

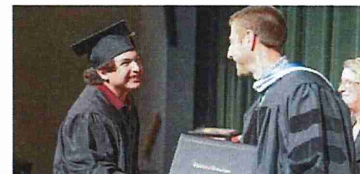


INSPIRE. EMPOWER. NURTURE.
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2024-2025

Budget Hearing

September 17, 2024



BUDGET PURPOSE

- Budget definition
 - ◆ Required by Illinois School Code (105 ILCS 5/17-1)
 - ◆ An estimate of revenue and expenditures over a period of time;
 - ◆ An administrative tool that serves as a plan of action for achieving quantified objectives;
 - ◆ A device for coping with foreseeable adverse situations.
- Key unknown variables **not** in the budget that hold potential material downside risk include, but are not limited to:
 - ◆ Pandemic;
 - ◆ Legislative changes in school funding formulas;
 - ◆ Changes to PTELL (Tax Cap);
 - ◆ TRS cost shift to District;
 - ◆ State and federal budgetary cuts or payment delays.

BUDGET CALENDAR

→ January to June

- ◆ Major staffing decisions
- ◆ Strategic planning with administrators/directors

→ July to September

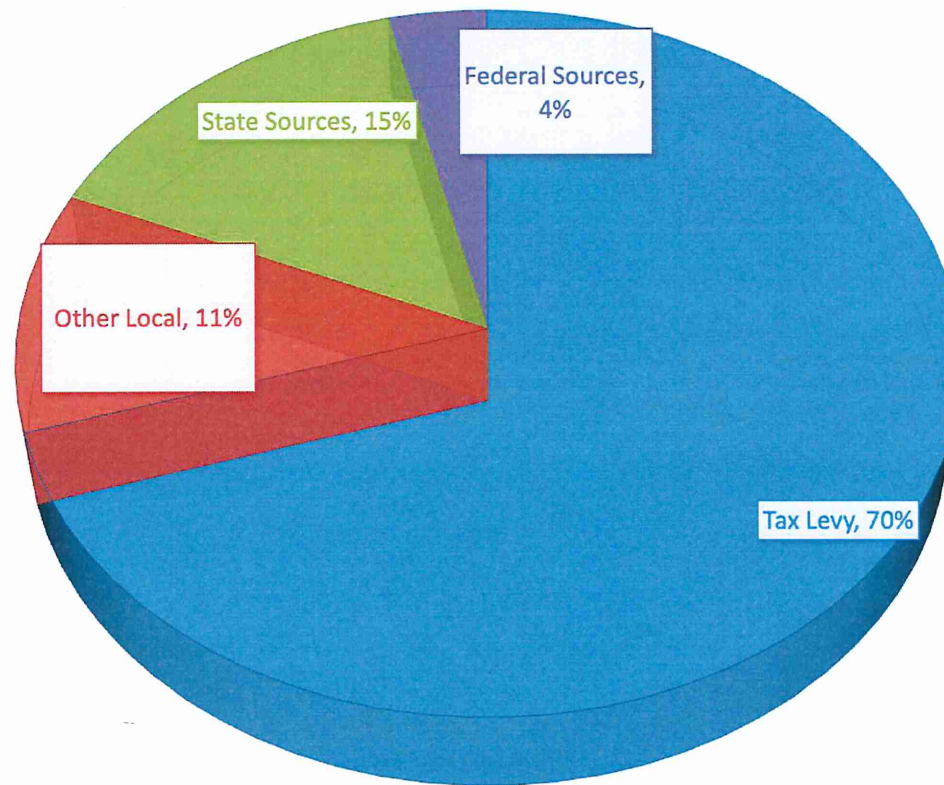
- ◆ Tentative budget
- ◆ Notice of public hearing and display
- ◆ Projections updated for final staffing, state revenue & Federal grant allocations, etc.
- ◆ Public hearing and recommendation to approve - **Tonight**

→ October to December

- ◆ Annual audit
- ◆ Comprehensive annual financial report
- ◆ 5-year financial projections
- ◆ Tax levy

