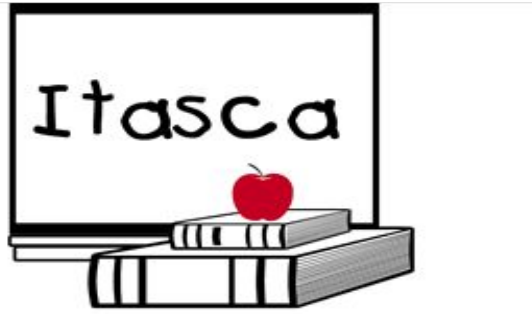


2023-2024 **Tentative** Budget
ITASCA SCHOOL DISTRICT 10



June 14, 2023

INTRODUCTION

- A. Timeline
- B. Educational Design
- C. Fiscal Year 2024 Budget
- D. Fund Balance
- E. Summary
- F. Questions
- G. Appendix

Timeline

Timeline

- I. Tentative budget presented/approved at June BOE meeting
- II. Notice published in the Daily Herald
- III. Tentative budget placed on display for at least 30 days.
- IV. Public hearing to be held prior to the regularly scheduled August board meeting
- V. Final budget adopted at the August BOE meeting

Educational Design

FY 2024 Educational Design

- All class size averages remain under class size guidelines
- Most grade levels have 5 sections, 2 grades at Peacock have 4 sections
- Pre-K will expand to 4 half-day programs
- Peacock will have two Student Support Coordinators
- All other existing programs continue

Fiscal-Year 2024 Budget

Revenue Assumptions

Property Taxes

- Single largest source of revenue to district
- Accounts for 85% of all budgeted operating revenues
- 2022 actual levy assigned to FY24

Other Local

- Investment Income – Up 173% from prior year budget
 - \$252,650 vs. \$92,650
- Personal Property Replacement Tax – Up 35% from prior budget
 - \$285,000 vs. \$185,000

State

- Evidence-based Funding (Old General State Aid) – Up by \$20k
 - \$714,826 vs. \$694,826

Revenue Assumptions

State Mandated Categorical Payments

- **Special Education Private Facility**
 - Anticipate Reimbursement of \$120,000
 - Reimbursement prorated at 70%
- **Special Education Transportation**
 - Anticipate Reimbursement of \$93,000
 - Remains prorated at 70%
- **Regular Education Transportation**
 - Small appropriation to state regular transportation funding (remains flat)

Federal Sources

- Regular grants – Up slightly from prior year
- No more stimulus money

Expenditure Assumptions

- Staffing
 - 87 Certified Staff (85.00 FTE)
 - 53 Support Staff (47.41 FTE)
 - 6 Administrators (6.0 FTE)
- Health Insurance Renewals
 - PPO - ↑ 10.4%
 - HMO - ↑ 9.5%
- Special Education Outplacement Services
 - North DuPage Special Education Cooperative (NDSEC) - \$1,335,000
 - Includes 2 contracted nurses
 - Direct Placement – \$280,000
 - 12.4% of Education Fund's budgeted direct expenditures

Expenditure Assumptions

- **Transportation**

- Regular Education Transportation - ↑ 9.0%
- Special Education Transportation - ↑ 9.0%
- \$146,000

- **Capital**

- Budgeted \$13 mm
- Finish Phase I - Benson Pre-k Addition and Kindergarten Wing Renovation, Benson and Franzen Media Centers, Peacock Science Labs
- Start Phase II

Tentative Budget 2023-2024

Summary of Estimated Revenues, Expenditures and Surplus/Deficit by Fund

OPERATING FUNDS	REVENUE	EXPENDITURES	SUR/(DEF)
Education	16,595,580	16,536,161	59,419
Operations & Maint.	1,592,092	1,454,158	137,934
Transportation	597,288	606,456	(9,168)
IMRF	389,813	358,179	31,634
Working Cash	40,000	0	40,000
Bond & Interest	2,459,807	2,451,562	8,245
TOTAL	20,674,580	21,406,516	268,064

CAPITAL FUNDS	REVENUE	EXPENDITURES	SUR/(DEF)
Capital Projects	7,791,000	13,000,000	(5,209,000)
TOTAL	7,791,000	13,000,000	(5,209,000)

