



# Five Year Financial Forecast

January 25, 2023



# Financial Forecasting

- What is a Five Year Financial Forecast?

A comprehensive, interactive planning process that can be updated to assist CUSD 200 in making important financial decisions as assumptions change.
- How do we use the plan?
  - Budget Planning
  - Tax Levy Determination
  - Scenario & Trend Analysis
  - Annual Update & Reassessment

## Fiscal Metrics

- At \$14,446\* per student, District 200's operating expense per student continues to be BELOW the state average
- FY21 Fund Balance: 33.33%\*\* , within range of the Board's 25-40% fund balance policy
- Standard & Poor's Bond Rating:
  - AA+, Stable Outlook
- State Board of Education Designation for FY21:
  - Financial Recognition\*\* (highest possible) - Sixth consecutive year
- FY23 Balanced Budget:
  - Thirteenth (13<sup>th</sup>) consecutive year of a balanced budget

\* 2021 Financial Audit

\*\*2021 Annual Financial Report (AFR)

## Data Elements

- FY23 Budget
- Annual Financial Reports (AFR) for the past five years
- Consumer Price Index (CPI)
- Tax Levy / Extensions / Rates
- Equalized Assessed Valuations and New Construction
- Evidence-Based Funding (EBF) and Categorical Reimbursements
- Salary and Benefits Information
- Enrollment/Staffing
- Additional District Assumptions



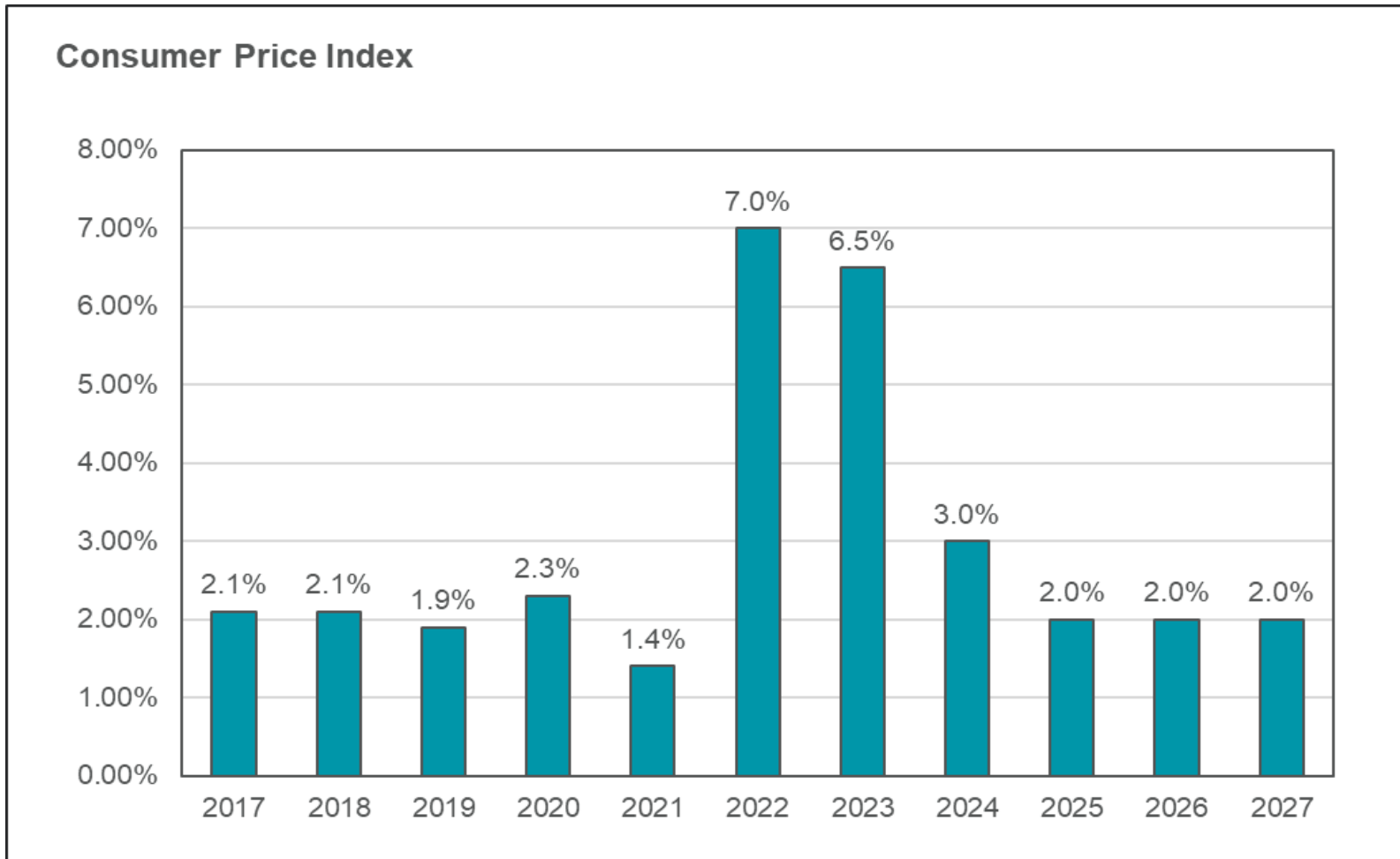
A powerful financial planning tool that can be used for:

