

LISLE COMMUNITY UNIT SCHOOL DISTRICT 202
BOARD ROOM
5211 CENTER AVENUE
LISLE, ILLINOIS 60532
Finance Committee Meeting
April 22, 2024
6:30 PM

Members of the public are welcome to attend all Lisle Community Unit School District 202 Board of Education meetings, including those held via video conferencing. Anyone wishing to view the meeting or provide comments is encouraged to review the information below.

In-Person Meeting Viewing: Guests are welcome to attend the meeting in-person in the Board Room.

Remote Meeting Viewing: The proceedings of the meeting will be streamed live and can be viewed using the following link: <http://www.youtube.com/c/LisleDistrict202>. Guests will join the meeting in view-only mode and will not be seen or heard in the meeting. A recording of the meeting will also be available on the School District website.

Public Comment: Public comments can be made in person or via email at publiccomment@lisle202.org. Comments must be received by 5:00 p.m. on the day on which the meeting is held. Comments submitted by the deadline will not be read aloud during the meeting, but rather will be provided to the School Board before the start of the meeting and will become part of the meeting record.

Please see the "Meeting Dates, Agendas and Minutes" page for links to the Board of Education meeting agendas, minutes and video feeds.

AGENDA

- | | |
|---|---|
| 1. Call to Order | |
| 2. Public Comment | |
| 3. Minutes from the March 18, 2024 Finance Committee Meeting | 2 |
| 4. Construction Change Order Resolution | |
| 5. Chesterton Academy Building Lease | |
| 6. School Association for Special Education in DuPage (SASED) Classroom Lease | 4 |
| 7. Quarterly Financial Update | 6 |
| 8. Financial Projection | 9 |
| 9. Agenda Topics for Future Finance Committee Meetings | |
| 10. Adjournment | |

LISLE COMMUNITY UNIT SCHOOL DISTRICT NO. 202
BOARD OF EDUCATION
FINANCE COMMITTEE MINUTES
MARCH 18, 2024

Record of minutes of the Finance Committee of the Whole Meeting of the Board of Education of Lisle Community Unit School District No. 202, DuPage County, Illinois, which was held in the Board Room of the Administrative Office, 5211 Center Avenue, Lisle, Illinois on March 18, 2024.

The meeting was called to order at 6:30 p.m. by Ms. Ahlmann.

Present: Pam Ahlmann
Kate Foster
Dan Helderle
Steve Lesniak
Greg Nagler
Randee Sims

Absent: Eunice McConville, Finance Committee Chairperson

Also Present: Dr. Keith Filipiak, Superintendent
Dr. Linda Kotalik, Assistant Superintendent
David Wilkinson, Director of Finance
Jen Law, Director of Student Services
Jenna Engler, Communications Coordinator
Trent Schalk, Technology Systems Specialist

Public Comment

None

Minutes from the February 26, 2024 Finance Committee Meeting

The minutes from the February 26, 2024 Finance Committee meeting were reviewed. Those present came to a consensus that the minutes accurately reflect the meeting's discussion.

Regular and Extra-Curricular/Co-Curricular Transportation Extension

Administration recommended a contract extension for SY2024-2025 with the School District's current regular transportation provider, Westway Coach. The renewal provided by Westway Coach results in a 5% increase for all regular routes and charters. The proposal also continues the \$100 per month attendance bonus for the drivers that service Lisle 202 routes. The renewal is expected to increase the annual cost by approximately \$60,000 with the driver's attendance bonus anticipated to cost between \$10-15 thousand for the year. The Finance Committee referred the Extension Agreement for Transportation Services with Westway Coach for action at the next regular school board meeting.

Special Education/Homeless/Other Transportation Services Extension

The Administration presented a recommendation to extend the contract with Sunrise Southwest for an additional year. The proposed rate increase is 5%. The discount for shared routes will also increase from 25% to 50% resulting in anticipated cost savings of \$100,000 for the School District. Board Members in attendance referred the Special Education/Homeless/Other Transportation Extension, as presented, for action at the next regular school board meeting.

Student Fees and Facility Usage Rates for 2024-2025 School Year

Administration presented the recommended fee schedule for the 2024-2025 school year. The fee schedule includes a waiver of the books/supplies fee for another year. Usage fee increases for most items is tied to the 2023 CPI of 3.4%. Exceptions to CPI increases were detailed in the report and discussed during the meeting. The student parking fee was lowered to \$80 per semester based on feedback from the Committee at the February meeting. Administration also presented the Facility Usage Rates for the 2024-2025 school year which will remain unchanged. All facility usage rates will be increased by \$5 increments the following year. Board Members in attendance referred the Student Fee Schedule and Facility Usage Rates as presented for action at the next regular school board meeting.

2024-2025 Technology Equipment and Subscription Costs

Dr. Kotalik and Mr. Schalk provided an overview of the technology hardware purchases and software subscription costs for the upcoming school year. The cost for technology purchase requests and software for FY2025 are estimated at \$728,000. Also provided to the Committee were the items being purchased over \$25,000 in accordance with Board Policy 4:60. While technology expenditures do not require Board action, Administration wanted to notify the committee and obtain authorization to move forward with the Technology plan as presented. The Committee authorized the Administration to proceed with the purchases as presented.

FY2024 School Maintenance Project Grant Update

Administration provided an update that the FY2024 School Maintenance Project Grant in the amount of \$50,000 was awarded by ISBE on January 30th. The School District will utilize the grant funds for expenditures related to the secure vestibule renovations at Lisle Junior High School. No further action is required at this time.

Architect Proposal – Lisle Elementary School Interventions Rooms

Dr. Filipiak presented a proposal from Perkins & Will not to exceed \$17,500 for architectural services related to two new intervention rooms at Lisle Elementary School. The project is expected to cost approximately \$75,000 to \$100,000. The renovations will free up space for a new self-contained special education program for 3rd-5th grade students along with the Accelerated Learning Program. The Finance Committee referred the proposal for action at the next regular school board meeting.

Agenda Topics for Future Finance Committee Meetings

Bids for the Lisle Elementary School Intervention Rooms project.

Adjournment

At 7:25 p.m. by Mr. Nagler and Ms. Sims

FOR DISCUSSION

**Lisle Community Unit School District 202
Board of Education Meeting
April 22, 2024**

SUBJECT: School Association for Special Education in DuPage (SASED) Classroom Lease

BACKGROUND DATA: Many of the classrooms rented by the School Association for Special Education in DuPage (SASED) from member school districts are not available next school year due to renovations or capacity needs of the host school district.

SASED is requesting to lease seven (7) classrooms at the Schiesher Elementary Building for the 2024/2025 and 2025/2026 school years during the renovations and while they investigate long-term solutions.

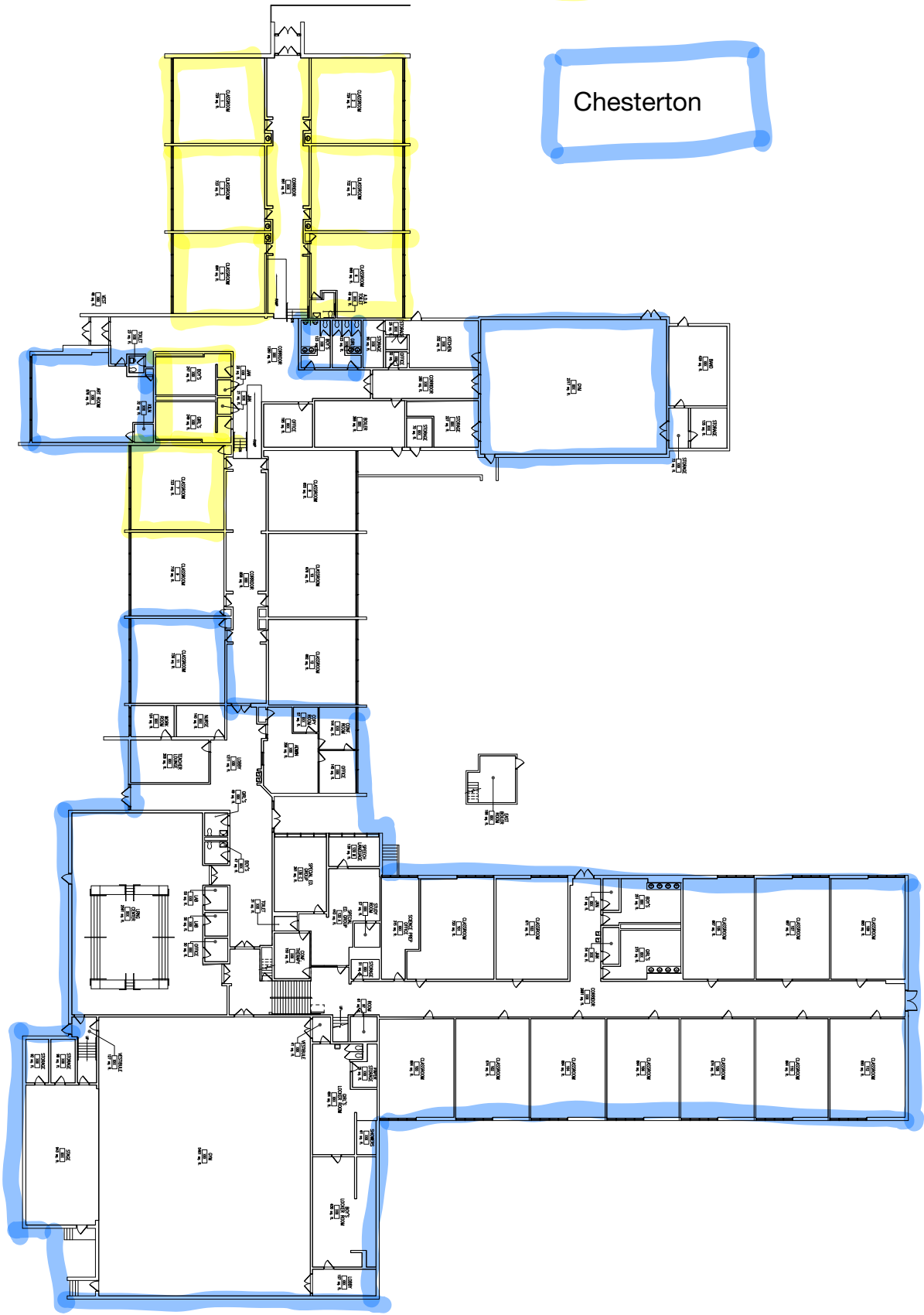
Below is a summary of the request:

- 1) SASED will utilize the seven classrooms highlighted in the following map
- 2) A maximum of thirty-six students will be enrolled in their multineed program
- 3) Approximately twenty-five staff members SASED will be assigned to the program
- 4) SASED typically pays approximately \$20,000 per classroom to member districts for rent
- 5) SASED staff has visited Schiesher multiple times and are aware of the condition of the building (including the absence of hot water)
- 6) The District believes the roof and HVAC units should remain operable during the two years
- 7) Chesterton Academy is supportive of the shared space plan

If the Board is supportive of the two-year (2) lease, it will be brought for approval at the May 20th Board Meeting.

SASED

Chesterton



Lisle School District 202

Quarterly Financial Update

For the Nine Months Ending March 31, 2024

Budget Compared to Actual

The attached report compares revenues and expenditures through March with the adopted budget. Below are some of the highlights of the year-to-date activity:

Revenue:

Local Sources - The District has received 100% of budgeted property taxes through the month of March. Collections from the 2023 levy in June 2024 will be deferred to FY2025 on the accrual basis of accounting.

The District has received 80% of the budgeted interest income for the year. The collection of interest is contingent on the maturity dates of the various investments and will not be consistent throughout the entire school year. The District expects to collect the balance of the budgeted interest over the remainder of the year.

The District has received 83% of the budgeted other local revenue through March. The remaining corporate personal property taxes, rental income, athletic/activity fees, etc. will be collected throughout the rest of the year.

State and Federal Sources - The District has received approximately \$2 million, or 64%, of the budgeted State revenues through March. The States obligations from the 2024 project year are approximately \$405,000 with 99% of the balance having been outstanding less than 30 days.

Federal revenues of approximately \$1.3 million, or 71% of budget, have been collected. The budgeted Federal grants are expected to be received throughout the remainder of the fiscal year. National School Lunch program reimbursements have been higher than initial budget expectations due to increased participation, particularly in the school breakfast program.

Expenditures:

Salaries – On the accrual basis of accounting, July and August salary payments for 10-month staff are recorded in June of the prior fiscal year. As a result, salary expenses during the first quarter do not include teaching and instructional support staff. While year-to-date salaries compared to budget of 63% appears lower than expected, the difference will be accounted for during the 4th quarter of the fiscal year. For comparison, salary expenditures at this time last year were 62% of budget.

Employee Benefits – Similar to salaries, benefit payments for 10-month staff are recorded in June of the prior fiscal year. Therefore first quarter benefit expenses only include 12-month staff on the accrual basis of accounting. Spending 62% of the budget through March appears reasonable with the difference being expended during the 4th quarter.

Purchased Services - Purchased service expenditures are approximately \$4,450,000 through March. The current year expenditures are trending approximately \$649,000 higher than this period in the prior year. Factors contributing to this increase include the initial purchase of next generation anti-virus to keep the districts network safe, changes to the SASSED billing methodology for OT/PT services, and the addition of a 10th bus route at Lisle Elementary due to increased enrollment. Food service expenditures have also increased due to higher wages to attract and retain lunchroom staff. Overall, spending 72% of the budget through March is reasonable and slightly less than the 75% of budget spent at this time during the prior fiscal year.

Supplies and Materials - Spending 69% of the supplies and materials budget is slightly higher than normal at this point in the fiscal year. Curriculum adoptions at the elementary school contributed to the additional expenditures. Student Chromebooks are also purchased before the school year begins leading to higher supplies expenditures during the first quarter. Supplies and materials expenditures of approximately \$1.1 million is similar to the \$1.1 million spent at this point in the prior fiscal year.

Capital Outlay – The majority of the capital outlay expenditures for the fiscal year relate to the purchase of new multifunction copiers at each of the buildings for around \$83,000. A new driver's education vehicle was also purchased at Lisle Senior High School at a cost of approximately \$32,000. Expenditures related to the Lisle Junior High renovations will start during the fourth quarter and utilize the remaining capital outlay budget.

Other Objects (Includes Tuition and Debt Repayment) - Tuition payments of approximately \$1.8 million for out-of-district special education, alternative learning, and career and technical education students have been paid year-to-date. The District has spent 57% of the tuition budget through March. For comparison, tuition expenditures at this time last year were approximately \$1.8 million, or 74% of budget. The tuition costs will continue to be monitored as the year progresses.

The \$1.5 million of expenditures in the Debt Services fund relates to the required bond payments for the outstanding Series 2019 bonds. The remaining budget in other objects will be utilized for the June bond payments.

