



AHSD 25 Five Year Financial Projections

February 17, 2026

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PRESENTATION OUTLINE SLIDE

This presentation will cover:

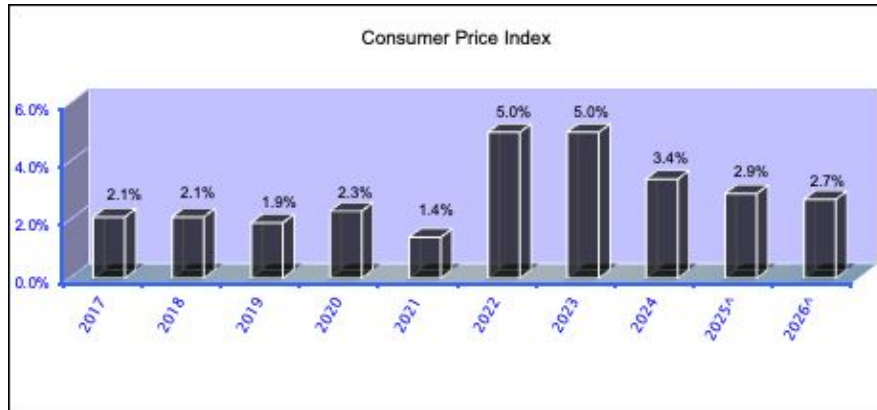
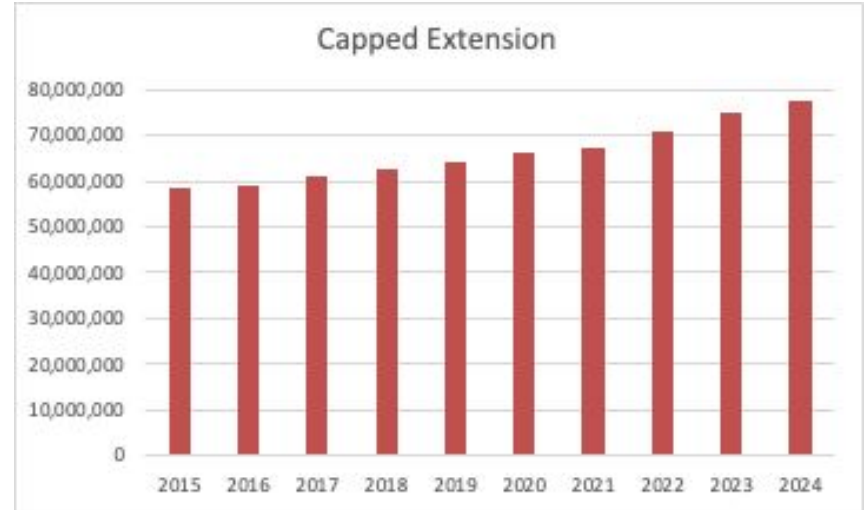
1. Assumptions | Revenues
2. Assumptions | Expenditure
3. Projections
4. Funding for Capital Projects
5. Fund Balance
6. Take Aways

ASSUMPTIONS | Revenues



Revenues

- **Property Taxes**
 - Growth based on CPI
 - <1% new growth annually
 - Avg \$600K refunds annually

