. 79
SUMMARY OF ASSESSED VALUATIONS,
TAX RATES, EXTENSIONS AND COLLECTIONS
JUNE 30, 2022

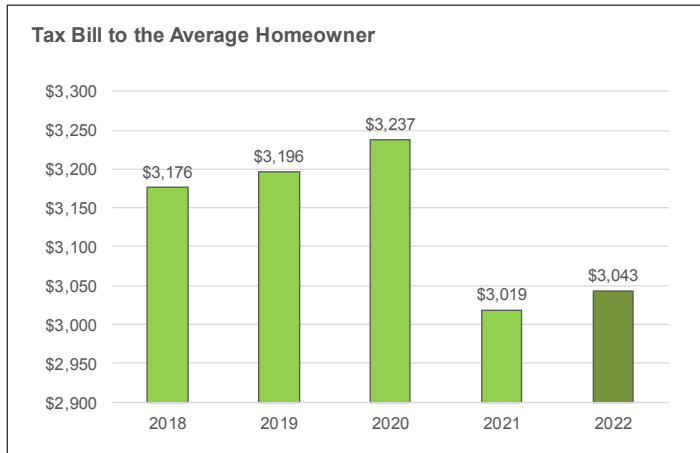
	LEVY YEAR	
	2021	2020
ASSESSED VALUATION	<u>\$ 941,477,791</u>	<u>\$ 904,975,492</u>
TAX RATES		
Educational	2.3632	2.3744
Recapture	0.0080	-
Operations and maintenance	0.2889	0.2902
Bond and interest	0.1268	0.3389
Transportation	0.1420	0.1427
IMRF/Social security	<u>0.0902</u>	<u>0.0909</u>
Total	<u>3.0191</u>	<u>3.2371</u>
TAX EXTENSION		
Educational	\$ 22,248,787	\$ 21,488,091
Recapture	75,704	-
Operations and maintenance	2,719,590	2,626,601
Bond and interest	1,193,728	3,067,188
Transportation	1,336,691	1,290,984
IMRF/Social security	<u>849,599</u>	<u>822,089</u>
Total	<u>\$ 28,424,099</u>	<u>\$ 29,294,953</u>
Amounts Collected as of June 30, 2022	<u>\$ 12,527,566</u>	<u>\$ 29,276,149</u>
Percentage Collected	<u>44.07%</u>	<u>99.94%</u>

Budget Effect on the Average Taxpayer

Chart 4.09 Budget Effect on the Average Taxpayer CY21

The average home owner of a home valued at 300K will approximately realize a \$24 increase on their FSD79 tax bill in calendar year 2023. The estimated increase is due to the increase in the equalized assessed valuation, the tax rate generated, and estimated increase in residential property.

LEVY YEAR	ACTUAL 2018	ACTUAL 2019	ACTUAL 2020	ACTUAL 2021	ESTIMATED 2022
Median Value of a Home	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
Average Change in Market Value		0.00%	0.00%	0.00%	0.00%
Assessed % of Market Value	33.33%	33.33%	33.33%	33.33%	33.33%
County Multiplier	1.0000	1.0000	1.0000	1.0000	1.0000
Taxable Value	\$99,990	\$99,990	\$99,990	\$99,990	\$99,990
Property Tax Rate Assessed	3.1761	3.1967	3.237	3.019094	3.0433
Property Tax Due	\$3,176	\$3,196	\$3,237	\$3,019	\$3,043
Tax Increase/(Decrease) from Prior Year		\$20	\$41	(\$218)	\$24
% Change in Taxes from Prior Year		0.63%	1.28%	-6.73%	0.79%





The FSD79 Board President and Superintendent of Schools pose with Fremont Middle School students during a recognition at a Board of Education meeting.

Budget Projections

Chart 4.10 Major Revenue Projection Assumptions

Fund & Source	2022	2023	2024	2025	2026	2027	2028
	Actual	Original	Projected	Projected	Projected	Projected	Projected
FUND 10 LOCAL SOURCES	\$22,276,352	\$23,942,836	\$25,354,913	\$26,360,313	\$27,029,960	\$27,711,411	\$28,404,917
FUND 10 STATE SOURCES	\$1,138,322	\$1,256,643	\$1,256,643	\$1,256,643	\$1,256,643	\$1,256,643	\$1,256,643
FUND 10 FEDERAL SOURCES	\$776,424	\$1,593,942	\$1,444,177	\$744,176	\$744,176	\$744,176	\$744,176
FUND 20 LOCAL SOURCES	\$2,632,522	\$2,781,245	\$3,019,161	\$3,142,057	\$3,223,912	\$3,307,209	\$3,391,980
FUND 20 STATE SOURCES	\$50,000	\$0	\$0	\$0	\$0	\$0	\$0
FUND 20 FEDERAL SOURCES	\$258,234	\$27,000	\$0	\$0	\$0	\$0	\$0
FUND 30 LOCAL SOURCES	\$2,107,735	\$1,383,445	\$1,366,119	\$1,491,829	\$780,735	\$5,583	\$5,583
FUND 40 LOCAL SOURCES	\$1,573,461	\$1,505,383	\$1,618,857	\$1,679,261	\$1,719,493	\$1,760,434	\$1,802,099
FUND 40 STATE SOURCES	\$1,041,640	\$829,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000	\$1,000,000
FUND 40 FEDERAL SOURCES	\$0	\$40,021	\$0	\$0	\$0	\$0	\$0
FUND 50/51 LOCAL SOURCES	\$798,386	\$861,035	\$927,365	\$963,394	\$987,392	\$1,011,813	\$1,036,665
FUND 50/51 FEDERAL SOURCES	\$0	\$15,451	\$0	\$0	\$0	\$0	\$0
FUND 60 LOCAL SOURCES	\$355,229	\$402,273	\$552,273	\$552,273	\$552,273	\$552,273	\$352,273
FUND 70 LOCAL SOURCES	\$136	\$400	\$400	\$400	\$400	\$400	\$400
FUND 90 LOCAL SOURCES	\$30	\$100	\$100	\$100	\$100	\$100	\$100

