

Five-Year Forecasting



Financial Forecasting

- What is the Five-Year Financial Forecast?
 - A comprehensive and interactive planning process that can be updated to assist the District in making important decisions as financial assumptions change.
- How are we going to use the plan?
 - Develop District Goals/Initiatives
 - Abatement Amount
 - Budget Planning
 - Scenario & Trend Analysis

Board Financial Objectives

- Strategic Goals - Operational Integrity

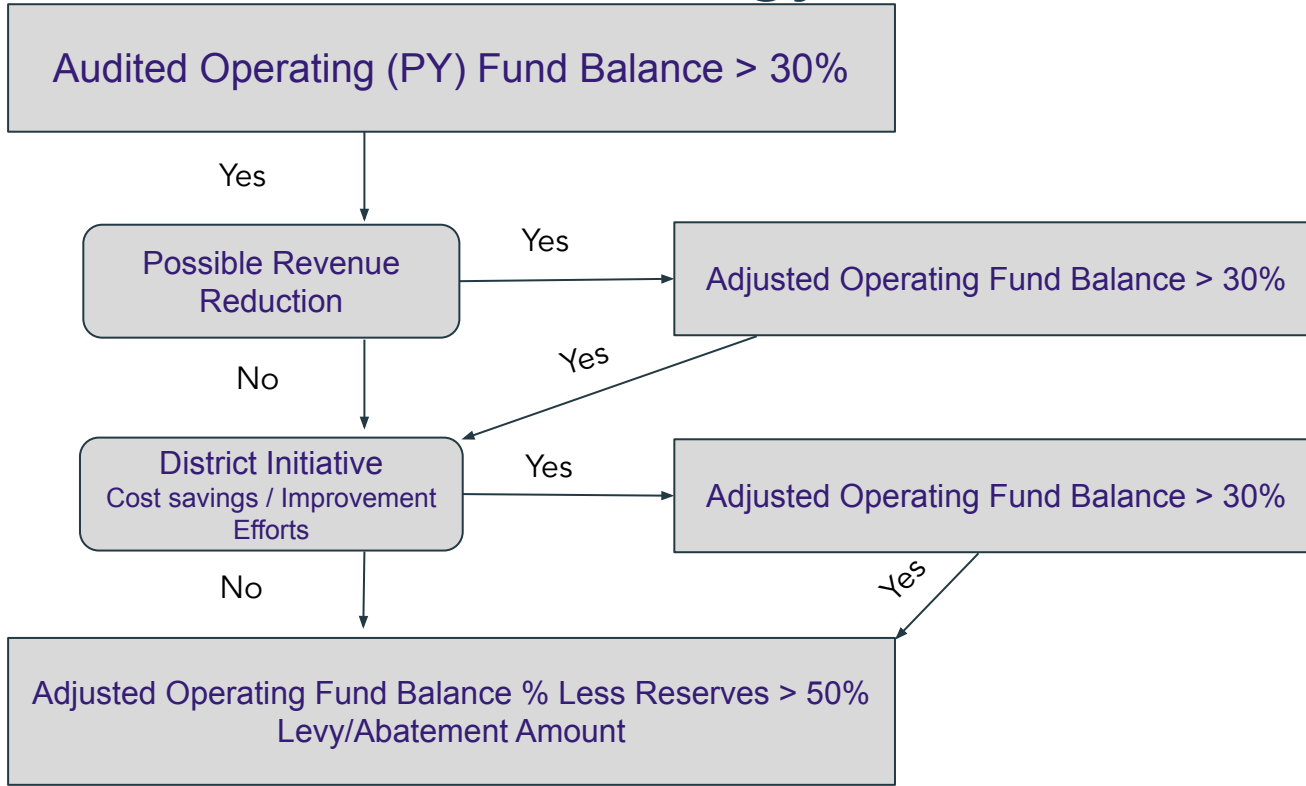
Ensure fiscal stability and appropriate resources for programming and facilities.

1. Align financial budgets with the goals established in the strategic plan.
2. Evaluate the return on investment of programs and expenditures as it relates to student outcomes.
3. Maintain balanced and sustainable short and long-term budgets.
4. Maintain quality facilities that support student learning.
5. Continue to stay informed about potential state and federal impacts on funding, and represent District needs and community expectations where possible.