Non-capitalized Equipment - Most of the non-capitalized expenditures for the year relate to new network switches at the junior high and high school along with musical instruments funded by the DuPage Foundation. E-rate will cover approximately 50% of the network project costs.

Termination Benefits – Through March, there have been approximately \$12,000 in payments made to terminated or retiring employees as compensation for unused sick or vacation days.

Lisle Community Unit School District 202
Budget Compared to Actual - All Funds
For the Nine Months Ending March 31, 2024

	<u>Educational</u>	<u>Operations & Maint.</u>	<u>Debt Services</u>	<u>Trans- portation</u>	<u>Municipal Ret/Soc Sec</u>	<u>Capital Projects</u>	<u>Working Cash</u>	<u>Tort</u>	<u>Total</u>	<u>Budget</u>	<u>Percent Realized</u>
Fund Balance - July 1, 2024	\$ 13,858,344	\$ 1,791,281	\$ 203,177	\$ 925,468	\$ 491,603	\$ 3,854,708	\$ 819,186	\$ -	\$ 21,943,767		
Revenue:											
Local Sources:											
Property Taxes	28,120,334	2,690,109	1,512,450	1,395,308	921,887	-	6,238	6,238	34,652,564	34,690,950	100%
Interest	1,008,425	104,726	30,029	59,687	33,598	195,010	26,615	-	1,458,090	1,815,200	80%
Other Local	1,004,586	139,953	-	132,545	-	-	-	-	1,277,084	1,539,790	83%
State Sources	1,302,765	-	-	713,477	-	-	-	-	2,016,242	3,166,744	64%
Federal Sources	1,310,824	-	-	2,227	-	-	-	-	1,313,051	1,847,972	71%
Total Revenue	32,746,934	2,934,788	1,542,479	2,303,244	955,485	195,010	32,853	6,238	40,717,031	43,060,656	95%
Expenditures:											
Salaries	11,870,681	907,233		28,448		-		-	12,806,362	20,433,300	63%
Employee Benefits	3,820,747	209,895		-	606,702	-		-	4,637,344	7,457,540	62%
Purchased Services	2,065,596	430,338	-	1,948,031		-		6,238	4,450,203	6,194,573	72%
Supplies and Materials	605,216	487,677		2,479		-		-	1,095,372	1,596,654	69%
Capital Outlay	150,586	38,680		-		10,329		-	199,595	1,171,325	17%
Other Objects	1,843,455	-	1,500,000	-	-	71		-	3,343,526	4,716,305	71%
Non-capitalized Equipment	149,630	17,610		-		-		-	167,240	331,711	50%
Termination Benefits	5,462	6,545		-		-			12,007	11,850	101%
Total Expenditures	20,511,373	2,097,978	1,500,000	1,978,958	606,702	10,400		6,238	26,711,649	41,913,258	64%
Revenue Over (Under)											
Expenditures	12,235,561	836,810	42,479	324,286	348,783	184,610	32,853	-	14,005,382	1,147,398	
Other Sources/(Uses)											
Other Sources	6,250	-	-	-	-	80,638	-	-	86,888	897,300	10%
Other (Uses)	-	-	-	-	-	-	-	-	-	(783,300)	0%
Total Other Sources/(Uses)	6,250	-	-	-	-	80,638	-	-	86,888	114,000	
Fund Balance - March 31, 2024	\$ 26,100,155	\$ 2,628,091	\$ 245,656	\$ 1,249,754	\$ 840,386	\$ 4,119,956	\$ 852,039	\$ -	\$ 36,036,037		



Past Financial Performance and Future Financial Projections

April 22, 2024

EXECUTIVE SUMMARY

The following analysis focuses on both the historical performance and projected financial condition of Lisle Community Unit School District 202. Preparing and evaluating this analysis on an annual basis allows the District to utilize a “proactive” management style in conducting its financial affairs. Because resources available to public schools are limited, it is imperative to focus on what actions need to be taken now in order to continuously be assured that adequate resources are available to not only our students of today but also to our students of the future.

REVIEW OF PAST PERFORMANCE

Lisle School District’s financial position has remained strong over the past five years. The District has experienced an average increase in OPERATING FUNDS revenue of more than 3% annually since FY2019 with total OPERATING FUNDS revenue of \$37,752,141 for FY2023. During this time period, CPI has increased on average 3% per year. New property EAV has been healthy with average increases of approximately \$3.7 million annually. Investment earnings fell precipitously during fiscal years 2021 and 2022 before recovering robustly during the past year to almost \$500,000. State sources increased due to additional transportation reimbursements as costs have climbed post COVID. Federal sources increased during the last three fiscal years because of the Elementary and Secondary School Emergency Relief Funds (ESSER) and American Rescue Plan Fund (ARP) in response to the COVID-19 pandemic.

Total expenditures have increased by about 3% annually since FY2019 in the OPERATING FUNDS. Negotiated salary contracts have included 3% to 5% annual raises and the total increase in salary expenditures have been around 3% over the past five years. The District has been able to contain other major costs such as health insurance and property insurance by participating in self-insured cooperatives with other school districts. Total expenditures across ALL FUNDS were \$38,772,496 for FY2023 including \$760,000 in capital expenditures for programming/design costs for the Lisle Junior High remodel.

REVIEW OF PROJECTIONS

The net change in fund balances for the OPERATING FUNDS (Educational, Operations and Maintenance, Transportation, and Working Cash Funds) over the course of the six year projection period is projected to be a deficit of approximately \$5,000,000 to make additional funds available for the Lisle Junior High renovation. Annual revenues in the OPERATING FUNDS is estimated to exceed annual expenditures by \$1,933,000 over the projection period before transfers out to the Capital Projects Fund. In FY2029 the OPERATING FUNDS are anticipated to have an overall deficit of \$1,333,000.

The District’s revenues and fund balances appear adequate during the projection period to cover payroll and regular bills. The District anticipates a healthy increase in property tax revenues during the projection period as CPI continues to remain at historically high levels. However, this increase will be offset by higher operating costs across all areas including salary and benefits. A potential

decrease in interest earnings over the next few years will impact revenues as interest rates have reached historically high levels in the current high inflation environment. The final year of federal revenues from the ESSER funds provided an additional \$500,000 to fund the school districts programs over the next fiscal year. These dollars are a one-time funding supplement and cannot be relied upon to fund programs for the long-term. Rising costs for transportation and the uncertainty of special education expenditures from one year to the next will need to be monitored closely and could have a significant impact on the District's budget. Finally, costs related to educational enhancements at the junior high, and other necessary facilities improvements, will reduce some of the fund balances available to withstand any uncertainties at the State and Federal levels.

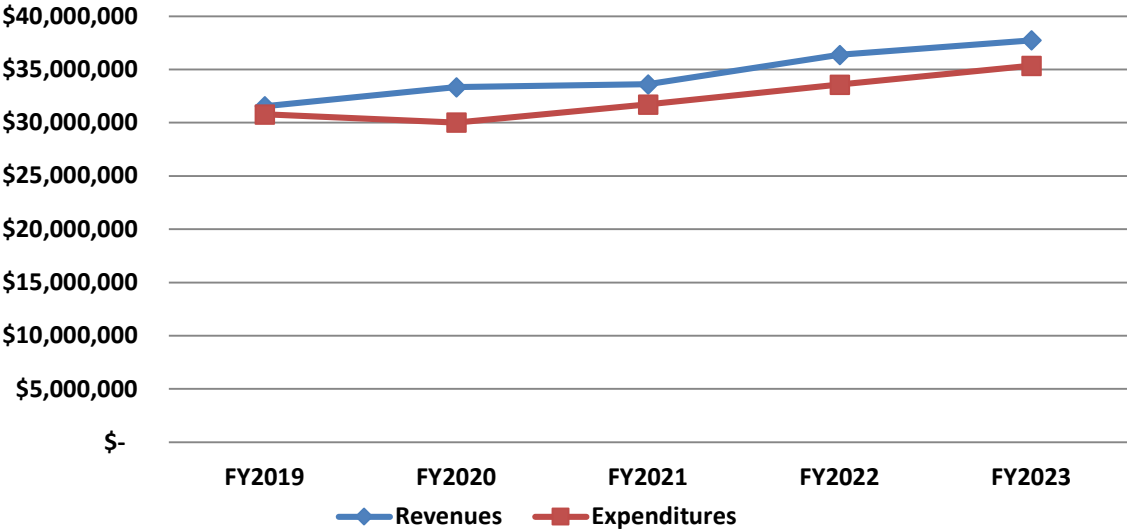
Reviewing the financial projections such as this on a regular basis will allow the District to determine the long-term effect of these issues and the financial decisions being made today. The greatest challenge for the Board of Education over the next few years will be to find an acceptable median between the vision our learning community has for the education of our children and how to best fund this vision given the economic climate and the resources available.

HISTORICAL FINANCIAL REVIEW

In developing a long-term financial plan for a school district, it is critical to first review the historical trends in the District’s revenues and expenditures. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District’s operations and constitute the majority of activity occurring in the District.

Additional funds utilized by the District include the Debt Services, Municipal Retirement/Social Security Fund, Capital Projects, and Tort Funds. These funds are included in the financial projection to facilitate the reconciliation of figures in this report to the annual financial report filed with the Illinois State Board of Education.

The following chart reflects the trend in Lisle School District 202's revenues and expenditures in the OPERATING FUNDS over the past five fiscal years.

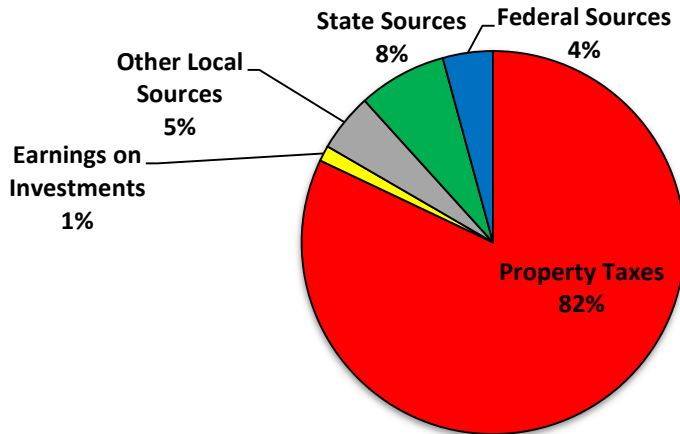


Note: A detailed breakdown of the revenues and expenditures is shown on the Historical Performance – Operating Funds statement at the back of this report

For the past five (5) years, revenues have exceeded expenditures in the OPERATING FUNDS annually by an average of approximately \$2.2 million. The net revenues is BEFORE transfers of \$750,000 annually to the Capital Projects fund for current and future capital improvements at the Districts facilities. The following discussion will look specifically at the trends in the District’s revenue and the costs associated with providing an education to approximately 1,450 students.

REVENUE

The following pie chart illustrates the composition of Lisle School District's revenue across ALL FUNDS for the fiscal year ended June 30, 2023. As evident in the chart below, Lisle School District relies almost exclusively on property taxes and State and Federal sources to fund the operations of the District.



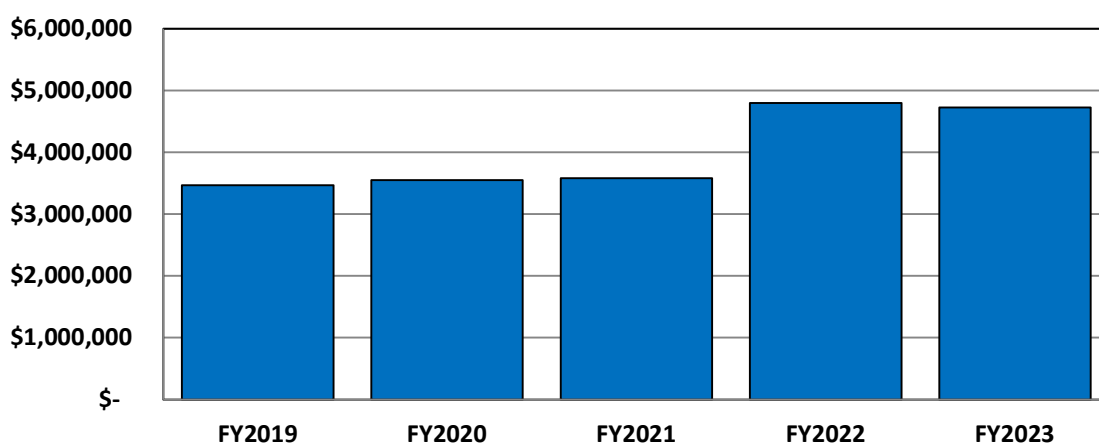
PROPERTY TAX REVENUE

Property taxes currently account for approximately 82% of the District's revenue. The following chart reflects the growth pattern of property tax revenue over the past five years. On average, the property tax levy has increased 3% annually since 2019. PTELL CPI has averaged 2.5% during this same time period, with the District abating more than \$2 million back to tax payers from the debt service levy. Property tax revenue on the cash basis decreased in FY2019 due to the tax objection settlement in the Operations & Maintenance Fund and the DuPage County Treasurer distributing 53% of the 2017 tax levy in June of 2018.



STATE AND FEDERAL SOURCE REVENUE

State and Federal sources currently account for approximately 12% of the District's total revenue. The following chart reflects the growth pattern of State and Federal sources over the past five years. Fiscal year 2019's State and Federal sources was adjusted to reflect **net collections** of approximately (\$50,000), remitted by the Illinois State Board of Education in the subsequent fiscal year (missed the June 30th cutoff) to better reflect trend data. Fiscal Year 2020 thru 2023 are reported on the accrual basis of accounting so revenue adjustments were not necessary. The significant increase in FY2022 is a result of the federal ESSER and ARP Funds received by the District in response to the COVID-19 pandemic. This federal funding source began to taper off in FY2023 and will be fully exhausted by FY2024. With the ESSER and ARP funds included, total State and Federal sources have been approximately \$4 million annually over the past five years.