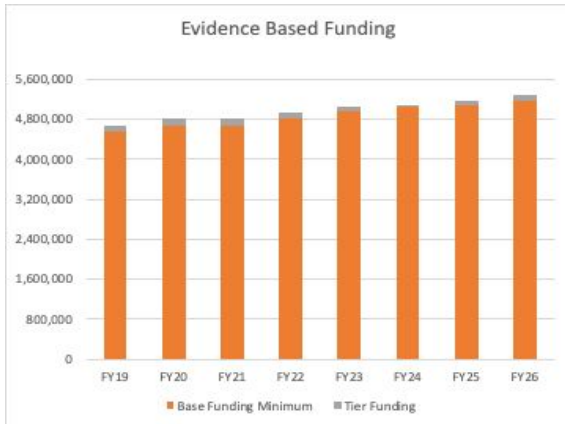


ASSUMPTIONS | Revenues



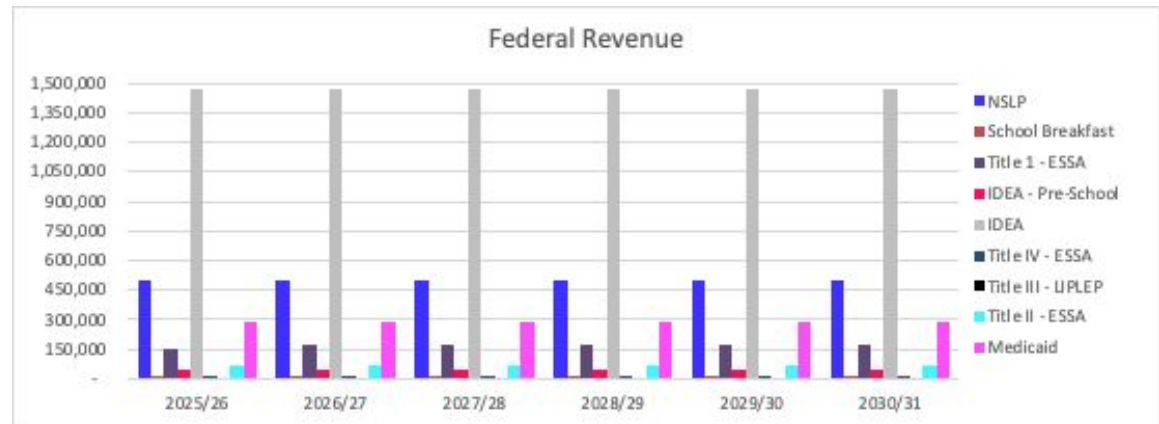
● State

- Evidence Based Funding
- Private Facilities - "S" Funds
- Transportation reimbursement



● Federal

- IDEA
- Title Grants (I, II, IV)
 - LIIPLEP/IEP UNKNOWN (III)
- NSLP
- Medicaid Reimbursement



ASSUMPTIONS | Revenues

● Local

- Corporate Personal Property Replacement Tax (\$1.4m)
 - Determined by State
- Rental agreements for Rand & Miner (\$1.1m)
- Erate = \$410K over 4 years
- Student Fees

● Interest income projections (as a % of prior year fund balance)

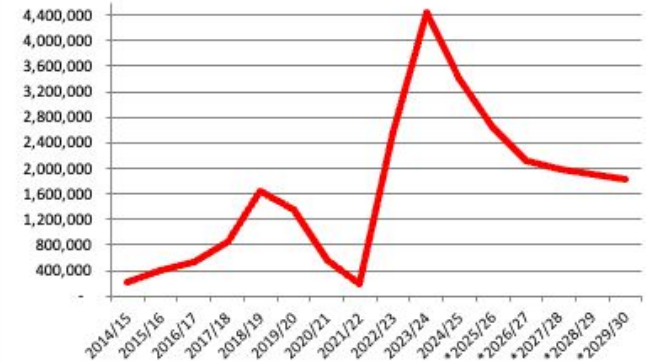
- 2025/26 and 2026/27 -3.5%
- 2027/28 and after - 3.25%