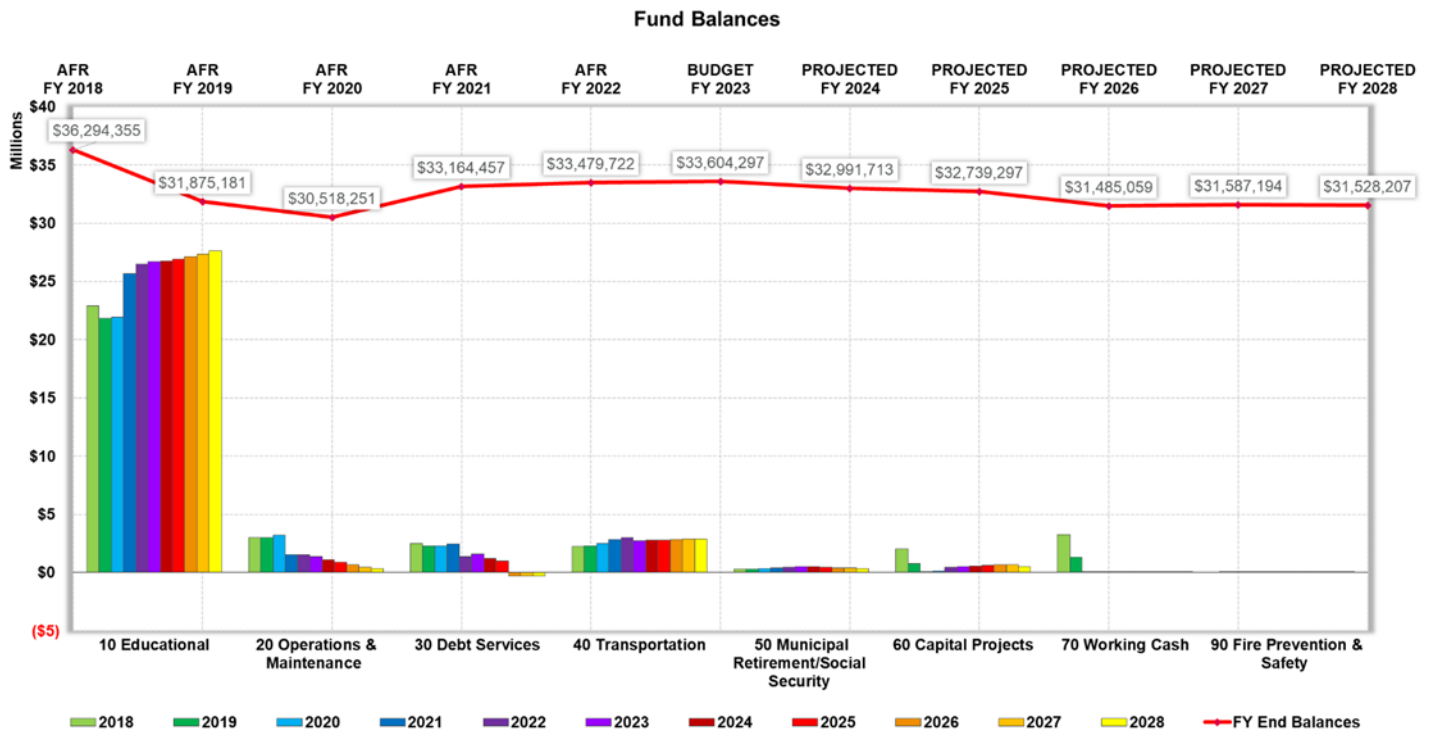
Chart 4.11 Major Expenditure Projection Assumptions

Fund	Object	2022	2023	2023	2024	2025	2026	2027	2028
		Actual	Original	Current	Projected	Projected	Projected	Projected	Projected
10 Educational	100 Salaries	\$13,739,768	\$16,184,333	\$16,184,333	\$17,795,522	\$18,437,294	\$18,827,300	\$19,265,606	\$19,710,255
10 Educational	200 Employee Benefits	\$3,215,330	\$4,579,185	\$4,579,185	\$4,934,635	\$5,103,636	\$5,206,786	\$5,313,032	\$5,421,365
10 Educational	300 Purchased Services	\$1,987,835	\$2,258,700	\$2,258,700	\$1,918,763	\$2,022,469	\$2,052,806	\$2,083,598	\$2,114,852
10 Educational	400 Supplies & Materials	\$732,591	\$1,098,872	\$1,098,872	\$1,103,155	\$1,132,085	\$1,149,067	\$1,166,303	\$1,183,797
10 Educational	500 Capital Outlay	\$796,803	\$611,631	\$611,631	\$611,631	\$611,631	\$611,631	\$611,631	\$611,631
10 Educational	600 Other Objects	\$1,465,795	\$1,777,350	\$1,777,350	\$1,627,350	\$1,627,350	\$1,627,350	\$1,627,350	\$1,627,350
10 Educational	700 Non-Capitalized Equipment	\$22,416	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000	\$37,000
10 Educational	800 Termination Benefits	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000	\$13,000
20 Operations & Maintenance	000 Transfer	\$0	\$200,000	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
20 Operations & Maintenance	100 Salaries	\$317,367	\$379,699	\$379,699	\$443,755	\$461,505	\$479,965	\$499,164	\$519,131
20 Operations & Maintenance	200 Employee Benefits	\$86,840	\$118,020	\$118,020	\$127,059	\$131,395	\$134,036	\$136,741	\$139,500
20 Operations & Maintenance	300 Purchased Services	\$1,067,803	\$1,050,226	\$1,050,226	\$1,065,979	\$1,081,969	\$1,098,199	\$1,114,672	\$1,131,392
20 Operations & Maintenance	400 Supplies & Materials	\$573,775	\$546,000	\$546,000	\$554,190	\$562,503	\$570,940	\$579,504	\$588,197
20 Operations & Maintenance	500 Capital Outlay	\$691,809	\$425,000	\$425,000	\$200,000	\$200,000	\$200,000	\$200,000	\$200,000
20 Operations & Maintenance	600 Other Objects	\$78,120	\$200,000	\$200,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
20 Operations & Maintenance	700 Non-Capitalized Equipment	\$37,757	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000	\$50,000
30 Debt Services	600 Other Objects	\$160,968	\$1,186,900	\$1,186,900	\$1,574,100	\$1,497,900	\$1,912,500	\$0	\$0
40 Transportation	100 Salaries	\$910,489	\$1,158,382	\$1,158,382	\$1,121,935	\$1,166,813	\$1,213,485	\$1,262,025	\$1,312,506
40 Transportation	200 Employee Benefits	\$274,698	\$350,000	\$350,000	\$376,506	\$389,320	\$397,106	\$405,048	\$413,149
40 Transportation	300 Purchased Services	\$459,060	\$559,000	\$559,000	\$567,385	\$575,896	\$584,534	\$593,302	\$602,202
40 Transportation	400 Supplies & Materials	\$224,872	\$235,000	\$235,000	\$238,525	\$242,103	\$245,734	\$249,420	\$253,162
40 Transportation	500 Capital Outlay	\$506,464	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000	\$300,000
40 Transportation	600 Other Objects	\$0	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
40 Transportation	700 Non-Capitalized Equipment	\$7,333	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000	\$5,000
50/51 Municipal Retirement/Soci	200 Employee Benefits	\$688,997	\$840,651	\$840,651	\$921,272	\$954,699	\$975,903	\$999,554	\$1,023,604
60 Capital Projects	300 Purchased Services	\$0	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000	\$15,000
60 Capital Projects	500 Capital Outlay	\$0	\$330,250	\$330,250	\$500,000	\$500,000	\$500,000	\$500,000	\$500,000