- Fund Balances

Adequate financial planning is necessary to operate the schools and provide the highest quality educational programs possible, consistent with the financial resources available. Therefore, the Board should target an audited fund balance of not less than 30% and not more than 50% representing approximately ninety to one hundred eighty days of total expenditures.

Fund Balance Strategy - Annual Decision Flowchart



This strategy provides flexibility:

*30% - 50% operating fund balance

- Declined Revenue
- District Initiatives
- Levy/Abatement Amount

FY 2022 (July 1, 2021 - June 30, 2022) Adjusted Budget Revenue by Source - D181

All Funds

(10,20,30,40,50,60,70,90)

Original Revenue Budget = \$76,736,724

vs.

Adjusted Revenue Budget = \$77,676,871

Operating Funds

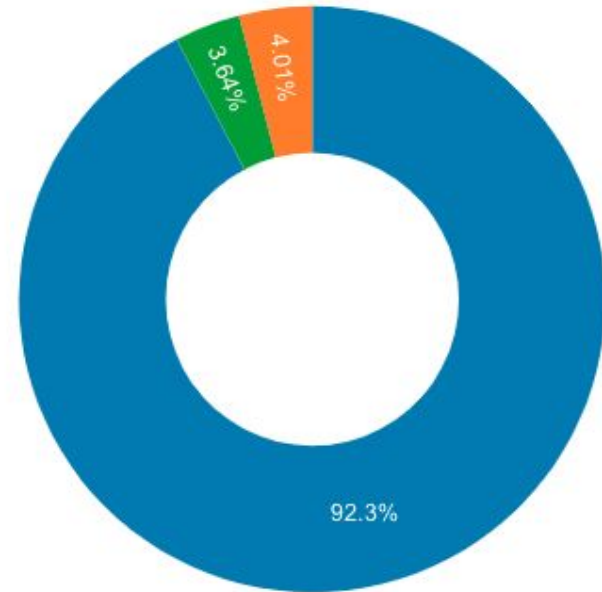
(10,20,40,50,70)

Original Revenue Budget = \$74,001,938

vs.

Adjusted Revenue Budget = \$74,942,958

Current Budget Revenues by Source



Local Sources Federal Sources State Sources

Big Levers - Revenue

Tax Levy

- CPI 1% $\Delta \approx \pm \$670,000$
- New Property: \$1 million $\Delta \approx \pm \$25,000$

Other Local Revenue

- Registration Fees = Flat
- Interest on Investments = Increase FY24, FY25, FY26, FY27, & Flat FY28
- Corporate Personal Property Replacement Tax = Flat

Evidence Base Funding (EBF)

(General State Aid, English Learners Education, Sp. Ed Personnel, Sp. Ed Funding for Children, Sp. Ed Summer School)

- Base Minimum Funding (FY21) = \$2,249,698
- Tier 4 Funding = \$ 3,285
- Base Minimum Funding (FY22) = \$2,252,983

State Categorical Revenue \approx \$865,000

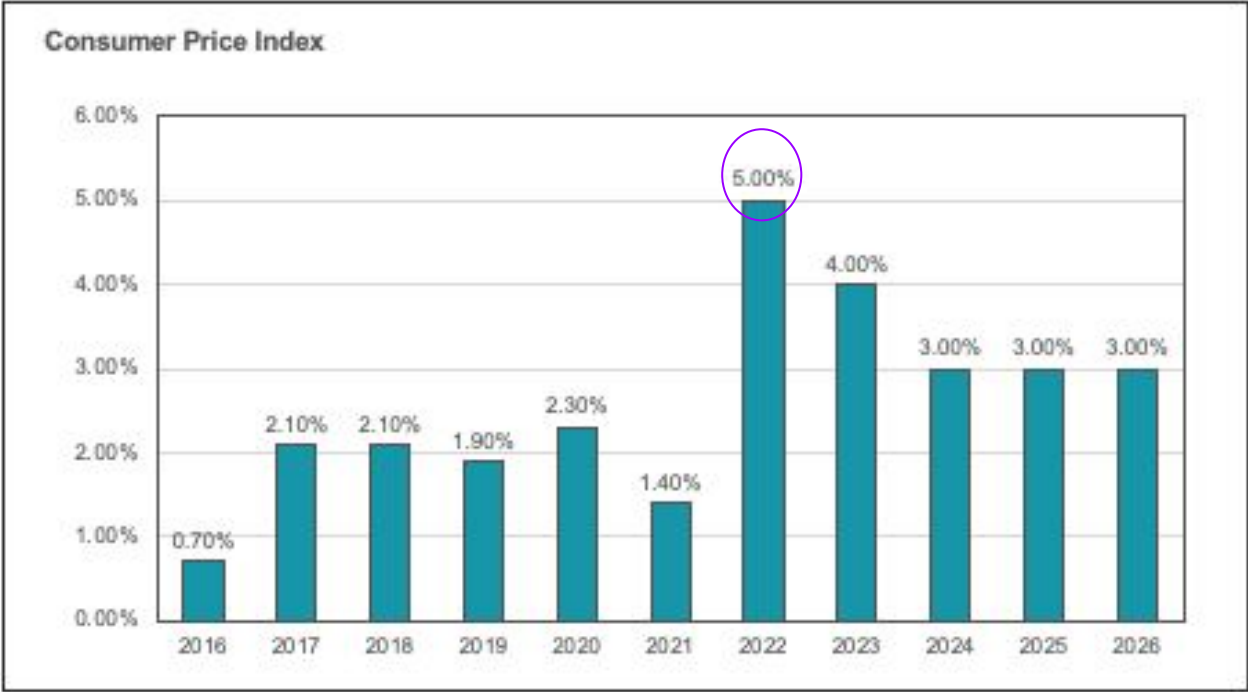
(Sp.Ed Private Tuition, Reg./Voc./Sp.Ed Transportation)