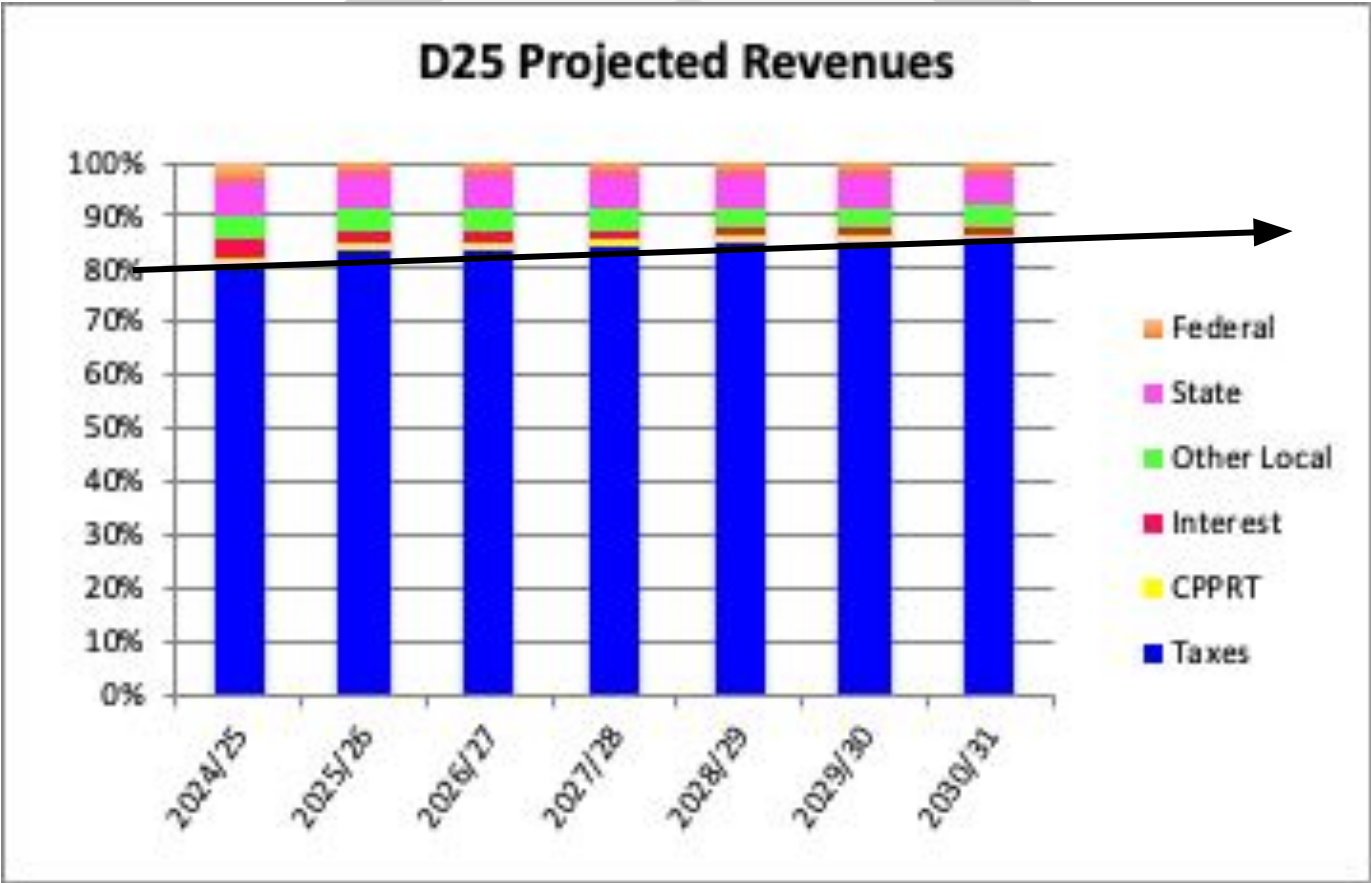
* Dotted lines indicate median projections of the upper limit of the appropriate target rate range at the end of the specified calendar year

Source: U.S. Federal Reserve

D25 Interest Income



D25 Projected Revenues



ASSUMPTIONS | Expenditures



Education Fund

- **Salaries**

- Current staff levels and negotiated agreement
- Tied to CPI
- 10 retirements annually

- **Benefits**

- Health insurance- increase 6% annually
- Tier I and II TRS pension costs of 0.58% of salaries
- THIS costs of 0.67% of salaries

