

2022-2023 Legal Budget Overview



Dr. Lori Motsch, Superintendent

Robert Groos, Chief School Business Official

Presented September 20, 2022

New Lenox School District 122 Financial Strategy & Philosophy

- 1) Keep the annual operating budget balanced each school year.**
- 2) Continue to accumulate and maintain sufficient cash reserves.**
- 3) Structure programs and services accordingly in order to generate an operating surplus each year.**
- 4) Use annual operating surpluses to pay off capital projects and avoid the need for additional debt.**
- 5) Continue to pay down existing debt until fully paid off in 2032.**

New Lenox School District 122

Financial Highlights

NLSD122's financial condition remains strong

- 8 consecutive years of balanced budgets
- 5-Year financial plan in place forecasting balanced budgets each year
- Continuing to accumulate and invest cash reserves
- No additional debt issued since 2013 and no more debt planned for at least the next 5 years

Bond Restructuring Initiative

- Multi-year project to refinance and reduce past referendum debt
- Successful completion of the refinance project in April 2022 saving taxpayers over \$13M
- Bond payments will now remain stable and will be paid off by the 2032 tax year

Awards and Rankings

- Awarded the Certificate of Excellence in Financial Reporting for 2020-2021
- S&P Global upgraded NLSD122's bond rating to AA for strong finances and financial management
- NLSD122 remains on ISBE's Financial Recognition list demonstrating stable finances
- Consistently high ratings, scores and excellent reviews on annual audits and inspections
- NLSD122 spends 11% less than the state average cost per student