- Development of a multi-year financial plan
- Scenario comparisons and “what-if” analysis
- Detailed budget and performance analysis
- Budget preparation and upload to accounting system
- Budget distribution and stakeholder reporting



**FORECAST5**  
ANALYTICS

# Revenue Assumptions



# Revenue Assumptions

## Consumer Price Index (CPI)

Levy 2023: 6.50% - School districts are limited to a PTELL (Tax Cap) rate of 5.00%

- CPI Increase used for Projections: 5.00%, resulting in increase from \$7.8M to \$8.0M in Operating Funds (depending on final 2022 Tax Levy Extension)
- No TIF expirations
- New Construction Growth Estimate: \$40M in estimated new taxable property. Estimated \$1.8M in new revenue.

Levy 2024: 3.00%

Levy 2025 and beyond: 2.00%

# Revenue Assumptions

## New Property Growth:

\$40M: 2023 Levy

\$40M: 2024 Levy

\$30M: Subsequent years

LEVY YEAR	ACTUAL 2020	ACTUAL 2021	SUBMITTED 2022	PROJECTED 2023	PROJECTED 2024	PROJECTED 2025	PROJECTED 2026
Consumer Price Index	2.30%	1.40%	7.00%	6.50%	3.00%	2.00%	2.00%
Equalized Assessed Valuation (EAV)	3,417,462,032	3,463,415,711	3,617,684,025	3,730,037,706	3,844,638,460	3,951,531,229	4,060,561,854
% Change in EAV		1.34%	4.45%	3.11%	3.07%	2.78%	2.76%
New Growth		21,688,610	85,000,000	40,000,000	40,000,000	30,000,000	30,000,000
% of Total EAV		0.63%	2.35%	1.07%	1.04%	0.76%	0.74%
Existing EAV		24,265,069	69,268,314	72,353,681	74,600,754	76,892,769	79,030,625
% of Total EAV		0.71%	2.00%	2.00%	2.00%	2.00%	2.00%



# Revenue Assumptions

## Investment Income

- \$214K increase in total budget, to \$1.1M, for FY24. Flat for FY25 and beyond.
- December 31, 2022 rates were in the area of 4.15%. Budget for FY23 is \$886K.

## EBF Funding

- Flat: Total EBF Budget of \$13.8M (FY23 Adequacy of 95.29%).
- FY23 Increase: \$266,730, with additional \$350M funding from State of Illinois. Represented a 1.92% increase over FY22.

## Categorical Funding

- Flat: Special Ed Transportation prorated at 81.14%, and Regular Ed Transportation prorated at 79.87%, in FY23. FY22 prorations were 100% and 94.84%, respectively.

## Revenue Assumptions

### Federal Funding

- ESSER reductions FY24 (from \$5.5M to \$2.0M). 95% of FY24 ESSER budget related to salaries, stipends and benefits.
- No ESSER funds after FY24.

### Corporate Personal Property Replacement Taxes (CPPRT)

- FY24 same as FY23 budget (\$6.2M). \$1M reduction in FY25 and FY26. Flat in FY27 & FY28.

### All Other Revenue

- Registration Fees: No change in registration and tuition fee schedule for FY24.

# Expenditure Assumptions

## Salaries/Staffing

Certified Staff (WWEA): Current contract (ending June 30, 2023) based on CPI. Floor of 2.50%, with ceiling at 3.50%.

- Existing contract language used in assumptions. Maximum increase of 3.50% used throughout 5-year projection.

Classified Staff (CEA): Current contract (ending June 30, 2024) based on CPI. Floor of 2.00%, and ceiling of 3.00%.