Chart 4.12 Aggregate Funds Revenue and Expenditure – Historic, FY23, Projected

	ACTUAL FY 2019	ACTUAL FY 2020	ACTUAL FY 2021	ACTUAL FY 2022	BUDGET FY 2023	PROJECTED FY 2024	PROJECTED FY 2025	PROJECTED FY 2026
REVENUES								
Local Sources	\$28,090,134	\$29,908,267	\$31,793,250	\$30,032,754	\$30,676,717	\$32,384,323	\$33,721,008	\$33,889,868
State Sources	\$2,191,000	\$2,167,909	\$2,269,280	\$2,359,210	\$2,085,643	\$2,256,643	\$2,256,643	\$2,256,643
Federal Sources	\$545,519	\$514,558	\$1,304,810	\$1,244,636	\$1,676,414	\$1,450,949	\$639,388	\$639,388
Flow-Through	\$0	\$0	\$0	\$0	\$0	\$0	\$0	\$0
TOTAL REVENUES	\$30,826,653	\$32,590,734	\$35,367,340	\$33,636,600	\$34,438,774	\$36,091,916	\$36,617,039	\$36,785,899
EXPENDITURES								
Salary	\$16,254,710	\$16,148,443	\$16,064,196	\$16,368,278	\$17,722,414	\$20,162,752	\$20,355,368	\$20,853,354
Employee Benefits	\$5,236,412	\$5,525,132	\$5,466,376	\$5,275,349	\$5,887,856	\$6,319,652	\$6,411,118	\$6,595,098
Purchased Services	\$3,432,585	\$2,852,872	\$3,162,734	\$3,535,730	\$3,882,926	\$3,090,945	\$3,030,935	\$3,076,174
Supplies and Materials	\$1,678,388	\$1,452,634	\$1,698,567	\$1,673,952	\$1,879,872	\$1,908,070	\$1,925,152	\$1,954,029
Capital Outlay	\$4,478,166	\$3,294,276	\$2,866,302	\$1,417,922	\$1,666,881	\$1,711,631	\$1,711,631	\$1,711,631
Other Objects	\$4,599,102	\$4,622,807	\$4,709,315	\$5,179,169	\$3,019,250	\$3,406,450	\$3,330,250	\$3,744,850
Non-Capitalized Equipment	\$6,011	\$26,852	\$214,926	\$68,286	\$92,000	\$92,000	\$92,000	\$92,000
Termination Benefits	\$37,861	\$24,648	\$11,031	\$10,216	\$13,000	\$13,000	\$13,000	\$13,000
Provisions for Contingencies	\$0	\$0	\$0	\$0	\$150,000	\$0	\$0	\$0
TOTAL EXPENDITURES	\$35,723,235	\$33,947,664	\$34,193,447	\$33,528,902	\$34,314,199	\$36,704,501	\$36,869,455	\$38,040,137
SURPLUS/(DEFICIT)	(\$4,896,582)	(\$1,356,930)	\$1,173,893	\$107,698	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
OTHER FINANCING SOURCES/(USES)								
Other Financing Sources	\$2,477,408	\$1,250,000	\$2,007,872	\$242,223	\$200,000	\$300,000	\$300,000	\$300,000
Other Financing Uses	(\$2,000,000)	(\$1,250,000)	(\$1,700,000)	(\$34,656)	(\$200,000)	(\$300,000)	(\$300,000)	(\$300,000)
TOTAL OTHER FINANCING SOURCES/(USES)	\$477,408	\$0	\$307,872	\$207,567	\$0	\$0	\$0	\$0
SURPLUS/(DEFICIT) WITH OTHER SOURCES/(USES)	(\$4,419,174)	(\$1,356,930)	\$1,481,765	\$315,265	\$124,575	(\$612,585)	(\$252,416)	(\$1,254,238)
BEGINNING FUND BALANCE	\$36,294,355	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856
ENDING FUND BALANCE	\$31,875,181	\$30,518,251	\$32,000,016	\$32,315,281	\$32,439,856	\$31,827,271	\$31,574,856	\$30,320,618
FUND BALANCE AS % OF EXPENDITURES	89.23%	89.90%	93.59%	96.38%	94.54%	86.71%	85.64%	79.71%
FUND BALANCE AS # OF MONTHS OF EXPENDITURES	10.71	10.79	11.23	11.57	11.34	10.41	10.28	9.56

Chart 4.13 Aggregate Fund Balances – Historic, FY23, Projected



In FY14, the district received \$10.6M in a state Capital Development Board (CDB) grant, designed to partially compensate the district for its \$30M construction of the Intermediate School in 2007. These funds are available for any use throughout the district, and were temporarily placed into the working cash fund for maximum distribution flexibility.

The board of education earmarked these funds, along with approximately \$2M already accumulated in the working cash fund, for physical infrastructure improvements throughout the district. Over the past several years, funds were transferred from the working cash fund to the capital projects fund as needed to pay for infrastructure projects prioritized by the school board. Since 2021, the District continue to complete small capital projects that is budgeted within the maintenance operating budget.

The general downward slope of the fund balance line reflects the methodically planned spend-down of these funds. The district spent \$2M in FY18 at the middle school and \$3.75M in FY19 at the elementary school in support of the 1:1 personalized digital learning environment. In FY20, the District spent 2.1M to complete the classroom renovation at the elementary school and start the classroom renovations projects at the Intermediate school. In FY21, the District spent 1.6M to complete the renovation projects at the Intermediate School. In the summer of 2022, the district renovated the band room and technology room at the middle school. As the district continues to complete small renovations projects in the future, the fund balance remains steady with a slight planned decrease.

In general, the District budget is in balance, and is forecast to remain roughly in balance over the next several years, as evidenced by the relative stability of fund balances in the years out to FY28.

Student Enrollment

Fremont School District 79, in conjunction with five neighboring districts, commissioned a student population projection study through a national leader in demographic studies, DecisionInsite. This study, completed in October 2021, projects a steady enrollment over the next several years. Approximately 374 new residential units are projected to be occupied over the next ten years. DecisionInsite numbers below reflect potential population increases from this new construction.