GRAND TOTAL	29,465,580	34,406,516	(4,940,936)
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Tentative Budget 2023-2024

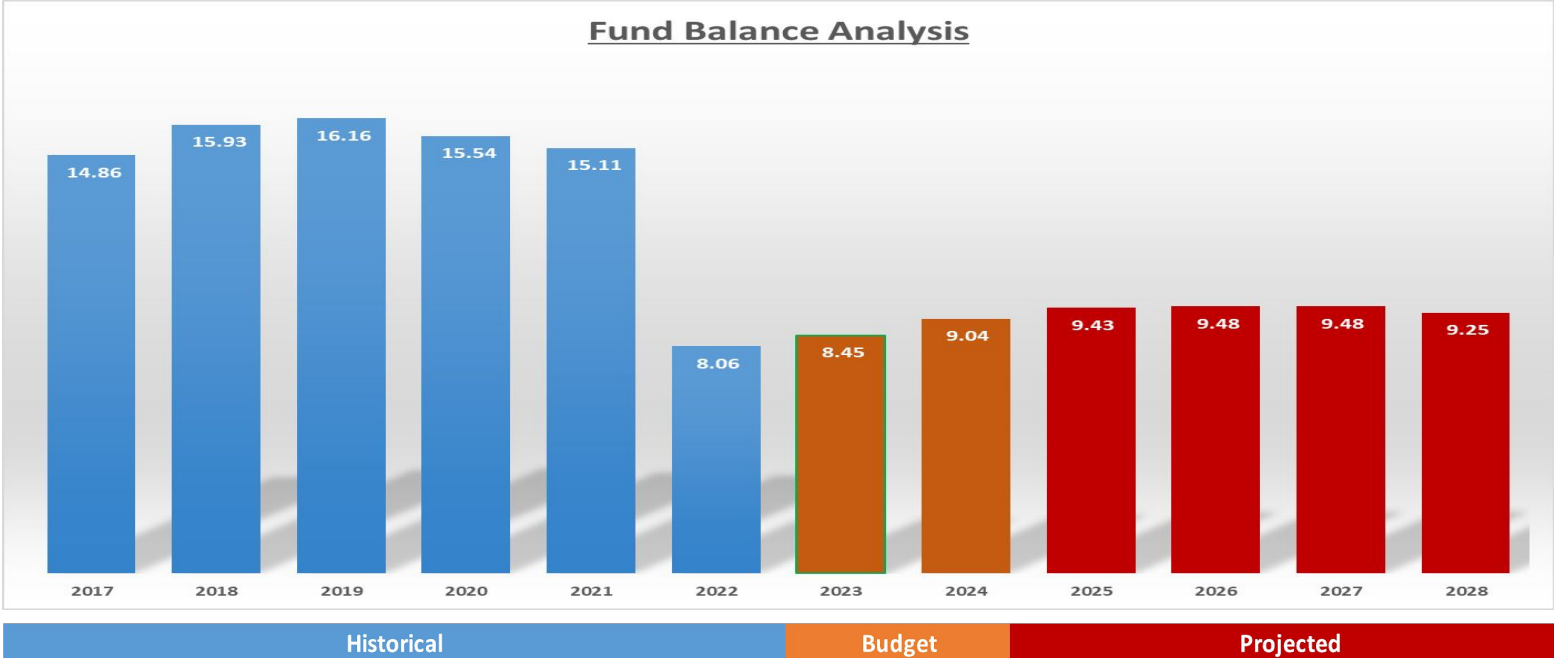
Total Budgeted Position with Projected Fund Balance