- **Tuition** - flat

- **Purchased services/Supplies**

- Software system maintenance contracts/licenses, auditors, legal counsel, staff development, mileage reimbursement, postage, etc (2% increase/yr)
- Incorporates projected curriculum program implementation costs over next 5 yrs
 - Elem Math / SS / Science
 - MS PE/Health / ELA

- **Furniture/Equipment**

- Tech Infrastructure \$1.35M over 5 yrs
- Food service kitchens (\$1.6M in 25/26)

- **Contingencies**

- 5 FTE for certified staff, 5 FTE for non-certified staff
- \$100,000 for non-staff emergencies

ASSUMPTIONS | Expenditures



Operations & Maintenance Fund

- **Salaries**
 - Current staff and projected negotiated agreement
- **Benefits**
 - Health insurance costs increase by 6%
- **Purchased Services**
 - Telephone, sanitation, water/sewer, landscape maintenance, building automation system contract, repair and maintenance contracts, property/liability insurance, etc. increase by 1% annually
- **Supplies**
 - Custodial and maintenance supplies, natural gas, electricity, mulch, salt, etc. increase by 1% annually
- **Capital Outlay**
 - \$80,000/yr for District vehicle replacement
- **Transfers**
 - O&M Fund to capital projects funds - \$1-2M annually
 - Working Cash Fund interest to capital projects fund

ASSUMPTIONS | Expenditures



Debt Service Fund

- Payments on Bond issues

Transportation Fund

- Annual increase for transportation costs of 2.5%
 - Includes regular pupil and special education

IMRF/Social Security Fund

- Pension costs increase in relationship to related salaries
 - IMRF employer rate 8.64% in 2026 to 8.00% in 2030

Tort Fund

- Annual increase of 3.5% / yr for property/liability/workers comp insurance

ASSUMPTIONS | Expenditures



Capital Projects Fund

- **Based on Five-Year Facilities Master Plan presented to the Board in December 2025**
 - 2026 summer projects \$4.3M
 - 5-Year total of about \$21.51M for building projects (paving, flooring, projects, roofs, HVAC, galvanized piping, etc.) less life safety fund