Chart 4.14 DecisionInsite Student Enrollment Projections

MODERATE PROJECTION

Change by Level	2021	2022	2023	2024	2025	2026	2027	2028	2029	2030	2031
Kindergarten	179	185	181	181	183	190	195	199	197	195	194
Pct Prev Yr	109%	103%	98%	100%	101%	104%	103%	102%	99%	99%	99%
5-Yr Change						106%					102%
Gr K-5											
Gr K-5	1225	1215	1194	1193	1192	1240	1272	1293	1283	1274	1264
Pct Prev Yr	98%	99%	98%	100%	100%	104%	103%	102%	99%	99%	99%
5-Yr Change						101%					102%
Gr 6-8											
Gr 6-8	777	760	722	698	700	693	700	705	709	707	699
Pct Prev Yr	97%	98%	95%	97%	100%	99%	101%	101%	101%	100%	99%
5-Yr Change						89%					101%
District (K-8)											
District (K-8)	2002	1975	1916	1891	1892	1933	1972	1998	1992	1981	1963
Pct Prev Yr	98%	99%	97%	99%	100%	102%	102%	101%	100%	99%	99%
5-Yr Change						97%					102%

While the District is located in a relatively affluent area, the number of students qualifying for financial support services grew from 7.4% in 2020-21 to 8.5% in 2021-22.

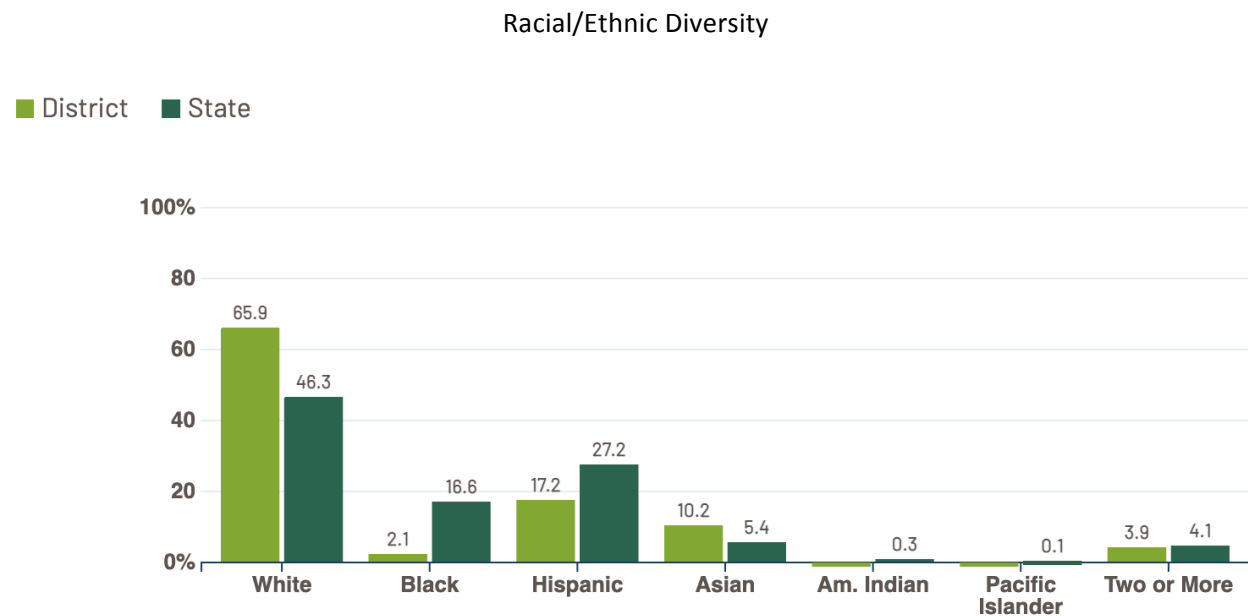
The District is also experiencing stabilization of the growth in its non-English native speaking population. While 23% of the student population comes from a non-English speaking home (primarily Spanish, Mandarin, Polish, and Ukrainian), 15% of the student population receives services to help master the English language.

Student Demographics

While the District is located in a relatively affluent area, the number of students qualifying for financial support services grew from 7.4% in 2020-21 to 8.5% in 2020-21. With the pressures of the current pandemic and high unemployment rate, District families continue to struggle financially as the economy recovers.

The District is also experiencing stabilization of the growth in its non-English native speaking population. While 23% of the student population comes from a non-English speaking home (primarily Spanish, Russian, Polish, and Ukrainian), 15% of the student population receives services to help master the English language. Over the past year, the student population requiring ELL services increased slightly 13.4% to 13.7%. Over the past five years, the percentage of students representing our various racial/ethnic populations has remained steady.

Chart 4.15 Student Demographic Statistics - 2021-2022



		2022	
Demographics		District	State
White		65.9% / 1,379	46.3% / 865,315
Black		2.1% / 44	16.6% / 310,454
Hispanic		17.2% / 360	27.2% / 508,468
Asian		10.2% / 213	5.4% / 100,491
Am. Indian		Redacted	0.3% / 4,755
Pacific Islander		Redacted	0.1% / 1,850
Two or More		3.9% / 82	4.1% / 76,561

Additional Student Demographics

Characteristic	State %	District %				
	2021-22	2021-22	2020-21	2019-20	2018-19	2017-18
English Learners	13.7	13.4	12.1	13.6	12.0	12.3
IEPs	15.0	14.0	12.9	13.0	15.0	14.0
Low Income	46.5	8.5	7.4	8.1	9.0	8.0
Homeless	2.0	0.5	0.6	0.5	0.0	0.4
Mobility	7.6	3.2	3.0	3.0	3.0	4.0

Personnel Resource Allocation

The District allocates 81% or \$26.5 million of the \$32.7 million operating funds budget to the educational fund. This \$26.5 million is further allocated to instructional, support services and non-programmed charges. The district spends 64%, or \$16.9 million, of the \$26.5 million educational fund budget on instructional program expenditures (see Chart 1.08).

The goals of the District are for all learners to achieve excellence and build leadership capacity. The District provides bilingual, gifted, at-risk, special education and regular education programs to meet individual student needs. The District spends 30.5%, or \$8.1 million, of its \$26.5 million educational fund budget on support services. Support services provide professional assistance to students who need help from District social workers, guidance counselors, health, psychological or speech pathology providers.

The District increased staff over the last several years to address the growing student population and the increase of special education, early childhood, transportation and language transitional services. This trend slowed down in FY23 with the following changes to both certificated and non-certificated staff:

Licensed Staff

Including 12 administrators, the District will employ 166 FTE of licensed personnel in FY23, a slight decrease of 0 FTE as the preceding year. As the nationwide teacher shortage impacts the District, hard to fill positions are filled with contract employees. In FY23, the District contracted 8 FTE for hard to fill positions.