	JULY 1, 2023 BALANCE*	PROJECTED REVENUES	PROJECTED EXPENDITURES	JUNE 30, 2024 BALANCE	SURPLUS/ DEFICIT	PCT% INC/(DEC)
OPERATING FUNDS						
EDUCATION	\$10,498,496	\$16,595,580	\$16,536,161	\$10,557,915	\$59,419	0.57%
OPERATIONS & MAINTENANCE	2,097,988	\$1,592,092	\$1,454,158	\$2,235,922	\$137,934	6.57%
TRANSPORTATION	568,646	\$597,288	\$606,456	\$559,478	(\$9,168)	(1.61%)
IL. MUNICIPAL RETIREMENT/FICA	275,917	\$389,813	\$358,179	\$307,551	\$31,634	11.47%
WORKING CASH	2,394,119	\$40,000	\$0	\$2,434,119	\$40,000	1.67%
BOND & INTEREST	1,021,119	\$2,459,807	\$2,451,562	\$1,029,364	\$8,245	0.81%
TOTAL OPERATING FUNDS	\$16,856,285	\$21,674,580	\$21,406,516	\$17,124,349	\$268,064	1.59%
CAPITAL FUNDS						
CAPITAL PROJECTS	15,123,838	\$7,791,000	\$13,000,000	\$9,914,838	(\$5,209,000)	(34.44%)
TOTAL CAPITAL FUNDS	\$15,123,838	\$7,791,000	\$13,000,000	\$9,914,838	(\$5,209,000)	(34.44%)
GRAND TOTAL:	\$31,980,123	\$29,465,580	\$34,406,516	\$27,039,187	(\$4,940,936)	(15.45%)

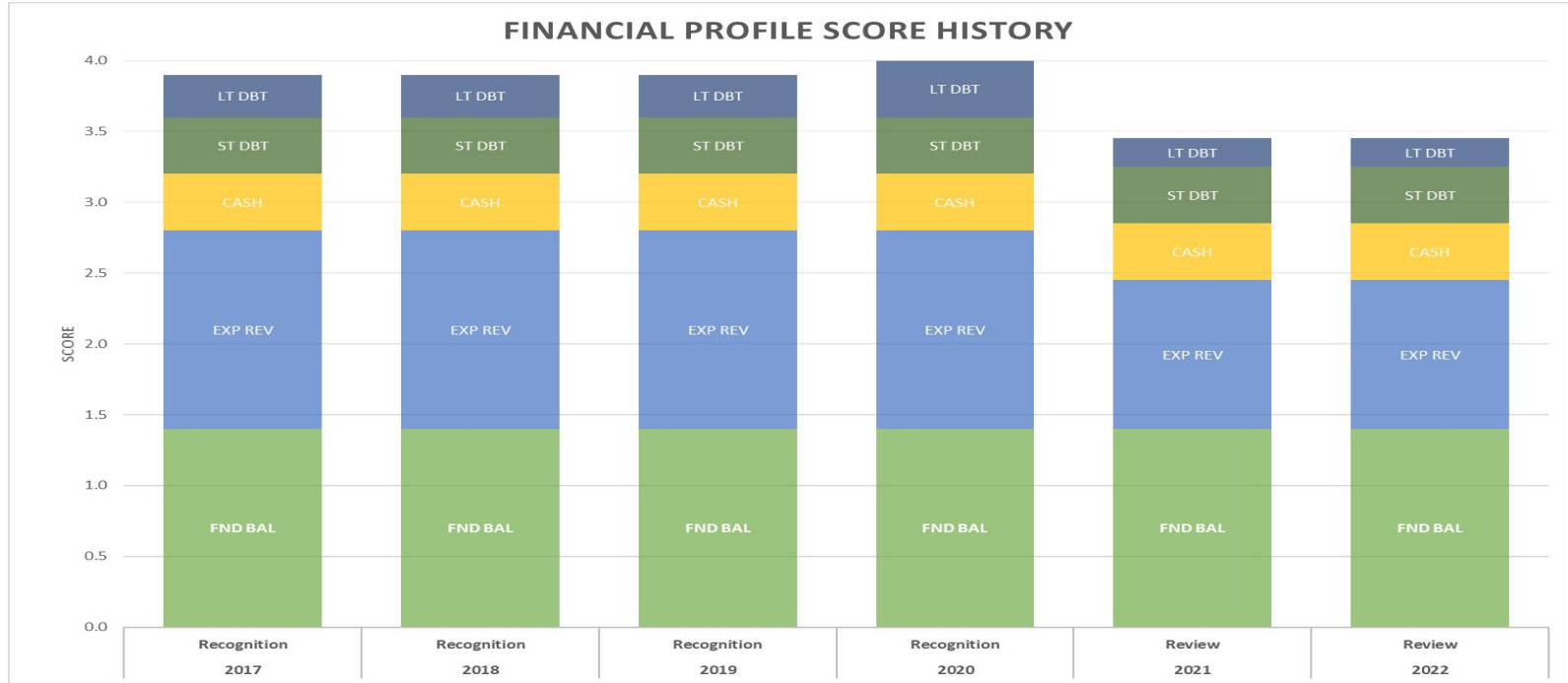
Fund Balance is shown is preliminary, unaudited and on a cash-basis