REVENUE BY SOURCE

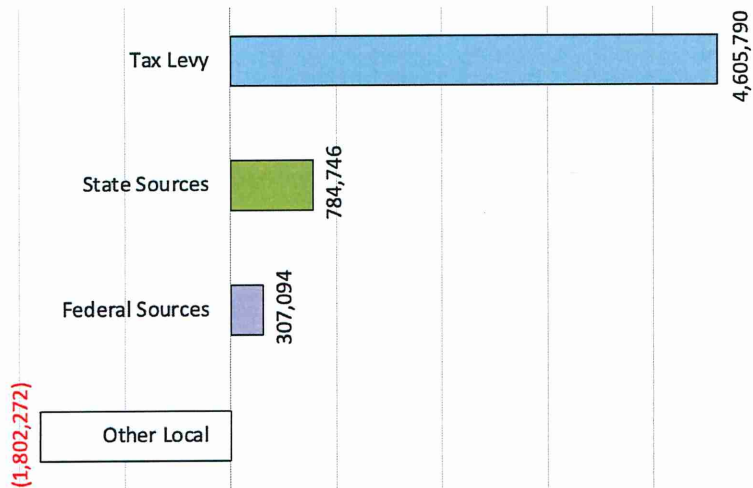
EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS



REVENUE PROJECTIONS

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 24/25 BUDGETED REVENUE: \$126.1MM; **INCREASE OF \$3.9MM OR 3.2%**



Key Y/Y variance drivers:

Local property tax revenue: +\$4.6 million

- Capped extension: 2023 PTELL +5.0%;
- New property: \$20MM (includes Cary TIF#2 close-out);

State revenue: +\$785 thousand

- EBF & categorial: +\$0.5MM Tier 2 allocation;
- Transportation claims: +\$0.3MM;

Federal revenue: +307 thousand

- Federal ITC/rebates: +\$0.5MM implementation of PRHS solar program;
- ARP/ESSER: **(\$0.2MM)** expiration of pandemic programs;

Other local revenue: **(\$1.8 million)**

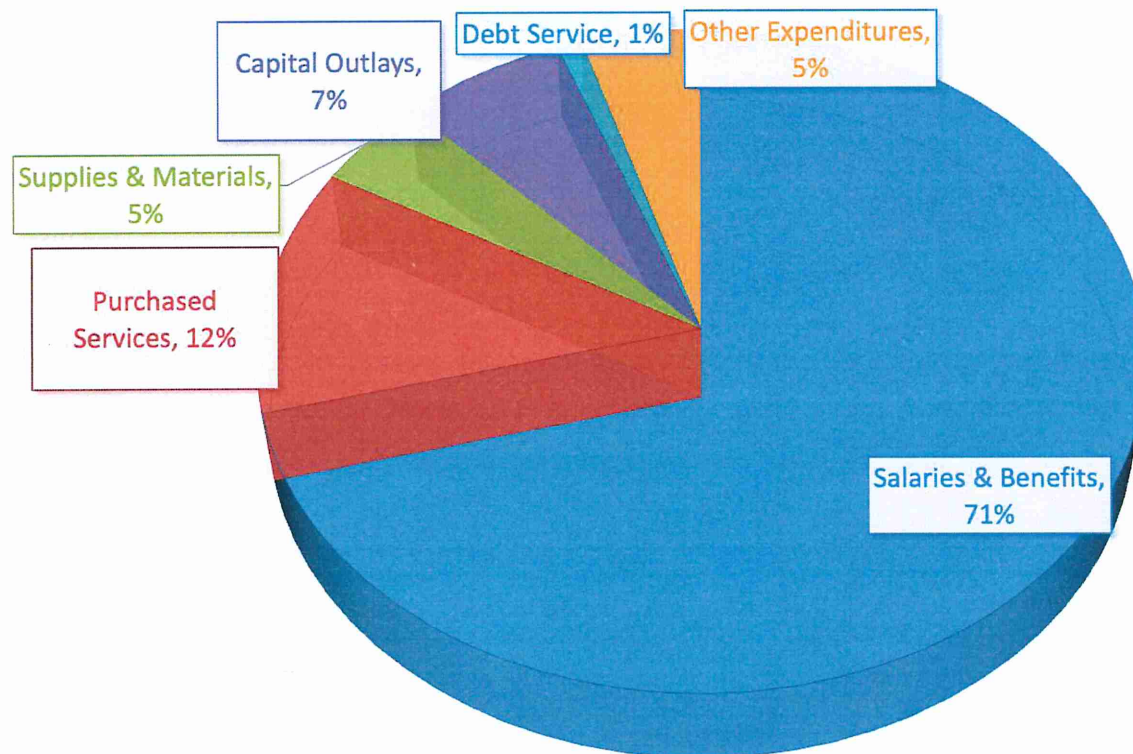
- CPPRT: **(\$0.7MM)** easing back to pre-pandemic levels;
- Interest: **(\$0.7MM)** Federal Reserve officials predicting rate cut(s);
- Rebates: **(\$0.4MM)** ComEd stadium light F'2024 rebate non-recurring.