Federal Categorical Revenue \approx \$1,255,000, FY26 & FY27 \approx 950,000

(IDEA, IDEA Pre-School, IDEA CEIS, Title I, Title II, Title III, Special Milk Program)

Consumer Price Index (Levy Years)

Historical and Projected Assumption

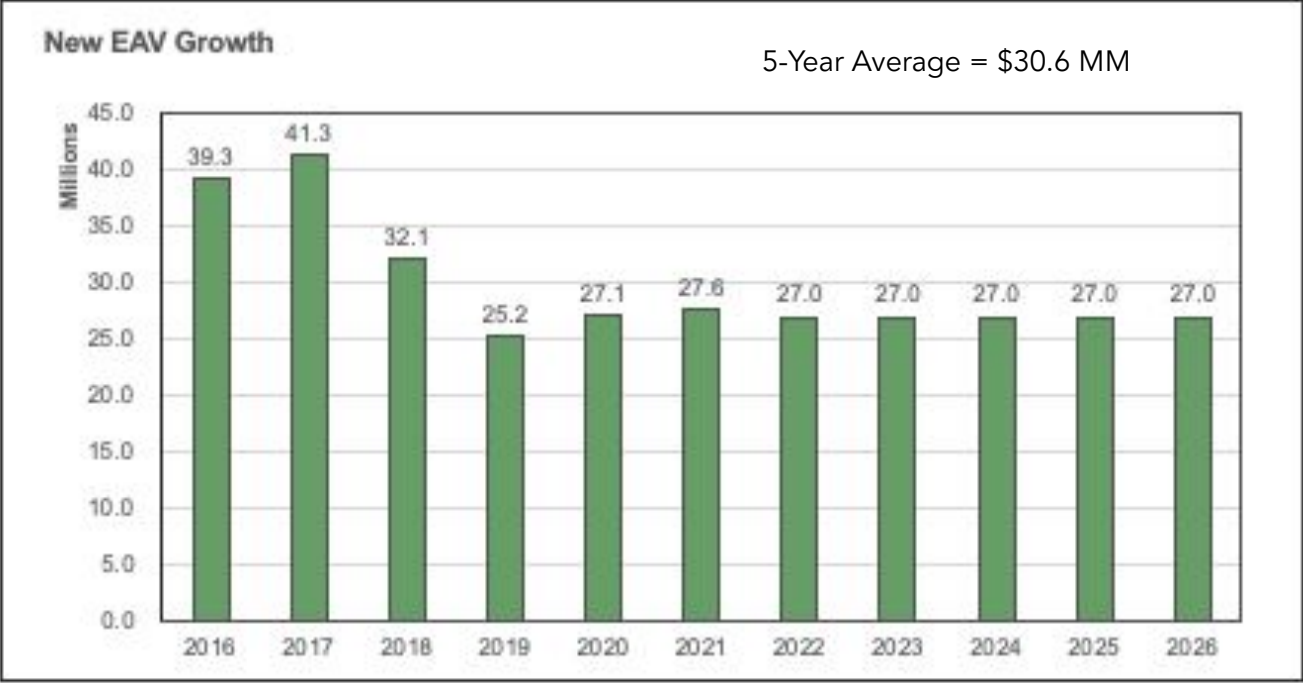


3-Year Average = 2.9%
 5-Year Average = 2.5%
 10-Year Average = 2.9%

Tax Year Levied	2022
Calendar Year Extended	2023
Fiscal Year Collected	FY23 & FY24