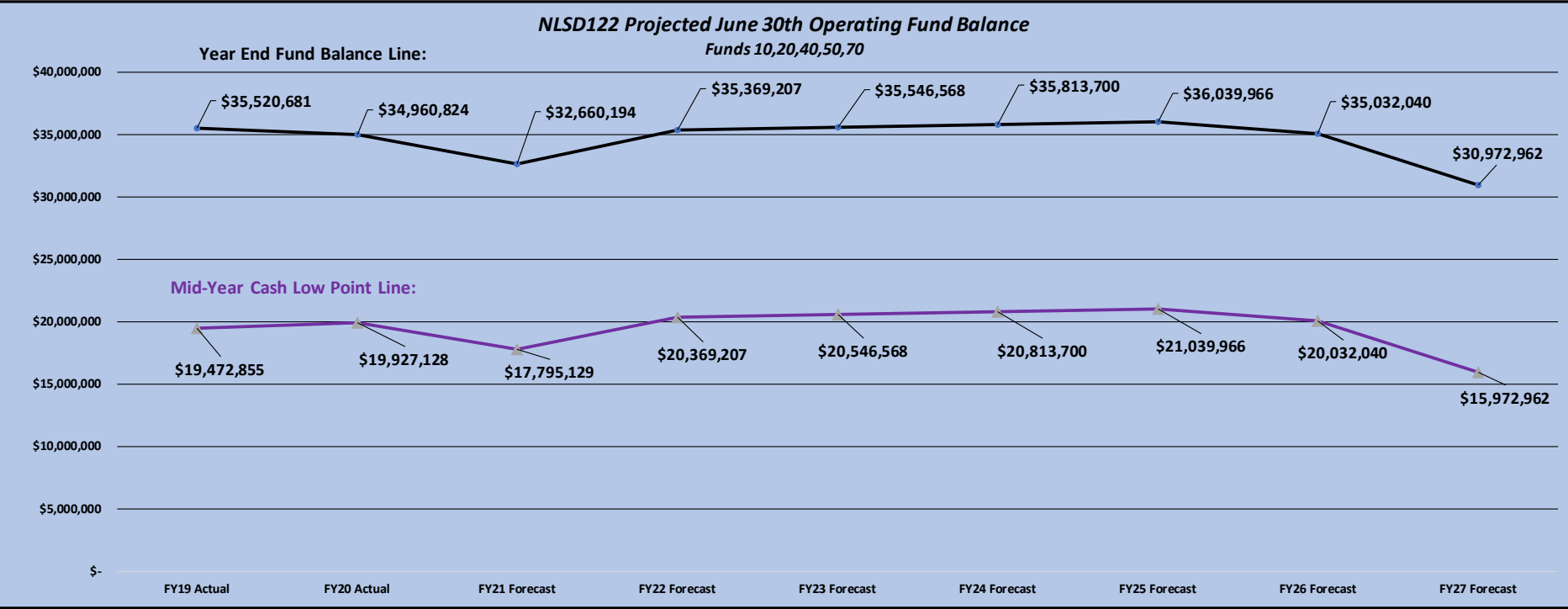
School Buildings and Facilities

- The NLSD122 Board of Education has continued to invest in the schools and facilities
- The District has a long-term facilities plan to keep our schools safe, clean, and modern
- Critical maintenance and repairs are routinely addressed
- Older schools are updated with new roofs, HVAC, floors, lighting, etc.
- Capital projects have been funded using existing cash reserves instead of new debt

Find out More

- Please visit our Business Office webpage for more information (nlsd122.org)

NEW LENOX SCHOOL DISTRICT 122 **2022-2023 LEGAL BUDGET**



| | FY19 Actual | FY20 Actual | FY21 Forecast | FY22 Forecast | FY23 Forecast | FY24 Forecast | FY25 Forecast | FY26 Forecast | FY27 Forecast |
|----------------------------------|-------------|-------------|---------------|---------------|---------------|---------------|---------------|---------------|---------------|
| NLSD122 Fund Balance | 35,520,681 | 34,960,824 | 32,660,194 | 35,369,207 | 35,546,568 | 35,813,700 | 36,039,966 | 35,032,040 | 30,972,962 |
| NLSD122 Estimated Low Cash Point | 19,472,855 | 19,927,128 | 17,795,129 | 20,369,207 | 20,546,568 | 20,813,700 | 21,039,966 | 20,032,040 | 15,972,962 |
| NLSD122 Fund Balance % | 70% | 66% | 59% | 60% | 59% | 57% | 55% | 52% | 44% |

NEW LENOX SCHOOL DISTRICT 122
2022-2023 LEGAL BUDGET

| | | 6/30/2022 | FY23 | FY23 | FY23 | FY23 | FY23 | 6/30/2023* |
|--|---------------------------------|-------------------|---------------|---------------|----------------|--------------|----------------|---------------------|