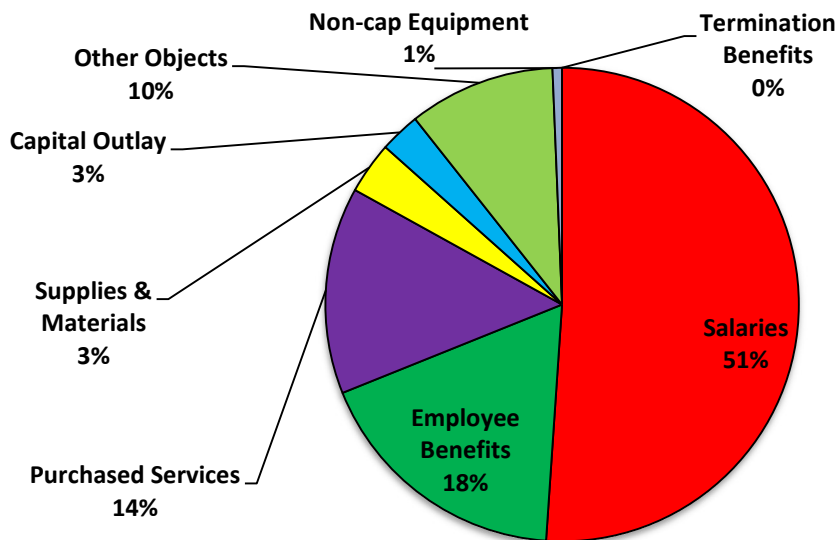
EXPENDITURES

Lisle School District 202's expenditures can be broken down into eight (8) different categories. These categories and their descriptions are as follows:

- 1. Salaries** - Amounts paid to permanent, temporary or substitute employees of the District.
- 2. Employee Benefits** - Fringe benefits paid on behalf of the employees but not directly to the employees. This includes medical, dental, life, and disability insurance, Social Security contributions, Teachers Retirement System (TRS) contributions, the Illinois Municipal Retirement Fund (IMRF) contributions, and tuition reimbursements.
- 3. Purchased Services** - Amounts paid for personal services rendered by personnel who are not on the payroll of the District. Examples include, but are not limited to, legal services, audit services, telephone services, postage, property insurance, the cost of private contractors used to transport regular and special education students, contracts related to the upkeep of building and grounds and equipment, and any type of contractual services related to the enhancement of the teaching or instructional process.
- 4. Supplies and Materials** - Amounts paid for material items that are consumed, worn out, or deteriorated in use. These primarily include textbooks, library books, and utilities.

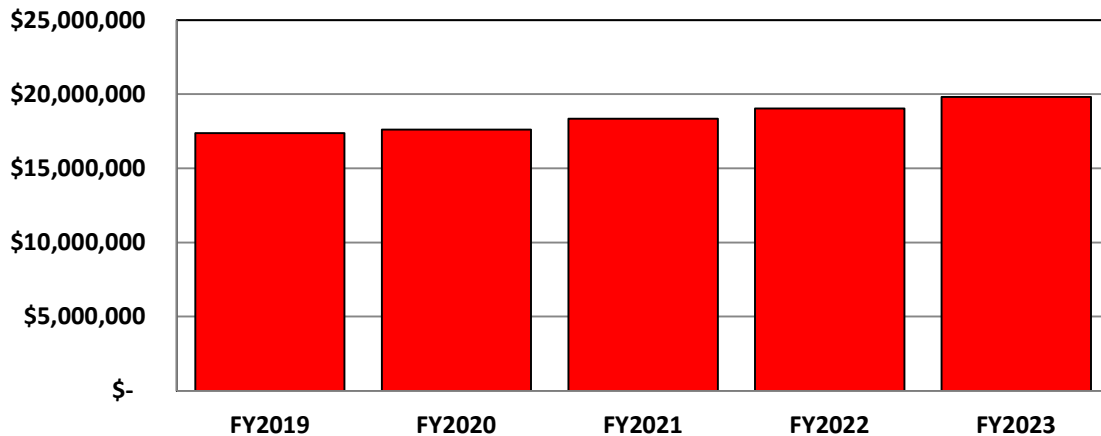
- 5. **Capital Outlay** - Expenditures for the acquisition of fixed assets or additions to fixed assets. These are expenditures for land or existing buildings, improvements of grounds, construction of buildings, additions to buildings, remodeling of buildings, initial equipment, additional equipment, and replacement of equipment.
- 6. **Other Objects** - Tuition paid to other educational facilities such as the Special Education Co-op for services rendered to students residing in the District. "Other" also includes the repayment of debt in the Debt Services Fund.
- 7. **Non-capitalized Equipment** – Items that would be classified as capital assets except that they cost less than the capitalization threshold but more than the \$500 minimum value established by School Code.
- 8. **Termination Benefits** – Payments made to terminated or retiring employees as compensation for unused sick or vacation days.

The following pie chart illustrates the composition of Lisle School District's expenditures across ALL FUNDS for the fiscal year ending June 30, 2023. Total expenditures for FY2023, including capital outlay costs of approximately \$1 million, were \$38,772,496. As evident in the below chart, salaries and employee benefits account for the majority of the cost of operating the school district.



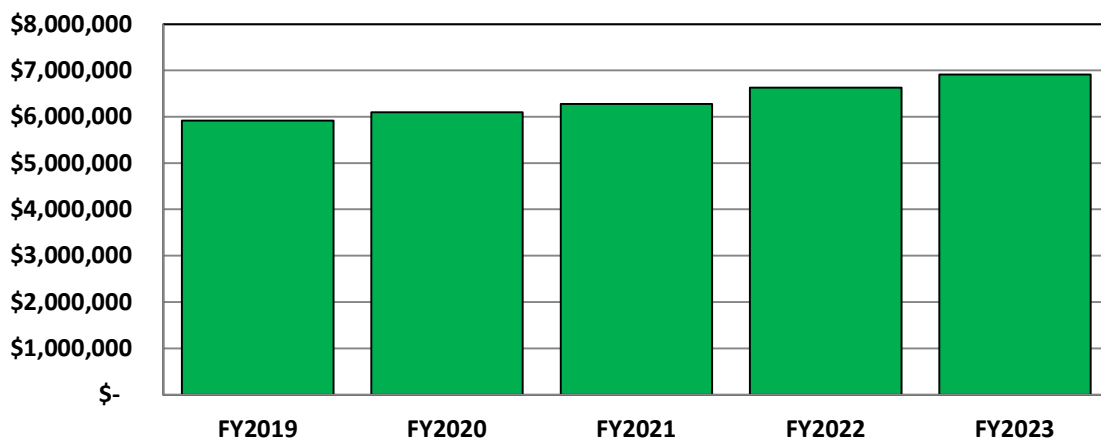
SALARY EXPENDITURES

The largest operating expenditure of the District is the cost of salaries. Approximately half of the District's operating expenditures are attributed to this expense item. Salary expenditures have increased at an average rate of approximately 3% from FY2019 through FY2023. These increases are from annual salary increases, the change in the number of employees, and cost savings through retirements. The following chart reflects the growth pattern of salary expenditures in the District.



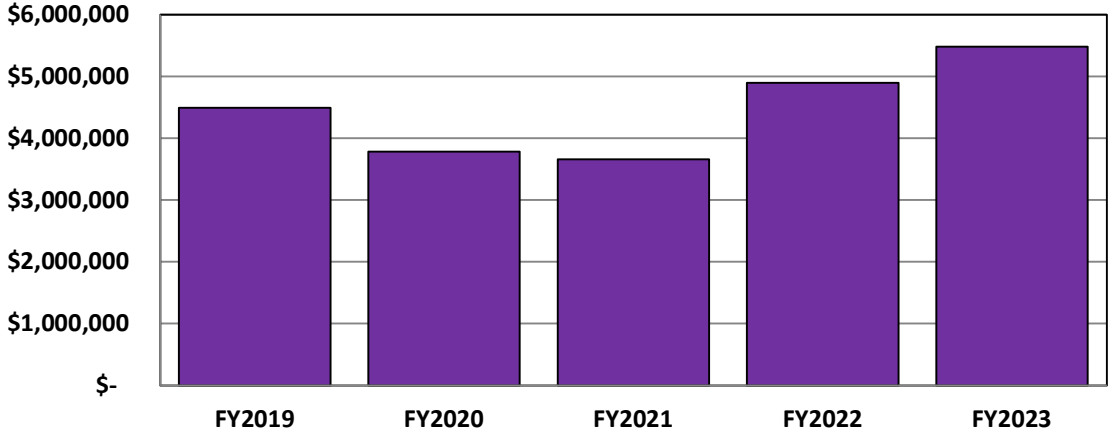
EMPLOYEE BENEFIT EXPENDITURES

The cost of employee benefits accounts for 18% of the total expenditures of the District. Benefit expenses have increased at an average rate of approximately 3% from FY2019 through FY2023. The District has been able to control the cost of health insurance by participating in a self-insurance cooperative (Educational Benefits Cooperative) with more than one hundred (100) other school districts. However, recent renewals have seen higher claims resulting in larger premium increases than in the past. The following chart reflects the growth pattern of benefits expenditures in the District.



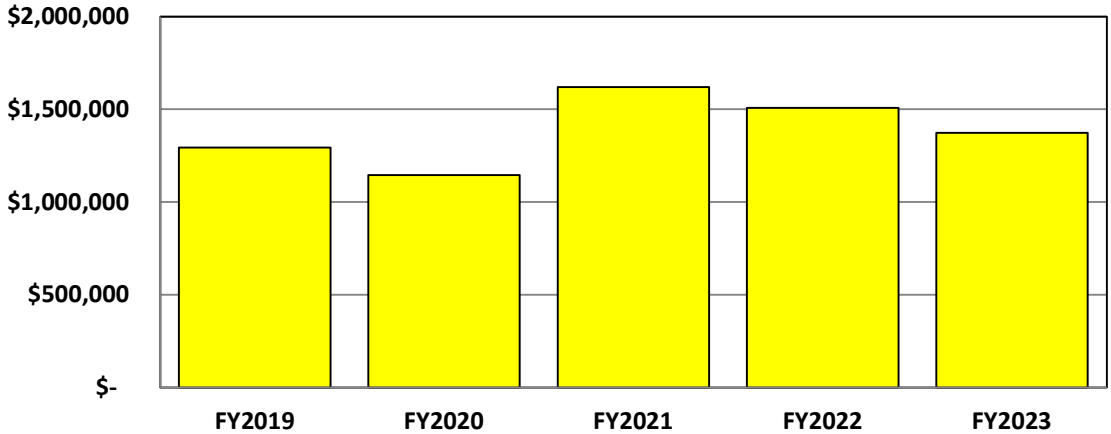
PURCHASED SERVICE EXPENDITURES

The cost of purchased services has increased approximately 4% annually since FY2019. There was a significant decrease in FY2020 and FY2021 as a result of lower transportation and food service costs during the COVID-19 shutdown and hybrid learning. Rising transportation costs resulted in a larger than normal increase in FY2023. Other purchased services include property/casualty, liability, and workers' compensation insurance which have been steadily increasing in a more difficult claims environment. The District has been able to mitigate some of the insurance increases by participating in two self-insurance pools with over sixty (60) other school districts. The following chart reflects the growth pattern of purchased service expenses in the District.



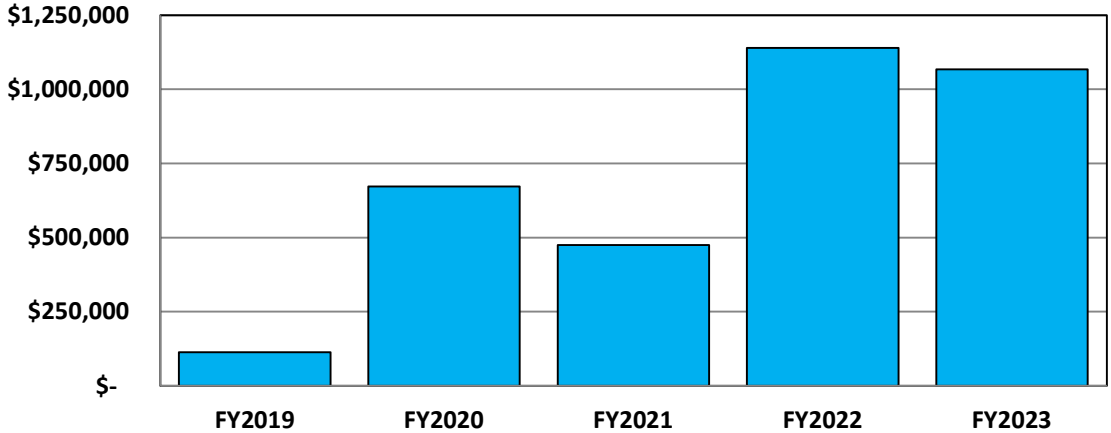
SUPPLIES & MATERIALS EXPENDITURES

The supplies and materials expenditures have increased in recent years as a result of inflation and the impact of the COVID shutdown. Fiscal Year 2021 saw a significant increase in costs for personal protective equipment and other pandemic related supplies required to implement social distancing and safety protocols at the schools. The following chart reflects the growth pattern of supplies and materials expenditures in the District.



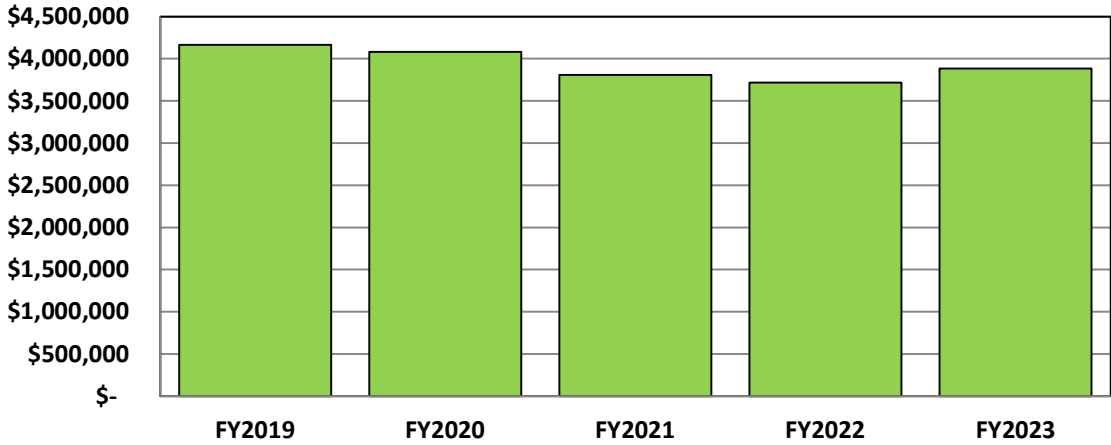
CAPITAL OUTLAY EXPENDITURES

Capital outlay expenditures fluctuate from one fiscal year to the next based on the timing of construction projects. Re-paving the parking lot at Lisle Senior High during the summer of 2019 contributed to the expenditures in FY2020. FY2021 reflects expenditures for new bleachers and HVAC units at Lisle Senior High. Roofing work at the High School and programming/design for the Junior High remodel account for the expenditures in FY2022 and FY2023. The following chart reflects the pattern of capital outlay expenditures in the District, excluding the costs to construct Lisle Elementary School in the Capital Projects Fund.