New Equalized Assessed Value Growth

Historical and Projected Assumption



FY 2022 (July 1, 2021 - June 30, 2022) Adjusted Budget Expenditure by Object - D181

All Funds

(10,20,30,40,50,60,70,90)

Original Expenditures Budget = \$83,252,602

vs.

Adjusted Expenditures Budget = \$82,083,952

Operating Funds

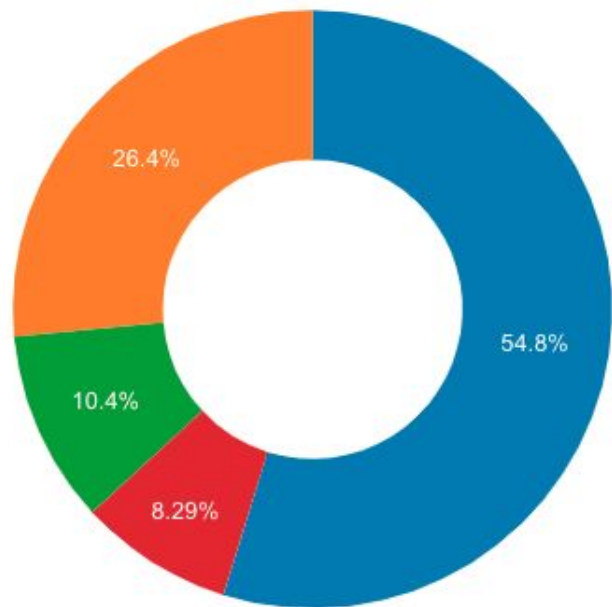
(10,20,40,50,70)

Original Expenditures Budget = \$66,264,077

vs.

Adjusted Expenditures Budget = \$66,523,840

Current Budget Expenses by Object



Salaries Other Objects Benefits Purchased Services

Big Levers - Expenditures

Insurance

- 1% Δ \approx +/- \$57,000

Salaries

- 1% Δ \approx +/- \$450,000

5-Year Facility Master Plan

- FY23 \approx \$2.6 MM
- FY24 \approx \$2.3 MM
- FY25 \approx \$2.3 MM
- FY26 \approx \$2.3 MM
- FY27 \approx \$2.3 MM

5-Year Technology Plan

- FY23 \approx \$787,000
- FY24 \approx \$827,000
- FY25 \approx \$827,000
- FY26 \approx \$827,000
- FY27 \approx \$779,077

Textbook Adoption Plan

- FY23 \approx \$660,000
- FY24 \approx \$910,000
- FY25 \approx \$910,000
- FY26 \approx \$1.2 MM
- FY27 \approx \$1.1 MM

Key Expenditures Assumptions

5-Yr. Facility Master Plan - Big Lever Items (\geq \$100,000)

- FY23 = CHMS: roof, gutters & ice melt; Madison: resurface parking lot & playground; The Lane: HVAC; Elm: playground; Monroe: playground; Oak: ECE playground; Prospect: floor replacement
- FY24 = Elm: MRC; Monroe: doors, hardware, & MRC; Oak: roof; Prospect: door, hardware, & resurface parking lot; The Lane: playground resurface, flooring & moisture mitigation; Walker: resurface playground & parking lot
- FY25 = Elm: roof replacement; Monroe: flooring & moisture mitigation; Oak: roof & chiller; Prospect: roof; The Lane: doors & hardware
- FY26 = Elm: flooring & moisture mitigation; Madison: roof; Monroe: roof
- FY27 = Elm: chiller & fire alarm system; Madison: flooring & mitigation; Walker: roof

5-Yr. Technology Plan - Big Lever Items (\geq \$100,000)