Chart 4.16. FY23 Licensed Staff

Position	Professional Support	Pre-K	Grade K	Grade 1	Grade 2	Grade 3	Grade 4	Grade 5	Grade 6	Grade 7	Grade 8	Total FTE
FTE	93.5	4	9	9	9	8.5	8.5	9	9	10.5	9.5	179.5

Chart 4.17 Historic Licensed Staff Characteristics

Year	Total FTE	Average Years Experience	Average Salary	% Bachelor Degree	% Master's Degree	Teacher Student Ratio	Emergency or Provisional
2022	173.5	14.4	72,650	30.1	69.9	16.1	0.0
2021	175.7	13.3	70,717	27.0	73.0	16:1	0.0
2020	171.2	14.2	72,399	25.4	74.6	16.4	0.0
2019	133	12.9	69,568	25.3	75.0	19.1	0.0
2018	126	11.7	67,407	23.7	76.3	19.1	0.0
2017	135	11.1	66,564	24.9	75.1	17.0	0.0
2016	134	11.4	67,689	24.0	76.4	18.0	0.0
2015	132	11.7	64,737	24.0	76.0	18.1	0.0
2014	132	11.8	65,449	37.3	62.0	18.1	0.0
2013	134	11.6	65,947	32.0	68.0	16.4	0.0
2012	132	11.8	63,152	31.0	69.0	18.0	0.8
2011	134	11.5	62,338	61.0	39.0	18.1	0.0
2010	128	11.4	62,114	61.0	39.0	17.8	0.8
2009	126	10.8	59,727	60.1	39.9	17.5	0.8
2008	121	10.1	56,554	60.6	39.4	17.2	0.8
2007	115	10.5	55,567	61.7	38.3	17.6	0.0
2006	103	10.5	54,294	56.5	43.5	19.5	1.9
2005	92	11.0	54,210	53.8	46.2	20.1	0.0
2004	91	11.9	54,189	52.1	47.9	19.8	0.0
2003	84	12.0	51,006	48.2	51.8	20.1	0.0
2002	84	11.6	49,103	45.3	54.7	20.4	0.0
2001	80	11.6	48,045	44.7	55.3	22.1	0.0
2000	92	11.6	46,410	45.2	54.8	17.6	0.0

Non-Licensed Staff

Employees who fill District positions that do not require licensed teaching credentials are considered non-licensed staff. Non-licensed employees work in a variety of educational support areas throughout the District to include classroom aides, administration, maintenance, technology, transportation, lunch and playground supervision, nursing, and the media centers.

Non-licensed positions within the District are staffed by non-unionized, at-will employees. Staffing levels, and the mix of full and part-time positions, are customized annually to meet the changing educational support needs of the District. Full-time employees receive the same benefits compensation as licensed employees, while part-time employees receive benefits compensation at their percentage of full-time equivalency.

Every effort is made to retain valued staff, with employees subject to a reduction-in-force recalled in seniority order. While outsourced services are considered when warranted, in-sourced services are retained when operationally and fiscally prudent.

Chart 4.18 Historic Non-Licensed Staff

Staff	FY10	FY11	FY12	FY13	FY14	FY15	FY16	FY17	FY18	FY19	FY20	FY21	FY22	FY23
Full-Time	64	49	70	53	56	53	54	54	56	56	57	56	58	59
Part-Time	59	75	56	68	68	70	66	74	68	63	63	59	62	61
Total	123	124	126	121	124	123	120	128	124	119	120	115	120	120

Chart 4.19 FY23 Non-Licensed Staff

Position	Administrative Support	Classroom Aide	Facility Maintenance	Lunch Supervisor	Media Center	Nursing	Technology	Transportation	Total
Full-Time	15	28	6	0	2	3	1	4	59
Part-Time	1	0	0	23	0	0	0	37	61
Total	16	28	6	23	2	3	1	41	120

Chart 4.20 FY23 Summary of Personnel Changes

The District increased staff over the last several years to address the growing student population and the increase of special education, early childhood, transportation and language transitional services. This trend slowed down in FY23 with the following changes to both certificated and non-certificated staff:

Losses	Gains
<u>Retirements</u>	<u>New Hires</u>
5.0 Licensed Employees	22.0 Teachers
7.0 Non-Licensed Employees	2.0 Social Workers
	2.0 Nurses
<u>Turnover and Changes</u>	1.0 Maintenance
10.0 Teachers	4.0 Clerical
2.0 Social Worker	9.0 Paraprofessionals
.5 Psychologist	3.0 Bus Drivers
3.0 Paraprofessionals	1.0 Database Administrator
2.0 Administrators	1.0 Administrator
2.0 Nurses	
2.0 Speech Language Path	
2.0 Clerical	
1.0 Bus Mechanic	
6.0 Bus Drivers	
1.0 Data Specialist	
1.0 Maintenance	

A number of additional revenue sources were secured to help defray additional staffing costs:

- **Prorated Full Day Kindergarten + Tuition Based Pre-School**
 - Annual tuition = **\$233,333K**
- **Special Education**
 - Better state and federal distribution visibility
 - Medicaid reimbursement = **\$75K**
- **Technology**
 - Technology Fee = 2,200 students x \$50 x .85 FRL = **~\$94K**
- **Accounting Recognition of Unused FSA Proceeds**
 - Promotes greater visibility and accounting control = **\$100K**
- **Transportation**
 - Shared service D75 special education transport = **\$130K**

Bond Amortization Schedules

Chart 4.21 General Obligation Bonds – Series 2015 - \$7,835,000 Original Issue

FREMONT SCHOOL DISTRICT NO. 79
SCHEDULE OF BONDED DEBT MATURITIES AND INTEREST
JUNE 30, 2022

Amount of Original Issue:	\$7,835,000
Date of Issue:	November 24, 2015
Type:	General Obligation Bond - Series 2015
Interest Rates	4.00%

<u>Date</u>	<u>Payment Principal</u>	<u>Interest</u>	<u>Fiscal Payment</u>
12/01/22	\$ 975,000	\$ 113,200	
06/01/23	-	93,700	\$ 1,181,900
12/01/23	1,415,000	93,700	
06/01/24	-	65,400	1,574,100
12/01/24	1,395,000	65,400	
06/01/25	-	37,500	1,497,900
12/01/25	1,875,000	37,500	1,912,500
TOTAL	\$ 5,660,000	\$ 506,400	\$ 6,166,400

This bond was issued to refinance the original construction debt of the Intermediate School. This FY16 bank qualified advanced refunding saved the district \$1.1M in interest cost.