Fund Balance and Financial Standing

Fund Balance Analysis



School District Financial Profile Score



Summary

Deficit Explained

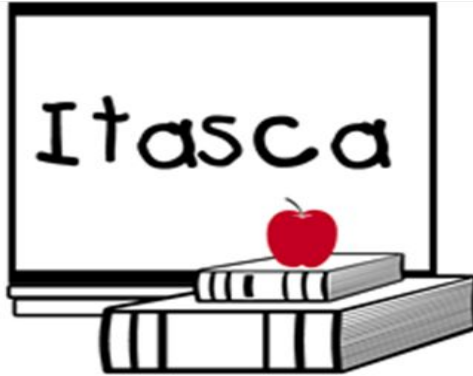
Total Reported Deficit is \$4,940,936

1. Operating funds are balanced
 - Surplus of \$268,064
 - This is what is meant by a balanced budget
2. Capital Expenditures
 - Estimate a “deficit” -\$5,209,000
 - Budget records proceeds of \$7.78 million from anticipated sale of remaining referendum bonds.
 - Budget also estimates \$13 million in expenses from work being done over summer 2023 and in summer 2024
 - Does not count towards deficit

ITASCA SCHOOL DISTRICT 10

2023-2024 *Tentative* Budget

Questions or Comments



Appendix

Appendix A – Board Philosophy

Board Policy 4:20 – Fund Balances and Working Cash Policy

Fund Balance:

The School District seeks to maintain an estimated unassigned ending fund balance of no less than 30% of annual budgeted expenditures in both the **Educational** and **Operations and Maintenance** Funds.

Working Cash:

In order to ensure the District's ability to respond to unpredictable events, and to preserve a strong financial rating, the District will maintain a balance of at least **\$2 million** in the working cash fund.

Guiding Principles and Budgetary Beliefs

Proceed:

1. Annually, pass a balanced **operating** budget.
- ~~2. Early property taxes are **assigned** for the next fiscal year are not considered for use as fund balance. (No longer needed since switch to accrual accounting.)~~
3. Unassigned fund balances cannot go below 30% of prior year's expenditures.
4. Working Cash is an emergency fund and cannot go below \$2 million for one-time, non-recurring purposes.

Guiding Principles and Budgetary Beliefs

Evaluate:

5. Early warning triggers at thresholds of **35%** of fund balance are signals to evaluate #1 – 3.
6. Early warning triggers below a floor of **\$2.2 million** in working cash are signals to evaluate #1 – 3.

Appendix B – Property Taxes

Property Tax Cap

- Property tax increases are limited to lesser of Consumer Price Index or 5.0%.
- CPI for TY 2022 (used to fund FY 2024) is 5.0% vs. actual CPI of 7.0%
- Caveat to tax cap is new construction

2022 Property Tax

FUND	RATE	EXTENSION
Education	1.6785%	10,695,196
Special Education	0.0215%	<u>136,995</u>
		10,832,192
Operations & Maintenance	0.2498%	1,591,695
Bond & Interest	0.3829%	2,439,792
Transportation	0.0757%	482,351
IMRF	0.0292%	186,059
Social Security	0.0302%	<u>192,431</u>
		378,490
TOTAL	2.4918%	15,877,444