- FY23 = iPads (3 year lease agreement), Chromebooks, & MacBooks
- FY24 = iPads (3 year lease agreement), Chromebooks
- FY25 = iPads (3 year lease agreement), Chromebooks
- FY26 = iPads (3 year lease agreement), Chromebooks, Macbooks, & Internal & Firewall
- FY27 = iPads (3 year lease agreement), Chromebooks, & Wireless Network

5-Yr. Textbook Adoption Plan - Big Lever Items (\geq \$100,000)

- FY23 = Middle School: English Language Arts & World Language ; Elementary: Music
- FY24 = Science
- FY25 = Social Studies
- FY26 = Elementary: Reading
- FY27 = Math

Key Expenditures Assumptions

Salary Increases

- HCHTA: Aligned to Contract
- HESS: Aligned to Contract
- All Other Staff

Health Insurance

- 4% annual increase for future years

Departments remain at current allocations

Building remain at current allocations (Building Budget)

Student/Teacher ratios remain at current level

D181 Rising Stars - Pending Pilot Program

Scenario Assumptions - Operating Funds (10,20,40,50,70)

Base Scenario (FY22 Adjusted Budget used for base forecast)

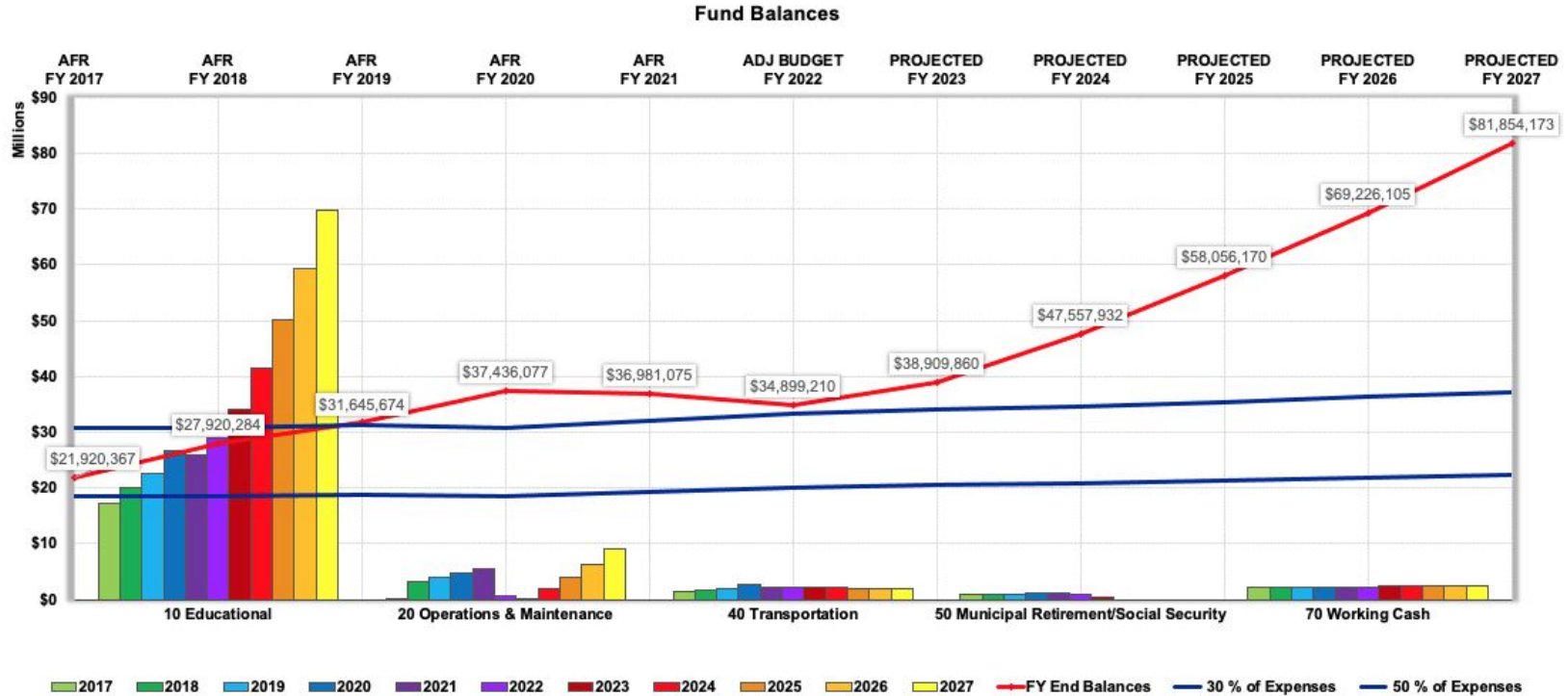
Restricted Amounts

- FY22 District Office Building = \$5,500,000
- FY23 District Office Building = \$1,500,000
- Insurance Fund = \$2.3 MM
- Abate HMS = \$1.5 MM