Chart 4.23 Outstanding Debt and Remaining Capacity

The district has 1 bond issues outstanding:

2016 School Refunding Bonds =	\$5,660,000	(payments through December of 2025)
Total Outstanding Debt =	\$5,660,000	(as of June 20, 2022)

This budget services \$1,415,000 of principal reduction and \$206,900 of interest expense. The District cannot issue more debt than the statutory limitation of 6.9% of the district's EAV. The District's outstanding debt is well below the statutory limit as shown in the calculation below:

2021 EAV \$941,477,791 x state limit 6.9% =	\$64,961,967	Statutory Debt Limit
Outstanding Long-term Debt =	\$5,660,000	
Debt Margin =	\$59,301,967	(91.29% of capacity remaining)

Since EAV is used as a factor in calculating statutory debt limits, debt capacity declines as EAV declines and increase as EAV increased. Since 2016, the District has experienced an increase annually in EAV. During 2021 the EAV increase \$36,502,299 thus increases our debt limits in the amount of \$2,797,271.

In FY16, the District refinanced \$7.8M of its 2006 General Obligation Bonds. With the average interest rate on these bonds nearing 5%, and current interest rates on 10 year tax-exempt municipal bonds generally below 2%, the rate spread created an attractive opportunity. This refinancing initiative saved the District approximately \$1.1M in present value interest cost. In FY17, a similar initiative refinancing the remaining \$12.5M of 2006 General Obligation Bonds, saved another approximately \$1.4M in present value interest cost. As of June 30, 2022 these bond have retired.



Fremont Elementary School students are all smiles on Picture Day.

Performance Measures

The “School Report Card,” published annually by the State of Illinois, provides comparative data to assess academic effectiveness and resource management. The School Report Card documents Fremont School District 79’s excellent record in key areas of performance and accountability. District test scores continue to significantly exceed state averages, while operational costs per pupil are in direct alignment with both state and local peer averages. The complete school report card, that shows both student performance and budgetary considerations, can be viewed at:

<https://www.illinoisreportcard.com/District.aspx?districtId=34049079002>

Student performance measurement underwent major changes over the last several years. Prior to FY15, student progress was measured by the Illinois State Achievement Test (ISAT), then compared against Adequate Yearly Progress (AYP) standards mandated by the No Child Left Behind (NCLB) Act.

Starting in FY15, the traditional ISAT assessment was replaced by the more rigorous Partnership for Assessment of Readiness for College and Careers (PARCC) assessment regimen. Starting in FY19, PARCC was replaced by the Illinois Assessment of Readiness (IAR) that largely maintained the structure of the assessment, but put it under State control and oversight.

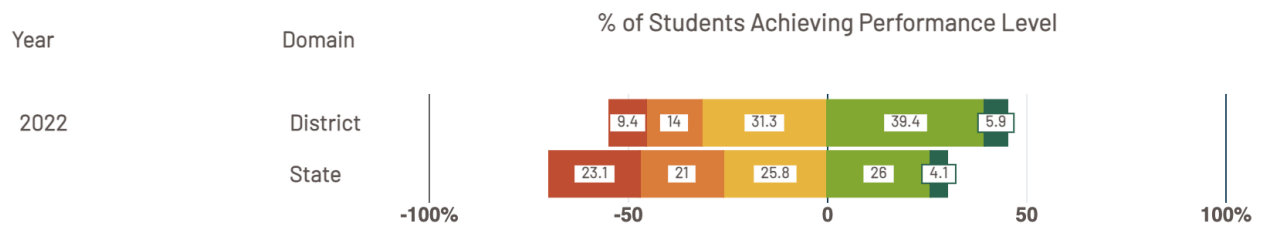
IAR assesses student Performance Levels. Each Performance Level is a broad, categorical level defined by a student’s overall scale score and used to report overall student performance by describing how well students met the expectations for their grade level/course. Each Performance Level is defined by a range of overall scale scores for the assessment. There are five Performance Levels for IAR assessments:

- Level 1: Did not yet meet expectations (Dark Orange)
- Level 2: Partially met expectations (Light Orange)
- Level 3: Approached expectations (Yellow)
- Level 4: Met expectations (Green)
- Level 5: Exceeded expectations (Dark Green)

Students performing at levels 4 and 5 met or exceeded expectations (M&E), have demonstrated readiness for the next grade level/course and, ultimately, are on track for college and careers. Performance Level Descriptors (PLDs) describe the knowledge, skills, and practices that students should know and be able to demonstrate at each Performance Level in each content area (ELA/L and mathematics) and grade level/course.

Chart 4.24 FY22 Fremont School District 79 IAR ELA and Math Results – All Grades

ELA



Math

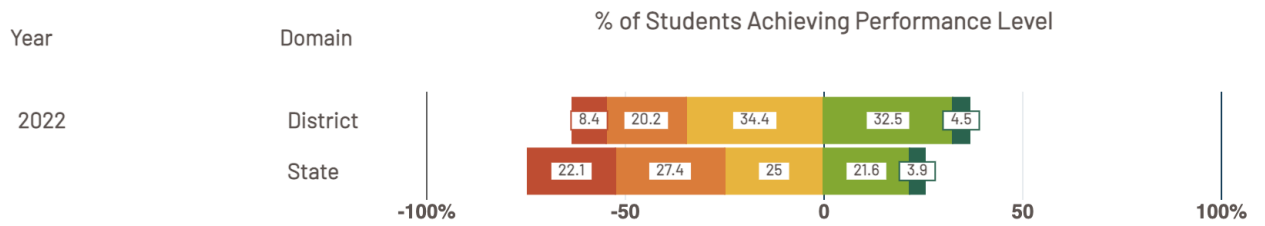
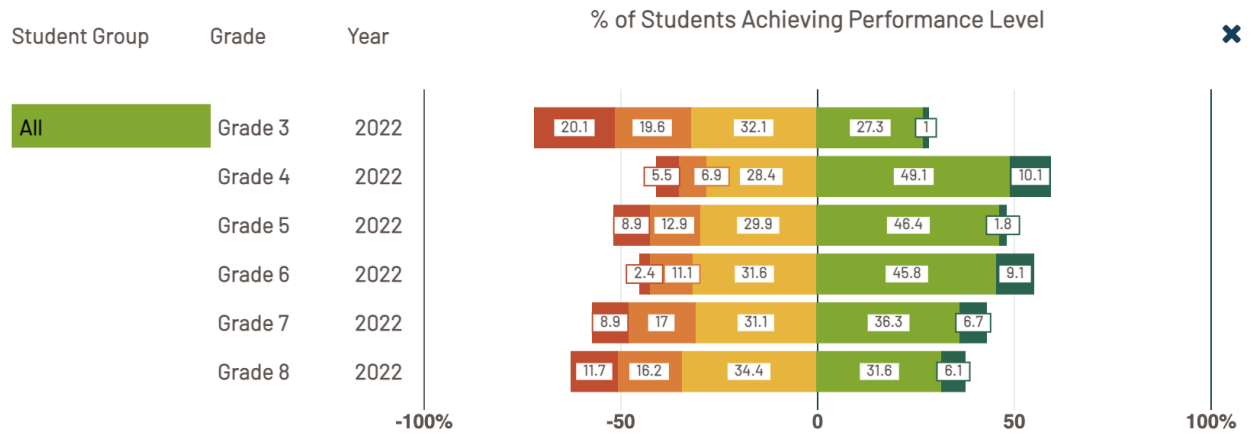