- Existing contract language used in assumptions. 3.00% increase for 2023-24. 2.00% used in remaining years.

Administrative and Non-Union Classified Staff: 3.00% in 2023-24. 2.00% used in subsequent years.

## Expenditure Assumptions

Staffing levels flat throughout model. ARP ESSER positions (\$1.9M in FY23 & FY24) requiring funding source for FY25.

Consistent retirements projected for next 5 years.

### Medical/Dental

- September 1, 2023 Medical/Dental increase of 10.00%. 8.00% for September 1, 2024, and 5.00% thereafter.

### Contracted Services

- Food Service and Custodial Outsourcing: 5.00% to 10.00%. Continued impact on market prices and minimum wage increases through January 1, 2025.
- Transportation: 3.50% (Illinois Central) and 8.00% (Sunrise) increases for FY24.

## Additional Assumptions

### Supplies & Capital Outlay

- Supply reduction in FY24 (\$450K), flat for remaining years.
- Non-Sherman Dergis reduction in FY24 (\$800K), flat for remaining years.

### Suggested Other Sources & Uses

- Increase of \$3M, to \$10.25M, in the transfer of O&M to Capital Projects, to support Summer 2023 approved capital projects.
- Future years return to \$7.77M (\$7.2M for Sherman Dergis and \$500K for playgrounds).

### Other

- No Legislative Changes in School Funding.
- No Change in PTELL (Tax Cap).
- Does not include potential TRS pension shift.
- Current FY23 Budget is accurate basis for projections.

## CUSD 200 Funds

The following account codes are provided in the accounting rules [23 IAC 100] and are used to designate nine funds for reporting purposes:

- 10 Educational
- 20 Operations & Maintenance (O&M)
- 30 Debt Service
- 40 Transportation
- 50 Municipal Retirement/Social Security (IMRF/SS)
- 60 Capital Projects
- 70 Working Cash
- 80 Tort
- 90 Fire Prevention & Safety

<https://www.isbe.net/Documents/mechanics.pdf>

## Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

CUSD 200 | 5-Year Projections - January 2023

### Projection Summary

	BUDGET	PROJECTED		PROJECTED		PROJECTED		PROJECTED		PROJECTED	
	FY 2023	FY 2024	% Δ	FY 2025	% Δ	FY 2026	% Δ	FY 2027	% Δ	FY 2028	% Δ
<b>REVENUE</b>											
Local	\$165,231,368	\$177,067,812	7.16%	\$184,372,308	4.13%	\$189,244,744	2.64%	\$194,165,038	2.60%	\$199,183,738	2.58%
State	\$20,301,571	\$20,301,571	0.00%	\$20,301,571	0.00%	\$20,301,571	0.00%	\$20,301,571	0.00%	\$20,301,571	0.00%
Federal	\$18,092,539	\$11,922,006	-34.11%	\$9,914,320	-16.84%	\$9,914,320	0.00%	\$9,914,320	0.00%	\$9,914,320	0.00%
Other	\$0	\$0		\$0		\$0		\$0		\$0	
<b>TOTAL REVENUE</b>	<b>\$203,625,478</b>	<b>\$209,291,390</b>	<b>2.78%</b>	<b>\$214,588,200</b>	<b>2.53%</b>	<b>\$219,460,636</b>	<b>2.27%</b>	<b>\$224,380,930</b>	<b>2.24%</b>	<b>\$229,399,630</b>	<b>2.24%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	\$147,184,950	\$152,737,213	3.77%	\$158,631,437	3.86%	\$164,151,482	3.48%	\$169,876,087	3.49%	\$175,813,133	3.49%
Other	\$47,814,226	\$46,129,704	-3.52%	\$46,049,704	-0.17%	\$45,979,704	-0.15%	\$45,979,704	0.00%	\$45,979,704	0.00%
<b>TOTAL EXPENDITURES</b>	<b>\$194,999,176</b>	<b>\$198,866,917</b>	<b>1.98%</b>	<b>\$204,681,141</b>	<b>2.92%</b>	<b>\$210,131,186</b>	<b>2.66%</b>	<b>\$215,855,790</b>	<b>2.72%</b>	<b>\$221,792,837</b>	<b>2.75%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$8,626,302</b>	<b>\$10,424,473</b>		<b>\$9,907,058</b>		<b>\$9,329,450</b>		<b>\$8,525,139</b>		<b>\$7,606,793</b>	
<b>OTHER FINANCING SOURCES / USES</b>											
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	(\$7,200,000)	(\$10,250,000)		(\$7,700,000)		(\$7,700,000)		(\$7,700,000)		(\$7,700,000)	
<b>TOTAL OTHER FIN. SOURCES / USES</b>	<b>(\$7,200,000)</b>	<b>(\$10,250,000)</b>		<b>(\$7,700,000)</b>		<b>(\$7,700,000)</b>		<b>(\$7,700,000)</b>		<b>(\$7,700,000)</b>	
<b>SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES</b>	<b>\$1,426,302</b>	<b>\$174,473</b>		<b>\$2,207,058</b>		<b>\$1,629,450</b>		<b>\$825,139</b>		<b>(\$93,207)</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$64,855,773</b>	<b>\$66,282,075</b>		<b>\$66,456,548</b>		<b>\$68,663,606</b>		<b>\$70,293,056</b>		<b>\$71,118,195</b>	
<b>AUDIT ADJUSTMENTS TO FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$66,282,075</b>	<b>\$66,456,548</b>		<b>\$68,663,606</b>		<b>\$70,293,056</b>		<b>\$71,118,195</b>		<b>\$71,024,988</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>33.99%</b>	<b>33.42%</b>		<b>33.55%</b>		<b>33.45%</b>		<b>32.95%</b>		<b>32.02%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>4.08</b>	<b>4.01</b>		<b>4.03</b>		<b>4.01</b>		<b>3.95</b>		<b>3.84</b>	