Abatement Scenario - Bond and Interest Abatement (Callable Bonds)

- Provides Stable/Flexible B&I Tax Rate
- Saves District money: pay off principal for remaining callable bonds
 - FY22 = \$4.6 MM (Pay down callable Bonds = \$93,031 Savings)
- Bond and Interest vs. Operating Abatement
 - FY23 = \$5.9MM (Keeps the B&I tax rate stable)
 - FY24 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY25 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY26 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY26 = \geq \$2,000,000 (Keeps the B&I tax rate stable)

FY22 Adjusted Operating Budget (10,20,40,50,70) Base Scenario





FY22 Adjusted Operating Budget (10,20,40,50,70)

Base Scenario

* Includes Restrict Amounts:

[Insurance Fund](#)
[Facilities Master Plan](#)
[Debt Certificates](#)
[District Office Building](#)

** [Fund Balance Policy](#)
[Fund Balance Strategy](#)

	ADJ BUDGET FY 2022	PROJECTED FY 2023	% Δ	PROJECTED FY 2024	% Δ	PROJECTED FY 2025	% Δ	PROJECTED FY 2026	% Δ	PROJECTED FY 2027	% Δ
REVENUE											
Local	\$68,994,584	\$72,251,119	4.72%	\$76,340,228	5.66%	\$79,664,552	4.35%	\$82,605,977	3.69%	\$85,640,753	3.67%
State	\$2,830,463	\$3,119,110	10.20%	\$3,119,110	0.00%	\$3,119,110	0.00%	\$3,119,110	0.00%	\$3,119,110	0.00%
Federal	\$3,117,911	\$1,256,528	-59.70%	\$1,256,528	0.00%	\$1,256,528	0.00%	\$956,528	#####	\$956,528	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$74,942,958	\$76,626,757	2.25%	\$80,715,866	5.34%	\$84,040,190	4.12%	\$86,681,615	3.14%	\$89,716,391	3.50%
EXPENDITURES											
Salary and Benefit Costs	\$53,571,478	\$55,460,101	3.53%	\$56,413,880	1.72%	\$57,692,806	2.27%	\$59,365,455	2.90%	\$60,921,922	2.62%
Other	\$12,952,362	\$12,668,844	-2.19%	\$12,889,855	1.74%	\$13,087,811	1.54%	\$13,384,153	2.26%	\$13,404,329	0.15%
TOTAL EXPENDITURES	\$66,523,840	\$68,128,944	2.41%	\$69,303,736	1.72%	\$70,780,617	2.13%	\$72,749,608	2.78%	\$74,326,251	2.17%
SURPLUS / DEFICIT	\$8,419,118	\$8,497,812		\$11,412,130		\$13,259,573		\$13,932,007		\$15,390,141	
OTHER FINANCING SOURCES / USES											
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
★ Other Financing Uses	(\$10,500,983)	(\$4,487,255)		(\$2,762,250)		(\$2,758,375)		(\$2,758,625)		(\$2,757,875)	
TOTAL OTHER FIN. SOURCES / USES	(\$10,500,983)	(\$4,487,255)		(\$2,762,250)		(\$2,758,375)		(\$2,758,625)		(\$2,757,875)	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	(\$2,081,865)	\$4,010,557		\$8,649,880		\$10,501,198		\$11,173,382		\$12,632,266	
BEGINNING FUND BALANCE	\$36,981,075	\$34,899,210		\$38,909,768		\$47,559,648		\$58,060,846		\$69,234,228	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$34,899,210	\$38,909,768		\$47,559,648		\$58,060,846		\$69,234,228		\$81,866,494	
★★ FUND BALANCE AS % OF EXPENDITURES	52.46%	57.11%		68.62%		82.03%		95.17%		110.14%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	6.30	6.85		8.23		9.84		11.42		13.215	

Scenario Assumptions - Operating Funds (10,20,40,50,70)

Base Scenario (FY22 Adjusted Budget used for base forecast)