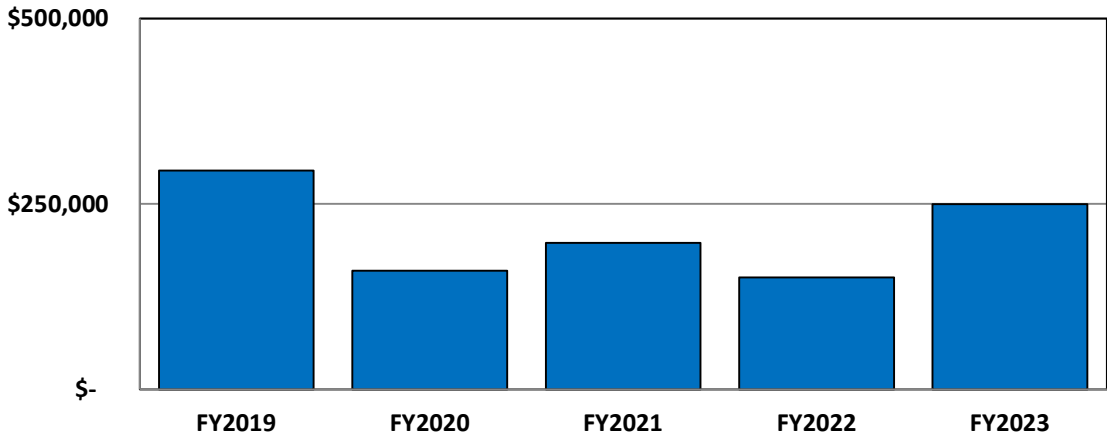
OTHER OBJECT EXPENDITURES

Tuition and other expenditures have been around \$4 million annually from FY2019 through FY2023. Other object expenditures also include bond and interest payments. The tuition expenditures are impacted by the number of students requiring special education services from outside facilities. The cost of tuition can significantly change from year-to-year based on the specific needs of the students enrolled. The following chart reflects the pattern of tuition and other expenditures in the District.



NON-CAPITALIZED EQUIPMENT EXPENDITURES

The School District typically spends on average approximately \$210,000 per year for non-capitalized equipment. The purchase of technology equipment, furniture, maintenance equipment, and other educational equipment with a unit cost of less than \$5,000, but greater than \$500, is a typical cost in this category. Also included are buildings and grounds improvements below the Districts \$25,000 capitalization threshold. The following chart reflects the pattern of non-capitalized equipment expenditures in the District.



CURRENT FUND CONDITION

The following summarizes the accrual basis fund balances, with early taxes deferred, as of June 30, 2023:

Educational Fund	\$13,858,344
Operations and Maintenance Fund	1,791,281
Debt Services Fund	203,177
Transportation Fund	925,468
Municipal Retirement & Social Security Fund	491,603
Capital Projects Fund	3,854,708
Working Cash Fund	819,186
Tort Fund	-
Fund Balance Available	\$21,943,770

PROJECTIONS

The following six-year financial projection was derived by incorporating trends in the District’s revenue and expenditures with assumptions made on several critical issues that will determine the District’s future financial condition. Please note that all projections are based on assumptions and should be considered as such when making all financial decisions.

ASSUMPTIONS USED IN MAKING THE PROJECTIONS

REVENUES

1. **Property Taxes:**

Consumer Price Index - The Property Tax Extension Limitation Law (PTELL) caps property tax increases for current property owners at the lesser of the Consumer Price Index (CPI) or 5%. The following is the actual and projected CPI used to determine property taxes for the next six years.

Tax Levy Year	CPI	CPI Used for PTELL	
2023	6.5%	5.0%	Actual
2024	3.4%	3.4%	Actual
2025	3.5%	3.5%	Projected
2026	3.4%	3.4%	Projected
2027	3.4%	3.4%	Projected
2028	3.4%	3.4%	Projected
2029	3.4%	3.4%	Projected

The projected CPI of 3.5% for tax levy year 2025 is based on year-to-date trends. The projected CPI of 3.4% for tax levy years 2025-2029 is based on the five-year average CPI increase. A 1% percent difference in this estimate would have an impact of approximately \$350,000 on the District’s annual property tax revenue. No bond abatements were assumed for future tax levy years.

New Property - The District receives approximately \$50,000 of additional property tax revenue for each \$1,000,000 of equalized assessed value (typically 1/3 of market value) of new property. New property has been approximately \$3,100,000 annually for the past five years. The following is the projected equalized assessed value of new property in the District and the associated property tax revenue.

Tax Levy Year	New EAV	New Taxes	
2023	\$886,050	\$43,234	Actual
2024	\$1,550,000	\$75,631	Projected
2025	\$1,550,000	\$75,631	Projected
2026	\$1,550,000	\$75,631	Projected
2027	\$1,550,000	\$75,631	Projected
2028	\$1,550,000	\$75,631	Projected
2029	\$1,550,000	\$75,631	Projected

The projected new EAV for 2024-2029 is based on 50% of the five-year average of new property.

2. **Earnings on Investment and Other Local Sources** - Earnings on investments are projected to remain at current market rates for the next two fiscal years and then move lower for the last four years of the projection period. The higher interest rates will enhance investment yields in the short term. The current waiver of the books and supplies fee has been carried through the projection period. Corporate Personal Property Tax Receipts (CPPRT) were kept at FY2024 budget levels to conservatively offset the surge in receipts over the last two fiscal years. Rental income from the Chesterton Lease is also maintained until the end of FY2026. The remaining local source revenues are expected to increase by projected CPI of 4% during the projection period.
3. **State Sources** - State Sources under the evidence based funding model are expected to remain mostly flat during the projection period. Pupil transportation reimbursements are expected to increase at a similar pace as costs within the transportation fund. Any reduction in funding for programs outside the funding formula would result in a decrease to the District's state funding sources.
4. **Federal Sources** - Federal source revenues are expected to decrease significantly during FY2024 and FY2025 as a result of ESSER funds tapering off. ESSER funds are anticipated to be approximately \$500,000 in FY2024 and \$0 in FY2025. All other federal source revenues are projected to remain constant during the projection period.

EXPENDITURES

- 1. **Salaries** - The negotiated agreements between the Board of Education and the Certified and Classified staff will expire August 2024 and June 2024. The Certified and Classified contracts include average salary increases of 5.3% and 5% respectively for FY2024. Additional staffing positions of approximately \$150,000 will be offset by anticipated savings of \$100,000 from the salary differential for retiring staff members. Savings from retirements will also decrease staffing costs by approximately \$184,000 in FY2026.

Certified salary increases are projected at the DuPage County Unit School District average of 5.2%, 4.6% and 4.5% for FY2025 thru FY2027. Increases for the remaining years of the projecting are 3.8%, or the 5-year historical average for Certified staff. Classified salary increases are projected at the CEAL agreement five year average of 5.4%. The financial projection will be impacted by approximately \$200,000 (compounded annually) for every 1% the future negotiated contracts increase/decrease from the projected amounts.

- 2. **Employee Benefits** - Employee benefits for FY2024 were forecasted using the current budgeted expenditures for the fiscal year. Benefit costs are expected to go up in FY2025 with a 9.1% increase in the health insurance premiums based on the District’s upcoming renewal in July 2024. Historical increases in health insurance rates have been approximately 4% over the last ten years by participating in the District’s insurance co-op.

Employee benefit costs are projected to increase approximately 6% annually for FY2026 through FY2029 based on the five-year average health insurance increases. Benefit costs for all years of the projection reflect adjustments for retired administrators and teachers that will start or stop receiving retiree health insurance benefits.

- 3. **Purchased Services** - Most purchased services are projected to increase 4% annually, which is consistent with the five-year historical trends of the Consumer Price Index. Transportation expenditures are estimated to increase by 6% annually based on the 5-year average for these costs.

- 4. **Supplies & Materials** - Supplies and materials are projected to increase 4% annually across all funds, which is consistent with five-year historical trends in the Consumer Price Index.

- 5. **Capital Outlay** - Capital outlay expenditures are projected to be around \$110,000 annually if you exclude the cost of construction and renovation projects. An additional equipment cost of approximately \$50,000 will occur in FY2025 to purchase new switches as part of the network infrastructure upgrades partially funded by e-Rate.

The additional costs that follow are based on the capital improvements outlined in the October 2023 Facility Needs Plan presentation, a summary of which is included in the back of this report. Also included below is \$20 million dollars in renovations for Lisle Junior High over three summers (Summers of 2024, 2025, and 2027)

Fiscal Year	Amount
2024	\$850,000
2025	\$6,000,000
2026	\$4,800,000
2027	\$500,000
2028	\$8,000,000
2029	\$1,315,000

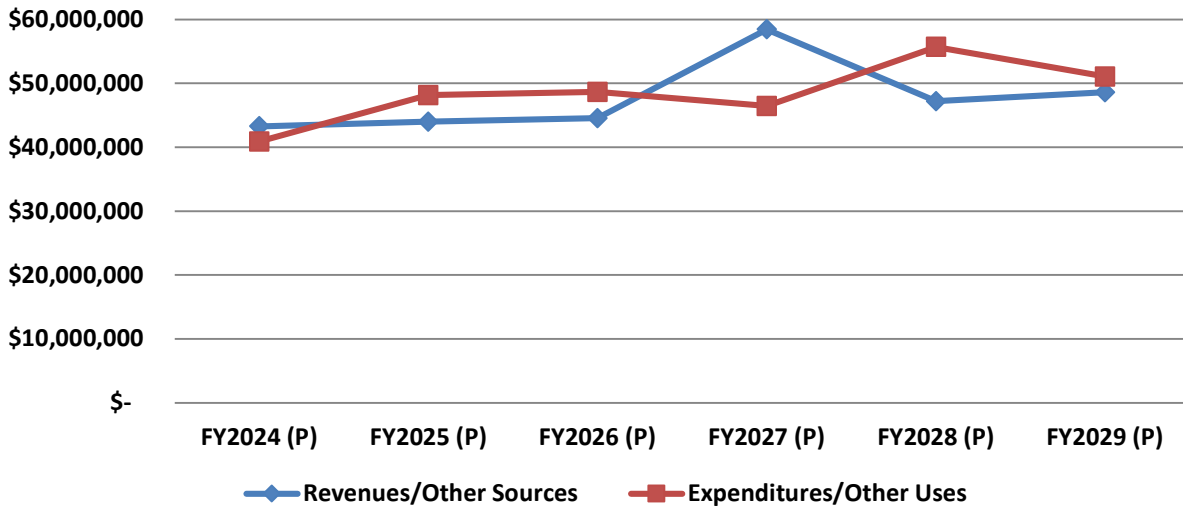
- 6. Other Objects** - Other object expenditures are based on the year-to-date figures for FY2024. Approximately 60% of the expenditures in other objects are tuition costs impacted by the number of students requiring special education services from outside facilities. The cost of tuition can significantly change from year-to-year based on the specific needs of the students enrolled. Tuition costs are projected to increase by estimated CPI of 4%.

The remaining expenditures in other objects relate to the repayment of outstanding debt service obligations. Debt service payments of approximately \$1.5 million are anticipated to remain constant over the course of the projection.

- 7. Non-Capitalized Equipment** - Non-capitalized equipment has historically been approximately \$210,000 annually. These annual expenditures are projected to remain flat over the projection period.
- 8. Termination Benefits** - Termination benefits are projected to remain flat at approximately \$7,000 per year based on the five-year historical average.

SIX YEAR PROJECTION - ALL FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years across all funds. Other sources includes deferred proceeds from the sale of Tate Woods and \$13 million from the issuance of bonds in FY2027. Expenditures in FY2024 thru FY2028 include capital outlay of \$20 million for renovations of Lisle Junior High School.



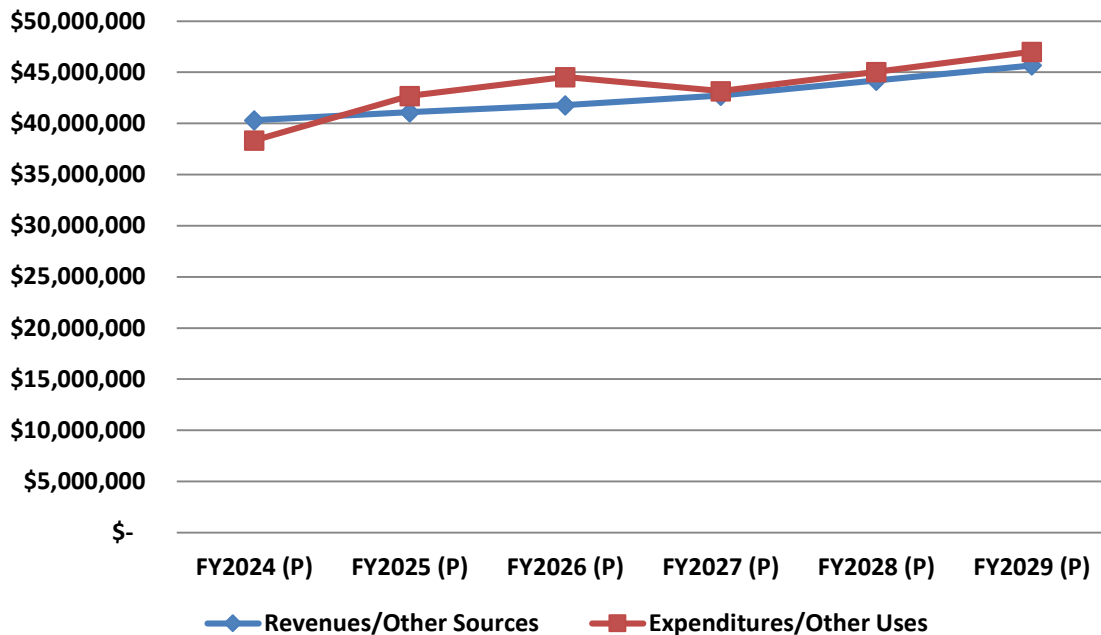
Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures – All Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The “Projected Revenues Over / (Under) Expenses” column indicates the difference between the revenues received by the District for a given fiscal year compared to the expenditures disbursed in the same fiscal year. The “Projected Other Sources / (Uses)” column reflects the sale of fixed assets such as the deferred sales proceeds for Tate Woods Elementary School and the issuance of bonds for Lisle Junior High renovations. The “Projected Change in Fund Balances” column indicates the total of these annual revenues/expenditures and other sources/uses. In other words, it is projected that Lisle School District 202’s expenditures and other uses over the next six years, across all funds, will be \$4,904,000 more than the projected revenues and other sources over this time period. The reduction is the result of spending down fund balance for renovations at Lisle Junior High School and capital improvements outlined in the Facility Needs Plan.

Fiscal Year Ending	Projected Revenues Over / (Under) Expenses	Projected Other Sources / (Uses)	Projected Change in Fund Balances
June 30, 2024	\$2,263,000	\$114,000	\$2,377,000
June 30, 2025	(4,296,000)	110,000	(4,186,000)
June 30, 2026	(4,259,000)	110,000	(4,149,000)
June 30, 2027	(1,115,000)	13,110,000	11,995,000
June 30, 2028	(8,596,000)	110,000	(8,486,000)
June 30, 2029	(2,565,000)	110,000	(2,455,000)
Total All Years	(\$18,568,000)	\$13,664,000	(\$4,904,000)

SIX YEAR PROJECTION - OPERATING FUNDS

The following chart illustrates the projected revenues, expenditures, and other sources/uses over the next six years for the operating funds only. The operating funds consist of the Educational Fund, Operations & Maintenance Fund, Transportation Fund, and Working Cash Fund. These funds are considered the core of the District’s operation. Excluded are the Debt Services Fund, Municipal Retirement/Social Security Fund, Capital Projects Fund and Tort Fund.