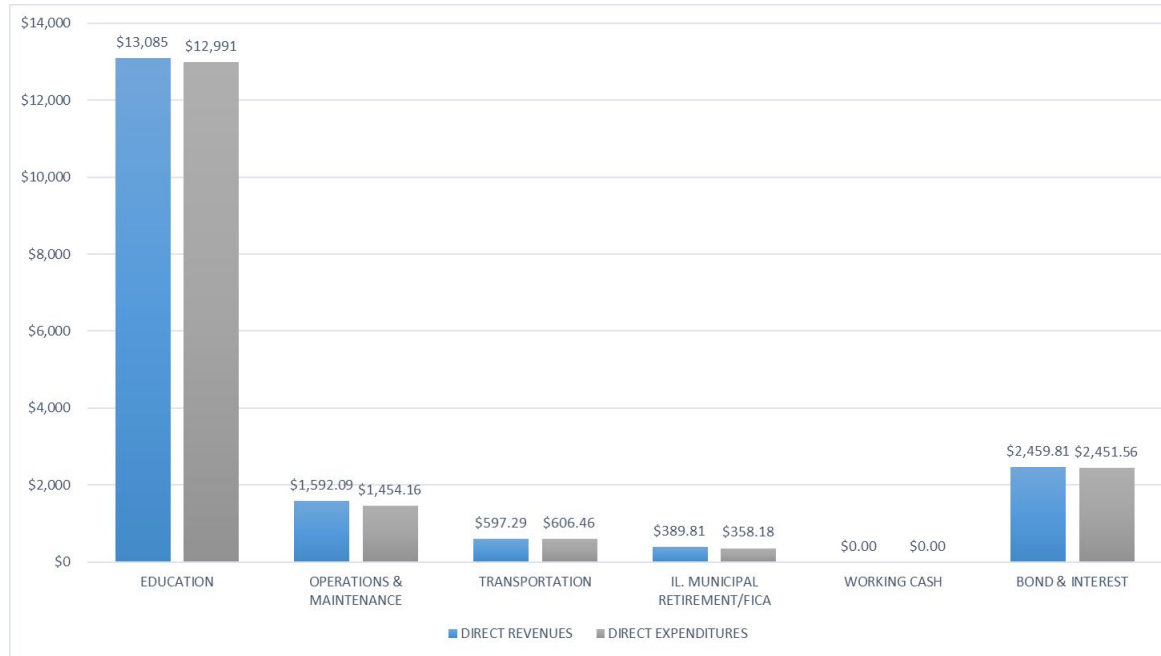
*Extensions are based off of Equalized Assessed Valuations (EAV) from corporate and residential property within the District's boundaries