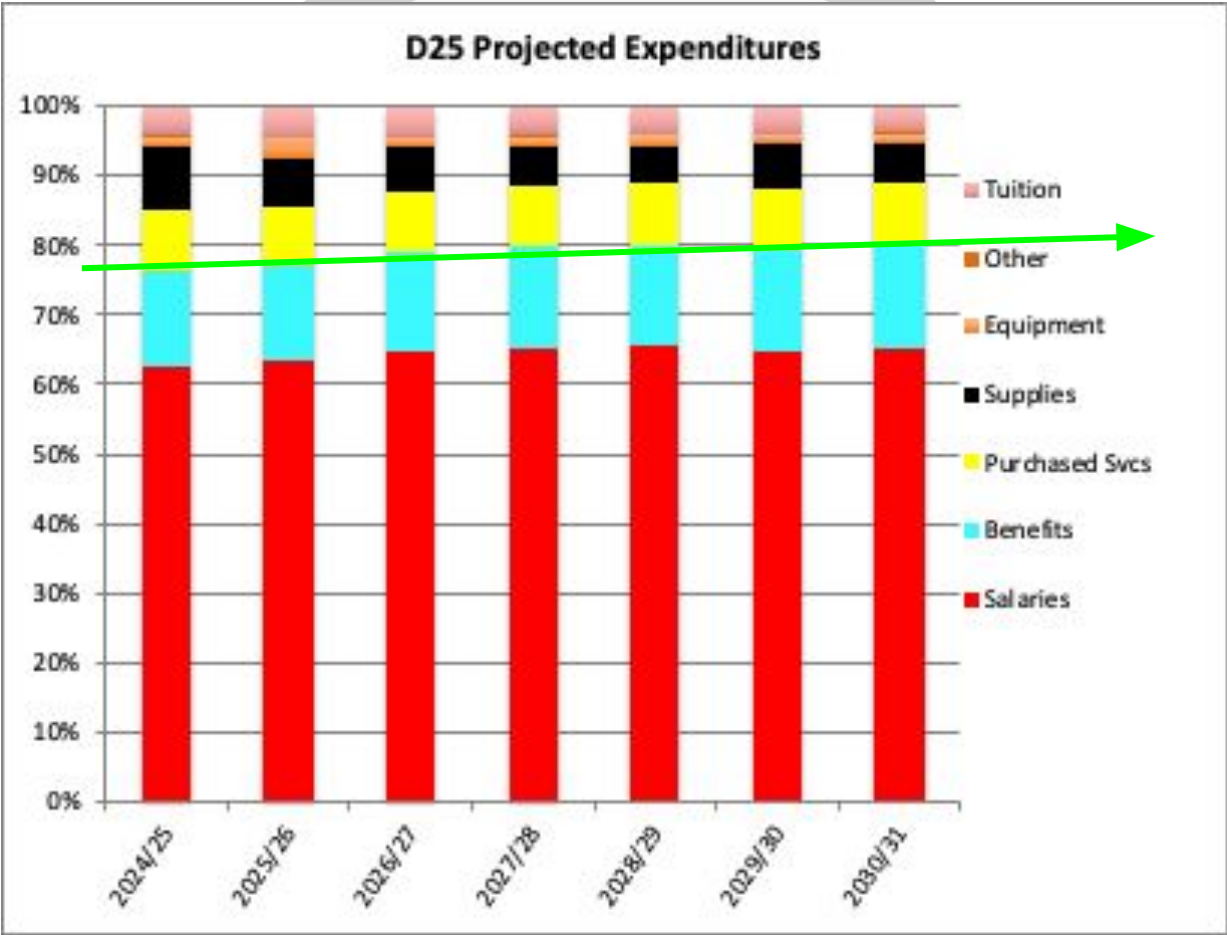
Life Safety Fund

- **\$0.2 million over the next 5 years of life safety work**
 - 10-year life safety survey work
 - Capital projects/Tax Levy could be shifted