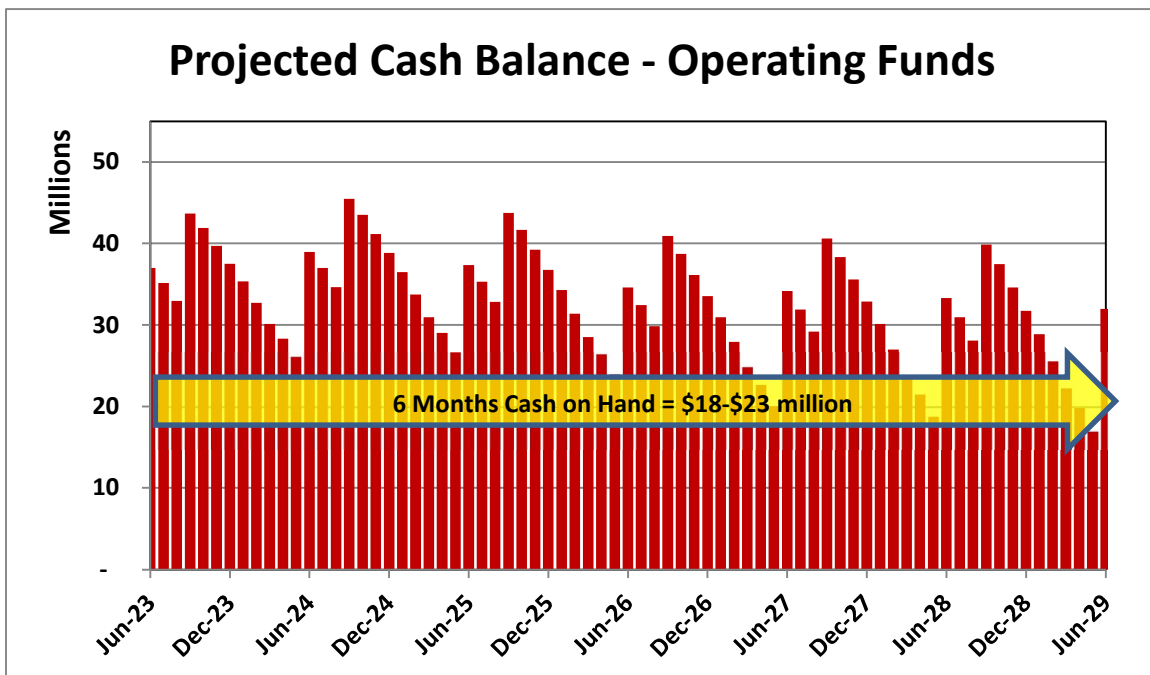
Note: A detailed breakdown of the revenues and expenditures is shown on the Projected Statements of Revenues & Expenditures - Operating Funds at the back of this report

The revenue and expenditure projections form the following projected annual surpluses/deficits for the District. The “Projected Revenues Over / (Under) Expenses” column indicates the difference between the revenues received by the District for a given fiscal year compared to the expenditures disbursed in the same fiscal year. The “Projected Other Sources / (Uses)” column reflects transfers to non-operating funds and consist primarily of transfers to the Capital Projects Fund for capital outlay expenditures. The “Projected Change in Fund Balances” column indicates the total of these annual revenues/expenditures and other sources/uses. In other words, it is projected that Lisle School District 202’s expenditures and other uses over the next six years, across the operating funds only, will be \$5,012,000 more than the projected revenues and other sources over this time period. Operating fund balances of \$7 million will be utilized for the Lisle Junior High renovations resulting in the fund balance decrease over the next few years.

Fiscal Year Ending	Projected Revenues Over / (Under) Expenses	Projected Other Sources / (Uses)	Projected Change in Fund Balances
June 30, 2024	\$2,707,000	(\$745,000)	\$1,962,000
June 30, 2025	1,415,000	(3,000,000)	(1,585,000)
June 30, 2026	442,000	(3,200,000)	(2,758,000)
June 30, 2027	(437,000)	-	(437,000)
June 30, 2028	(861,000)	-	(861,000)
June 30, 2029	(1,333,000)	-	(1,333,000)
Total All Years	\$1,933,000	(\$6,945,000)	(\$5,012,000)

PROJECTED CASH FLOW - OPERATING FUNDS

Because the majority of Lisle School District’s revenue is generated through property taxes, it is imperative to insure the District has adequate cash flow between the June and September property tax collection dates so payroll and other expenditures can be honored. The chart below summarizes the projected cash balances as of May (lowest cash point during the year) and as of June (the end of the fiscal year).



PROJECTED CASH FLOW - OPERATING FUNDS			
Fiscal Year	Projected Increase/(Decrease)	May Cash Balance (Lowest Point)	June Cash Balance (Year End)
June 30, 2024	\$1,962,000	\$26,107,000	\$38,939,000
June 30, 2025	(\$1,585,000)	\$26,648,000	\$37,354,000
June 30, 2026	(\$2,758,000)	\$23,964,000	\$34,596,000
June 30, 2027	(\$437,000)	\$20,099,000	\$34,159,000
June 30, 2028	(\$861,000)	\$18,800,000	\$33,298,000
June 30, 2029	(\$1,333,000)	\$17,020,000	\$31,965,000

Current cash balances are adequate to cover payroll and regular expenditures through the projection period. The District will have a strong cash position with the May 2029 cash balance (low point) in the operating funds being approximately 36% of the operating expenditures for the year. This aligns with the Districts fund balance policy of maintaining a 25%-50% reserve exclusive of early tax receipts.

SUMMARY

When the community approved the referendum in 2004, the School Board made a commitment that they would not ask for another tax increase through referendum for at least ten years. The combination of strong tax revenues and cost control measures over the past nineteen years has enabled the District to build a solid fund balance reserve and maintain its promise to the community. Having these reserve levels has provided the District financial stability during high and low environments for the Consumer Price Index, periods when the State of Illinois was many months delinquent in their remittance of funds to the District, and the added operational costs of a pandemic.

Looking ahead, maintaining adequate reserves improves the District’s ability to handle future economic downturns, unfunded mandates, and regulatory changes. As the District reviews the facility plan for the future, the fund balances will be utilized for improvements at Lisle Junior High and other capital needs at various school buildings. The COVID-19 pandemic has produced a significant investment of federal dollars that has been used to address learning gaps and offset any additional costs in the short-term. As these dollars are used up in the next fiscal year, the Board and Administration will need to carefully monitor ongoing expenses to ensure that the School District is able to maintain a balanced budget without the availability of these one-time funds. While the COVID-19 federal assistance packages have also improved the fiscal condition of the State of Illinois in the short term, pension debt and structural budget deficits may continue to impact funding for education in the long-term.

This financial projection is one of many steps in the District’s goal of managing a plan for financial integrity. The intent of this report is to assist the Board of Education in developing a multi-year plan for securing the District’s financial future.

Lisle Community Unit School District 202
Projected Statements of Revenues & Expenditures - Accrual Basis
ALL FUNDS

	Estimated FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balances	\$ 21,944,000	\$ 24,321,000	\$ 20,135,000	\$ 15,986,000	\$ 27,981,000	\$ 19,495,000
Revenues:						
Property Taxes	\$ 34,691,000	\$ 36,142,000	\$ 37,311,000	\$ 38,639,000	\$ 39,982,000	\$ 41,376,000
Earnings on Investments	1,838,000	1,757,000	1,038,000	650,000	913,000	746,000
Other Local Sources	1,620,000	1,566,000	1,622,000	1,540,000	1,601,000	1,663,000
State Sources	3,167,000	3,065,000	3,099,000	3,180,000	3,266,000	3,357,000
Federal Sources	1,848,000	1,344,000	1,344,000	1,344,000	1,344,000	1,344,000
Total	<u>\$ 43,164,000</u>	<u>\$ 43,874,000</u>	<u>\$ 44,414,000</u>	<u>\$ 45,353,000</u>	<u>\$ 47,106,000</u>	<u>\$ 48,486,000</u>
Expenditures:						
Salaries	\$ 20,433,000	\$ 21,597,000	\$ 22,422,000	\$ 23,370,000	\$ 24,288,000	\$ 25,243,000
Employee Benefits	7,458,000	8,095,000	8,526,000	8,955,000	9,432,000	9,940,000
Purchased Services	6,261,000	6,524,000	6,849,000	7,391,000	7,550,000	7,929,000
Supplies & Materials	1,463,000	1,523,000	1,586,000	1,652,000	1,720,000	1,790,000
Capital Outlay	1,092,000	6,159,000	4,909,000	609,000	8,109,000	1,424,000
Other Objects	3,959,000	4,055,000	4,164,000	4,274,000	4,386,000	4,508,000
Non-Cap Equipment	223,000	210,000	210,000	210,000	210,000	210,000
Termination Benefits	12,000	7,000	7,000	7,000	7,000	7,000
Total	<u>\$ 40,901,000</u>	<u>\$ 48,170,000</u>	<u>\$ 48,673,000</u>	<u>\$ 46,468,000</u>	<u>\$ 55,702,000</u>	<u>\$ 51,051,000</u>
Revenues Over/(Under) Expenditures	<u>\$ 2,263,000</u>	<u>\$ (4,296,000)</u>	<u>\$ (4,259,000)</u>	<u>\$ (1,115,000)</u>	<u>\$ (8,596,000)</u>	<u>\$ (2,565,000)</u>
Other Sources/(Uses)	\$ 114,000 [1]	\$ 110,000 [1]	\$ 110,000 [1]	\$ 13,110,000 [2]	\$ 110,000 [1]	\$ 110,000 [1]
Net Change in Fund Balances	<u>\$ 2,377,000</u>	<u>\$ (4,186,000)</u>	<u>\$ (4,149,000)</u>	<u>\$ 11,995,000</u>	<u>\$ (8,486,000)</u>	<u>\$ (2,455,000)</u>
Ending Fund Balances	<u>\$ 24,321,000</u>	<u>\$ 20,135,000</u>	<u>\$ 15,986,000</u>	<u>\$ 27,981,000</u>	<u>\$ 19,495,000</u>	<u>\$ 17,040,000</u>

[1] Proceeds the Sale of Tate Woods Elementary School

[2] Proceeds from the Sale of Tate Woods Elementary School and issuance of bonds for Lisle Junior High renovations

Lisle Community Unit School District 202
Projected Statements of Revenues & Expenditures - Accrual Basis
OPERATING FUNDS

	Estimated					
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balances	\$ 17,394,000	\$ 19,356,000	\$ 17,771,000	\$ 15,013,000	\$ 14,576,000	\$ 13,715,000
Revenues:						
Property Taxes	\$ 32,248,000	\$ 33,674,000	\$ 34,807,000	\$ 36,098,000	\$ 37,406,000	\$ 38,758,000
Earnings on Investments	1,515,000	1,484,000	937,000	608,000	610,000	603,000
Other Local Sources	1,594,000	1,539,000	1,594,000	1,510,000	1,569,000	1,630,000
State Sources	3,117,000	3,065,000	3,099,000	3,180,000	3,266,000	3,357,000
Federal Sources	1,848,000	1,344,000	1,344,000	1,344,000	1,344,000	1,344,000
Total	<u>\$ 40,322,000</u>	<u>\$ 41,106,000</u>	<u>\$ 41,781,000</u>	<u>\$ 42,740,000</u>	<u>\$ 44,195,000</u>	<u>\$ 45,692,000</u>
Expenditures:						
Salaries	\$ 20,433,000	\$ 21,597,000	\$ 22,422,000	\$ 23,370,000	\$ 24,288,000	\$ 25,243,000
Employee Benefits	6,530,000	7,117,000	7,496,000	7,870,000	8,288,000	8,735,000
Purchased Services	6,254,000	6,519,000	6,844,000	7,185,000	7,545,000	7,923,000
Supplies & Materials	1,463,000	1,523,000	1,586,000	1,652,000	1,720,000	1,790,000
Capital Outlay	242,000	159,000	109,000	109,000	109,000	109,000
Other Objects	2,458,000	2,559,000	2,665,000	2,774,000	2,889,000	3,008,000
Non-Cap Equipment	223,000	210,000	210,000	210,000	210,000	210,000
Termination Benefits	12,000	7,000	7,000	7,000	7,000	7,000
Total	<u>\$ 37,615,000</u>	<u>\$ 39,691,000</u>	<u>\$ 41,339,000</u>	<u>\$ 43,177,000</u>	<u>\$ 45,056,000</u>	<u>\$ 47,025,000</u>
Revenues Over/(Under) Expenditures	<u>\$ 2,707,000</u>	<u>\$ 1,415,000</u>	<u>\$ 442,000</u>	<u>\$ (437,000)</u>	<u>\$ (861,000)</u>	<u>\$ (1,333,000)</u>
Other Sources/(Uses)	<u>\$ (745,000)</u> [1]	<u>\$ (3,000,000)</u> [1]	<u>\$ (3,200,000)</u> [1]	<u>\$ -</u>	<u>\$ -</u>	<u>\$ -</u>
Net Change in Fund Balances	<u>\$ 1,962,000</u>	<u>\$ (1,585,000)</u>	<u>\$ (2,758,000)</u>	<u>\$ (437,000)</u>	<u>\$ (861,000)</u>	<u>\$ (1,333,000)</u>
Ending Fund Balances	<u>\$ 19,356,000</u>	<u>\$ 17,771,000</u>	<u>\$ 15,013,000</u>	<u>\$ 14,576,000</u>	<u>\$ 13,715,000</u>	<u>\$ 12,382,000</u>

[1] Transfers from the Education Fund to the Capital Projects Fund for the Lisle Junior High Renovations and capital improvement plan.

Note: The Illinois State Board of Education defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds (Excludes Debt Services, IMRF, Capital Projects, and Tort Funds).

