

FY25 Projection Models and Discussion

January 9, 2025

Purpose

- Provide a snapshot of the current budget and corresponding projections.
- Provide a framework for building the next FY budget.
- Align Board's financial goals with the plan for operational revenue and expenditures.
- Monitor long-term financial status of the District.

Action Plan for Debt Reduction

Conservative Budgeting and Thoughtful Reductions

FY25 Budgeting Strategies:

- FY25 Anticipated Surplus of \$666,781
- Reductions in Technology - \$200,000 due to FY24 Accruals
- Property Tax Revenue Budgeted at 98% Receipt

FY26 Budgeting Strategies:

- Property Tax Revenue Budgeted at 95%
- 10% Reduction in the Cost per Pupil Allocation
- 5% Reduction in Departmental Budgets
- Continued Zero-Based Budgeting Approach
- Potential Deferral of Summer 2025 Capital Projects

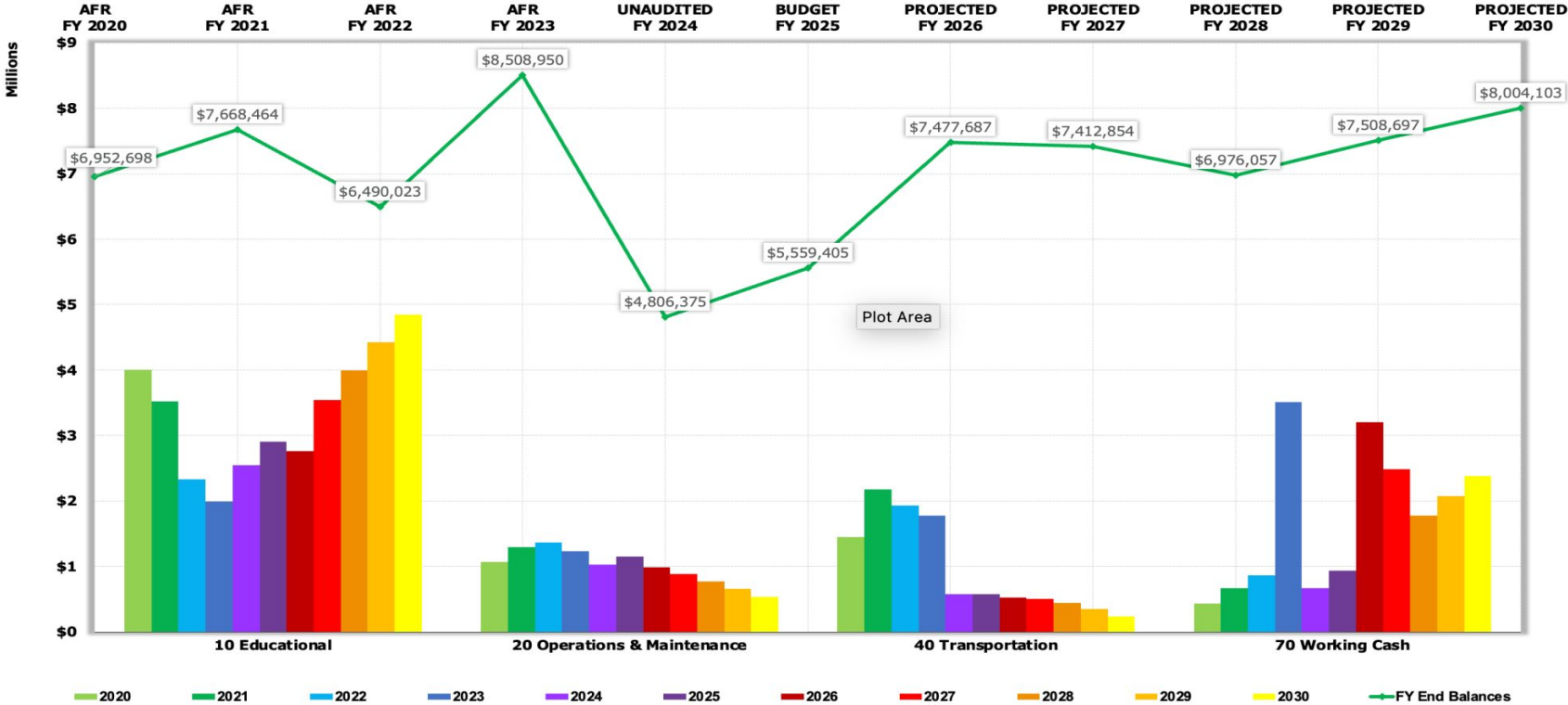
Projection Model Assumptions...