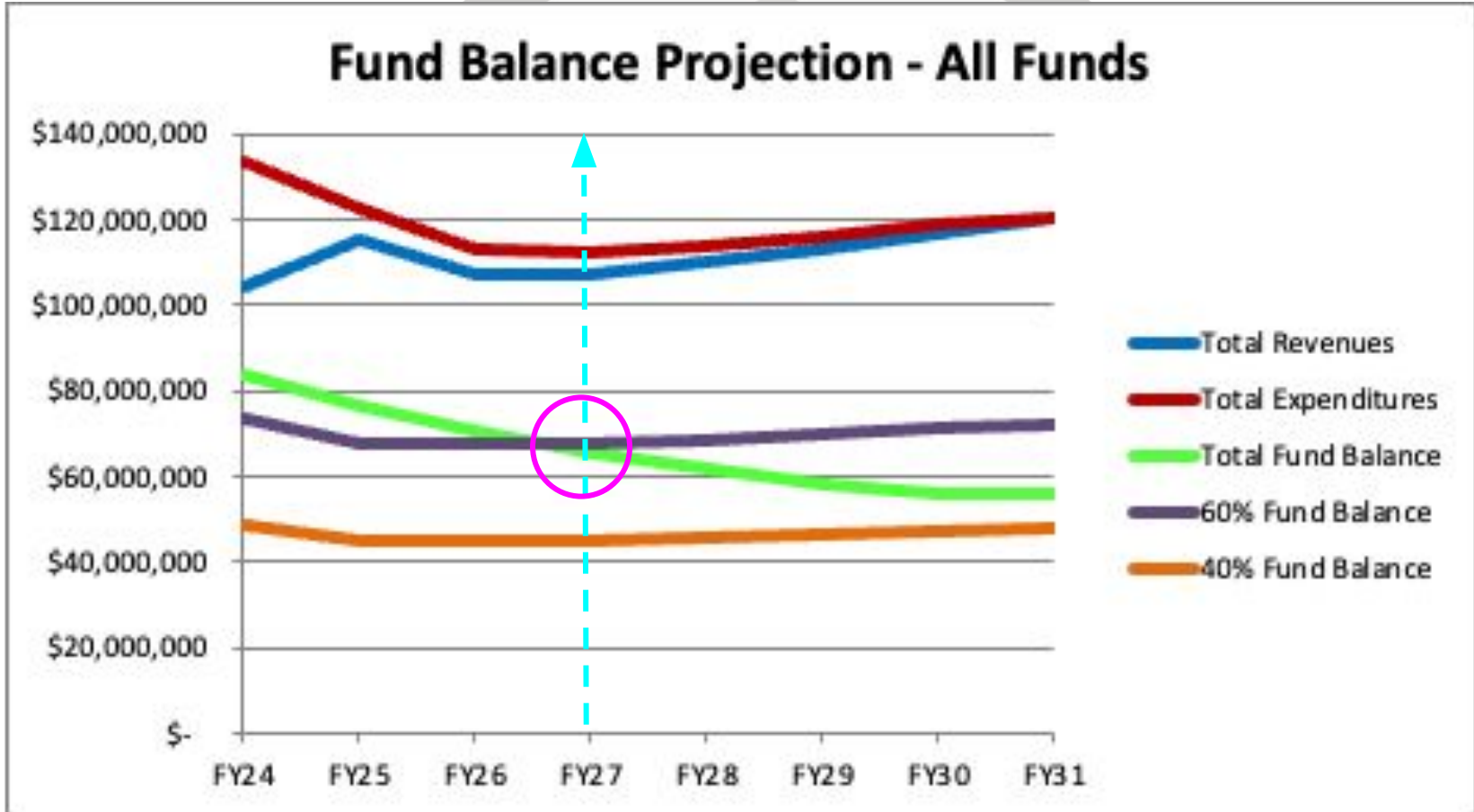
Financial Projection: All Funds

	Budget 2025/26	Projected 2026/27	Projected 2027/28	Projected 2028/29	Projected 2029/30	Projected 2030/31
Revenues						
Property Taxes	\$ 89,954,549	➤\$ 89,520,575	➤\$ 92,216,268	➤\$ 95,666,071	➤\$ 98,978,806	➤\$ 102,440,179
CPPRT	\$ 1,447,000	\$ 1,447,000	\$ 1,447,000	\$ 1,447,000	\$ 1,447,000	\$ 1,447,000
Interest	\$ 2,655,700	➤\$ 2,458,700	➤\$ 2,122,700	➤\$ 2,007,500	➤\$ 1,904,600	➤\$ 1,830,700
Food Service	\$ 1,331,645	\$ 1,331,645	\$ 1,331,645	\$ 1,331,645	\$ 1,331,645	\$ 1,331,645
Rentals	➤\$ 1,237,700	➤\$ 1,262,454	➤\$ 1,287,703	➤\$ 1,313,457	➤\$ 1,339,726	➤\$ 1,366,521
Other Local (tuition, fees, etc.)	1,623,794	1,671,794	1,743,794	1,491,794	1,803,794	1,843,794
Bonds	-	-	-	-	-	-
State	➤ 6,721,359	➤ 7,060,138	➤ 7,195,792	➤ 7,229,771	➤ 7,264,599	➤ 7,300,298
Federal	➤ 2,617,825	➤ 2,598,419	➤ 2,598,419	➤ 2,598,419	➤ 2,598,419	➤ 2,598,419
Total Revenues	➤\$ 107,589,572	➤\$ 107,350,724	➤\$ 109,943,321	➤\$ 113,085,657	➤\$ 116,668,589	➤\$ 120,158,555
Expenditures						
Salaries	➤ 62,396,997	➤ 64,088,339	➤ 65,454,844	➤ 66,917,167	➤ 68,339,395	➤ 69,793,979
Employee Benefits	➤ 13,686,178	➤ 14,144,330	➤ 14,592,616	➤ 15,044,674	➤ 15,507,752	➤ 16,001,219
Purchased Svcs	➤ 8,432,648	➤ 8,510,165	➤ 8,706,384	➤ 8,907,495	➤ 9,113,628	➤ 9,324,915
Supplies	➤ 6,660,177	➤ 6,385,690	➤ 5,861,231	➤ 5,699,969	➤ 6,909,904	➤ 5,870,038
Capital Outlay	➤ 3,022,505	➤ 1,397,505	➤ 1,397,505	➤ 1,397,505	➤ 1,397,505	➤ 1,397,505
Other	➤ 214,170	➤ 212,670	➤ 332,670	➤ 287,670	➤ 317,670	➤ 332,670
Tuition	➤ 4,198,012	➤ 4,198,012	➤ 3,998,012	➤ 3,998,012	➤ 3,998,012	➤ 3,998,012
Debt	➤ 10,026,401	➤ 9,290,187	➤ 9,291,237	➤ 9,279,862	➤ 9,275,562	➤ 9,262,737
Sub-Total Expenditures	➤\$ 108,637,088	➤\$ 108,226,896	➤\$ 109,634,499	➤\$ 111,532,354	➤\$ 114,859,428	➤\$ 115,981,075