Lisle Community Unit School District 202
Projected Statements of Revenues & Expenditures - Accrual Basis
CAPITAL PROJECTS FUND

	Estimated FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Beginning Fund Balances	\$ 3,855,000	\$ 4,164,000	\$ 1,466,000	\$ 20,000	\$ 12,630,000	\$ 5,005,000
Revenues:						
Property Taxes	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Earnings on Investments	250,000	192,000	44,000	-	265,000	105,000
Other Local Sources	-	-	-	-	-	-
State Sources	50,000	-	-	-	-	-
Federal Sources	-	-	-	-	-	-
Total	<u>\$ 300,000</u>	<u>\$ 192,000</u>	<u>\$ 44,000</u>	<u>\$ -</u>	<u>\$ 265,000</u>	<u>\$ 105,000</u>
Expenditures:						
Salaries	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -
Employee Benefits	-	-	-	-	-	-
Purchased Services	-	-	-	-	-	-
Supplies & Materials	-	-	-	-	-	-
Capital Outlay	850,000	6,000,000	4,800,000	500,000	8,000,000	1,315,000
Other Objects	-	-	-	-	-	-
Non-Cap Equipment	-	-	-	-	-	-
Termination Benefits	-	-	-	-	-	-
Total	<u>\$ 850,000</u>	<u>\$ 6,000,000</u>	<u>\$ 4,800,000</u>	<u>\$ 500,000</u>	<u>\$ 8,000,000</u>	<u>\$ 1,315,000</u>
Revenues Over/(Under) Expenditures	<u>\$ (550,000)</u>	<u>\$ (5,808,000)</u>	<u>\$ (4,756,000)</u>	<u>\$ (500,000)</u>	<u>\$ (7,735,000)</u>	<u>\$ (1,210,000)</u>
Other Sources/(Uses)	\$ 859,000 [1]	\$ 3,110,000 [2]	\$ 3,310,000 [3]	\$ 13,110,000 [4]	\$ 110,000 [5]	\$ 110,000 [5]
Net Change in Fund Balances	<u>\$ 309,000</u>	<u>\$ (2,698,000)</u>	<u>\$ (1,446,000)</u>	<u>\$ 12,610,000</u>	<u>\$ (7,625,000)</u>	<u>\$ (1,100,000)</u>
Ending Fund Balances	<u>\$ 4,164,000</u>	<u>\$ 1,466,000</u>	<u>\$ 20,000</u>	<u>\$ 12,630,000</u>	<u>\$ 5,005,000</u>	<u>\$ 3,905,000</u>

- [1] Proceeds of \$110K from the sale of Tate Woods and transfer of \$750,000 from the Education Fund to the Capital Projects Fund for the capital improvement plan
[2] Proceeds of \$110K from the sale of Tate Woods and transfer of \$3 million from the Education Fund to the Capital Projects Fund for the capital improvement plan
[3] Proceeds of \$110K from the sale of Tate Woods and transfer of \$3.3 million from the Education Fund to the Capital Projects Fund for the capital improvement plan
[4] Proceeds of \$110K from the sale of Tate Woods and \$13 million bond issuance for Junior High renovation
[5] Proceeds of \$110K from the sale of Tate Woods

**LISLE COMMUNITY UNIT SCHOOL DISTRICT 202
ESTIMATED FINANCIAL PROFILE SUMMARY**

	FY2024				FY2025				FY2026			
	Total	Ratio	Score		Total	Ratio	Score		Total	Ratio	Score	
1. Fund Balance to Revenue Ratio:				4				4				4
Total Sum of Fund Balance (Funds 10, 20, 40, 70 + (50 & 80 if negative))	19,355,935.33	0.480	Weight	0.35	17,772,350.34	0.432	Weight	0.35	15,015,223.15	0.359	Weight	0.35
Total Sum of Direct Revenues (Funds 10, 20, 40, & 70)	40,322,164.00		Value	1.40	41,107,104.87		Value	1.40	41,781,902.20		Value	1.40
Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20)	0.00				0.00				0.00			
2. Expenditures to Revenue Ratio:				4				4				4
Total Sum of Direct Expenditures (Funds 10, 20 & 40)	37,615,507.67	0.933	Adjustment	0	39,690,689.87	0.966	Adjustment	0	41,339,029.39	0.989	Adjustment	0
Total Sum of Direct Revenues (Funds 10, 20, 40, & 70)	40,322,164.00		Weight	0.35	41,107,104.87		Weight	0.35	41,781,902.20		Weight	0.35
Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20)	0.00				0.00				0.00			
Possible Adjustment:		0	Value	1.40		0	Value	1.40		0	Value	1.40
3. Days Cash on Hand:				4				3				3
Total Sum of Cash & Investments (Funds 10, 20 40 & 70)*	19,355,935.33	185.24	Weight	0.10	17,772,350.34	161.19	Weight	0.10	15,015,223.15	130.75	Weight	0.10
Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360)	104,487.52		Value	0.40	110,251.92		Value	0.30	114,830.64		Value	0.30
4. Percent of Short-Term Borrowing Maximum Remaining:				4				4				4
Tax Anticipation Warrants Borrowed (Funds 10, 20 & 40)	0.00	100.00	Weight	0.10	0.00	100.00	Weight	0.10	0.00	100.00	Weight	0.10
EAV x 85% x Combined Tax Rates (Fund 10, 20, & 40)	27,404,637.50		Value	0.40	28,618,965.70		Value	0.40	29,581,865.86		Value	0.40
5. Percent of Long-Term Debt Margin Remaining:				4				4				4
Long-Term Debt Outstanding (Principal only)	11,540,000.00	88.31	Weight	0.10	10,560,000.00	89.56	Weight	0.10	9,535,000.00	90.81	Weight	0.10
Total Long-Term Debt Allowed (EAV x 13.8%)	98,734,428.61		Value	0.40	101,223,308.82		Value	0.40	103,774,928.28		Value	0.40
Total Profile Score:				4.00				3.90				3.90

Estimated Financial Profile Designation:

RECOGNITION

RECOGNITION

RECOGNITION

* Projection score does not factor in nominal balances for current liabilities

**LISLE COMMUNITY UNIT SCHOOL DISTRICT 202
ESTIMATED FINANCIAL PROFILE SUMMARY**

	FY2027				FY2028				FY2029			
	Total	Ratio	Score		Total	Ratio	Score		Total	Ratio	Score	
1. Fund Balance to Revenue Ratio:				4				4				4
Total Sum of Fund Balance (Funds 10, 20, 40, 70 + (50 & 80 if negative))	14,579,354.20	0.341	Weight	0.35	13,718,980.20	0.310	Weight	0.35	12,386,683.51	0.271	Weight	0.35
Total Sum of Direct Revenues (Funds 10, 20, 40, & 70)	42,741,331.76		Value	1.40	44,194,939.14		Value	1.40	45,692,221.02		Value	1.40
Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20)	0.00				0.00				0.00			
2. Expenditures to Revenue Ratio:				3				3				3
Total Sum of Direct Expenditures (Funds 10, 20 & 40)	43,177,200.71	1.010	Adjustment	0	45,055,313.15	1.019	Adjustment	0	47,024,517.71	1.029	Adjustment	0
Total Sum of Direct Revenues (Funds 10, 20, 40, & 70)	42,741,331.76		Weight	0.35	44,194,939.14		Weight	0.35	45,692,221.02		Weight	0.35
Less: Operating Debt Pledged to Other Funds (Minus Funds 10 & 20)	0.00				0.00				0.00			
Possible Adjustment:			Value	1.05			Value	1.05			Value	1.05
3. Days Cash on Hand:				3				3				3
Total Sum of Cash & Investments (Funds 10, 20 40 & 70)*	14,579,354.20	121.55	Weight	0.10	13,718,980.20	109.61	Weight	0.10	12,386,683.51	94.82	Weight	0.10
Total Sum of Direct Expenditures (Funds 10, 20, 40 divided by 360)	119,936.67		Value	0.30	125,153.65		Value	0.30	130,623.66		Value	0.30
4. Percent of Short-Term Borrowing Maximum Remaining:				4				4				4
Tax Anticipation Warrants Borrowed (Funds 10, 20 & 40)	0.00	100.00	Weight	0.10	0.00	100.00	Weight	0.10	0.00	100.00	Weight	0.10
EAV x 85% x Combined Tax Rates (Fund 10, 20, & 40)	30,679,080.47		Value	0.40	31,790,155.34		Value	0.40	32,939,228.38		Value	0.40
5. Percent of Long-Term Debt Margin Remaining:				4				4				4
Long-Term Debt Outstanding (Principal only)	8,455,000.00	92.05	Weight	0.10	7,325,000.00	93.28	Weight	0.10	6,135,000.00	94.51	Weight	0.10
Total Long-Term Debt Allowed (EAV x 13.8%)	106,390,868.51		Value	0.40	109,072,750.92		Value	0.40	111,822,237.74		Value	0.40
Total Profile Score:				3.55				3.55				3.55

Estimated Financial Profile Designation:

RECOGNITION

RECOGNITION

RECOGNITION

* Projection score does not factor in nominal balances for current liabilities

Lisle Community Unit School District 202

Historical Performance

ALL FUNDS

	<u>FY2019</u>	<u>FY2020[^]</u>	<u>FY2021[^]</u>	<u>FY2022[^]</u>	<u>FY2023[^]</u>
Revenues:					
Property Taxes	\$ 28,211,184	\$ 29,938,693	\$ 31,291,850	\$ 31,539,241	\$ 33,070,173
Earnings on Investments	986,610	827,575	97,165	56,867	531,218
Other Local Sources	1,168,475	1,072,987	832,231	1,496,703	1,981,774
State Sources	2,445,137 [1]	2,545,319	2,172,662	2,558,019	3,009,638
Federal Sources	1,021,658 [2]	1,003,192	1,410,206	2,241,675	1,712,833
Total	<u>\$ 33,833,064</u>	<u>\$ 35,387,766</u>	<u>\$ 35,804,114</u>	<u>\$ 37,892,505</u>	<u>\$ 40,305,636</u>
Expenditures:					
Salaries	\$ 17,361,820	\$ 17,598,333	\$ 18,336,045	\$ 19,025,493	\$ 19,805,728
Employee Benefits	5,916,934	6,092,469	6,272,910	6,626,954	6,911,931
Purchased Services	4,490,382	3,783,577	3,658,954	4,893,418	5,481,552
Supplies & Materials	1,293,349	1,144,686	1,619,300	1,507,805	1,373,449
Capital Outlay	25,297,030	6,157,474	475,082	1,139,127	1,066,610
Other Objects	4,164,364	4,081,237	3,808,839	3,717,533	3,882,074
Non-Cap Equipment	294,807	159,876	197,392	150,948	249,532
Termination Benefits	12,023	16,496	-	8,962	1,620
Total	<u>\$ 58,830,709</u>	<u>\$ 39,034,148</u>	<u>\$ 34,368,522</u>	<u>\$ 37,070,240</u>	<u>\$ 38,772,496</u>
Revenues Over/(Under) Expenditures	<u>\$ (24,997,645)</u>	<u>\$ (3,646,382)</u>	<u>\$ 1,435,592</u>	<u>\$ 822,265</u>	<u>\$ 1,533,140</u>
Other Sources/(Uses)	\$ 14,198,000 [3]	\$ -	\$ 8,925	\$ 11,630	\$ 551,100
Net Change in Fund Balances	<u>\$ (10,799,645)</u>	<u>\$ (3,646,382)</u>	<u>\$ 1,444,517</u>	<u>\$ 833,895</u>	<u>\$ 2,084,240</u>

[^] Accrual basis of accounting

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of (\$10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of (\$39,649) remitted in the subsequent fiscal year.

[3] Issuance of Series 2019 Bonds

Lisle Community Unit School District 202

Historical Performance

OPERATING FUNDS

	FY2019	FY2020 [^]	FY2021 [^]	FY2022 [^]	FY2023 [^]
Revenues:					
Property Taxes	\$ 26,192,526	\$ 28,037,101	\$ 29,151,806	\$ 30,131,250	\$ 30,654,782
Earnings on Investments	757,451	707,191	84,760	47,644	466,567
Other Local Sources	1,143,177	1,047,831	802,810	1,468,261	1,955,821
State Sources	2,445,137 [1]	2,545,319	2,172,662	2,508,019	2,962,138
Federal Sources	1,021,658 [2]	1,003,192	1,410,206	2,241,675	1,712,833
Total	\$ 31,559,949	\$ 33,340,634	\$ 33,622,244	\$ 36,396,849	\$ 37,752,141
Expenditures:					
Salaries	\$ 17,361,820	\$ 17,598,333	\$ 18,336,045	\$ 19,025,493	\$ 19,805,728
Employee Benefits	5,082,781	5,231,417	5,363,630	5,700,474	6,021,953
Purchased Services	4,204,949	3,711,077	3,651,325	4,863,871	5,466,448
Supplies & Materials	1,293,349	1,144,686	1,619,300	1,507,805	1,373,449
Capital Outlay	68,062	149,763	252,693	118,600	68,785
Other Objects	2,483,159	2,021,635	2,311,139	2,216,833	2,385,373
Non-Cap Equipment	294,807	159,876	197,392	150,948	249,532
Termination Benefits	12,023	16,496	-	8,962	1,620
Total	\$ 30,800,950	\$ 30,033,283	\$ 31,731,524	\$ 33,592,986	\$ 35,372,888
Revenues Over/(Under) Expenditures	\$ 758,999	\$ 3,307,351	\$ 1,890,720	\$ 2,803,863	\$ 2,379,253
Other Sources/(Uses)	\$ (7,794,000) [3]	\$ (2,819,000) [3]	\$ (1,741,000) [4]	\$ (1,238,000) [5]	\$ (750,000) [5]
Net Change in Fund Balances	\$ (7,035,001)	\$ 488,351	\$ 149,720	\$ 1,565,863	\$ 1,629,253

[^] Accrual basis of accounting

[1] State Sources adjusted to a modified cash basis to better reflect **net collections** of (\$10,814) remitted by the Illinois State Board of Education in the subsequent fiscal year.

