Notes to the 2022-23 Budget:

General Fund

The following notes refer to specific lines in the proposed budget on the opposite page. Board Treasurer, Paul Smit, will be presenting this budget for approval at the association meeting on Monday, April 25, 2022.

**EXPENSES:**

**Payroll and Benefits:**  Salaries and benefits comprise 82% of the budget. This budget includes a 7% increase in all salaries.  This was based on a recommendation of the Salary Study Committee.  It is based on the current 6.8% inflation rate as well as an attempt to make up for losses over a number of years in salaries against the cost-of-living.

Starting with the 2019-20 school year, the CSI pension plan was frozen, ending contributions into the plan. However, all schools in the plan have an ongoing liability for a portion of the pension benefits already earned by current and former employees. For 2022-23, Illiana’s share of that liability is $337,924. To provide for the future retirement needs of its employees, Illiana maintains a 401(k) plan. For the 2022-23 school year, Illiana will provide a matching contribution for all eligible employees of up to 5% of their salaries to help fund their 401(k) accounts. This is the same contribution level as last year.

We are budgeting $612,000 for medical insurance for the coming year which includes a projected 8% increase on medical expenses in 2022-23. This year we were initially faced with a 19% increase to our medical rates. We brought that increase down a few points by making some small changes to the plans. Employees contribute 15% of the cost of their individual coverage and 25% of the cost for dependent coverage. We will continue to offer PPO, HMO, and HSA plans next year to help reduce costs and give employees more options.

**Operating Expenses:**    Operating Expenses comprise 18% of the general fund budget. The majority of these line items have been adjusted to keep in line with historical averages and current year projections.

Fees & Dues: This line item was increased by $8,000 to reflect current year actual costs.

Building and Liability Insurance:   This line item was decreased by $5,000 to reflect actual costs.

Instructional Supplies/Media Center: This line item was increased by $4,000 to reflect actual costs.

Busing: This line item was increased by $2,000 to reflect actual costs.

Graduation: This line item was decreased by $1,000 to reflect actual costs.

Hospitality: This line item was increased by $1,000 to reflect actual costs.

Debt Service: Starting in March 2021, $5 million of the construction loan on the new campus was converted to a conventional mortgage requiring principal and interest payments with a 4% interest rate. At the end of 2021 we did a dollar for dollar match campaign up to $625,000. In total, we raised $1.376 million during the campaign. At this time, $3.457 million is left to be paid off on the mortgage loan. For the 2022-23 school year, the principal and interest payment is estimated to be $365,368. Any remaining debt from the new campus is being paid down by campaign pledges still coming in.

**RECEIPTS**:

Enrollment: We are projecting an enrollment of 463 students for the 2022-23 school year which is an increase of 51 students from the 2021-22 budget and a decrease of 13 students from those currently enrolled at Illiana. This enrollment projection is derived from historical data and trends from the past four years (and not just on the dramatic increase this year.)

Tuition:  The Board recommends a tuition increase of 3.00%, setting tuition at $11,275. This is the lowest tuition increase since 2014-15. A discount of $650 will be available to members of supporting churches. All families will be offered an Illiana Foundation Tuition Grant but the amount has not yet been determined. Although we currently estimate that half of our families will qualify for vouchers next year, we did not consider this dramatic increase in voucher funds in setting this recommended tuition.

Bus Fees: This line item was increased by $3,000 to reflect current actual ridership.

Church Offerings:  Each of our supporting churches has committed to supporting the school financially. For the 2022-23 year, we are asking churches to, again, contribute $650 per student. We are budgeting $170,000 for church offerings, which is an increase of $1,000 from the current year. Illiana has always been very grateful for this generous support and is looking forward to a continued partnership with these churches.

Illiana Fund:  We are budgeting $300,000 for the Illiana Fund, which is an increase of $15,000 over the current school year. We are close to reaching the goal for the Illiana Fund for the 2021-22 school year and look forward to building on that success for the future.

Facility Rental: This line item will be increased by $22,000 to reflect current receipts from churches worshiping at Illiana on Sundays and other miscellaneous rentals.

Due from Other Funds: This line item covers the cost of our Academic Support Teachers, whose salaries are funded through the Academic Support Fund. This line item also covers 40% of our Development Director’s salary that is funded by the Foundation. These positions were previously funded outside the budget.

Reserve Fund: Any deficit we incur in 2022-23 will be funded through monies retained due to the Paycheck Protection Plan loan received in 2020-21 and used in the place of payroll and other operational costs. This will cover most of the cost of debt service in 2022-23, thereby keeping the debt service out of the cost of tuition.