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EXPENDITURES BY OBJECT

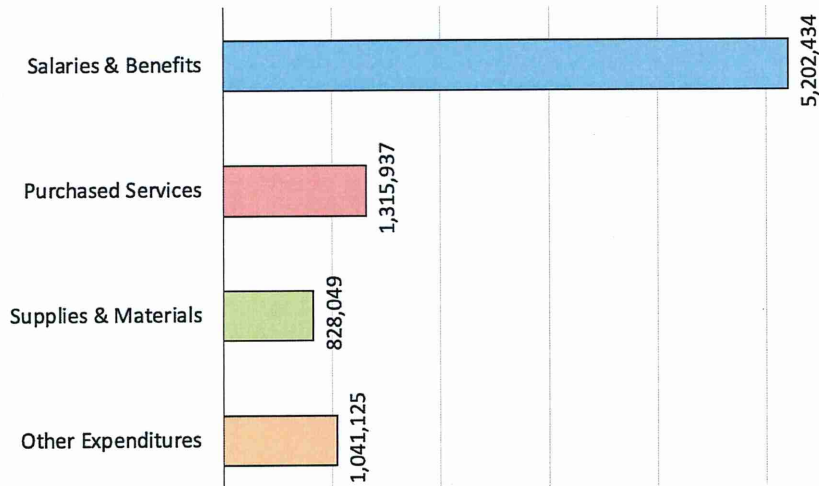
EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS



EXPENDITURE PROJECTIONS (1 of 2)

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 24/25 BUDGETED EXPENDITURES: \$126.0MM; INCREASE OF \$8.4MM OR 7.2%



Key Y/Y variance drivers for *Operating Expenditures*:

Salaries & benefits: +\$5.2 million

- Salaries: +\$2.3MM or 3.6% for contractual increases adjusted for FTEs changes;
- Benefits: +\$2.9MM or 14.1% for premiums/claims adj. for FTEs changes;
- FTEs changes: naturally fluctuate based on student needs (e.g. Multilingual Director & SPED paras), in-house Security (prev. outsourced) & staff turnover;

Purchased services: +\$1.3 million

- Special Education services: +\$0.3MM to better meet student needs;
- Transportation: +\$0.2MM for contractual increases and eBus infrastructure;
- Construction services: +\$0.2MM for strategic plan capital design support;
- Other: +\$0.6MM for new ESL cohort, security applications & gen'l inflationary incr.;

Supplies & materials: +\$828 thousand

- Energy contracts: +\$0.2MM inflationary increases for gas & electric;
- Other: +\$0.6MM science & foreign language textbooks & gen'l inflationary incr.;

Other operating expenditures: +\$1.0 million

- Contingencies: +\$0.5MM educational and operations & maintenance funds;
- Non-capital equipment: +\$0.2MM 50/50 major purchases partnership fund;
- GASB 84: +\$0.2MM primarily additionally fiduciary disbursements;
- Other: +\$0.1MM gen'l inflationary increases.