# Debt Service Fund Projections

## Debt Service Fund

CUSD 200 | 5-Year Projections - January 2023

### Projection Summary

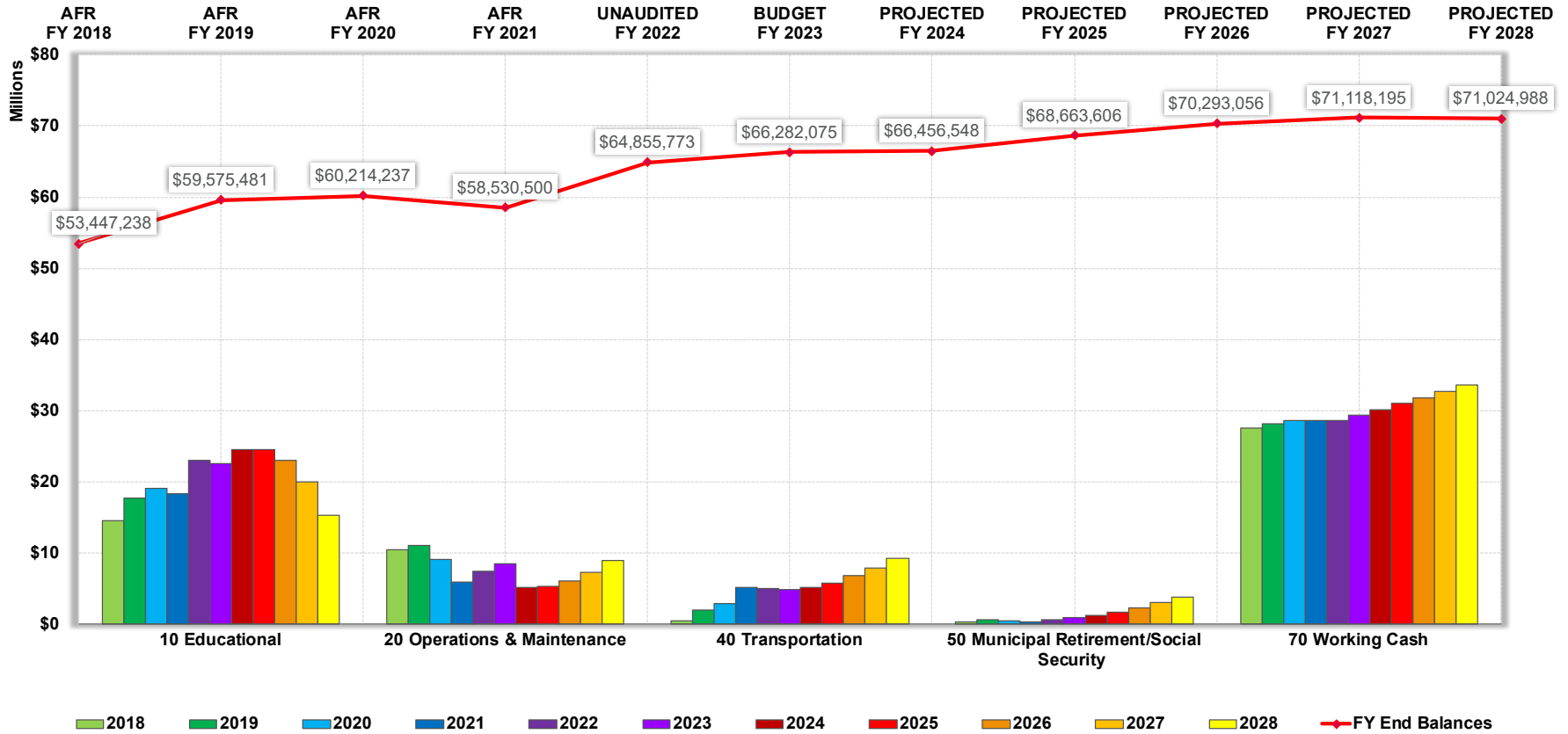
	BUDGET FY 2023	PROJECTED FY 2024	% Δ	PROJECTED FY 2025	% Δ	PROJECTED FY 2026	% Δ	PROJECTED FY 2027	% Δ	PROJECTED FY 2028	% Δ
<b>REVENUE</b>											
Local	\$19,007,872	\$17,649,195	-7.15%	\$15,320,920	-13.19%	\$7,192,379	-53.06%	\$90,000	-98.75%	\$90,000	0.00%
State	\$947,450	\$952,200	0.50%	\$950,450	-0.18%	\$947,450	-0.32%	\$948,200	0.08%	\$952,450	0.45%
Federal	\$0	\$0		\$0		\$0		\$0		\$0	
Other	\$0	\$0		\$0		\$0		\$0		\$0	
<b>TOTAL REVENUE</b>	<b>\$19,955,322</b>	<b>\$18,601,395</b>	<b>-6.78%</b>	<b>\$16,271,370</b>	<b>-12.53%</b>	<b>\$8,139,829</b>	<b>-49.97%</b>	<b>\$1,038,200</b>	<b>-87.25%</b>	<b>\$1,042,450</b>	<b>0.41%</b>
<b>EXPENDITURES</b>											
Salary and Benefit Costs	\$0	\$0		\$0		\$0		\$0		\$0	
Other	\$19,873,051	\$19,877,763	0.02%	\$17,263,950	-13.15%	\$15,202,450	-11.94%	\$955,700	-93.71%	\$959,950	0.44%
<b>TOTAL EXPENDITURES</b>	<b>\$19,873,051</b>	<b>\$19,877,763</b>	<b>0.02%</b>	<b>\$17,263,950</b>	<b>-13.15%</b>	<b>\$15,202,450</b>	<b>-11.94%</b>	<b>\$955,700</b>	<b>-93.71%</b>	<b>\$959,950</b>	<b>0.44%</b>
