



District Financial Update

Dr. Andrew S. Wise

School Board Meeting October 9, 2024

District Happenings



- We will receive a **Debt Certificate Check** toward the end of October for **\$11,739,707** (final sale) and a **Health Life Safety Check** in January for **\$6,458,855** for an estimated total of **\$18,198,562** to fix buildings over next 4 years.
- In return for these dollars, we will have a total combined **Debt Payment** of approximately **\$1.22 million** every year for the next **20 years**.
- By law, these dollars can only be spent on HLS or Capital Projects
- We plan to spend **approx \$11,000,000** now to repair-fix the items on the next couple slides. If we earn a little interest, we could have approximately **\$7,000,000-\$8,000,000 left** after projects are complete in 2028. At that time, the new Board will have options, including A) using the money to cover anticipated HLS expenditures to be completed in 2031, B) if enrollment is increasing consider a small addition to accommodate new students, C) use the dollars to pay off existing capital debt, or D) address non-HLS needs that are capital in nature. D66 will have little to no borrowing capacity within the existing tax rate for 20+ years. **These dollars have to last 20+ years** unless another revenue stream surfaces or a higher tax rate is obtained.

Summer 2025 - Approx \$4,000,000



All Schools - New Cisco Phone System with enhanced Safety and Security Features

Lakeview - Purchase 7 RTU Units

Lakeview- Install and Operationalize HVAC

Lakeview - Upgrade Switchgear for HVAC

Lakeview - Replace Worn Hallway - Classroom Carpet with VCT and Carpet Squares

Prairieview - Replace Failing Fire Pump

Prairieview - Replace Leak in Hot Water Heater

Ide - Replace Fire Doors

Ide - Replace Failing Gym Floor

Ide - Place Hail Guards around IDE HVAC Roof Units and Fix Heat Pump

Summer 2026 - Approx \$3,000,000



All Schools - Tuckpointing, Masonry, Seals

All Schools - ADA Accessible Restrooms and Family Restroom

All Schools - Update Intruder Detection Systems

All Schools - Replace Carpeting in High Traffic Areas

Lakeview - Replace Vestibule Old Entrance

Lakeview - Reroof or Retrofit

Lakeview - Sand, Rustproof, Paint, Fix Seals, Fix Connections on Metal Siding

Lakeview - Replace Hardware, Drinking Fountains, Bad Lockers

Lakeview - Science Room Upper Cabinet Replacements

IDE-Prairieview - Handicap Accessible Upgrades to Playgrounds



Summer 2027 - Approx \$3,500,000

Lakeview and Prairieview - Replace Failing Sidewalks, Parking Lots, Trash Enclosure, Curb, Redesign Traffic Flow, Widen Lanes, Add Spots of Possible

Summer 2028 - Approx \$750,000



We have had equipment fail today that wasn't identified in the Health Life Safety Survey because it only makes the Survey if it has issues at the time of the walkthrough (or a history of such). Being "old" doesn't qualify anything for the survey. We have mechanical equipment at PV which will be approaching 30 years old at PV in 28,29,30. One of these items is the PV Chiller. Although the PV Chiller operated fine during the survey, it has structural issues, such as the base needing replaced, so work will need to be done regardless. Another is the tile in Gym 1 at LV. Also, depending on enrollment, which the demographer projected increasing approx 10% due to new housing, the District could have serious space issues and need an addition.

Where do the Referendum Dollars Go Each Year?



- 4 Class Size Reduction (Two in 2023 and Two in 2024)
- 1 Student Services
- 1 STEM Coach
- 2 EL
- 2 Interventionists
- 1 Social Worker
- 1 Counselor
- 1 ECE Teacher
- 4.0 (3.8) Spec Ed (Speech, Psych, LBS 1)
- 5 Paras
- 17 Teachers and 5 Paras is over \$1.3 million in costs
- \$1.3 million dollars in Personnel
- \$1.2 million Debt Certificate Payment
(didn't have last year which is why we were able to add fund balance)
- \$2.5 million without adding balance or other needs
- We get between \$300,000-\$700,000 new dollars a year from EAV or CPI increases, and last year was a high CPI, so we brought on approx \$700,000. CPI dropping back down to normal levels so expect less. Will see a one time bump from warehouse, probably in the neighborhood of \$100,000.

Audit



Financial Profile will be a 2 this year. We will probably be one of dozen districts in the State **with the worst financial profile**, but we will start to **get healthier as we build our fund balance**. Unfortunately, the \$18 million we bring in goes in the Capital Project Fund which has no positive bearing on our Financial Profile, however, the Debt Certificate payment comes out of OM, which does have a **negative impact**. The only way to raise our profile is to increase revenue, decrease expense, and add fund balance each year. If we are able to add \$500,000-\$750,000 a year we should bump up to a 3 soon, however if we don't build balances, due to the Debt Certificate payment coming out of OM, we will drop right back down to 2.

FY 2025 End of the Year Balance



When you see a **\$18,000,000 surplus in FY 2025**, please remember what that is, it is the Debt Certificate and Health Life Safety Bond money we brought in to fix Buildings and can't be spent on anything else. Then in FY 26-FY 28, you will be **expense over revenue** by \$3,000,000-\$4,000,000 a year, so again, please remember that the overage is from doing projects each year (as we only bring the revenue in once). Again, only way to build balances and get out of **Financial Warning** is to increase your savings in ED, OM, TRANS, WC Funds (called your Operating Funds) and you do that by bringing in more than you spend in these funds.