Historical Property Tax Data

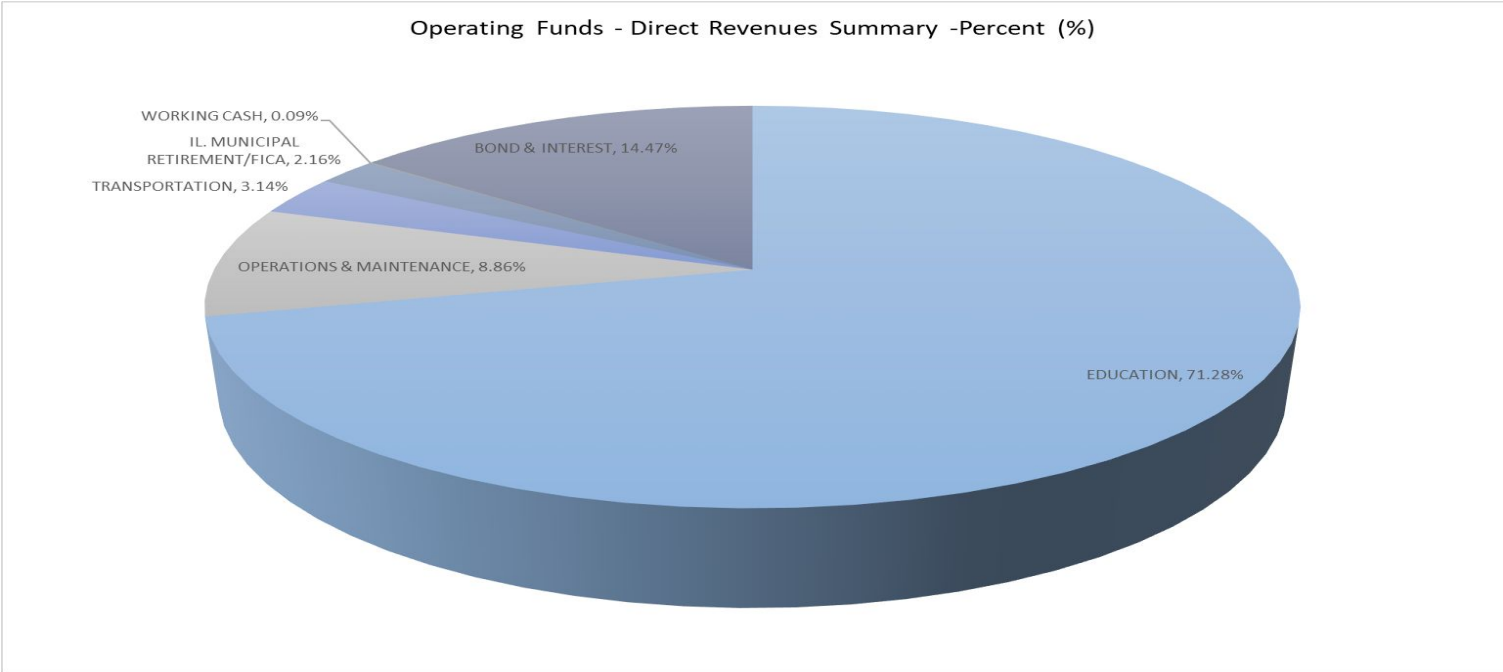
FUND	TY2018	TY2019	TY2020	TY2021	TY2022
Education	9,295,650	9,492,441	9,898,668	10,196,595	10,695,196
Special Education	119,000	121,942	125,226	129,846	136,995
	9,414,650	9,614,383	10,023,893	10,326,441	10,832,192
Operations & Maintenance	1,405,074	1,435,333	1,476,959	1,522,017	1,591,695
Bond & Interest	832,454	846,321	744,916	2,445,027	2,439,792
Transportation	405,583	413,931	438,289	441,599	482,351
IMRF	142,473	145,435	67,879	176,395	186,059
Social Security	179,046	182,913	132,833	182,520	192,431
	321,518	328,348	200,712	358,915	378,490
TOTAL	12,379,280	12,638,316	12,884,770	15,093,999	15,877,444

Appendix C – Budget Graphs

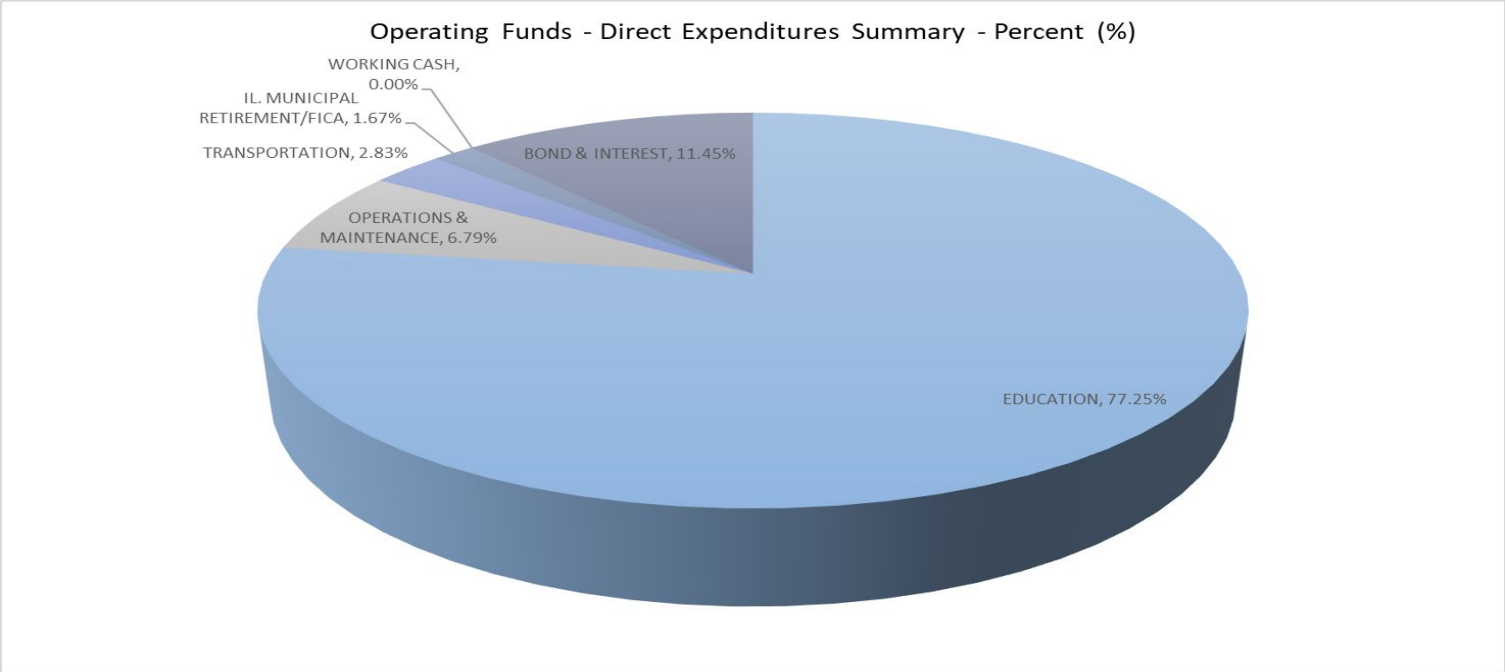
Comparison of Direct Operating Funds Revenues & Expenditures