| FY23 Legal Budget | | Beginning Balance | Revenue | Expense | Net | Transfers In | Transfers Out | Ending Fund Balance |
| 10 | Education Fund | \$ 22,331,863 | \$ 53,265,157 | \$ 50,263,386 | \$ 3,001,771 | | \$ (2,700,000) | \$ 22,633,634 |
| 20 | Operations and Maintenance Fund | \$ 4,054,030 | \$ 5,418,733 | \$ 4,763,496 | \$ 655,237 | | | \$ 4,709,267 |
| 30 | Debt Service Fund | \$ 7,308,490 | \$ 12,621,780 | \$ 12,482,205 | \$ 139,575 | | | \$ 7,448,065 |
| 40 | Transportation Fund | \$ 5,905,349 | \$ 3,208,590 | \$ 4,075,709 | \$ (867,119) | | | \$ 5,038,230 |
| 50 | IMRF / FICA / SS Fund | \$ 842,053 | \$ 1,574,220 | \$ 1,496,337 | \$ 77,883 | | | \$ 919,936 |
| 60 | Capital Projects Fund | \$ 1,044,037 | \$ 254,000 | \$ 2,939,831 | \$ (2,685,831) | \$ 2,700,000 | | \$ 1,058,206 |
| 70 | Working Cash Fund | \$ 2,235,913 | \$ 9,589 | \$ - | \$ 9,589 | | | \$ 2,245,502 |
| 80 | Tort Fund | \$ 25,858 | \$ 1,589 | \$ - | \$ 1,589 | | | \$ 27,447 |
| 90 | Life Safety Fund | \$ 111,372 | \$ - | \$ - | \$ - | | | \$ 111,372 |
| O | Operating Funds Total | \$ 35,369,207 | \$ 63,476,289 | \$ 60,598,928 | \$ 2,877,361 | \$ - | \$ (2,700,000) | \$ 35,546,568 |
| Operating Fund Balance Ratio | | 58% | (0) | | | | | 59% |
| *Excludes approximate \$250K student activity account balances | | | | | | | | |
| S | Special Funds Total | \$ 8,489,758 | \$ 12,877,369 | \$ 15,422,036 | \$ (2,544,667) | \$ 2,700,000 | \$ - | \$ 8,645,091 |
| T | Sum of All Funds | \$ 43,858,965 | \$ 76,353,658 | \$ 76,020,964 | \$ 332,694 | \$ 2,700,000 | \$ (2,700,000) | \$ 44,191,659 |