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EXPENDITURE PROJECTIONS (2 of 2)

CURRENT FISCAL YEAR BUDGET COMPARED TO PRELIMINARY & UNAUDITED PRIOR YEAR ACTUAL RESULTS

FISCAL 24/25 BUDGETED EXPENDITURES: \$126.0MM; INCREASE OF \$8.4MM OR 7.2%

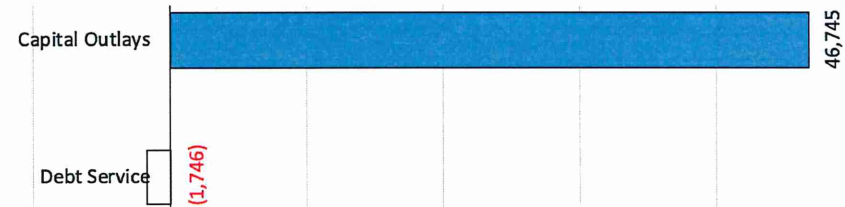
Key Y/Y variance drivers for **Non-operating Expenditures**:

Capital outlays: \$8.4 million on an accrual basis, materially unchanged:

- ❑ Facilities Condition Assessment (FCA): F'25 includes \$6.5MM summer project allotment (subject to competitive bid requirements);
- ❑ Strategic Plan Improvements (NEW): F'25 includes \$1.0MM as a 'placeholder'; draft capital project decision-making methodology shared during the Strategic Planning Committee.
- ❑ Solar Project: F'25 **excludes** non-recurring PRHS green initiative (materially charged to F'24);

Debt service: \$1.2 million, materially unchanged:

- ❑ Debt service: settlement schedule associated with the restructured General Obligation Bonds.



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PROPOSED BUDGET - VERSION CONTROL

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

FY25 Budget		
Description	Surplus/(Deficit)	Key Drivers (s)
Tentative form	\$ (105,979)	
Revenue updates:		
Local sources	64,000	IDOR PPRT estimate (August-economic data)
State sources	808,000	ISBE raised EBF Tier 2 (August-state appropriation) & add'l Transportation Claims reimb. (August)
Federal sources	(279,415)	Title program allotments (Program Year 2025) & Medicaid cost settlement estimate (FY 2024)
Subtotal: revenue updates	\$ 592,585	
Expenditure updates:		
Salary & benefits	(115,413)	New Alliant medical insurance renewal estimate partially offset new school year staffing (August)
Purchased services	(149,900)	Architect & construction services associated with master facility plan - extracurriculars (August)
Other objects	(165,750)	Food service equipment replacement/additions associated with the new school year (August)
Subtotal: expenditure updates	\$ (431,063)	
Proposed form	\$ 55,543	



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PROPOSED BUDGET - SUMMARY

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

	FY25 Proposed Budget	FY24 Preliminary Balances (*)	% CHANGE
REVENUE:			
Local sources	\$ 102,788,854	\$ 99,985,335	2.8%
State sources	18,899,000	18,114,254	4.3%
Federal sources	4,414,376	4,107,282	7.5%
TOTAL REVENUE	126,102,230	122,206,871	3.2%
EXPENDITURES:			
Salary & benefits	89,578,802	84,376,368	6.2%
Purchased services	15,132,800	13,816,863	9.5%
Other operating	11,704,719	9,835,545	19.0%
Capital equipment	8,402,757	8,356,011	0.6%
Debt service	1,227,610	1,229,356	-0.1%
TOTAL EXPENDITURES	126,046,687	117,614,144	7.2%
SURPLUS/(DEFICIT)	55,543	4,592,727	-98.8%
OTHER FINANCING SOURCES/(USES)	13,520,000	- (A)	
FUND BALANCE INCREASE/(DECREASE)	\$13,575,543	\$4,592,727	195.6%
		(*) Unaudited	

(A) **Other Financing Sources:** per Strategic Planning Committee direction (August 2024), FY 2025 Budget Form (SD50-36/JA50-39) lists 'Principal on Bonds Sale' (Account 7210) estimated at \$13.5 million. If approved via Board Resolution (December 2024 target), the Alternate Revenue Bonds (30 ILCS 350/15) will be recorded in restricted Capital Projects (Fund 60) for future Strategic Plan Capital Improvements. **No taxpayer impact is anticipated via the proposed financing structure.**