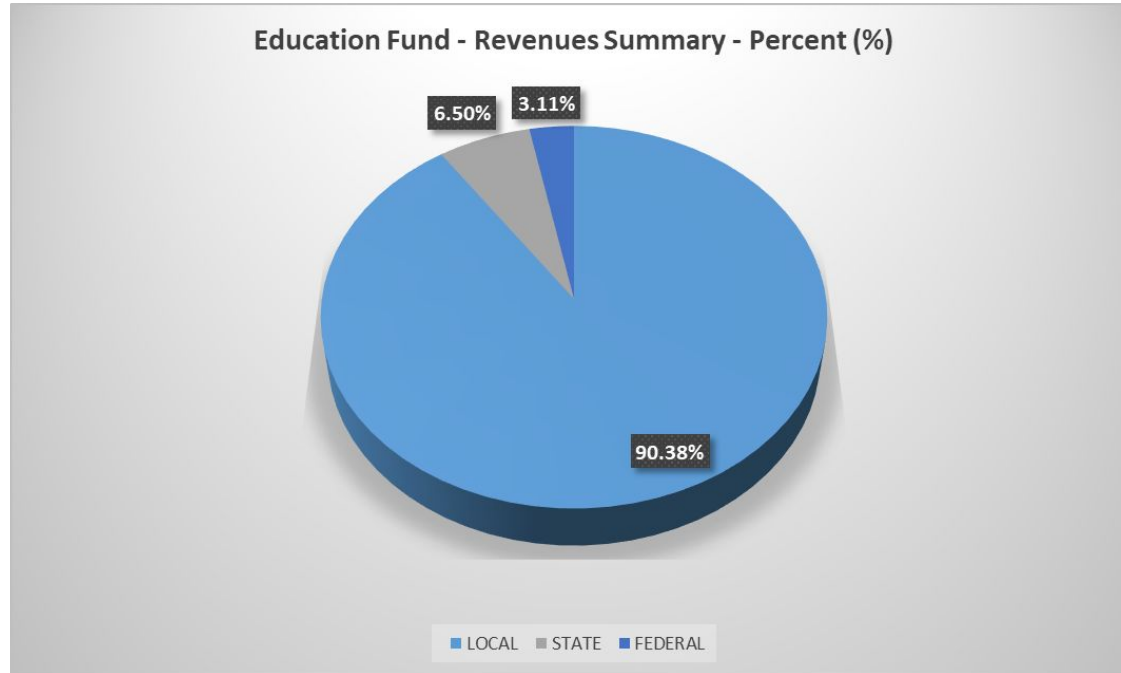
Estimated Direct Operating Revenues – Percent (%)



Estimated Direct Operating Expenditures – Percent (%)



Est. Direct Revenues for Education Fund – Percent (%)



Estimated Direct Expenditures for Education Fund – Percent (%)