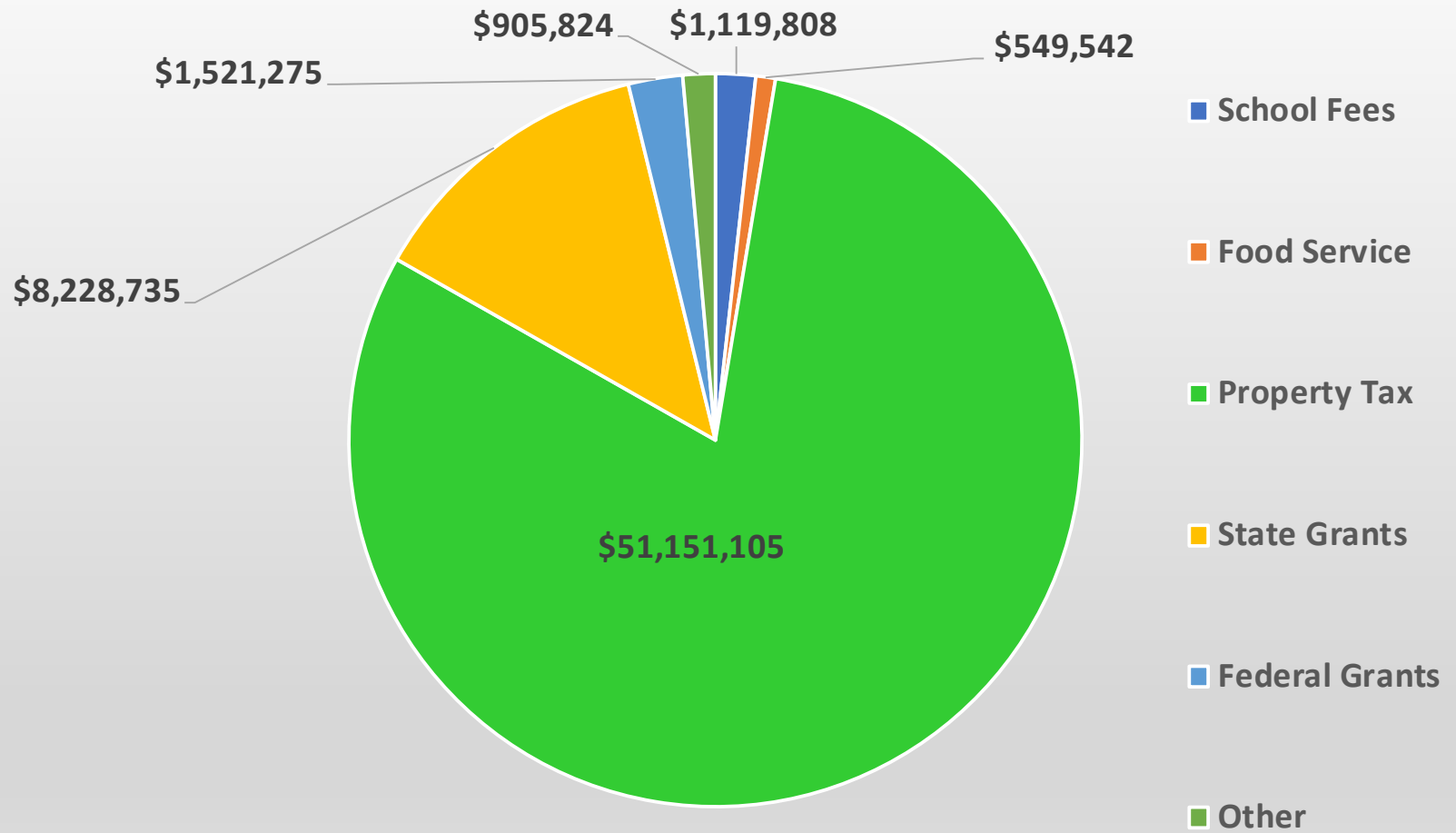
NEW LENOX SCHOOL DISTRICT 122

2021-2022 PRELIMINARY ACTUAL VS BUDGET

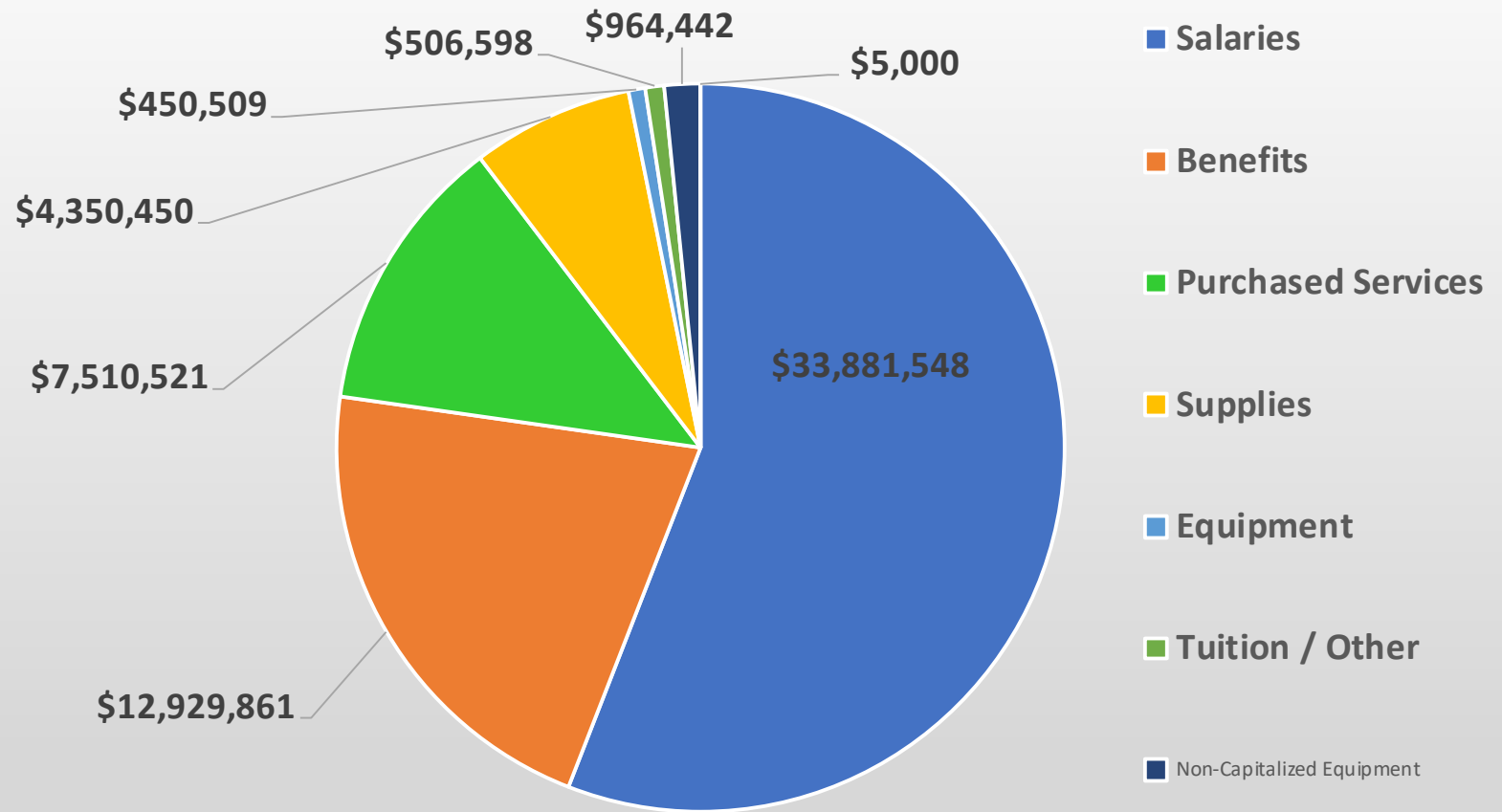
| | 6/30/2021 | FY22 | FY22 | FY22 | FY22 | FY22 | 6/30/2022* |
|------------------------------------|-------------------|---------------|---------------|----------------|--------------|----------------|---------------------|
| FY22 Actual* | Beginning Balance | Revenue | Expense | Net | Transfers In | Transfers Out | Ending Fund Balance |
| 10 Education Fund | \$ 19,984,194 | \$ 53,661,353 | \$ 49,191,923 | \$ 4,469,429 | | \$ (2,121,761) | \$ 22,331,863 |
| 20 Operations and Maintenance Fund | \$ 3,194,315 | \$ 5,187,059 | \$ 4,327,344 | \$ 859,715 | | | \$ 4,054,030 |
| 30 Debt Service Fund | \$ 6,106,947 | \$ 12,219,784 | \$ 11,115,001 | \$ 1,104,783 | \$ 96,761 | | \$ 7,308,490 |
| 40 Transportation Fund | \$ 6,393,324 | \$ 3,570,637 | \$ 4,058,612 | \$ (487,975) | | | \$ 5,905,349 |