Sub-Total Surplus/(Deficit)	\$ (1,047,516)	+\$ (876,172)	\$ 308,822	\$ 1,553,304	\$ 1,809,161	\$ 4,177,480
Capital Projects/Life Safety	4,835,288	4,300,000	3,870,000	4,730,000	4,090,000	4,520,000
Ending Fund Balance	70,447,763	65,271,591	61,710,413	58,533,716	56,252,877	55,910,357
% of next yr's budget	62.6%	57.5%	53.1%	49.2%	46.7%	45.7%

D25 Projected Expenditures



D25 Projected Revenues, Expenditures, and Fund Balance



FUNDING FOR CAPITAL PROJECTS



- **5-Year Facilities Plan (summer 2026-2030) totaling \$21.5M**
 - Referendum Bonds covering through summer 2026
- **Projected Capital Projects Funding**
 - Transfers from O&M Fund
 - 2022/23 = \$4.9M
 - 2023/24 = \$3.5M
 - 2024/25 and 2025/26 = \$2.0M
 - 2026/27 and beyond = \$1.0M
 - Transfer of working cash fund interest annually beginning 2023/24
- **Debt Service Extension Base (DSEB)**
 - Ability to sell bonds to finance capital projects
 - Currently levying \$0.21 for DSEB debt service thru 2032
 - Refinance existing bonds in fall 2026?

FUND BALANCE GOAL = 40-60%



- Taxes collected in March/April and fall (Sept-Dec)
- Fund Balance as of 6/30 must provide cash flow for expenditures until 2nd installment of property taxes is receive.

Month Taxes Are Received	Months that Reserves will cover Expenditures	# Months	% of Fiscal Year
October	Jul - Sep	3	25%
November	Jul - Oct	4	33%
December	Jul - Nov	5	42%
January	Jul - Dec	6	50%

TAKEAWAYS



- ☹️ Largest revenue source predicted to grow at 10-year CPI average of 2.8% each year
- ☹️ Late taxes impact investment earnings
- ☹️ Can't control all expenditures (utility costs, benefits, gas prices, out-of-district tuition)
- ☹️ Property tax reform?
- ☹️ Unfunded mandates
- 😊 Salaries tied to CPI
- 😊 Interest rates remain > 3%
- 😊 Baseline EBF State funding
- 😊 Contingency funds use
- 😊 Tax refunds - can recapture on an annual basis
- 😊 Fund Balance & Time to make decisions