[2] Federal Sources adjusted to a modified cash basis to better reflect **net collections** of (\$39,649) remitted in the subsequent fiscal

[3] Transfers to the Capital Projects Fund for the construction of Lisle Elementary School

[4] Includes transfers of \$1 million for debt service abatement and \$750,000 for future capital improvements

[5] Transfers to the Capital Projects Fund for future capital improvements

Note: ISBE defines "operating funds" as the Educational, Operations and Maintenance, Transportation and Working Cash Funds

Operating Fund Balance Review

FY2024				
	Fund Balance (Early Taxes Deferred) 6/30/2024	Adjustments	Adjusted Fund Balance 6/30/2024	Total Expenditures FY2024
Educational Fund	\$ 15,573,206	\$ -	\$ 15,573,206	\$ 31,857,144
Operations & Maintenance Fund	\$ 2,018,768	\$ -	\$ 2,018,768	\$ 2,763,813
Transportation Fund	\$ 937,776	\$ -	\$ 937,776	\$ 2,994,550
Working Cash Fund	\$ 826,186	\$ -	\$ 826,186	\$ -
Totals	\$ 19,355,935	\$ -	\$ 19,355,935	\$ 37,615,508
Fund Balance % or Days of Annual Operating Expenditures			51%	185

FY2025				
	Fund Balance (Early Taxes Deferred) 6/30/2025	Adjustments	Adjusted Fund Balance 6/30/2025	Total Expenditures FY2025
Educational Fund	\$ 13,676,115	\$ -	\$ 13,676,115	\$ 33,591,459
Operations & Maintenance Fund	\$ 1,961,142	\$ -	\$ 1,961,142	\$ 3,025,436
Transportation Fund	\$ 1,303,937	\$ -	\$ 1,303,937	\$ 3,073,795
Working Cash Fund	\$ 831,156	\$ -	\$ 831,156	\$ -
Totals	\$ 17,772,350	\$ -	\$ 17,772,350	\$ 39,690,690
Fund Balance % or Days of Annual Operating Expenditures			45%	161

FY2026				
	Fund Balance (Early Taxes Deferred) 6/30/2026	Adjustments	Adjusted Fund Balance 6/30/2026	Total Expenditures FY2026
Educational Fund	\$ 10,795,872	\$ -	\$ 10,795,872	\$ 34,915,882
Operations & Maintenance Fund	\$ 1,802,101	\$ -	\$ 1,802,101	\$ 3,165,427
Transportation Fund	\$ 1,580,957	\$ -	\$ 1,580,957	\$ 3,257,721
Working Cash Fund	\$ 836,293	\$ -	\$ 836,293	\$ -
Totals	\$ 15,015,223	\$ -	\$ 15,015,223	\$ 41,339,029
Fund Balance % or Days of Annual Operating Expenditures			36%	130

FY2027				
	Fund Balance (Early Taxes Deferred) 6/30/2027	Adjustments	Adjusted Fund Balance 6/30/2027	Total Expenditures FY2027
Educational Fund	\$ 10,501,289	\$ -	\$ 10,501,289	\$ 36,412,159
Operations & Maintenance Fund	\$ 1,428,831	\$ -	\$ 1,428,831	\$ 3,312,386
Transportation Fund	\$ 1,807,613	\$ -	\$ 1,807,613	\$ 3,452,656
Working Cash Fund	\$ 841,621	\$ -	\$ 841,621	\$ -
Totals	\$ 14,579,354	\$ -	\$ 14,579,354	\$ 43,177,201
Fund Balance % or Days of Annual Operating Expenditures			34%	121

FY2028				
	Fund Balance (Early Taxes Deferred) 6/30/2028	Adjustments	Adjusted Fund Balance 6/30/2028	Total Expenditures FY2028
Educational Fund	\$ 9,877,738	\$ -	\$ 9,877,738	\$ 37,929,385
Operations & Maintenance Fund	\$ 998,167	\$ -	\$ 998,167	\$ 3,466,668
Transportation Fund	\$ 1,995,933	\$ -	\$ 1,995,933	\$ 3,659,261
Working Cash Fund	\$ 847,142	\$ -	\$ 847,142	\$ -
Totals	\$ 13,718,980	\$ -	\$ 13,718,980	\$ 45,055,313
Fund Balance % or Days of Annual Operating Expenditures			30%	109

FY2029				
	Fund Balance (Early Taxes Deferred) 6/30/2029	Adjustments	Adjusted Fund Balance 6/30/2029	Total Expenditures FY2029
Educational Fund	\$ 8,888,509	\$ -	\$ 8,888,509	\$ 39,517,640
Operations & Maintenance Fund	\$ 504,773	\$ -	\$ 504,773	\$ 3,628,645
Transportation Fund	\$ 2,140,539	\$ -	\$ 2,140,539	\$ 3,878,233
Working Cash Fund	\$ 852,862	\$ -	\$ 852,862	\$ -
Totals	\$ 12,386,684	\$ -	\$ 12,386,684	\$ 47,024,518
Fund Balance % or Days of Annual Operating Expenditures			26%	94

FACILITIES PLAN SUMMARY

DISTRICT 202

10-Year Plan Summary By Building

Description	FY2024	FY2025	FY2026	FY2027	FY2028	FY29-33	Total
Lisle Sr High	\$50,000	-	-	-	-	\$2,533,000	\$2,583,000
Lisle Jr High	-	\$1,663,000	\$200,000	\$102,000	\$1,753,000	-	3,718,000
Wilde Field	-	-	-	-	-	1,686,000	1,686,000
Lisle Elem	-	-	-	-	-	-	-
Schiesher	-	-	500,000	-	-	-	500,000
Total	\$50,000	\$1,663,000	\$700,000	\$102,000	\$1,753,000	\$4,219,000	\$8,487,000

Note: Facility Needs Plan includes a cost estimate for demolition of Schiesher Elementary School. A determination regarding options and associated costs to be considered by the Facility Master Planning Committee.



AN OVERVIEW OF PAST FINANCIAL PERFORMANCE AND FUTURE FINANCIAL PROJECTIONS

April 22, 2024

LISLE 202
COMMUNITY UNIT SCHOOL DISTRICT



Agenda



- Executive Summary
- Past Performance Highlights
- Key Projection Assumptions
- Financial Projection Highlights
- Factors Impacting the Financial Future



Executive Summary



- Financial position has remained strong
- Operating fund revenues exceed expenditures **before** transfers for capital projects
- Operating fund balances used for capital improvements
- Operating fund balances align with policy
- Impact of inflation on labor contracts and cost of services



Projection Process



- Today's financial projection is a **WORKING DOCUMENT**
- Continually review assumptions
- Update the projection for new information
- Periodically create “what if” scenarios



Funds

Operating Funds:

- Educational Fund
- Operations & Maintenance Fund
- Transportation Fund
- Working Cash Fund

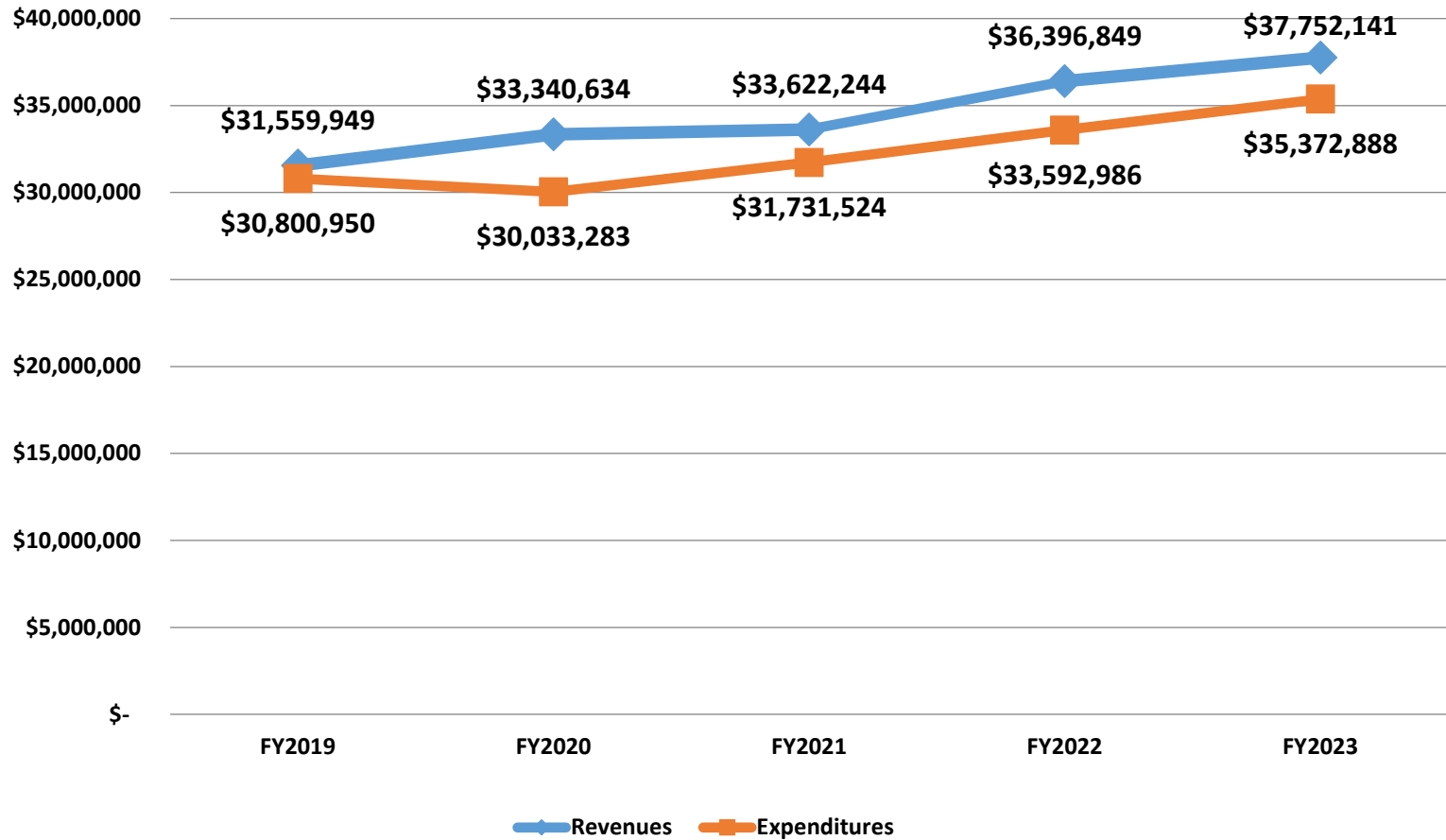
Non-operating Funds:

- Debt Services Fund
- IMRF/SS Fund
- Capital Projects Fund
- Tort Fund



Historical Financial Results

OPERATING FUNDS



Note – Excludes Other Sources/(Uses) consisting of \$14.3 million dollars of transfers to non-operating funds.



Historical Financial Results

OPERATING FUNDS

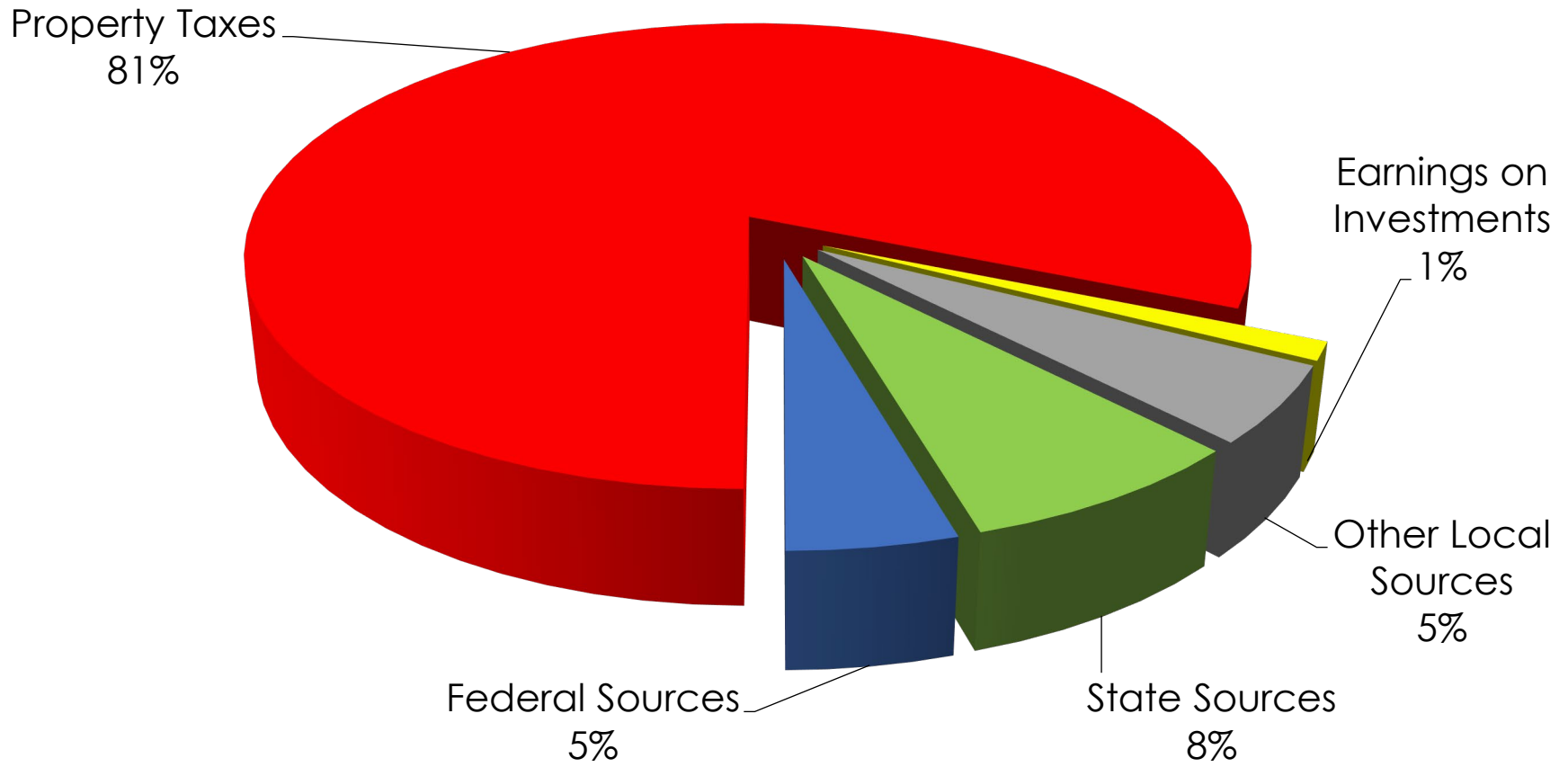
Amounts in Millions

	FY2019	FY2020	FY2021	FY2022	FY2023
Revenues	\$31.6	\$33.3	\$33.6	\$36.4	\$37.8
Expenditures	30.8	30.0	31.7	33.6	35.4
Excess/(Deficiency)	\$.8	\$3.3	\$1.9	\$2.8	\$2.4
Other Sources/(Uses)	(7.8)	(2.8)	(1.7)	(1.2)	(.8)
Net Change	(\$7.0)	\$.5	\$.2	\$1.6	\$1.6