| 50 IMRF / FICA / SS Fund | \$ 856,507 | \$ 1,494,516 | \$ 1,508,970 | \$ (14,454) | | | \$ 842,053 |
| 60 Capital Projects Fund | \$ 1,316,378 | \$ 272,015 | \$ 2,569,356 | \$ (2,297,341) | \$ 2,025,000 | | \$ 1,044,037 |
| 70 Working Cash Fund | \$ 2,231,854 | \$ 4,059 | \$ - | \$ 4,059 | | | \$ 2,235,913 |
| 80 Tort Fund | \$ 23,635 | \$ 2,223 | \$ - | \$ 2,223 | | | \$ 25,858 |
| 90 Life Safety Fund | \$ 111,226 | \$ 146 | \$ - | \$ 146 | | | \$ 111,372 |
| O Operating Funds Total | \$ 32,660,194 | \$ 63,917,623 | \$ 59,086,849 | \$ 4,830,774 | \$ - | \$ (2,121,761) | \$ 35,369,207 |
| Operating Fund Balance Ratio | 55% | - | 0 | 1 | | | 60% |
| S Special Funds Total | \$ 7,558,186 | \$ 12,494,168 | \$ 13,684,357 | \$ (1,190,189) | \$ 2,121,761 | \$ - | \$ 8,489,758 |
| T Sum of All Funds | \$ 40,218,380 | \$ 76,411,791 | \$ 72,771,206 | \$ 3,640,585 | \$ 2,121,761 | \$ (2,121,761) | \$ 43,858,965 |

*Final cash ledger results with estimated 6/30/22 accrual adjustments. Final accrual audit results available in October 2022.