POTENTIAL LEGISLATION & OTHER ASSUMPTIONS

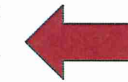
The following unknowns are not included in the financial forecast:

- Property tax freeze / property tax levy decrease referendum
 - ◆ -1.0% of CPI is approximately \$890,000 per year
- TRS pension cost shift
 - ◆ -1.0% of TRS salaries is approximately \$410,000 per year
- Changes to distribution of state revenue
 - ◆ FY25 budgeted state revenues = \$18,900,000
 - ◆ State revenue is 15% of current budget

BOARD FUND BALANCE POLICY 4:20

EXCLUDES INTERNAL FUND TRANSFERS AND NON-CASH TRS IN-KIND ADJUSTMENTS

	FY24 Preliminary & Unaudited Balances				FY25 Projected Balances			
	Cash and Investments	Net Taxes Levied For Future Period	GASB Accrual Adjustments	Fund Balances	Budgeted Excess/(Deficit)	Budgeted Financing	Fund Balances	Budgeted Revenue
COVERED FUNDS:	<i>a</i>	<i>b</i>	<i>c</i>	<i>a+b+c=d</i>	<i>e</i>	<i>f</i>	<i>d+e+f</i>	
Educational (Fund 10)	84,485,267	(39,481,430)	(7,292,965)	37,710,871	636,025	0	38,346,896	97,323,738
Operations & Maint.(Fund 20)	9,620,802	(3,285,038)	(588,107)	5,747,657	(580,918)	0	5,166,739	9,102,000
Transportation (Fund 40)	4,611,436	(934,965)	(752,759)	2,923,711	685,537	0	3,609,248	5,543,000
Working Cash (Fund 70)	2,254,380	0	0	2,254,380	62,000	0	2,316,380	62,000
Subtotal: Covered Funds	100,971,884	(43,701,434)	(8,633,831)	48,636,619	802,644	0	49,439,264	112,030,738
NON-COVERED FUNDS:								
Debt Service (Fund 30)	832,023	(632,416)	0	199,607	27,390	0	226,997	1,255,000
IMRF & Soc. Sec. (Fund 50)	2,147,726	(960,239)	(305,186)	882,302	136,825	0	1,019,127	2,874,000
Capital Project (Fund 60)	9,207,743	0	(2,741,804)	6,465,939	(911,317)	13,520,000	19,074,622	7,642,492
Student Activities (GASB 84)	1,215,969	0	0	1,215,969	0	0	1,215,969	2,300,000
Subtotal: Non-covered Funds	13,403,461	(1,592,655)	(3,046,990)	8,763,817	(747,102)	13,520,000	21,536,715	14,071,492
TOTAL	114,375,345	(45,294,089)	(11,680,821)	57,400,436	55,543	13,520,000	70,975,979	126,102,230
105 ILCS 5/17-1.10 Disclosure	Avg.Expenditures (*)	Cash Reserves Ratio (**)	Budgeted Ending Covered Fund Balances as a % of Revenue:				44%	C/D
Operational Fund (F'22 to F'24) (*)	102,263,929	1.1	A/B					
(*) defined as Educational, Transportation, and O&M Funds				(**) if amount at or below 2.5, no ISBE written reduction plan				



Board Fund Balance Policy 4:20: The School District seeks to maintain a year-end fund balance to revenue ratio of no less than 30-35 percent, as calculated under the ISBE's School District Financial Profile. Calculation covers only Funds 10, 20, 40, 70 + (50 & 80 if negative.) D155 does not maintain a Tort Immunity Fund 80.



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KEY TAKEAWAYS

- 1** **Balanced Operating Budget**
Operating revenues are budgeted to **exceed** operating expenditures 2024-2025!
- 2** **Fiscally Responsible**
D155 is presenting a balanced budget, **"in the black"** before one-time uses, for the 10th consecutive year!
- 3** **Taxpayers Savings**
Since Tax Year 2010, Board action has yielded **\$29MM of taxpayer savings** compared to that allowed under PTELL legislation!



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BUDGET HEARING



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