Chart 4.25 FY22 Fremont School District 79 PARCC and IAR ELA and Math Results by Grade Level

ELA

■ Did Not Meet ■ Partially Met ■ Approached ■ Met ■ Exceeded



Math

■ Did Not Meet ■ Partially Met ■ Approached ■ Met ■ Exceeded

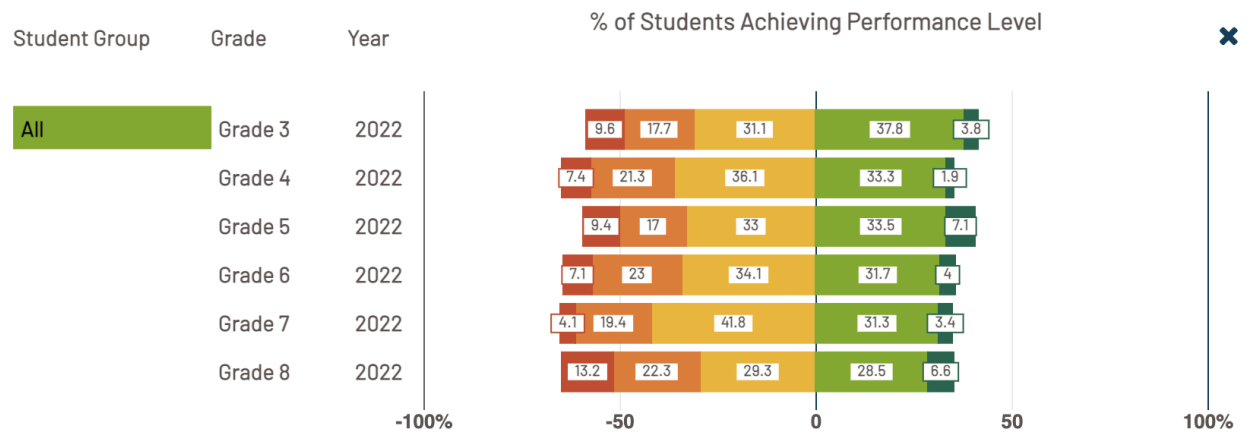


Chart 4.26 FY22 District-Wide (Grades 3-8) IAR Subgroup Performance

Growth Percentile – IAR

This display shows the growth of students relative to other students in the state with a similar scale score in the preceding school year(s). [Learn More](#) ▼

SELECT All Students By Demographics

YEAR 2022 ▼

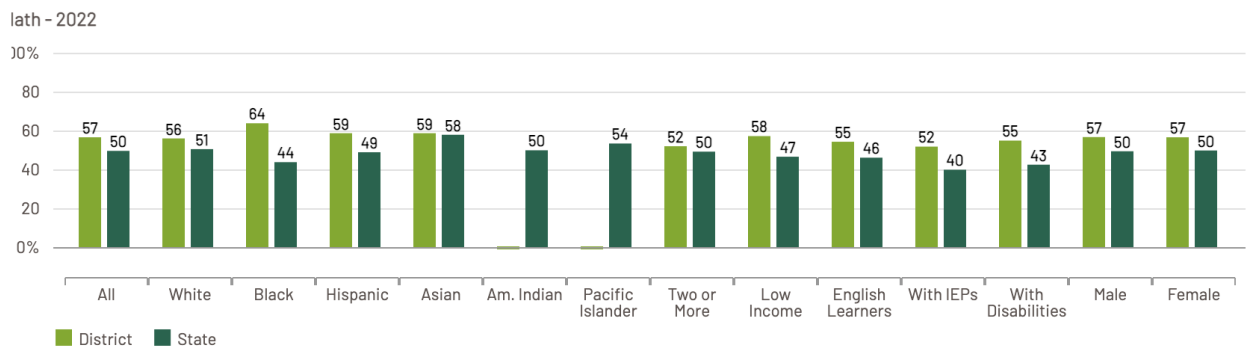
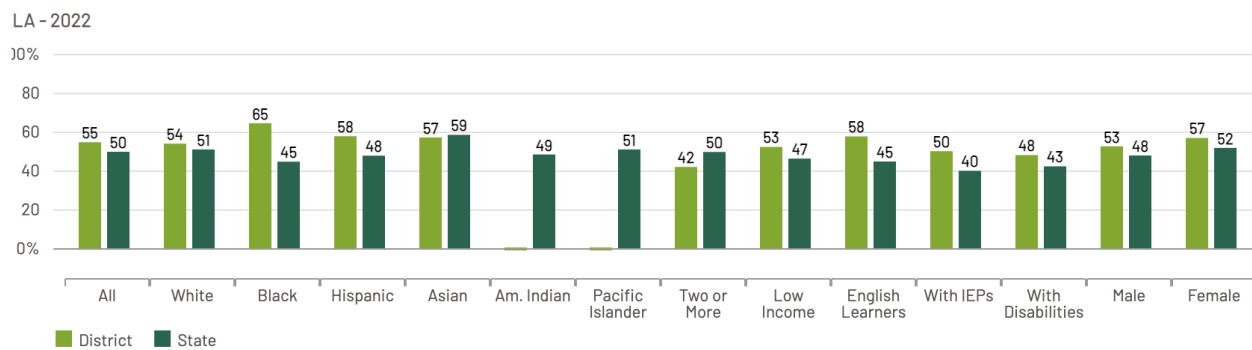


Chart 4.27 Summary of FY22 Student IAR Performance

- 99.4% of all district students were tested in both ELA and Math
- District-wide, 45.3% of students met or exceeded (M&E) expectations in ELA and 37.0% met or exceeded expectations in math.
- Grade 3 M&E % - ELA 30, Math 44
- Grade 4 M&E % - ELA 62, Math 44
- Grade 5 M&E % - ELA 51, Math 43
- Grade 6 M&E % - ELA 58, Math 38
- Grade 7 M&E % - ELA 45, Math 36
- Grade 8 M&E % - ELA 40, Math 36

Chart 4.28 Summary of FY21 Educational Recommendations

- Guaranteed and Viable Curriculum – All staff will align learning to standards and levels of progression through the standards.
- Standards-Based Grading – All staff will align learning to standards and levels of progression through the standards.
- Personalized Learning – All students will learn in settings where personalized learning strategies are in action (profiles, pathways, proficiencies, and partnerships)

Chart 4.29 Summary of Free and Reduced Lunch Population



Parent Satisfaction Survey

In support of strategic planning efforts, Fremont School District 79 utilizes the 5Essentials survey to analyze the feedback of District students, parents, and teachers. The 5Essentials is a research-based and practice-proven school improvement system that provides data and insight into schools' organizational strengths and areas of opportunity across the five essential factors for school improvement: Effective Leaders, Collaborative Teachers, Involved Families, Supportive Environment, and Ambitious Instruction.