NLSD122 FY23 Budget Revenue



NLSD122 FY23 Budget Expense



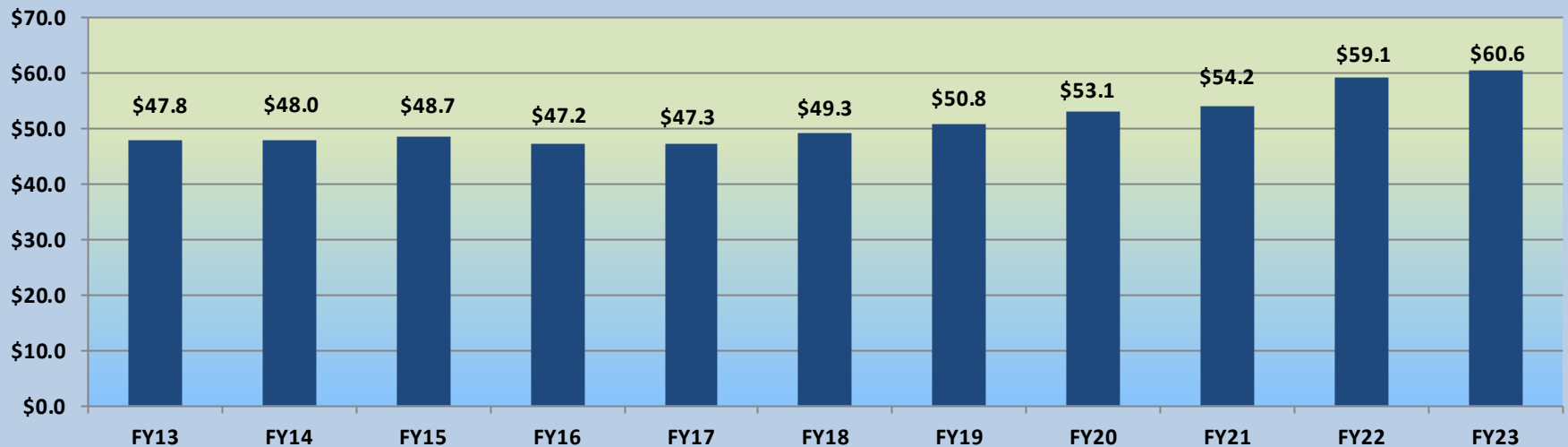
NLSD122 KEY FINANCIAL PLANNING DATES

| | |
|-----------|--|
| January | Review 5 Year Forecast (Discuss changes desired for June and next January) Financial Plan Capital Plan Debt Plan Technology Plan Enrollment Forecasts |
| May | Approve next Summer's Capital Project Planning (13 months ahead of construction) |
| June | Review 5 Year Forecast (Discuss changes desired for next June and January) Financial Plan Capital Plan Debt Plan Technology Plan Enrollment Forecasts |
| June | Review Tentative Budget (Same as 5 Year Forecast) |
| September | Approve the Legal Budget (Same as Tentative Budget w/ some updates as needed) |
| October | Review Tentative Property Tax Levy (discuss changes desired for next year's levy) |
| November | Review prior year audit results and final financial reports (Actual vs Budgets) |
| November | Approve final Tax Levy (discuss changes desired for next year's levy) |
| January | Process repeats |