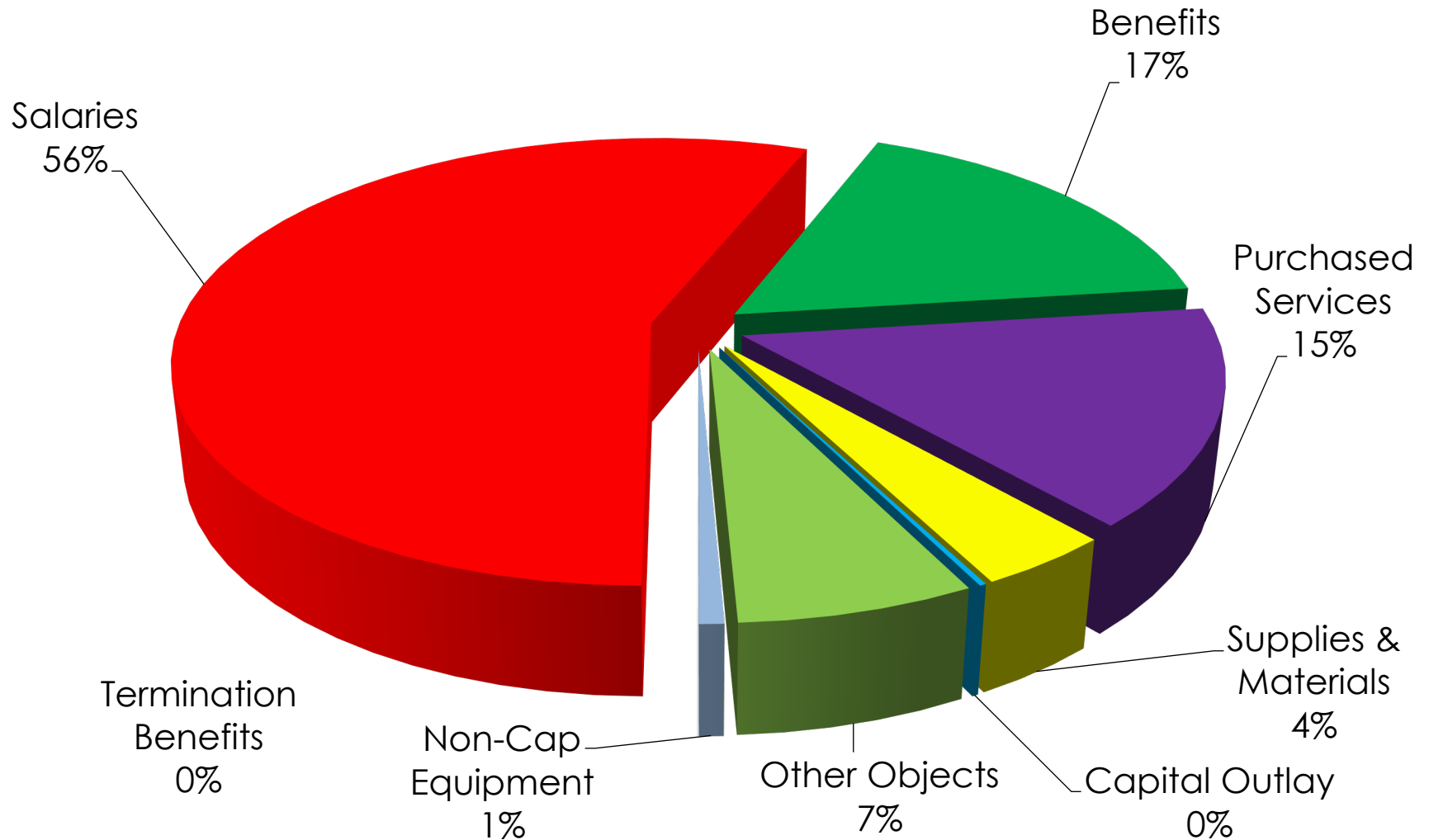
Historical Financial Results

REVENUE - FY2023 - OPERATING FUNDS



Historical Financial Results

EXPENDITURES - FY2023 - OPERATING FUNDS



Projection Assumptions

Revenue - Property Taxes - CPI

- Capped by Consumer Price Index (CPI)
- 5 Year Average = 3.4%
- 10 Year Average = 2.5%

Tax Levy Year Projection

✓ 2024	3.4% (2023 CPI)
✓ 2025	3.5% (2024 CPI Year-to-date)
✓ 2026-2029	3.4% (5 Year Average)



Projection Assumptions

Revenue - Property Taxes - New Property

HISTORICAL NEW PROPERTY	
EQUALIZED ASSESSED VALUE	
2019	\$6,588,360
2020	\$5,840,740
2021	\$975,050
2022	\$1,151,450
2023	\$886,050

Historical New Property:

- 5 Yr Average = \$3,088,330
- 10 Yr Average = \$3,390,489

Projection		
Tax Year	New EAV	New Taxes
2024-2029	\$1,550,000	\$75,000/yr

Projection Assumptions

Revenue

Earnings on Investments

- Ranges from 4.6% to 2.1% (5 yr avg)
- Interest rates have increased significantly over the last 12 months.

State Sources

- Remain flat except for transportation reimbursement

Federal Sources

- Elementary and Secondary School Emergency Relief (ESSER) funds taper off = Loss of \$500,000



Projection Assumptions

Expenses

Salaries

- Certified employment contract:
 - 5.3% increase for FY2024
 - Expires at the end of SY2024
 - 5 Year average increases = 3.8%
- Classified employment contract:
 - 5% increase for FY2024
 - Expires at the end of FY2024
 - 5 Year average increases = 5.4%
- 2024 Staffing Plan and retiree savings



Note: 1% Difference is approximately \$200k Compounded Annually

Projection Assumptions

Expenses

Employee Benefits

- FY2025 increase of 9.1% (PPO = 8.3%, HMO = 9.8%)
- Increase of 6% (5 Year Average)

Purchased Services & Supplies

- CPI 5-year average = 4.1%
- Transportation costs = 6%

Other Objects

- Ups and downs of private placement tuition



Projection Assumptions

Expenses

Capital Outlay

Fiscal Year	Base Expenditures	Junior High Renovations	Other Projects	Total
FY2025	\$109,000	\$6,000,000	\$-	\$6,109,000
FY2026	\$109,000	\$4,000,000	\$800,000	\$4,909,000
FY2027	\$109,000	\$500,000	\$-	\$609,000
FY2028	\$109,000	\$8,000,000	\$-	\$8,109,000
FY2029	\$109,000	\$-	\$1,315,000	\$1,424,000

Projected Financial Results

OPERATING FUNDS

Amounts in Millions



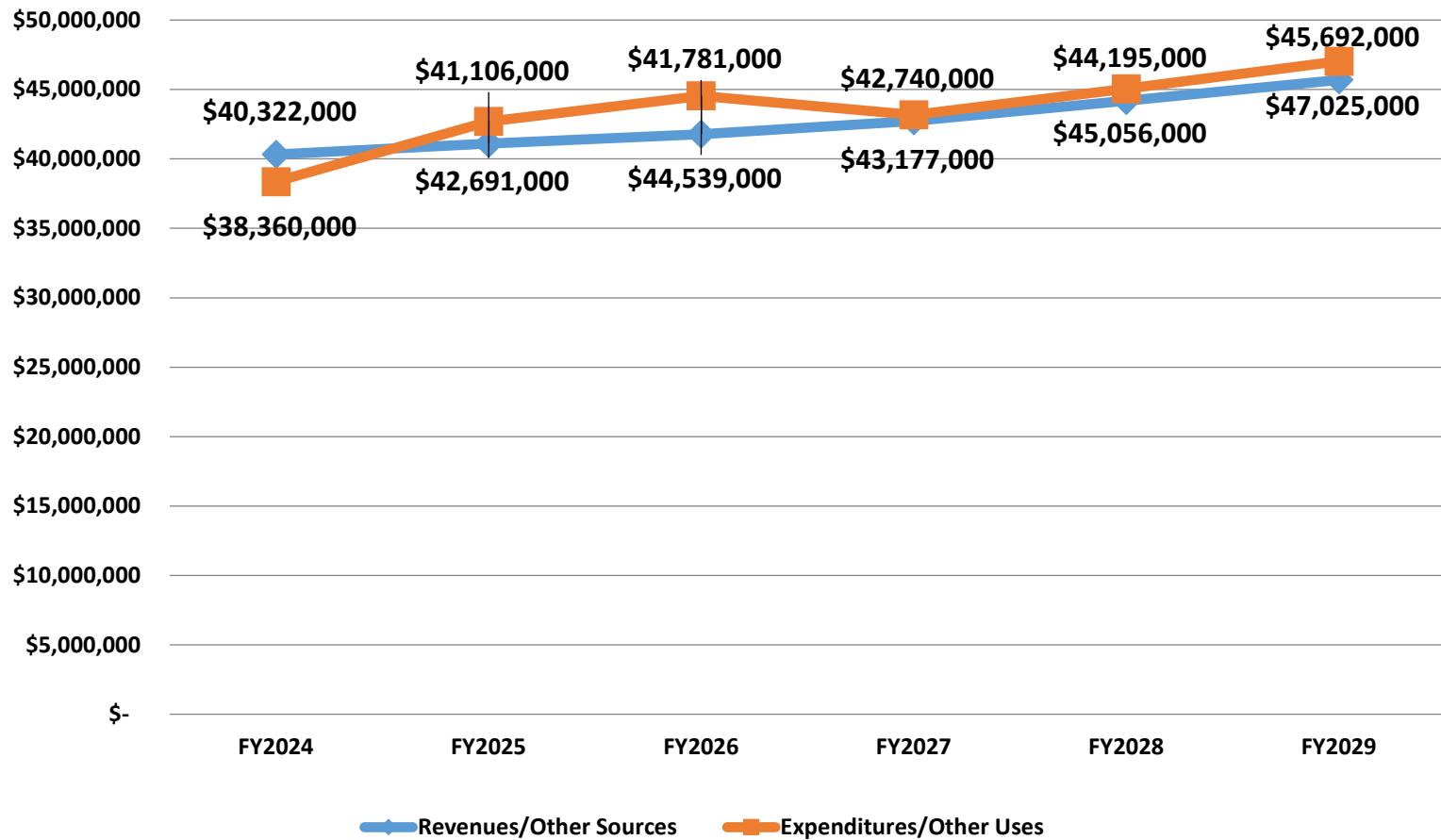
	FY2024	FY2025	FY2026	FY2027	FY2028	FY2029
Revenues	\$40.3	\$41.1	\$41.8	\$42.7	\$44.2	\$45.7
Expenditures	\$37.6	\$39.7	\$41.3	\$43.2	\$45.1	\$47.0
Excess/(Deficiency)	\$2.7	\$1.4	\$.4	(\$.4)	(\$.9)	(\$1.3)
Other Sources/(Uses)	(\$.7)	(\$3)	(\$3.2)	-	-	-
Net Change	\$2.0	(\$1.6)	(\$2.8)	(\$.4)	(\$.9)	(\$1.3)

Cumulative Net Change = -\$5 million

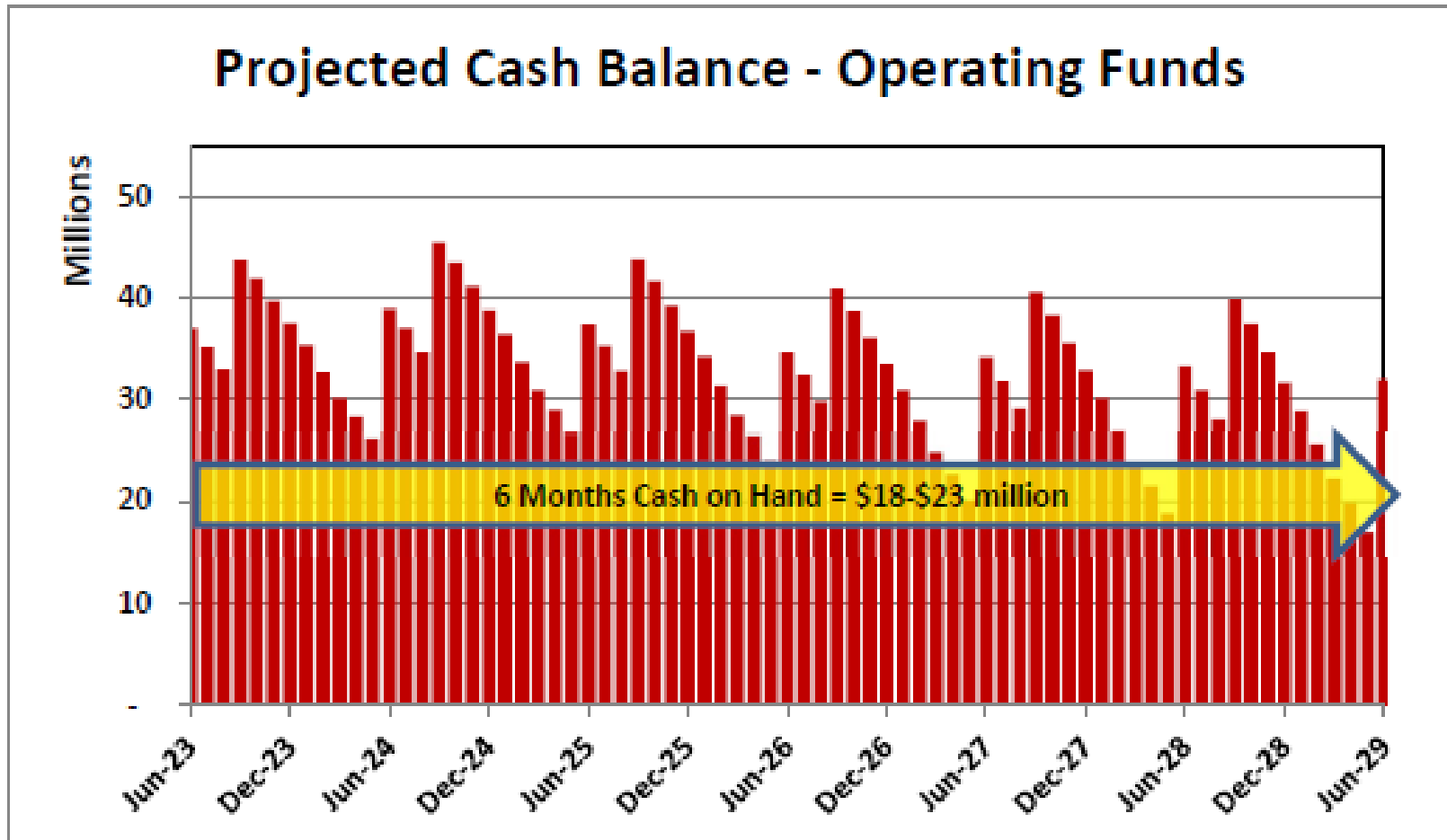


Projected Financial Results

OPERATING FUNDS

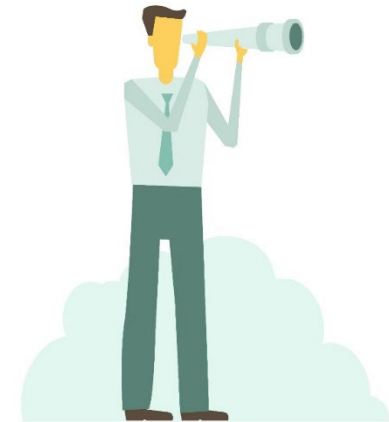


Projected Cash Balances OPERATING FUNDS



Looking Ahead

- Lisle Junior High Enhancements
- Schiesher Elementary School
- Saving for future facility needs
- New Property Growth
- Contract Negotiations
- Inflation



Questions?