<b>SURPLUS / DEFICIT</b>	<b>\$82,271</b>	<b>(\$1,276,368)</b>		<b>(\$992,580)</b>		<b>(\$7,062,621)</b>		<b>\$82,500</b>		<b>\$82,500</b>	
<b>OTHER FINANCING SOURCES / USES</b>											
Other Financing Sources	\$0	\$0		\$0		\$0		\$0		\$0	
Other Financing Uses	\$0	\$0		\$0		\$0		\$0		\$0	
<b>TOTAL OTHER FIN. SOURCES / USES</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>	
<b>SURPLUS / DEFICIT INCL. OTHER FIN. SOURCES</b>	<b>\$82,271</b>	<b>(\$1,276,368)</b>		<b>(\$992,580)</b>		<b>(\$7,062,621)</b>		<b>\$82,500</b>		<b>\$82,500</b>	
<b>BEGINNING FUND BALANCE</b>	<b>\$12,855,601</b>	<b>\$12,937,872</b>		<b>\$11,661,504</b>		<b>\$10,668,924</b>		<b>\$3,606,303</b>		<b>\$3,688,803</b>	
<b>AUDIT ADJUSTMENTS TO FUND BALANCE</b>	<b>\$0</b>	<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>		<b>\$0</b>	
<b>PROJECTED YEAR END BALANCE</b>	<b>\$12,937,872</b>	<b>\$11,661,504</b>		<b>\$10,668,924</b>		<b>\$3,606,303</b>		<b>\$3,688,803</b>		<b>\$3,771,303</b>	
<b>FUND BALANCE AS % OF EXPENDITURES</b>	<b>65.10%</b>	<b>58.67%</b>		<b>61.80%</b>		<b>23.72%</b>		<b>385.98%</b>		<b>392.86%</b>	
<b>FUND BALANCE AS # OF MONTHS OF EXPEND.</b>	<b>7.81</b>	<b>7.04</b>		<b>7.42</b>		<b>2.85</b>		<b>46.32</b>		<b>47.14</b>	



Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

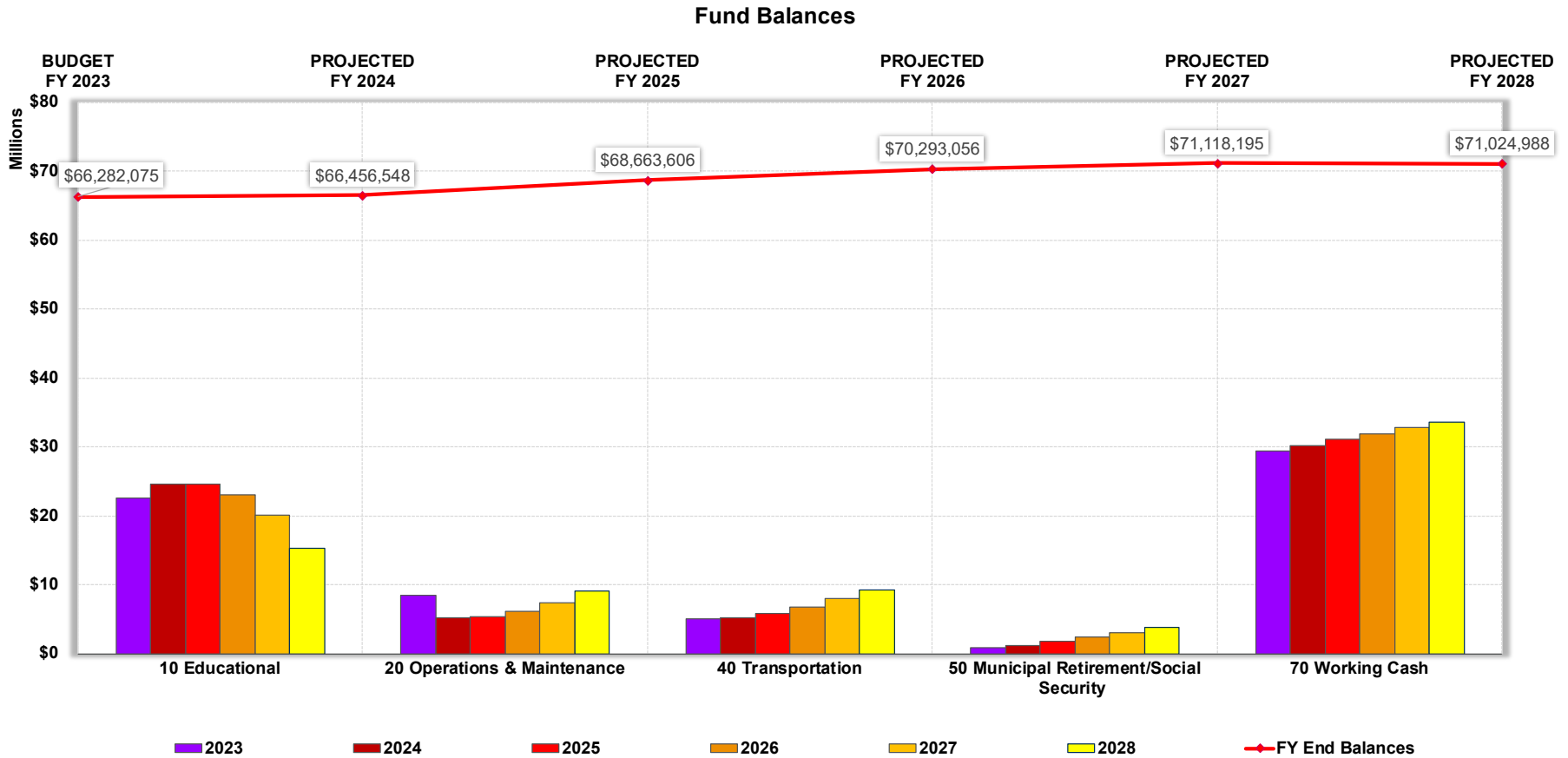
CUSD 200 | 5-Year Projections - January 2023

### Fund Balances



Educational | O & M | Transportation | IMRF / SS | Working Cash | Tort

CUSD 200 | 5-Year Projections - January 2023



# Questions?