Restricted Amounts

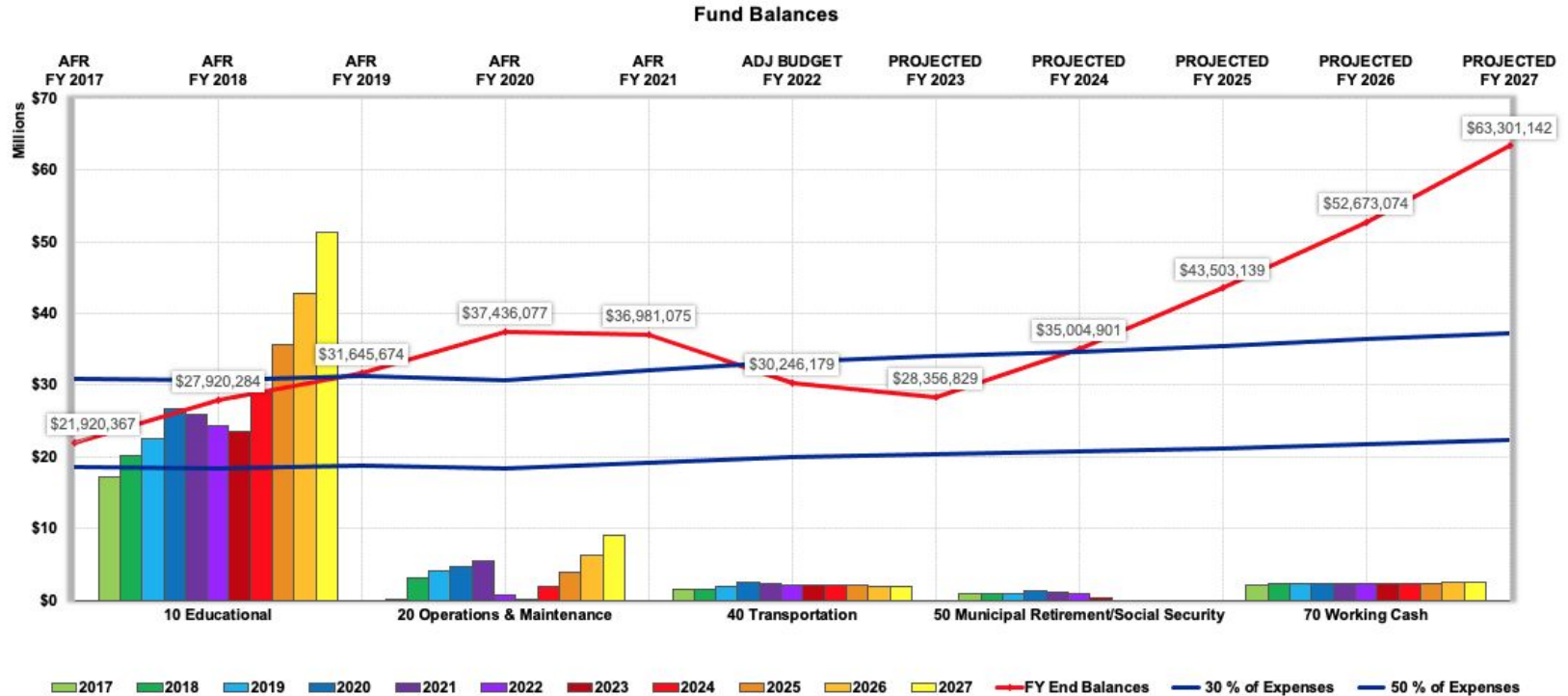
- FY22 District Office Building = \$5,500,000
- FY23 District Office Building = \$1,500,000
- Insurance Fund = \$2.3 MM
- Abate HMS = \$1.5 MM

Abatement Scenario - Bond and Interest Abatement (Callable Bonds)

- Provides Stable/Flexible B&I Tax Rate
- Saves District money: pay off principal for remaining callable bonds
 - FY22 = \$4.6 MM (Pay down callable Bonds = \$93,031 Savings)
- Bond and Interest vs. Operating Abatement
 - FY23 = \$5.9MM (Keeps the B&I tax rate stable)
 - FY24 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY25 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY26 = \geq \$2,000,000 (Keeps the B&I tax rate stable)
 - FY26 = \geq \$2,000,000 (Keeps the B&I tax rate stable)