Revenues Continue to Drive Our Expenditures

- Budget for Actuals - Conservative Revenues
- Elimination of Unnecessary Contingencies
- Salaries Projected at 2.8% - Plan for 2 Retirements Annually
- CPI Reflected at 2.8% for December 2024
- 5% Reduction in Services, Supplies & Equipment
- 1%-2% Increase on Non-Tax Revenues
- Transportation Contracted Services Increased at 4.5%
- Projections Include FY26 Bond Issuance
- No Additional Referendum Revenues are Projected

Fund Balances - Historical and Projected

Educational | O & M | Transportation | Working Cash
Prospect Heights SD 23 | FY26 Scenario 1-3-25



Projection Summary

Educational | O & M | Transportation | Working Cash Prospect Heights SD 23 | FY26 Scenario 1-3-25

	BUDGET FY 2025	PROJECTED FY 2026	PROJECTED FY 2027	PROJECTED FY 2028	PROJECTED FY 2029	PROJECTED FY 2030					
REVENUE											
Local	\$23,337,962	\$23,165,932	-0.7%	\$24,820,168	7.1%	\$25,116,045	1.2%	\$25,785,506	2.7%	\$26,482,277	2.7%
State	\$3,512,000	\$3,162,250	-10.0%	\$3,213,618	1.6%	\$3,266,132	1.6%	\$3,319,824	1.6%	\$3,374,726	1.7%
Federal	\$1,368,976	\$1,388,206	1.4%	\$1,388,451	0.0%	\$1,388,701	0.0%	\$1,388,957	0.0%	\$1,389,217	0.0%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$28,218,938	\$27,716,388	-1.8%	\$29,422,236	6.2%	\$29,770,878	1.2%	\$30,494,288	2.4%	\$31,246,219	2.5%
EXPENDITURES											
Salaries	\$16,926,621	\$17,238,695	1.8%	\$17,559,507	1.9%	\$17,889,301	1.9%	\$18,228,330	1.9%	\$18,576,852	1.9%
Benefits	\$4,166,542	\$4,430,452	6.3%	\$4,712,371	6.4%	\$5,013,548	6.4%	\$5,335,318	6.4%	\$5,679,113	6.4%
Purchased Services	\$4,125,149	\$4,123,713	0.0%	\$4,207,599	2.0%	\$4,294,841	2.1%	\$4,385,572	2.1%	\$4,479,933	2.2%
Supplies And Materials	\$1,164,818	\$1,064,627	-8.6%	\$1,066,973	0.2%	\$1,069,366	0.2%	\$1,071,807	0.2%	\$1,074,296	0.2%
Capital Outlay	\$227,297	\$128,057	-43.7%	\$128,057	0.0%	\$128,057	0.0%	\$128,057	0.0%	\$128,057	0.0%
All Other Objects	\$855,482	\$812,562	-5.0%	\$812,562	0.0%	\$812,562	0.0%	\$812,562	0.0%	\$812,562	0.0%
TOTAL EXPENDITURES	\$27,465,908	\$27,798,106	1.2%	\$28,487,069	2.5%	\$29,207,675	2.5%	\$29,961,647	2.6%	\$30,750,814	2.6%
SURPLUS / DEFICIT	\$753,030	(\$81,718)		\$935,167		\$563,203		\$532,640		\$495,405	
OTHER FINANCING SOURCES / USES											
Other Financing Sources	\$0	\$2,500,000		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0	(\$500,000)		(\$1,000,000)		(\$1,000,000)		\$0		\$0	
TOTAL OTHER FIN. SOURCES / USES	\$0	\$2,000,000		(\$1,000,000)		(\$1,000,000)		\$0		\$0	
SURPLUS/DEFICIT INCL. OTHER FIN. SOURCES	\$753,030	\$1,918,282		(\$64,833)		(\$436,797)		\$532,640		\$495,405	
BEGINNING FUND BALANCE	\$4,806,375	\$5,559,405		\$7,477,687		\$7,412,854		\$6,976,057		\$7,508,697	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$5,559,405	\$7,477,687		\$7,412,854		\$6,976,057		\$7,508,697		\$8,004,103	
FUND BALANCE AS % OF EXPENDITURES	20%	27%		26%		24%		25%		26%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	2.43	3.23		3.12		2.87		3.01		3.12	

Caveats and Next Steps

- Based on data as of 1/1/25.
- Assumptions are thoughtful estimates based on consultations and past performance and subject to change.
- Projections will be updated based on year end actuals and FY26 budget finalization.
- Finance Committee and Board will receive updates throughout the process of budget adoption and implementation.