



PUTNAM COUNTY COMMUNITY UNIT SCHOOL DISTRICT #535

Recommendation for the Board of Education

Meeting: February 18th, 2025

Item: FY24 Audit

Recommendation: I recommend the Board of Education approve the audit as developed by Gorenz & Associates, Ltd. Please see the following for more information:

Purpose

The purpose of the annual audit is to ensure the District is in compliance with all financial State and federal rules and laws. The provisions for accounting align with the Illinois State Board of Education and not the general accounting principles of the United States. The documents presented in the audit are lengthy, so the following information is provided as a summary of findings.

District Financial Score

The “School District Financial Profile” details the financial status of a school district according to metrics established by the Illinois State Board of Education. PC #535 received a “Recognition” status with a perfect 4.0 score for the FY24 year. Unless requested by the District, ISBE will do no further review of financial matters for this particular year. (See Page 4 for details [pdf page 6])

Limitation of Administrative Costs

Per Illinois School Code, there is a limit on the growth of administrative expenditures from one year to the next. Per this statute, the change cannot exceed 5% in one year. The statute specifically identifies the functions and codes that must be monitored to evaluate these costs. PC #535 had a decrease for FY24 from FY23, meaning the District met this requirement. (See Page 43 for details [pdf page 47])

End of Year Balances

The end of the year balances indicates the amount of money on hand at the end of the fiscal year, which sets the beginning balances for the next fiscal year. These balances are calculated from the Education, Operations and Maintenance, Transportation, and Working Cash Funds. The fund balances at the end of FY24 were \$24,418,713. (see page 3 [pdf page 5])

Per Capita Tuition Charge

The Per Capita Tuition Charge (PCTC) is the amount of money a District would charge for any student who requests to enroll in the District but does not have residency in it. The estimated PCTC is \$14,174.34, which is \$565.28 greater than FY23. The final figure will be confirmed once the reports are approved by ISBE. (See page 39 [pdf page 42])

Operating Expenditure Per Pupil

The Operating Expenditure Per Pupil (OEPP) is the overall cost to educate a student. The difference from the PCTC is that it takes into consideration any revenues from State or federal sources. The OEPP for FY22 was \$18,121.51, which is \$2,354.73 greater than FY23. (See pages 38 [pdf pages 41])

Significant Findings

There was one finding regarding monthly reconciliations. We knew this finding would be noted because bank totals were not matching what was recorded in the financial software for a few months - there was more money in the banks than was documented in the software. Through the audit process, they found that some CD revenues were not documented, so the reconciliations have already been addressed. There is a monthly reconciliation process to address this finding in the future.