FY22 Adjusted Operating Budget (10,20,40,50,70)

Abatement Scenario - Bond and Interest Abatement (Callable Bonds)





FY22 Adjusted Operating Budget (10,20,40,50,70)

Scenario 2 - Bond and Interest Abatement (Callable Bonds)

* Includes Restrict Amounts:

[Insurance Fund](#)
[Facilities Master Plan](#)
[Debt Certificates](#)
[B & I Abatement](#)
[District Office Building](#)

** [Fund Balance Policy](#)
[Fund Balance Strategy](#)

	ADJ BUDGET FY 2022	PROJECTED FY 2023	% Δ	PROJECTED FY 2024	% Δ	PROJECTED FY 2025	% Δ	PROJECTED FY 2026	% Δ	PROJECTED FY 2027	% Δ
REVENUE											
Local	\$68,994,584	\$72,251,119	4.72%	\$76,340,228	5.66%	\$79,664,552	4.35%	\$82,605,977	3.69%	\$85,640,753	3.67%
State	\$2,830,463	\$3,119,110	10.20%	\$3,119,110	0.00%	\$3,119,110	0.00%	\$3,119,110	0.00%	\$3,119,110	0.00%
Federal	\$3,117,911	\$1,256,528	-59.70%	\$1,256,528	0.00%	\$1,256,528	0.00%	\$956,528	####	\$956,528	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
TOTAL REVENUE	\$74,942,958	\$76,626,757	2.25%	\$80,715,866	5.34%	\$84,040,190	4.12%	\$86,681,615	3.14%	\$89,716,391	3.50%
EXPENDITURES											
Salary and Benefit Costs	\$53,571,478	\$55,460,101	3.53%	\$56,413,880	1.72%	\$57,692,806	2.27%	\$59,365,455	2.90%	\$60,921,922	2.62%
Other	\$12,952,362	\$12,668,844	-2.19%	\$12,889,855	1.74%	\$13,087,811	1.54%	\$13,384,153	2.26%	\$13,404,329	0.15%
TOTAL EXPENDITURES	\$66,523,840	\$68,128,944	2.41%	\$69,303,736	1.72%	\$70,780,617	2.13%	\$72,749,608	2.78%	\$74,326,251	2.17%
SURPLUS / DEFICIT	\$8,419,118	\$8,497,812		\$11,412,130		\$13,259,573		\$13,932,007		\$15,390,141	
OTHER FINANCING SOURCES / USES											
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
★ Other Financing Uses	(\$15,154,014)	(\$10,387,255)		(\$4,762,250)		(\$4,758,375)		(\$4,758,625)		(\$4,757,875)	
TOTAL OTHER FIN. SOURCES / USES	(\$15,154,014)	(\$10,387,255)		(\$4,762,250)		(\$4,758,375)		(\$4,758,625)		(\$4,757,875)	
SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES	(\$6,734,896)	(\$1,889,443)		\$6,649,880		\$8,501,198		\$9,173,382		\$10,632,266	
BEGINNING FUND BALANCE	\$36,981,075	\$30,246,179		\$28,356,737		\$35,006,617		\$43,507,815		\$52,681,197	
AUDIT ADJUSTMENTS TO FUND BALANCE	\$0	\$0		\$0		\$0		\$0		\$0	
PROJECTED YEAR END BALANCE	\$30,246,179	\$28,356,737		\$35,006,617		\$43,507,815		\$52,681,197		\$63,313,463	
★ ★ FUND BALANCE AS % OF EXPENDITURES	45.47%	41.62%		50.51%		61.47%		72.41%		85.18%	
FUND BALANCE AS # OF MONTHS OF EXPEND.	5.46	4.99		6.06		7.38		8.69		10.69	

Scenario Assumptions Comparison - Operating Funds

(10,20,40,50,70)

Abatement Scenario - Bond and Interest Abatement (Callable Bonds)

- Provides Stable/Flexible B&I Tax Rate
- Saves District money: pay off principal for remaining callable bonds
 - FY22 = \$4.6 MM (Pay down callable Bonds = \$93,031 Savings)

FY22 Abatement Highlights

- Follow adopted Fund Balance Strategy
- Giving back \$6.1 MM:
 - \$1.5 MM of HMS funds
 - \$4.6 MM of fund balances by paying down callable bonds
- Average Homeowner Savings \$2,056.16