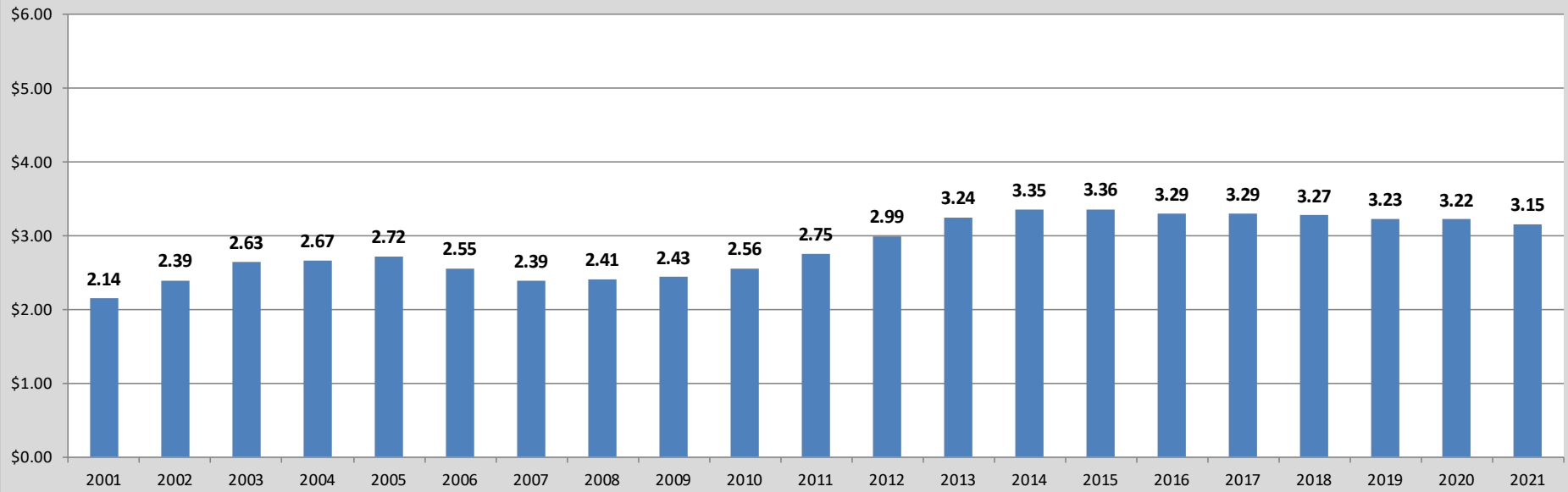
Expenditure History

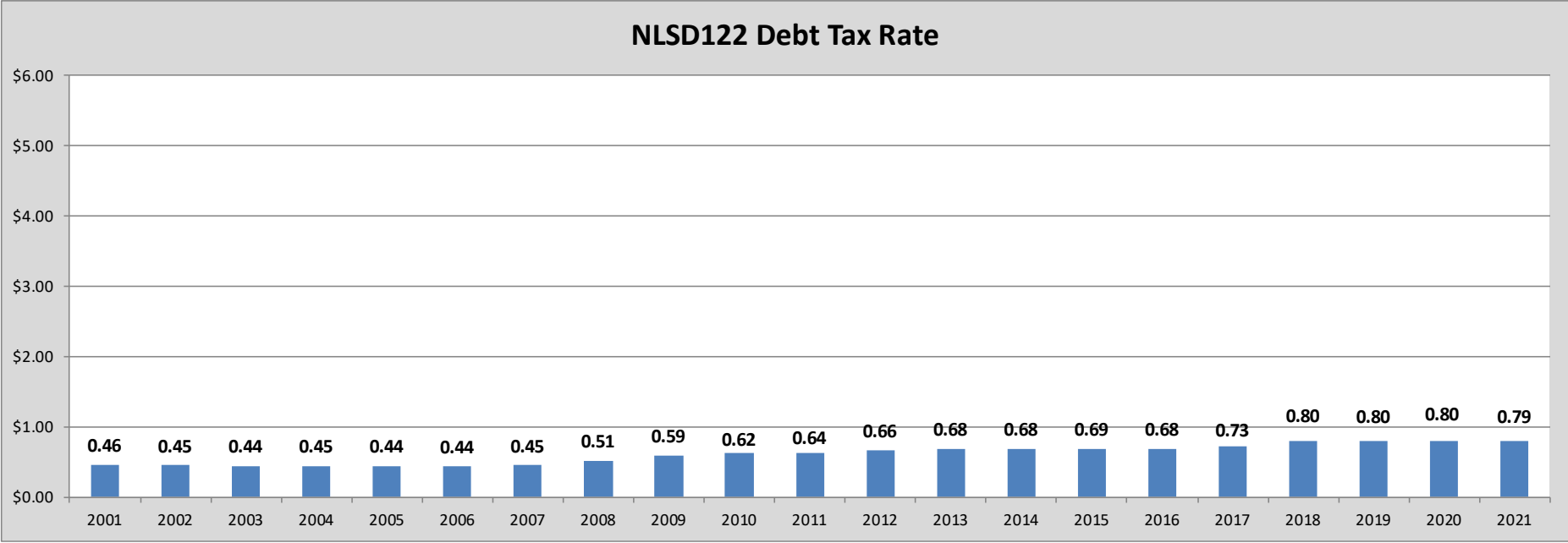
| Fiscal Year | FY13 | FY14 | FY15 | FY16 | FY17 | FY18 | FY19 | FY20 | FY21 | FY22 | FY23 |
|-------------------------------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|---------|
| Annual Operating Expenditures | \$ 47.8 | \$ 48.0 | \$ 48.7 | \$ 47.2 | \$ 47.3 | \$ 49.3 | \$ 50.8 | \$ 53.1 | \$ 54.2 | \$ 59.1 | \$ 60.6 |
| Percentage Change | | 0.4% | 1.5% | -3.1% | 0.2% | 4.3% | 3.0% | 4.5% | 2.1% | 9.0% | 2.5% |
| Average Over 10 Years | | | | | | | | | | | 1.62% |