A diagnostic assessment of a school's culture and climate designed to identify organizational strengths and areas of opportunity on the five essential factors that drive school improvement. It measures changes in the organizational conditions that are necessary for school improvement and predicts a schools' success in improving student outcomes.

We received a number of favorable metrics from the 2021-22 parent survey. At a rate of 97%, parents believe that their child feels safe at the District's schools. A total of 96% of parents believe that teachers have their child's best interests in mind, while 96% have the belief that teachers do their best to help their child learn.

Glossary of Terms

Accounting System - The total structure of records and procedures that discover, record, classify, and report information and the financial position and operations of a school district.

Appropriation - A legal authorization to incur obligations and to make expenditures for specific purposes.

Assessed Valuation - A valuation set upon real or other property by a government as a basis for levying taxes.

Board of Education - The elected or appointed body that has been created according to State law and vested with responsibilities for educational activities in a given geographical area.

Bond - A written promise to pay a specific sum of money (face value) at a fixed time in the future (maturity date) and carrying interest at a fixed rate.

Bond Refinancing - The payoff and re-issuance of bonds to obtain better interest rates and/or bond conditions.

Bonds Issued - The bonds that were sold.

Budget - The planning document for each school department providing management control over expenditures in general fund, special revenue fund, debt service fund, and the building fund.

Budget Calendar - The schedule of key dates used in the preparation and adoption of the Annual Budget.

Budgetary Control - the control or management of a governmental unit in accordance with an approved budget for the purpose of keeping expenditures within the limitations of available appropriations and available revenues.

Capital Development Board (CDB) – a State of Illinois institution, designed to assess major state construction projects, and to allocate limited state financial resources to fund selected projects.

Capital Projects Fund - This fund accounts for the financial resources to be used for the acquisition or construction of major capital facilities.

Carryover - Funds appropriated but unspent in the first fiscal year that are brought forward for expenditure in the succeeding fiscal year(s).

Cash Management - The management of cash necessary to pay for government services while investing temporary cash excesses in order to earn interest revenue.

Contingency - A budgetary reserve set aside for emergencies or unforeseen expenditures not otherwise budgeted.

Contracted Services - Services rendered by private firms, individuals, or other agencies.

Debt - An obligation resulting from the borrowing of money or from the purchase of goods and services. Debts of local education agencies include bonds, warrants and notes, etc.

Debt Limit - The maximum amount of general obligation debt that is legally permitted.

Debt Service Fund - This fund accounts for the repayment of the District's bond principal and interest.

Deficit - the excess of an entity's liabilities over its assets or the excess of expenditures or expenses over revenues during a single accounting period.

Delinquent Taxes - Taxes that remain unpaid on or after the date on which a penalty for nonpayment is attached.

Department - A major administrative division of the school district that indicates overall management responsibility for an operation of a group of related operations within a functional area.

EAV - Equalized Assessed Valuation - The District assessed valuation adjusted for the county average sales ratio. The calculation to equalize the assessed valuation only adjusts real property assessed valuation.

Education Fund - This fund accounts for the majority of the instructional and administrative aspects of the District's operations. Certain expenditures that must be charged to this fund include the direct costs of instructional, health and attendance services, lunch programs, all costs of administration and related insurance costs.

Employee Benefits - Expenditures may include health, dental, optical, life and long term disability as well as FICA, retirement payment to the Teachers Retirement Service, and workers' compensation insurance.

Encumbrance - The commitment of budgeted funds to purchase an item or service. To encumber funds means to set aside or commit funds for a future expenditure.

Expenditure - Decreases in net financial resources. Expenditures include current operating expenses requiring the present or future use of net current assets, debt service, capital outlay, intergovernmental grants, and entitlements.

Fiscal Year (FY) – in Illinois schools, begins July 1 and end June 30.

Full Time Equivalence (FTE) - The amount of employed time required in a part-time position expressed in proportion to that required in a full-time position, with 1.0 representing one fulltime position.

Function - A group of related activities aimed at accomplishing a major service or program.

Fund - An accounting entity that has a set of self-balancing accounts that records all financial transactions for specific activities or government functions.

Fund Balance - The excess of assets of a fund over its liabilities and reserves.

General Obligation Bonds - Bonds issued to finance major projects with resources from tax collection to repay the debt. This debt is backed by the full faith, credit and taxing power of the government.

Grants - Contributions or gifts of cash or other assets from another government to be used or expended for a specific purpose, activity, or facility.

Instruction - The activities dealing directly with the teaching of students or improving the quality of teaching.

Inter-Fund Transfers - Amounts transferred from one fund to another fund.

Levy - The total of taxes or special assessments imposed by a governmental unit.

Municipal Retirement/Social Security Fund - This fund accounts for the District's portion of personnel pension costs.

Object - This term has reference to an article or service received; for example, salaries, employee benefits or supplies.

Operations and Maintenance Fund - This fund accounts for the repair and maintenance of district property. All costs of fuel, lights, gas, water, telephone services, custodial supplies, maintaining, improving, or repairing school buildings and property for school purposes are charged to this fund.

Program - The definition of an effort to accomplish a specific objective or objectives consistent with funds or resources available.

Property Tax - Tax levied on the assessed value of real property.

PTELL – Property Tax Extension Law Limit – commonly referred to as the tax cap, limits annual tax increases on existing property to the CPI-U of the preceding year, or 5%, whichever is less

Special Education - This is specially designed instruction and services, provided at no cost to the parents, to meet the unique needs of a child with a disability. This may include instruction conducted in the classroom, in the home, in hospitals, in institutions, and in other settings. This may also include instruction in physical education.

Strategic Planning - This is the process employed by the District to chart a course for the future including preparation of a mission statement, district beliefs, goal setting, learner outcomes, and student profile.

Taxes - Compulsory charges levied by a government for the purpose of financing services performed for the common benefit.

Tort Fund – This fund accounts for a restricted tax levy to fund liability, property and casualty insurance, tort judgments and risk management programs.

Transportation Fund - This fund accounts for all the activities relating to student transportation to and from schools and for extracurricular and co-curricular activities.