NLSD 122 Annual Operating Expenditures (Stated in Millions of \$'s)

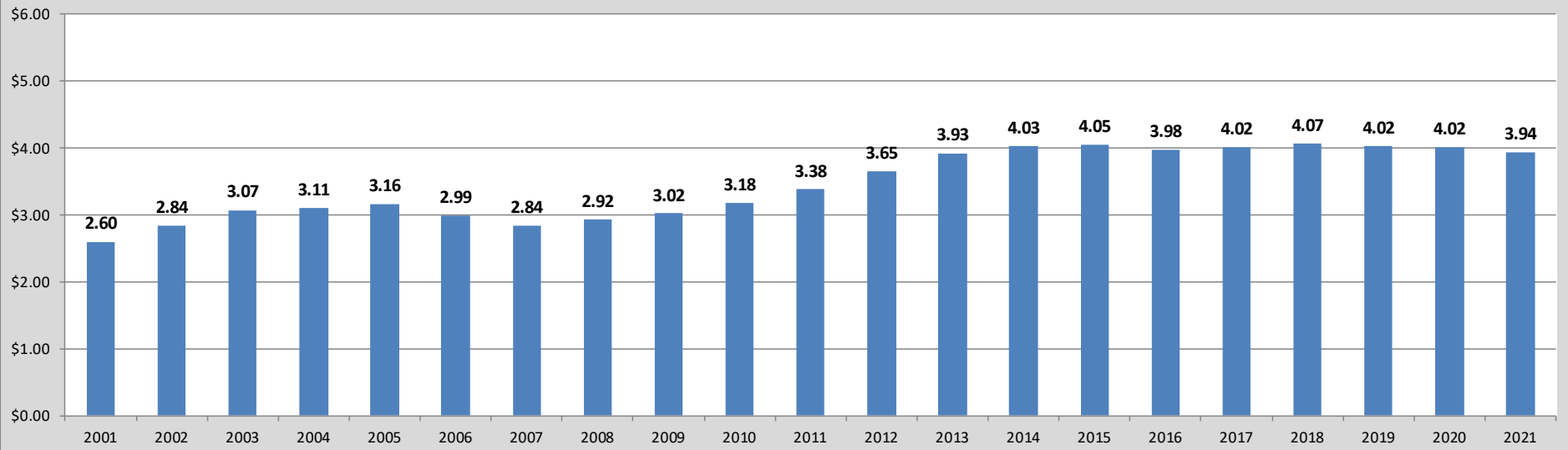


NLSD122 Operating Tax Rate





NLSD122 Total Tax Rate



Questions?

☐ Please contact us anytime:

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